



**SPMUD BOARD OF DIRECTORS
REGULAR MEETING: 4:30 PM
August 1, 2024**

SPMUD Boardroom
5807 Springview Drive, Rocklin, CA 95677

Zoom Meeting: 1 (669) 900-9128
Meeting ID: 882 7964 9201

The District's regular Board meeting is held on the first Thursday of every month. This notice and agenda are posted on the District's website (www.spmud.ca.gov) and the District's outdoor bulletin board at 5807 Springview Drive Rocklin, CA. Meeting facilities are accessible to persons with disabilities. Requests for other considerations should be made at (916) 786-8555.

The August 1, 2024 meeting of the SPMUD Board of Directors will be held in the District Board Room at 5807 Springview Drive in Rocklin, CA 95677 with the option for the public to join via teleconference using Zoom Meeting 1 (669) 900-9128, <https://us02web.zoom.us/j/88279649201>. Public comments can be made in person at the time of the meeting or emailed to ecostan@spmud.ca.gov from the time the agenda is posted until the matter is heard at the meeting. Comments should be kept to 250 words or less.

AGENDA

I. CALL MEETING TO ORDER

II. ROLL CALL OF DIRECTORS

Director Gerald Mitchell	Ward 1
Director William Dickinson	Ward 2
Vice President Christy Jewell	Ward 3
President James Durfee	Ward 4
Director James Williams	Ward 5

III. PLEDGE OF ALLEGIANCE

IV. PUBLIC COMMENTS

Items not on the Agenda may be presented to the Board at this time; however, the Board can take no action. Public comments can be made in person at the time of the meeting or emailed to ecostan@spmud.ca.gov from the time the agenda is posted until the matter is heard at the meeting. Comments should be kept to 250 words or less.

V. CONSENT ITEMS

[pg 4 to 78]

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: (Roll Call Vote)

Motion to approve the consent items for the August 1, 2024 meeting.

1. MINUTES from the June 27, 2024, Regular Meeting. [pg 4 to 8]
2. ACCOUNTS PAYABLE in the amount of \$1,546,424 through July 22, 2024. [pg 9 to 14]
3. QUARTERLY INVESTMENT REPORT in the total amount of \$78,569,070 [pg 15 to 17]
through June 30, 2024.
4. BILL OF SALE Acceptance of the Bill of Sale for Sewer Improvements for [pg 18 to 21]
Whitney Ranch Unit #1 with an estimated value of \$806,336.
5. ACTUARIAL VALUATION FOR DETERMINATION OF OTHER POST- [pg 22 to 59]
EMPLOYMENT BENEFIT (OPEB) FUNDING CONTRIBUTIONS
6. RESOLUTION 24-20 CITY OF ROCKLIN CONCURRENT ANNEXATION [pg 60 to 67]
PROJECT AND LOCAL AGENCY FORMATION COMMISSION (LAFCO)
RESOLUTION OF SUPPORT FOR PROJECT APPLICATION
7. RESOLUTION 24-21 FINDING THE PROPOSED ANNEXATION [pg 68 to 78]
CATEGORICALLY EXEMPT FROM CEQA AND ADOPTING A
RESOLUTION OF SUPPORT FOR AN OUT-OF-AREA SERVICE
AGREEMENT AND SUBSEQUENT ANNEXATION OF 2624 SWETZER
ROAD (APN 032-181-007)

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. APPEAL OF HIGH HAND, 3750 TAYLOR ROAD, PARTICIPATION CHARGE [pg 79 to 90] CALCULATION

Scott Paris Enterprises, on behalf of High Hand, is appealing the calculation of the total participation charge due for improvements at 3750 Taylor Road.

Action Requested: Roll Call Vote

Staff recommends that the Board of Directors:

1. Find that the calculation of the composite participation charges for High Hand are correct per the District's Sewer Code and Policies;
2. Deny the appeal; and
3. Require payment of the total Participation Charge due of \$128,870.00.
4. Authorize the General Manager to negotiate a Deferred Payment of Participation Fees with High Hand if appropriate.

2. **APPEAL OF 6013 PRINCETON REACH WAY, PARTICIPATION CHARGE AND MONTHLY SERVICE CHARGES** [pg 91 to 100]

Terry and Janice Reese are appealing the participation charge, inspection fee, and three years of back-billing for the illegal connection of their property located at 6013 Princeton Reach Way.

Action Requested: Roll Call Vote

Staff recommends that the Board of Directors:

1. Find that the calculations and application of fees and charges for 6013 Princeton Reach Way are correct per the District's Sewer Code and Policies;
2. Deny the appeal;
3. Require payment of total charges due in the amount of \$16,509.52; and
4. Allow the General Manager to negotiate a Deferral of Participation Charges in accordance with Policy 3350, which allows the inclusion of the past-due monthly service charge and inspection fee.

3. **RESOLUTION 24-22 AUTHORIZING THE GENERAL MANAGER TO EXECUTE A PARTICIPATION AND MONTHLY SERVICE CHARGE AGREEMENT FOR WASTEWATER COLLECTION AND TREATMENT FOR DEL ORO HIGH SCHOOL** [pg 101 to 112]

The District will present the agreement with Placer Union High School District regarding Participation and Monthly Service Charges at the Del Oro campus.

Action Requested: (Roll Call Vote)

Staff recommends that the Board of Directors adopt Resolution 24-22 authorizing the General Manager to execute a Participation and Monthly Service Charge Agreement for Wastewater Collection and Treatment for Del Oro High School.

VII. REPORTS [pg 113 to 128]

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 the public. No decisions are to be made on these issues.

1. Legal Counsel (A. Brown)
2. General Manager (H. Niederberger)
 - 1) ASD, FSD & TSD Reports
 - 2) Informational items
3. Director's Comments: Directors may make brief announcements or brief reports on their 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 the next regular meeting to be held on **September 5, 2024, at 4:30 p.m.**

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

Meeting	Location	Date	Time
Regular	SPMUD Boardroom Zoom Meeting	June 27, 2024	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 Durfee presiding at 4:30 p.m.

II. ROLL CALL OF DIRECTORS:

Present: Director Jerry Mitchell, Director Will Dickinson, Director Christy Jewell, Director James Durfee, Director Jim Williams

Absent: None

Vacant: None

Staff: Adam Brown, Legal Counsel
Herb Niederberger, General Manager
Carie Huff, District Engineer
Emilie Costan, Administrative Services Manager

III. PLEDGE OF ALLEGIANCE: DE Huff led the Pledge of Allegiance.

IV. PUBLIC COMMENTS:

ASM Costan confirmed that no eComments were received. Hearing no other comments, the public comments session was closed.

V. CONSENT ITEMS:

1. MINUTES from the June 6, 2024, Regular Meeting.
2. ACCOUNTS PAYABLE in the amount of \$609,703 through June 17, 2024.
3. RESOLUTION 24-14 ESTABLISHING A FEE SCHEDULE FOR FISCAL YEAR 2024/25, RESOLUTION 24-15 ESTABLISHING A FINE SCHEDULE FOR FISCAL YEAR 2024/25, AND RESOLUTION 24-16 ESTABLISHING A SCHEDULE OF VALUES FOR FISCAL YEAR 2024/25.
4. RESOLUTION 24-17 REVISING BOARD POLICIES #3006 EMERGENCY RESPONSE, #3105 BUDGET PREPARATION, #3165 DELINQUENT PAST DUE BILLS, AND #3370 SEWER SYSTEM MANAGEMENT PLAN AND CREATING POLICY #5016 PUBLIC COMMENT VIA REMOTE PARTICIPATION AT BOARD MEETINGS

Director Dickinson made a motion to approve the consent items; a second was made by Director Mitchell; a roll call vote was taken, and the motion carried 5-0.

VI. BOARD BUSINESS

1. INDUSTRIAL PRETREATMENT / BREWERY STUDY

Frank Dittrich, Industrial Waste Analyst with the City of Roseville presented information on the Industrial Pretreatment Program and findings from the recent Brewery Study. He highlighted some of the benefits to the District and its customers from the pretreatment program which include reduced treatment and maintenance expenses, increased longevity of the system, and regulatory compliance.

Director Mitchell asked about what happens with the hops byproduct that is created from the brewery pretreatment process, and Mr. Dittrich shared that it is most commonly used as livestock feed and compost material. Director Dickinson inquired about the pretreatment solutions used for low PH. Mr. Dittrich shared that the businesses use a tote system to batch treat and neutralize the PH before discharging the waste. Director Dickinson asked how the waste compares to domestic sewage after it has been treated. Mr. Dittrich shared that the Biochemical Oxygen Demand (BOD) is the only measure that remains higher than domestic sewage. Industrial waste staff did not believe it would be feasible for the breweries to address the BOD. GM Niederberger shared that the District sent letters to the breweries about a month ago requesting that they submit plans to show compliance with the industrial waste guidelines. All of the breweries have submitted plans.

Vice President Jewell asked if the pipe material used impacts the buildup that occurs. Mr. Dittrich commented that the material can have an impact, especially as it ages. Director Williams commented that he appreciated the work done in partnership with the breweries to limit additional business costs. Director Mitchell asked if restaurants are part of the Industrial Pretreatment Program, and Mr. Dittrich shared that each agency has a Fats, Oils, and Greases Program. President Durfee suggested that staff highlight to the public how the program maximizes capacity at the treatment plant and lowers treatment costs.

2. RESOLUTION 24-18 ACCEPTING THE WORKPLACE VIOLENCE PREVENTION PLAN AND REVISING BOARD POLICY #2037

GM Niederberger introduced the item sharing that the Workplace Violence Prevention Policy was updated to include the requirements for a Workplace Violence Prevention Plan. Mike Harris, Regulatory Compliance Technician, presented highlights from the new Workplace Violence Prevention Plan. He shared information on the new legislative requirements, the goals of the plan, and the various components that make up the plan.

Director Williams asked for Board Members to be included in emergency alert messages. Director Dickinson asked if the District prohibits firearms in the workplace and on job sites, and GM Niederberger shared that there is an existing process in place to obtain approval from the GM on a case-by-case basis if the person has the appropriate permits and licenses. President Durfee asked if the Policy and Ordinance Advisory Committee had a chance to review the policy, and GM Niederberger confirmed that they did.

Vice President Jewell made a motion to approve Resolution 24-18 accepting the Workplace Violence Prevention Plan and Revising Board Policy #2037; a second was made by Director Mitchell; a roll call vote was taken, and the motion carried 5-0.

3. RESOLUTION 24-19 ADOPTING THE FISCAL YEAR 2024/25 BUDGET AND PROPOSED SPENDING PLAN

ASM Costan presented the budget and proposed spending plan. She shared changes staff made to the tables presented at the Budget Workshop on June 6, 2024, which included an update to the local connection fee revenue and a reduction to the property and liability insurance premium. She highlighted the salary steps proposed for the new GM and the five-year net position projections which may require the use of the CERBT and CEPPT accounts to maintain the required minimum reserve balance through the end of the current rate case. She also noted that Table 3 Revenue and Expenditure Summary has been updated from the version distributed in the agenda packet to show two years of audited financials, the projected current year numbers, and the capital revenue and expenditure summary to better meet the GFOA Distinguished Budget Award requirements. ASM Costan shared that the budget book will be submitted to the GFOA for review and consideration of the award.

The Board thanked staff for the quality and comprehensiveness of the budget book. Director Dickinson commented that the District has received criticism for the size of its reserves; however, the capital spending budget provides funding for some of the large and expensive projects needed in the District. Director Mitchell echoed the need to plan appropriately for necessary resources.

Director Mitchell made a motion to approve Resolution 24-19 adopting the Fiscal Year 2024/25 Budget and Proposed Spending Plan; a second was made by Vice President Jewell; a roll call vote was taken, and the motion carried 5-0

4. SOUTH PLACER WASTEWATER AUTHORITY (SPWA) BOARD MEETING REPORT – DIRECTOR JIM WILLIAMS

President Williams reviewed the items from the June 27, 2024, SPWA Board Meeting which included approval of the following: 1). Regular Meeting Schedule for FY24-25; 2). Investment Policy for FY24-25; 3). Rate Stabilization Fund Balances; 4). SPWA Annual Financial Statements FY22-23; 5). Commendation for Bryan Buchanan; 6). Capital Improvement Project Update; 7). Approval of 2025 Wastewater Systems Evaluation Update; 8). Approval of Annual Operating Budget for FY 2024-2025; 9). SPWA Authorities and Background on Equivalent Dwelling Units; 10). Status of the Desktop Equivalent Dwelling Unit (EDU) Evaluation and Approval of the Detailed EDU Evaluation; 11). Capacity Fee Analysis and Approval of the Revised Capacity Fee.

Director Dickinson commented that there seems to be a disconnect in the understanding of how facilities are planned for and the charges for use. Director Mitchell commented that the fee studies continue to show that Roseville and the District are charging appropriate fees. Director Williams added that there also seems to be a misperception that if there is a lower flow that it automatically results in a lower cost even though other factors such as loading continue to drive cost increases. Director Dickinson added that he had a conversation with a staff member from Placer County who

shared that they recently completed split sample testing at two different labs and the results showed a forty percent difference between the labs. He cautioned that if a study is completed, the results need to be interpreted carefully.

VII. REPORTS

1. District General Counsel (A. Brown):

General Counsel Brown had no report for this meeting.

2. General Manager (H. Niederberger):

A. ASD, FSD & TSD Reports:

Director Dickinson asked if there was a date set for the September special meeting, and GM Niederberger shared that it would not be scheduled until the GM recruitment is further along.

GM Niederberger shared that there was another break-in at the District that was very similar to the last break-in and targeted the same vehicles. The alarms and cameras did work, and the District is making additional changes to further improve security.

Director Mitchell asked about the Northwest Rocklin Sewer Annexation Construction Project and whether projects will be held up if the City of Rocklin doesn't obtain the required easements. DE Huff commented that all projects connecting upstream of the sewer trunk are receiving notice that connections are being approved on a case-by-case basis. At this point all projects have been allowed to connect; however, future projects may be impacted.

Director Dickinson asked about the timing of an Infrastructure Advisory Committee meeting to discuss the Castle City Mobile Home Project. GM Niederberger shared that this project has a two-part application process with the first part being a study. A meeting will be scheduled after the first phase of the application process is complete. Director Dickinson also asked for an update on the Granite Terrance Project, and DE Huff shared that the project has been stalled for the last four months while waiting on PG&E for power.

Director Mitchell asked about the FOG Compliance Chart which shows a large increase in facilities with no devices while the TSD Report stated that the list of establishments with no devices has gone down. DE Huff shared that there was a change made by the District's software vendor that caused the sudden spike in the chart; however, the number of establishments with no devices has been slowly going down.

B. Information Items:

There were no informational items.

3. Director's Comments:

There were no Director's comments for this meeting.

Regular Board Meeting

June 27, 2024

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VIII. ADJOURNMENT

The President adjourned the meeting at 5:40 p.m. to the next regular meeting to be held on August 1, 2024, at 4:30 p.m. President Durfee adjourned the meeting in memory of Aldo Pineschi.



Emilie Costan, Board Secretary



South Placer M.U.D.

Check Report

By Check Number

Date Range: 06/18/2024 - 07/22/2024

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: AP Bank-AP Bank						
248	AT&T	06/20/2024	Regular	0.00	8.86	17139
1022	AT&T CalNet	06/20/2024	Regular	0.00	538.46	17140
1828	Carollo Engineers, Inc	06/20/2024	Regular	0.00	30,121.50	17141
1713	Chad Johnson	06/20/2024	Regular	0.00	278.80	17142
1062	Chad Stites	06/20/2024	Regular	0.00	333.01	17143
1652	Cintas Corporation	06/20/2024	Regular	0.00	1,203.90	17144
1509	Crystal Communications	06/20/2024	Regular	0.00	311.64	17145
1591	Eric Orlando	06/20/2024	Regular	0.00	350.00	17146
1113	Ferguson Enterprises, Inc. 1423 (Main)	06/20/2024	Regular	0.00	55.86	17147
1796	Jordon Olsen	06/20/2024	Regular	0.00	257.37	17148
1218	PCWA	06/20/2024	Regular	0.00	2,375.43	17149
1244	Preferred Alliance Inc	06/20/2024	Regular	0.00	232.48	17150
1797	Red Dog Shredz	06/20/2024	Regular	0.00	75.00	17151
1875	Spencer Madden	06/20/2024	Regular	0.00	193.04	17152
1338	Verizon Wireless	06/20/2024	Regular	0.00	1,319.36	17153
1850	WYJO Services Corp	06/20/2024	Regular	0.00	3,560.03	17154
1876	John Hageman	06/26/2024	Regular	0.00	5,500.00	17155
1876	John Hageman	07/03/2024	Regular	0.00	-5,500.00	17155
1863	ARB Inc	06/26/2024	Regular	0.00	4,568.32	17156
1852	Coastland Civil Engineering LLP	06/26/2024	Regular	0.00	1,308.75	17157
1764	Network Design Associates, Inc.	06/26/2024	Regular	0.00	1,072.00	17158
1238	Placer County Department of Public Works	06/26/2024	Regular	0.00	70,837.31	17159
1253	Recology Auburn Placer	06/26/2024	Regular	0.00	386.11	17160
1848	Uborra Engineering & Planning	06/26/2024	Regular	0.00	810.00	17161
1240	Placer County Personnel	07/01/2024	Regular	0.00	3,465.67	17162
1007	Advanced Integrated Pest	07/05/2024	Regular	0.00	122.00	17163
1018	Andre Kalinyuk	07/05/2024	Regular	0.00	220.88	17164
1581	Cameron Lima	07/05/2024	Regular	0.00	92.65	17165
1715	Chris Vrame	07/05/2024	Regular	0.00	5,589.03	17166
1652	Cintas Corporation	07/05/2024	Regular	0.00	1,178.60	17167
1068	City of Roseville	07/05/2024	Regular	0.00	58,520.88	17168
1775	CPS HR Consulting	07/05/2024	Regular	0.00	5,156.60	17169
1509	Crystal Communications	07/05/2024	Regular	0.00	311.64	17170
1086	Dataprose	07/05/2024	Regular	0.00	1,967.11	17171
1504	Donahue Schriber Realty Group	07/05/2024	Regular	0.00	1,788.00	17172
1107	ESRI	07/05/2024	Regular	0.00	8,460.00	17173
1357	ITpipes Opco, LLC	07/05/2024	Regular	0.00	6,977.00	17174
1876	John Hageman	07/05/2024	Regular	0.00	5,500.00	17175
1796	Jordon Olsen	07/05/2024	Regular	0.00	68.15	17176
1640	Joshua Pirhofer	07/05/2024	Regular	0.00	308.46	17177
1239	LAFCO	07/05/2024	Regular	0.00	23,511.17	17178
1218	PCWA	07/05/2024	Regular	0.00	504.26	17179
1221	PG&E	07/05/2024	Regular	0.00	2,457.08	17180
1651	Profile Display, Inc	07/05/2024	Regular	0.00	444.00	17181
1291	Special District Risk Management Authority (SD	07/05/2024	Regular	0.00	433,499.10	17182
1325	Tyler Technologies, Inc.	07/05/2024	Regular	0.00	17,217.50	17183
1850	WYJO Services Corp	07/05/2024	Regular	0.00	1,476.80	17184
1327	US Bank Corporate Payment	07/10/2024	Regular	0.00	17,198.33	17185
	Void	07/10/2024	Regular	0.00	0.00	17186
	Void	07/10/2024	Regular	0.00	0.00	17187
	Void	07/10/2024	Regular	0.00	0.00	17188
248	AT&T	07/11/2024	Regular	0.00	8.86	17189
1022	AT&T CalNet	07/11/2024	Regular	0.00	538.73	17190
1505	California Surveying & Drafting Supply	07/11/2024	Regular	0.00	495.00	17191

Check Report

Date Range: 06/18/2024 - 07/22/2024

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
1087	Dawson Oil Co.	07/11/2024	Regular	0.00	5,557.91	17192
1221	PG&E	07/11/2024	Regular	0.00	9,236.70	17193
1251	Railroad Management Company, LLC	07/11/2024	Regular	0.00	75.00	17194
1333	SPOK, Inc.	07/11/2024	Regular	0.00	29.49	17195
1021	ARC	07/18/2024	Regular	0.00	108.32	17239
1652	Cintas Corporation	07/18/2024	Regular	0.00	1,180.20	17240
1533	City of Foster City	07/18/2024	Regular	0.00	567.00	17241
1775	CPS HR Consulting	07/18/2024	Regular	0.00	1,662.50	17242
1131	Granite Business Printing	07/18/2024	Regular	0.00	170.53	17243
1666	Great America Financial Services	07/18/2024	Regular	0.00	624.36	17244
1139	Hill Rivkins Brown & Associates	07/18/2024	Regular	0.00	20,760.00	17245
1564	Jensen Landscape Services, LLC	07/18/2024	Regular	0.00	1,017.00	17246
1612	Loomis Basin Chamber of Commerce	07/18/2024	Regular	0.00	225.00	17247
1694	Mallory Safety & Supply LLC	07/18/2024	Regular	0.00	1,555.00	17248
1817	Matt Harmon	07/18/2024	Regular	0.00	105.31	17249
1764	Network Design Associates, Inc.	07/18/2024	Regular	0.00	525.00	17250
1218	PCWA	07/18/2024	Regular	0.00	732.12	17251
1475	Petersen & Mapes, LLP	07/18/2024	Regular	0.00	996.00	17252
1473	Pitney Bowes Purchase Power	07/18/2024	Regular	0.00	1,252.87	17253
1244	Preferred Alliance Inc	07/18/2024	Regular	0.00	232.48	17254
1737	Shane Boyle	07/18/2024	Regular	0.00	247.44	17255
1518	Sonitrol of Sacramento	07/18/2024	Regular	0.00	2,911.10	17256
1875	Spencer Madden	07/18/2024	Regular	0.00	88.50	17257
1685	Streamline	07/18/2024	Regular	0.00	497.00	17258
1338	Verizon Wireless	07/18/2024	Regular	0.00	1,306.75	17259
1045	Cal Pers 457 Plan (EFT)	06/21/2024	Bank Draft	0.00	4,075.00	DFT0009166
1045	Cal Pers 457 Plan (EFT)	06/21/2024	Bank Draft	0.00	500.00	DFT0009167
1135	Empower (EFT)	06/21/2024	Bank Draft	0.00	225.00	DFT0009169
1135	Empower (EFT)	06/21/2024	Bank Draft	0.00	6,256.00	DFT0009170
1135	Empower (EFT)	06/21/2024	Bank Draft	0.00	635.74	DFT0009171
1042	CA State Disbursement (EF	06/21/2024	Bank Draft	0.00	510.46	DFT0009172
1015	American Fidelity Assurance	06/21/2024	Bank Draft	0.00	455.81	DFT0009173
1229	Pers (EFT)	06/21/2024	Bank Draft	0.00	49.13	DFT0009174
1229	Pers (EFT)	06/21/2024	Bank Draft	0.00	1,000.75	DFT0009175
1229	Pers (EFT)	06/21/2024	Bank Draft	0.00	1,995.24	DFT0009176
1229	Pers (EFT)	06/21/2024	Bank Draft	0.00	2,118.70	DFT0009177
1229	Pers (EFT)	06/21/2024	Bank Draft	0.00	3,583.64	DFT0009178
1229	Pers (EFT)	06/21/2024	Bank Draft	0.00	5,185.16	DFT0009179
1229	Pers (EFT)	06/21/2024	Bank Draft	0.00	5,138.32	DFT0009180
1149	Internal Revenue Service	06/21/2024	Bank Draft	0.00	14,317.50	DFT0009181
1098	EDD (EFT)	06/21/2024	Bank Draft	0.00	3,878.99	DFT0009182
1098	EDD (EFT)	06/21/2024	Bank Draft	0.00	1,228.30	DFT0009183
1149	Internal Revenue Service	06/21/2024	Bank Draft	0.00	3,348.42	DFT0009184
1149	Internal Revenue Service	06/21/2024	Bank Draft	0.00	9,714.69	DFT0009185
1135	Empower (EFT)	06/24/2024	Bank Draft	0.00	55.82	DFT0009187
1230	Pers (EFT)	07/01/2024	Bank Draft	0.00	5,455.66	DFT0009196
1230	Pers (EFT)	07/01/2024	Bank Draft	0.00	37,587.89	DFT0009197
1230	Pers (EFT)	07/01/2024	Bank Draft	0.00	10,065.30	DFT0009198
1230	Pers (EFT)	07/01/2024	Bank Draft	0.00	169.95	DFT0009199
1230	Pers (EFT)	07/01/2024	Bank Draft	0.00	3,925.00	DFT0009200
1230	Pers (EFT)	07/01/2024	Bank Draft	0.00	108.19	DFT0009201
1586	Principal Life Insurance Company	07/01/2024	Bank Draft	0.00	598.64	DFT0009202
1015	American Fidelity Assurance	07/01/2024	Bank Draft	0.00	323.14	DFT0009203
1045	Cal Pers 457 Plan (EFT)	07/05/2024	Bank Draft	0.00	4,075.00	DFT0009204
1045	Cal Pers 457 Plan (EFT)	07/05/2024	Bank Draft	0.00	500.00	DFT0009205
1135	Empower (EFT)	07/05/2024	Bank Draft	0.00	225.00	DFT0009207
1135	Empower (EFT)	07/05/2024	Bank Draft	0.00	6,256.00	DFT0009208
1135	Empower (EFT)	07/05/2024	Bank Draft	0.00	691.56	DFT0009209
1042	CA State Disbursement (EF	07/05/2024	Bank Draft	0.00	510.46	DFT0009210
1015	American Fidelity Assurance	07/05/2024	Bank Draft	0.00	455.81	DFT0009211
1229	Pers (EFT)	07/05/2024	Bank Draft	0.00	49.13	DFT0009212

Check Report

Date Range: 06/18/2024 - 07/22/2024

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
1229	Pers (EFT)	07/05/2024	Bank Draft	0.00	1,000.75	DFT0009213
1229	Pers (EFT)	07/05/2024	Bank Draft	0.00	1,995.24	DFT0009214
1229	Pers (EFT)	07/05/2024	Bank Draft	0.00	2,118.70	DFT0009215
1229	Pers (EFT)	07/05/2024	Bank Draft	0.00	3,583.64	DFT0009216
1229	Pers (EFT)	07/05/2024	Bank Draft	0.00	5,185.15	DFT0009217
1229	Pers (EFT)	07/05/2024	Bank Draft	0.00	5,138.32	DFT0009218
1149	Internal Revenue Service	07/05/2024	Bank Draft	0.00	14,645.84	DFT0009219
1098	EDD (EFT)	07/05/2024	Bank Draft	0.00	4,211.62	DFT0009220
1098	EDD (EFT)	07/05/2024	Bank Draft	0.00	1,227.12	DFT0009221
1149	Internal Revenue Service	07/05/2024	Bank Draft	0.00	3,425.22	DFT0009222
1149	Internal Revenue Service	07/05/2024	Bank Draft	0.00	10,697.91	DFT0009223
1045	Cal Pers 457 Plan (EFT)	07/19/2024	Bank Draft	0.00	4,075.00	DFT0009224
1045	Cal Pers 457 Plan (EFT)	07/19/2024	Bank Draft	0.00	500.00	DFT0009225
1135	Empower (EFT)	07/19/2024	Bank Draft	0.00	225.00	DFT0009227
1135	Empower (EFT)	07/19/2024	Bank Draft	0.00	6,256.00	DFT0009228
1135	Empower (EFT)	07/19/2024	Bank Draft	0.00	691.56	DFT0009229
1042	CA State Disbursement (EF	07/19/2024	Bank Draft	0.00	510.46	DFT0009230
1015	American Fidelity Assurance	07/19/2024	Bank Draft	0.00	455.81	DFT0009231
1229	Pers (EFT)	07/19/2024	Bank Draft	0.00	49.13	DFT0009232
1229	Pers (EFT)	07/19/2024	Bank Draft	0.00	1,000.75	DFT0009233
1229	Pers (EFT)	07/19/2024	Bank Draft	0.00	1,995.24	DFT0009234
1229	Pers (EFT)	07/19/2024	Bank Draft	0.00	2,118.70	DFT0009235
1229	Pers (EFT)	07/19/2024	Bank Draft	0.00	3,583.64	DFT0009236
1229	Pers (EFT)	07/19/2024	Bank Draft	0.00	5,158.55	DFT0009237
1229	Pers (EFT)	07/19/2024	Bank Draft	0.00	5,111.96	DFT0009238
1149	Internal Revenue Service	07/19/2024	Bank Draft	0.00	14,010.30	DFT0009239
1098	EDD (EFT)	07/19/2024	Bank Draft	0.00	3,860.84	DFT0009240
1098	EDD (EFT)	07/19/2024	Bank Draft	0.00	1,242.85	DFT0009241
1149	Internal Revenue Service	07/19/2024	Bank Draft	0.00	3,276.56	DFT0009242
1149	Internal Revenue Service	07/19/2024	Bank Draft	0.00	9,758.78	DFT0009243
1229	Pers (EFT)	07/17/2024	Bank Draft	0.00	8.75	DFT0009254
1229	Pers (EFT)	07/17/2024	Bank Draft	0.00	12.09	DFT0009256
1229	Pers (EFT)	07/17/2024	Bank Draft	0.00	126.45	DFT0009258
1229	Pers (EFT)	07/08/2024	Bank Draft	0.00	3,411.17	DFT0009269
1229	Pers (EFT)	07/08/2024	Bank Draft	0.00	163,092.26	DFT0009270
1229	Pers (EFT)	07/08/2024	Bank Draft	0.00	324,388.57	DFT0009271
1015	American Fidelity Assurance	07/19/2024	Bank Draft	0.00	29,283.75	DFT0009272

Bank Code AP Bank Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	121	75	0.00	774,438.31
Manual Checks	0	0	0.00	0.00
Voided Checks	0	4	0.00	-5,500.00
Bank Drafts	73	73	0.00	772,703.08
EFT's	0	0	0.00	0.00
	194	152	0.00	1,541,641.39

Check Report

Date Range: 06/18/2024 - 07/22/2024

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
1645	Aspire Retirement Solutions	06/21/2024	Bank Draft	0.00	1,022.32	DFT0009168
1645	Aspire Retirement Solutions	07/05/2024	Bank Draft	0.00	1,022.32	DFT0009206
1645	Aspire Retirement Solutions	07/19/2024	Bank Draft	0.00	1,022.32	DFT0009226

Bank Code PY Bank Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	0	0	0.00	0.00
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	3	3	0.00	3,066.96
EFT's	0	0	0.00	0.00
	3	3	0.00	3,066.96

All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	121	75	0.00	774,438.31
Manual Checks	0	0	0.00	0.00
Voided Checks	0	4	0.00	-5,500.00
Bank Drafts	76	76	0.00	775,770.04
EFT's	0	0	0.00	0.00
	197	155	0.00	1,544,708.35

Fund Summary

Fund	Name	Period	Amount
100	GENERAL FUND	6/2024	190,992.22
100	GENERAL FUND	7/2024	1,353,716.13
			1,544,708.35

Account Number	Name	Date	Type	Amount	Reference
102-0001901-03	Trust, Open Door Property	7/11/2024	Refund	\$ 90.07	Check #: 17196
102-0002302-01	Smith, Christine M	7/11/2024	Refund	\$ 198.23	Check #: 17197
102-0002669-01	Beatty, Nancy	7/11/2024	Refund	\$ 7.93	Check #: 17198
102-0005442-01	Feit, Harry and Lynda	7/11/2024	Refund	\$ 112.35	Check #: 17199
102-0005846-02	Agoitia, Eric and Nai	7/11/2024	Refund	\$ 6.17	Check #: 17200
102-0006347-02	Murray, Roc	7/11/2024	Refund	\$ 112.38	Check #: 17201
102-0006525-01	DeLucchi, David Jr	7/11/2024	Refund	\$ 111.48	Check #: 17202
102-0006568-01	Russell, John	7/11/2024	Refund	\$ 112.49	Check #: 17203
102-0006603-01	Bobo, Scott	7/11/2024	Refund	\$ 112.00	Check #: 17204
102-0007199-01	Ginney, David and Luann	7/11/2024	Refund	\$ 112.18	Check #: 17205
102-0007313-03	LLC, HP California I	7/11/2024	Refund	\$ 18.61	Check #: 17206
102-0008854-01	Corey, Richard	7/11/2024	Refund	\$ 198.99	Check #: 17207
102-0009506-02	Snyder, Mona Ann	7/11/2024	Refund	\$ 112.32	Check #: 17208
102-0010155-02	Andrews, Bryan	7/11/2024	Refund	\$ 112.32	Check #: 17209
102-0011358-01	Garvella, Mark	7/11/2024	Refund	\$ 9.94	Check #: 17210
102-0012495-02	Cowan, Kim	7/11/2024	Refund	\$ 72.00	Check #: 17211
103-0003960-01	Amand, David St	7/11/2024	Refund	\$ 121.68	Check #: 17212
103-0004020-01	Hebard, Roy B	7/11/2024	Refund	\$ 113.86	Check #: 17213
103-0004099-02	Mitchell, Patrick and Natalie	7/11/2024	Refund	\$ 137.26	Check #: 17214
103-0004269-06	Ingram, Adrienne	7/11/2024	Refund	\$ 59.88	Check #: 17215
106-0012626-03	Fong, Sandra	7/11/2024	Refund	\$ 11.34	Check #: 17216
106-0012946-01	Walsh, Andrew	7/11/2024	Refund	\$ 112.32	Check #: 17217
106-0013149-01	Wojciechowski, Joseph	7/11/2024	Refund	\$ 112.70	Check #: 17218
106-0013723-02	Garcin, Robert and Josanne	7/11/2024	Refund	\$ 28.78	Check #: 17219
106-0013972-01	Woodman, Gordon and Pilar	7/11/2024	Refund	\$ 108.12	Check #: 17220
106-0014179-02	Tillema, Robert	7/11/2024	Refund	\$ 105.37	Check #: 17221
106-0014854-02	Ucovich, Michael	7/11/2024	Refund	\$ 581.66	Check #: 17222
106-0015915-02	Wiens, Tim and Anne	7/11/2024	Refund	\$ 13.84	Check #: 17223
106-0017477-01	Scanlon, Richard	7/11/2024	Refund	\$ 113.02	Check #: 17224
112-1023003-03	Donnelly, Dan and Teresa	7/11/2024	Refund	\$ 112.38	Check #: 17225
112-1023197-02	Morris, David	7/11/2024	Refund	\$ 112.41	Check #: 17226
112-1023392-01	Hudson, John and Mallory	7/11/2024	Refund	\$ 231.73	Check #: 17227
112-1023632-02	Scaglione, Joseph P Jr	7/11/2024	Refund	\$ 38.69	Check #: 17228
112-1025870-02	Muldong, Ray and Reina	7/11/2024	Refund	\$ 113.57	Check #: 17229
112-1026905-01	Cotten, James and Whitney	7/11/2024	Refund	\$ 114.80	Check #: 17230
112-1027920-01	Wittnebel, Ronald and Deborah	7/11/2024	Refund	\$ 111.21	Check #: 17231
112-1028137-01	Hastings, William	7/11/2024	Refund	\$ 152.66	Check #: 17232
112-1028239-03	Jayanti, Usha and Venkata	7/11/2024	Refund	\$ 113.62	Check #: 17233
112-1028405-02	Baumann, Shirley	7/11/2024	Refund	\$ 112.38	Check #: 17234
112-1028538-01	Franklin, Joshua	7/11/2024	Refund	\$ 120.41	Check #: 17235
112-1028701-01	Brower, Hudson and Heidi	7/11/2024	Refund	\$ 75.34	Check #: 17236
112-1029225-01	Fawley, Jennifer	7/11/2024	Refund	\$ 224.41	Check #: 17237
113-1026575-00	Black Pine Communities	7/11/2024	Refund	\$ 29.94	Check #: 17238
TOTAL REFUNDS				\$ 4,782.84	

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
STAFF REPORT**

To: Board of Directors

From: Emilie Costan, Administrative Services Manager

Cc: Herb Niederberger, General Manager

Subject: 4th Quarter Investment Report
(April 1, 2024 through June 30, 2024)

Board Date: August 1, 2024

Overview

In accordance with Section 53646 of the California Government Code, this report provides the Board with a quarterly investment report.

The investments held by the District on June 30, 2024, are shown in Attachment 1 and totaled \$78.57 million. The portfolio is in compliance with the Board's adopted Policy #3120 regarding District investments and has the ability to meet the next six months of cash flow requirements. As of June 30, 2024, the District's investment portfolio had an average annualized quarterly rate of return of 1.13 percent.

Recommendation

Staff recommends that the Board of Directors receive and file the 4th Quarter Investment Report.

Strategic Plan Priorities

This action is consistent with SPMUD Strategic Plan Priorities:

- Prepare for the future and foreseeable emergencies.
- Provide exceptional value for the cost of sewer service.

Related District Ordinances and Policies

This action is in conjunction with the following District Policies:
Policy 3120 – Investment of District Funds

Fiscal Impact

There is no direct fiscal impact associated with the preparation of this report.

Attachments:

1. 4th Quarter South Placer Municipal Utility District Investment Report
2. Allocation by Fund, Allocation by Investment Type, and Historical Performance

Attachment 1 –4th Quarter South Placer Municipal Utility District Investment Report

Investment	Account Balance Prior Year Apr 23 -Jun 23	Account Balance Previous Quarter Jan 24 - Mar 24	Market Value Apr 24 - Jun 24	Quarterly Rate of Return	% of Portfolio
CA CLASS	\$ 5,062,129	\$ 10,360,722	\$ 12,507,791	1.36%	16%
CALTRUST - Short Term	\$ 6,419,937	\$ 6,683,877	\$ 6,761,843	1.25%	9%
LAIF (Local Agency Investment Fund)	\$ 25,563,827	\$ 26,331,860	\$ 26,617,785	1.09%	34%
PLACER COUNTY TREASURY	\$ 25,460,827	\$ 20,509,592	\$ 5,569,472	0.90%	7%
WELLS FARGO - Fixed Income*	\$ -	\$ -	\$ 15,026,580	1.31%	19%
FIVE STAR - Money Market	\$ 6,097,695	\$ 5,453,683	\$ 6,317,821	1.09%	8%
CASH	\$ 1,534,245	\$ 4,408,307	\$ 2,342,114	0.13%	3%
RESTRICTED - CEPPT	\$ 3,156,947	\$ 3,405,541	\$ 3,425,665	0.65%	4%
TOTAL/AVERAGE	\$ 73,295,607	\$ 77,153,581	\$ 78,569,070	1.13%	100%

* The Wells Fargo Fixed Income Securities pay accrued interest semi-annually in Sept/Oct and Mar/Apr.

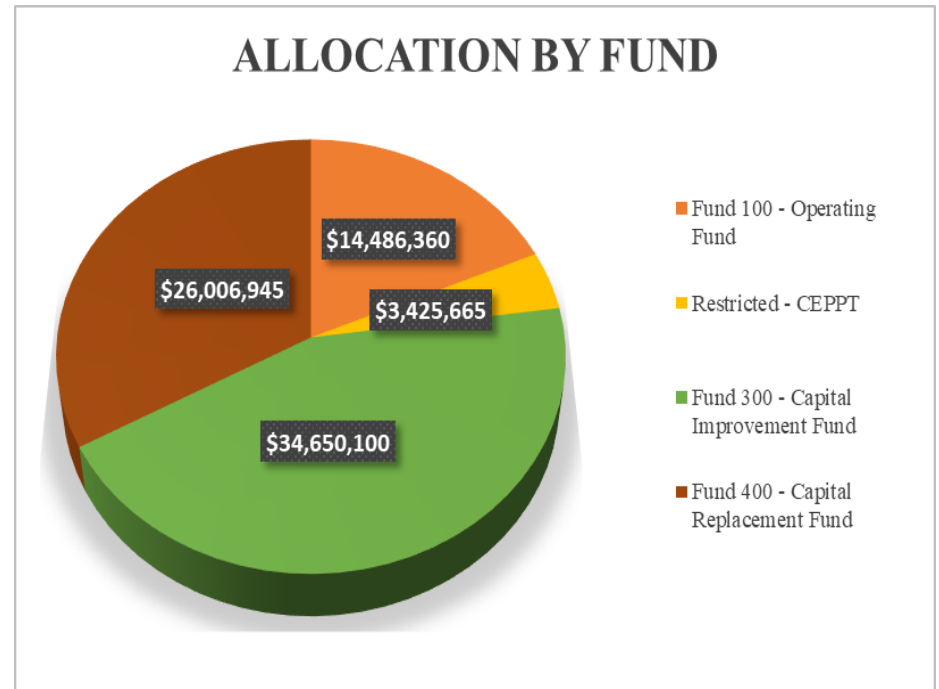
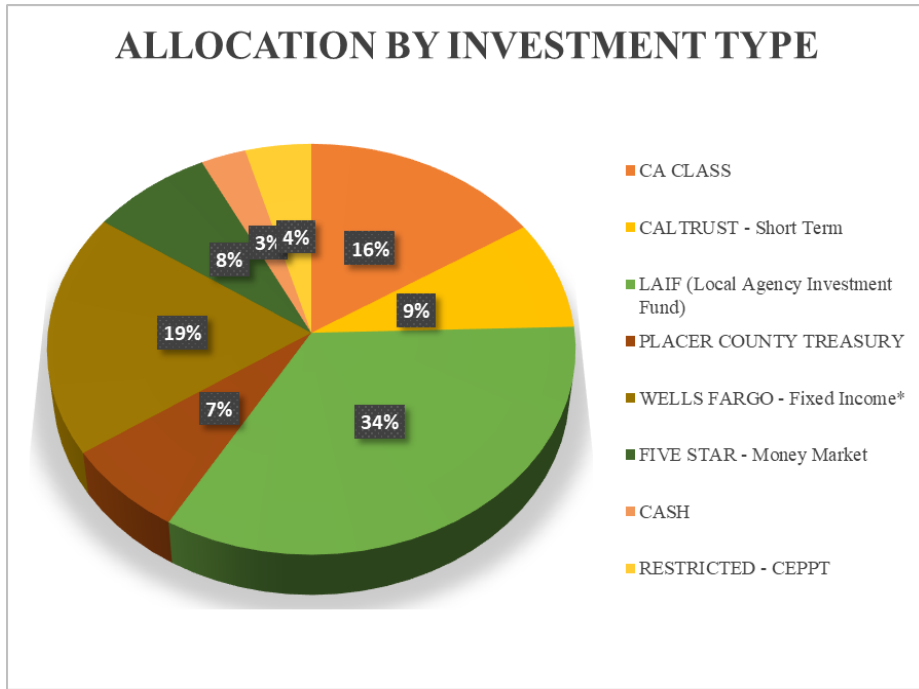
QUARTERLY TRANSFERS

CalTRUST:	None
CA CLASS:	\$2m from Cash
LAIF:	None
PLACER COUNTY:	\$15m to Wells Fargo
WELLS FARGO:	\$15m from PCT
FIVE STAR MM:	\$800,000 from Cash

QUARTERLY REGIONAL TREATMENT PAYMENT

Apr 1 to Jun 30, 2024	\$0	
Jan 1 to Mar 31, 2024	\$2,606,750	Cleared Apr 4, 2024
Oct 1 to Dec 31, 2023	\$2,606,750	Cleared Jan 17, 2024
Jul 1 to Sept 30, 2023	\$2,606,750	Cleared Oct 12, 2023
Apr 1 to Jun 30, 2023	\$2,416,250	Cleared Jun 27, 2023

Attachment 2 – Allocation by Fund, Allocation by Investment Type, and Historical Performance



Historical Performance					
	3 months	6 months	1 year*	3 year*	5 year*
CA Class	1.36%	2.72%	5.45%	-	-
CalTRUST Short Term	1.24%	2.51%	5.03%	2.82%	2.16%
LAIF	1.09%	2.13%	4.01%	2.19%	1.81%
Placer County	0.90%	1.80%	3.59%	1.79%	1.49%
Wells Fargo	1.31%	-	-	-	-
Five Star MM	1.09%	2.13%	4.01%	2.82%	1.81%
CEPPT	0.65%	4.38%	8.76%	0.09%	-

*Annualized

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

STAFF REPORT

To: Board of Directors
From: Carie Huff, District Engineer
Cc: Josh Lelko, Engineering Technician
Subject: Acceptance of the Bill of Sale for the Whitney Ranch Unit 1 Sewer Improvements
Meeting Date: August 1, 2024

Overview

The Whitney Ranch Unit 1 Project is located within the City of Rocklin, northwest of the intersection of Wildcat Boulevard and Bridlewood Drive. The Whitney Ranch Unit 1 project consists of public sewer improvements to serve forty-three (43) single-family residential homes for a total of 43 EDU. The lateral for the existing commercial building within the project area was realigned and reconstructed with the project. The Whitney Ranch Unit 1 sewer improvements include the following infrastructure:

- Installation of one thousand, four hundred and twenty (1,420) linear feet of sanitary sewer pipe;
- Installation of eleven (11) manholes; and
- Installation of one thousand, three hundred and thirty-two (1,332) linear feet of lower laterals.

Recommendation

Staff recommends that the Board of Directors accept the attached Bill of Sale for the Whitney Ranch Unit 1 Sewer improvements.

Strategic Plan Goal

This action is consistent with the following Strategic Plan Priorities:

- Maintain an excellent regulatory compliance record
- Prepare for the future and foreseeable emergencies
- Leverage existing and applicable technologies to improve efficiencies

Fiscal Impact

The estimated value of the contributed capital is \$806,336.

Attachments:

1. Bill of Sale
2. Map – Whitney Ranch Unit 1

BILL OF SALE

Sunset Ranchos Investors, LLC does hereby grant, bargain, sell and convey to SOUTH PLACER MUNICIPAL UTILITY DISTRICT all of its rights, title and interest in and to all public sewer pipes, lines, mains, manholes, and appurtenances installed by its contractor in that subdivision/project commonly known as Whitney Ranch Unit 1

Grantor herein does hereby warrant and guarantee to SOUTH PLACER MUNICIPAL UTILITY DISTRICT that all of the personal property described herein consisting of sewer pipes, lines, mains, manholes, and appurtenances are free and clear of all mechanics liens and encumbrances of any type, nature or description whatsoever.

Dated this June 28, 2024

By: (Developer/Owner)
Sunset Ranchos Investors, LLC


Signature

Katherine Hart Johns, Vice President
Name (Please Type or Print)

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Placer)

On June 28, 2024, before me, Sharon Buckenmeyer, a Notary Public, personally appeared Katherine Hart Johns, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

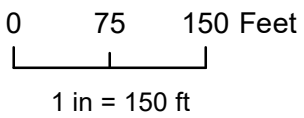
Signature Sharon Buckenmeyer

(SEAL)





Whitney Ranch Unit 1

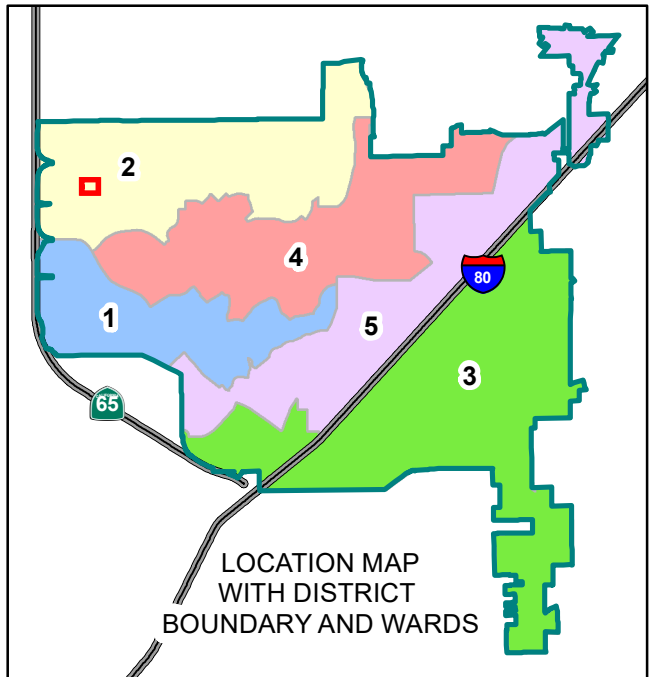


**Whitney Ranch
Unit 1
43 EDU**

Public Sewer Infrastructure

- 11 manholes**
- 1,420 linear feet of mainline pipe**
- 1,331 linear feet of lower lateral**

Date: 7/9/2024
 Author: Curtis Little
 Document Path:
 G:\spmud_gis\mxd\Bill of Sale\FY24-25\MXD\WR_Unit1.mxd



LOCATION MAP
WITH DISTRICT
BOUNDARY AND WARDS

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
STAFF REPORT**

To: Board of Directors

From: Emilie Costan, Administrative Services Manager

Cc: Herb Niederberger, General Manager

Subject: June 30, 2023 Actuarial Valuation for Determination of Other Post-Employment Benefit (OPEB) Funding Contributions

Meeting Date: August 1, 2024

Overview

The District's Actuary, MacLeod Watts, has completed the June 30, 2023, Actuarial Valuation for Determination of Other Post-Employment Benefits (OPEB) Funding Contributions dated May 22, 2024. The report contains calculations regarding the value of future retiree medical benefits provided by the District; the current OPEB liability, and the determined contributions for fiscal years 2025 and 2026. This report is submitted to the California Employers' Retiree Benefit Trust (CERBT) to satisfy the filing requirements for the Trust.

The District has participated in the CERBT since late 2008 when the District opted to prefund these OPEB benefits through investment earnings provided by CalPERS. The CERBT reduces cash flow requirements for the District into the future, as well as reduces the OPEB liabilities reported on annual financial statements.

In 2015, the Board adopted *Policy 2575 – OPEB Prefunding Plan* which establishes funding for Other Post-Employment Benefits (OPEB) by participation in the California Employees Retiree Benefit Trust Fund (CalPERS Prefunding Plan). The Board's strategy behind this policy is to fund, in full, the unfunded actuarial accrued OPEB liabilities.

The District currently has funds invested into the CERBT Strategy 2 Asset Allocation. Asset Allocation Strategy 2 has an expected rate of return of 5.5%. The objective for this portfolio consists of moderate allocations in equities, bonds, and other asset investments which are complimentary to the District's moderate approach to investment strategies as specified in *Policy 3120 – Investment of District Funds*.

The June 30, 2023, Actuarial Valuation Report assesses the OPEB liabilities for the District and develops the level of contributions to be made to CERBT for the next two years. The valuation is based on employee census data and forecasts. The District's OPEB liability varies based on many

factors including the number of participants in the pool, healthcare claims by age, the medical plans selected, the level of coverage, and the premium rates.

The plans funded status as of June 30, 2023, is compared to the June 30, 2021 valuation below. The funded ratio has decreased from 77.9% in 2021 to 65.8% in 2023.

Valuation Date	6/30/2021	6/30/2023
Discount Rate	5.72%	5.65%
Actuarial Accrued Liability (AAL)		
Explicit Liability	\$ 6,780,965	\$ 7,578,508
Implicit Liability	1,287,921	1,232,873
Total AAL	\$ 8,068,886	\$ 8,811,381
Actuarial Value of Assets	6,286,359	5,799,237
Unfunded Actuarial Accrued Liability (surplus)	1,782,527	3,012,144
Funded % (ratio of Assets to AAL)	77.9%	65.8%

Actuarially Determined Contributions for fiscal years ending June 30, 2025, through June 30, 2026, are shown below. The additional contribution of \$64,012 to the CERBT trust for Fiscal Year 2024/25 was included in the Fiscal Year 2024/25 Budget and Proposed Spending Plan.

Fiscal Year End	6/30/2025	6/30/2026
Actuarially Determined Contribution (ADC)	589,768	607,460
Less current implicit subsidy	(110,665)	(117,097)
Additional payments needed to meet ADC	\$ 479,103	\$ 490,363
Estimated employer-paid retiree benefits (explicit)	415,091	429,865
Estimated contribution to (refund from) trust	\$ 64,012	\$ 60,498

Recommendation

Staff recommends the Board receive and file the June 30, 2023, Actuarial Valuation for Determination of Other Post-Employment Benefit (OPEB) Funding Contributions.

Strategic Plan Priorities

This action is consistent with SPMUD Strategic Plan Priorities:

- Prepare for the future and foreseeable emergencies.
- Provide exceptional value for the cost of sewer service.

Fiscal Impact

The Actuarial Report estimates the expenses paid by the District directly to retirees for fiscal year 2025 (\$415,091) and fiscal year 2026 (\$429,865) and determines the additional contributions to the CERBT for fiscal year 2025 (\$64,012) and fiscal year 2026 (\$60,498).

Attachments:

1. June 30, 2023 Actuarial Valuation for Determination of Other Post-Employment Benefit (OPEB) Funding Contributions

MacLeod Watts

May 22, 2024

Mr. Herb Niederberger
General Manager
South Placer Municipal Utility District
43885 S Grimmer Boulevard
Fermont, CA 94538

Re: June 30, 2023, Actuarial Valuation for Determination of OPEB Funding Contributions

Dear Mr. Niederberger:

We are pleased to enclose our report providing the results of the June 30, 2023, actuarial funding valuation of other post-employment benefit (OPEB) liabilities for the South Placer Municipal Utility District. The report's text describes our analysis and assumptions in detail.

The primary purposes of this report are to:

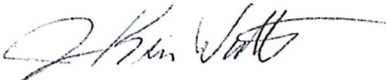
1. Value plan liabilities as of June 30, 2023, and reconcile plan liabilities to those in the District's prior 2021 valuation.
2. Develop Actuarially Determined Contributions (ADCs) for FYE 2025, and 2026 using a long-term trust earnings rate of 5.65%.
3. Provide a report to be submitted to the California Employers' Retiree Benefit Trust (CERBT) to satisfy filing requirements for the trust.

Separate annual GASB 75 reports will be provided to assist with financial reporting requirements.

We have based our valuation on employee data and plan information provided by the District, including the most recent bargaining agreements and PEMHCA resolutions on file with CalPERS. Please review Section K to ensure that we have summarized the plan's benefit provisions correctly.

We appreciate the opportunity to work on this analysis and thank you and other District staff for their time and assistance. Please let us know if we can be of further assistance.

Sincerely,



J. Kevin Watts, FSA, FCA, MAAA
Principal & Consulting Actuary

Enclosure



South Placer Municipal Utility District

Actuarial Valuation of Other
Post-Employment Benefit Programs
As of June 30, 2023

Development of OPEB Prefunding Levels

Submitted May 2024

MacLeod Watts

Other Post-Employment Benefit Program of the South Placer Municipal Utility District
Actuarial Valuation as of June 30, 2023, for Plan Funding

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A. Executive Summary

This report presents the results of the June 30, 2023, actuarial valuation of the South Placer Municipal Utility District (the District) defined benefit other post-employment benefit (OPEB) program. The primary purpose of this valuation is to assess the defined benefit OPEB liabilities of the District and develop contribution levels for the funding of these benefits. OPEB information relevant to reporting in the District's financial statements will be provided in separate annual reports.

Trust assets are currently invested in the CERBT with Asset Allocation Strategy 2. Based on future District-specific benefit cash flows and investment return information published by CalPERS, we developed an expected trust return of 5.65%. This rate reflects the current expectation of the long-term return on trust assets, based on information provided by CalPERS in March 2022. This rate is slightly lower than the 5.72% return determined from the results of the 2021 valuation. For more information, see Choosing the Discount Rate on page 6. Please recognize that use of this rate is an assumption and is not a guarantee of future investment performance.

This report includes the valuation of different types of OPEB liability, which are described in the next section. The results of this 2023 valuation are applied to develop Actuarially Determined Contributions (ADCs) for the District's use in the funding of this benefit program. These ADCs will also be used in the District's financial disclosures under GASB 75 for fiscal years ending June 2025 and June 2026.

The plan funded status as of June 30, 2023, is compared to the June 30, 2021, valuation below. The funded ratio has decreased from 77.9% in 2021 to 65.8% in 2023. More detailed valuation results are presented in Section F.

Valuation Date	6/30/2021	6/30/2023
Discount Rate	5.72%	5.65%
Actuarial Accrued Liability (AAL)		
Explicit Liability	\$ 6,780,965	\$ 7,578,508
Implicit Liability	1,287,921	1,232,873
Total AAL	\$ 8,068,886	\$ 8,811,381
Actuarial Value of Assets	6,286,359	5,799,237
Unfunded Actuarial Accrued Liability (surplus)	1,782,527	3,012,144
Funded % (ratio of Assets to AAL)	77.9%	65.8%

Actuarially Determined Contributions for fiscal years ending June 30, 2025, through June 30, 2026, are shown below. Detailed results are developed in Section H.

Fiscal Year End	6/30/2025	6/30/2026
Actuarially Determined Contribution (ADC)	589,768	607,460
Less current implicit subsidy	(110,665)	(117,097)
Additional payments needed to meet ADC	\$ 479,103	\$ 490,363
Estimated employer-paid retiree benefits (explicit)	415,091	429,865
Estimated contribution to (refund from) trust	\$ 64,012	\$ 60,498

The next actuarial valuation is scheduled to be prepared as of June 30, 2025. If there are any significant changes in the employee data, benefits provided to retirees, or in the District's funding policy, please contact us to discuss whether an earlier valuation is appropriate.



Executive Summary

(Concluded)

The liabilities shown in this report reflect assumptions regarding continued future employment, rates of retirement and survival, and choices made by future retirees to elect coverage for themselves and their dependents. This valuation has been prepared on a closed group basis; no provision is generally made for new employees until the valuation date following their employment.

This valuation involves a complex, long-term projection, using many assumptions. Future results may be different. Future differences may arise for many reasons, including but not limited to 1) changes in the number of covered plan members; 2) unexpected changes in medical premiums or claims; 3) plan changes; 4) longer life expectancies than assumed; 5) asset returns different than assumed; and/or 6) changes in future plan benefits or eligibility.

Details of our valuation process are provided on the following pages. Key terms used in the report are described throughout the report and in the Glossary. Certain actuarial terms used for plan funding have parallel terms with different names when used for GASB 75 reporting (see table on page 6). This can be confusing when comparing results from an actuarial report providing funding information compared to one prepared for accounting purposes.

Important Notices

This report is intended to be used only to present actuarial information relating to the District's other postemployment benefits and to provide the annual contribution information with respect to the District's current OPEB funding policy. The results of this report may not be appropriate for other purposes, including financial reporting purposes under GASB 75, where other assumptions, methodology and/or actuarial standards of practice may be required or more suitable. Some issues in this report may involve analysis of applicable law or regulations. The District should consult counsel on these matters; MacLeod Watts does not practice law and does not intend anything in this report to constitute legal advice.



B. OPEB Obligations of the District

Post-employment benefits other than pensions (OPEB) comprise a part of compensation that employers offer for services received. The most common OPEB are medical, prescription drug, dental, vision, and/or life insurance coverage. Other OPEB may include outside group legal, long-term care, or disability benefits outside of a pension plan. OPEB does not generally include COBRA, vacation, sick leave (unless converted to defined benefit OPEB), or other direct retiree payments.

The following types of liabilities may arise due to promised benefits in the District's OPEB plan.

- **Explicit subsidy liabilities:** An "explicit subsidy" exists when the employer contributes directly toward the cost of retiree healthcare. These benefits include a monthly subsidy toward medical premiums for eligible retirees. Section K provides a more thorough description of plan benefits.
- **Implicit subsidy liabilities:** An "implicit subsidy" exists when premiums are developed using blended active and retiree claims experience. In this situation, premiums charged for retirees may not be sufficient to cover expected medical claims¹ and the premiums charged for active employees are said to "implicitly subsidize" retirees. The District's OPEB program includes implicit subsidy liabilities for retiree coverage prior to coverage under Medicare.
- **Other subsidy liabilities:** In the CalPERS medical program, the premium rates for Medicare-covered retirees are based only on retiree claims experience of the pool. Pooled plans that do not blend active and retiree premiums likely generate subsidies between employers and retirees within the pool. An actuarial practice note indicates these subsidies should be included in plan liabilities to the extent they are paid by the employer.² We generally expect these subsidies to be small and included any such liability with the implicit subsidy liability in this report.

We determine explicit subsidy liabilities using the expected direct payments promised by the plan toward retiree coverage. We determine other subsidy liabilities as the projected difference between (a) estimated retiree medical claim costs by age and (b) premiums charged for retiree coverage. For more information on this process Addendum 2: MacLeod Watts Age Rating Methodology.

¹ In rare situations, premiums for retiree coverage may be high enough that they subsidize active employees' claims.

² Exceptions exist for: 1) Medicare Advantage Plans: these plans are treated as if their premiums are age-based due to the nature of the Federal subsidies paid to these plans. 2) Plans with low explicit subsidies to Medicare-covered retirees: in these plans no part of any potential pool subsidy is expected to be paid by the employer.

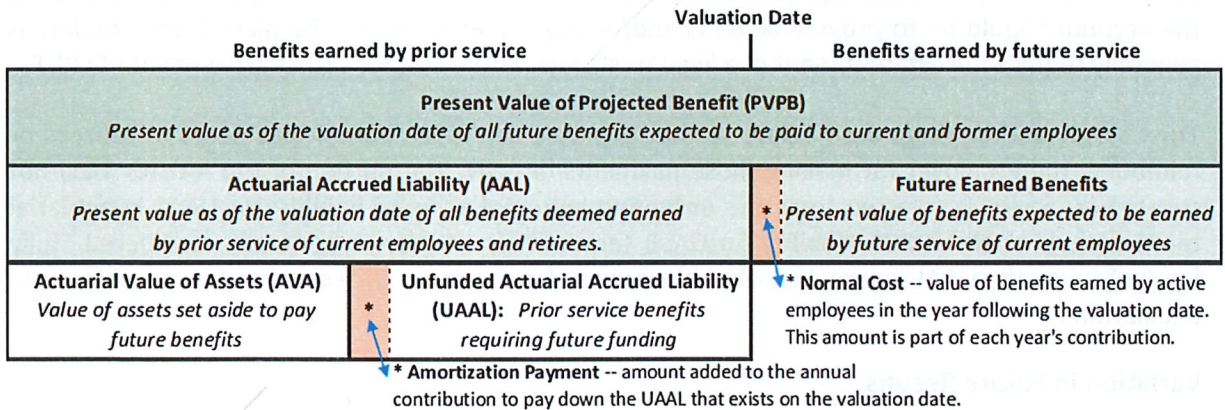


C. The Valuation Process

This valuation is based on census data and benefits submitted to us by the District and clarified in various related communications. A summary of this data is provided in Section J and a summary of the benefits provided under the Plan is provided in Section K. While individual employee records have been reviewed to verify that they are reasonable in various respects, the data has not been audited and we have otherwise relied on the District as to its accuracy. The valuation described below has been performed in accordance with the actuarial methods and assumptions described in Section L and is consistent with our understanding of Actuarial Standards of Practice.

In projecting benefit values and liabilities, we first determine an expected premium or benefit stream over each current retiree's or active employee's future retirement. Benefits may include both direct employer payments (explicit subsidies) and any implicit subsidies arising when retiree premiums are expected to be partially subsidized by premiums paid for active employees. The projected benefit streams reflect assumed trends in the cost of those benefits and assumptions as to the expected dates when benefits will end. Assumptions regarding the probability that each employee will remain in service to receive benefits and the likelihood that employees will elect coverage for themselves and their dependents are also applied.

We then calculate the present value of these future benefit streams by discounting the value of each future expected employer payment back to the valuation date using the valuation discount rate. This present value is called the **Present Value of Projected Benefits (PVPB)** and represents the current value of all expected future plan payments to current retirees and current active employees. Note that this long-term projection does not anticipate entry of future employees.



The next step in the valuation process splits the Present Value of Projected Benefits into 1) the value of benefits already earned by prior service of current employees and retirees and 2) the value of benefits expected to be earned by future service of current employees. Actuaries employ an "attribution method" to divide the PVPB into prior service liabilities and future service liabilities. For this valuation we used the **Entry Age Normal** attribution method. This method is the most commonly used for government funding purposes and the only attribution method allowed for financial reporting under GASB 75.

We call the value of benefits deemed earned by prior service the **Actuarial Accrued Liability (AAL)**. Benefits deemed earned by service of active employees in a single year is called the **Normal Cost** of benefits. The present value of all future normal costs (PVFNC) plus the Actuarial Accrued Liability will equal the Present Value of Projected Benefits (i.e., $PVPB = AAL + PVFNC$).



Valuation Process
(Concluded)

Further discussion about these various components and a summary of the June 30, 2023, valuation results are discussed in Section F.

Some actuarial terms and GASB 75 terms may be used interchangeably; a few are in the table below.

Actuarial Terminology	GASB 75 Terminology
Present Value of Projected Benefits (PVPB)	<i>No equivalent term</i>
Actuarial Accrued Liability (AAL)	Total OPEB Liability (TOL)
Market Value of Assets (MVA)	Fiduciary Net Position
Actuarial Value of Assets (AVA)	<i>No equivalent term</i>
Unfunded Actuarial Accrued Liability (UAAL)	Net OPEB Liability
Normal Cost	Service Cost

Incorporating Plan Assets

Funds set aside for future benefits may be considered contributions to an OPEB plan only if the account established for holding the accumulated assets are separate from and independent of the control of the employer and legally protected from its creditors. Furthermore, the sole purpose of the account should be to provide benefits and/or pay the expenses of the plan. These conditions generally require the establishment of a legal trust, such as the District’s trust account with CERBT.

Trust assets and earnings accumulate so that the trust can make benefit payments to retirees or reimburse the employer for making those payments directly. The portion of the AAL (or TOL) not covered by assets is referred to as the **unfunded actuarial accrued liability** (or UAAL in actuarial terminology), or **Net OPEB Liability** (in GASB terminology). A plan is generally considered “fully funded” when the UAAL is zero, i.e., when the accumulated prior service costs and plan assets are in equilibrium.

Variation in Future Results

Please note that projections of future benefits over such long periods (frequently 60 or more years) which are dependent on numerous assumptions regarding future economic and demographic variables are subject to revision as future events unfold. While we believe that the assumptions and methods used in this valuation are reasonable for the purposes of this report, the costs to the District reflected in this report may change in the future, perhaps materially. Demonstrating the range of potential future plan costs was beyond the scope of our assignment except to the limited extent of providing liability information at various discount rates.



D. Choosing the Valuation Discount Rate

CalPERS last updated the projected future investment returns for CERBT Strategy 2 in March 2022. The returns were determined using a building-block method and best-estimate ranges of expected future real rates of return for each major asset class (expected returns, net of OPEB plan investment expense and inflation). The target allocation and best estimates of geometric real rates of return published by CalPERS for each major class are split for years 1-5 and years 6 -20. We assumed that the returns for years 6 through 20 would continue in later years.

CERBT Strategy 2		Years 1-5			Years 6-20		
Major Asset Classification	Target Allocation	General Inflation Rate Assumption	1-5 Year Expected Real Rate of Return	Compound Return Yrs 1-5	General Inflation Rate Assumption	6-20 Year Expected Real Rate of Return	Compound Return Years 6-20
Global Equity	34%	2.40%	4.40%	6.80%	2.30%	4.50%	6.80%
Fixed Income	41%	2.40%	-1.00%	1.40%	2.30%	2.20%	4.50%
Global Real Estate(REITs)	17%	2.40%	3.00%	5.40%	2.30%	3.90%	6.20%
Treasury Inflation Protected Securities	5%	2.40%	-1.80%	0.60%	2.30%	1.30%	3.60%
Commodities	3%	2.40%	0.80%	3.20%	2.30%	1.20%	3.50%
Volatility	9.9%		weighted	4.2%		weighted	5.9%

To derive the expected future trust return specifically for the District, we first adjusted CalPERS' future return expectations to align with the 2.5% general inflation assumption used in this report. Then applying the plan specific benefit payments (as determined from the June 30, 2023, valuation) to CalPERS' bifurcated return expectations, we determined the single equivalent long-term rate of return to be 5.65%.

The valuation discount rate is then set equal to the long-term return expected to be earned by the trust. This methodology of setting the valuation discount rate equal to the long-term trust return is consistent with the "level cost actuarial methodology" recommended by the California Actuarial Advisory Panel. Level cost funding "... is characterized by economic assumptions based on the long term expected experience of the plan ... in contrast to a 'market based actuarial methodology' where economic assumptions are based on current market observations..."³

³ See "Actuarial Funding Policies and Practices for Public Pension and OPEB Plans", November 2015, California Actuarial Advisory Panel.



E. Asset Values as of June 30, 2023

The District's plan assets are invested in the California Employers' Retiree Benefits Trust (CERBT). The June 30, 2023, audit of CERBT assets reported the following value for the District's account:

Market Value of Trust Assets, June 30, 2023	\$5,799,237
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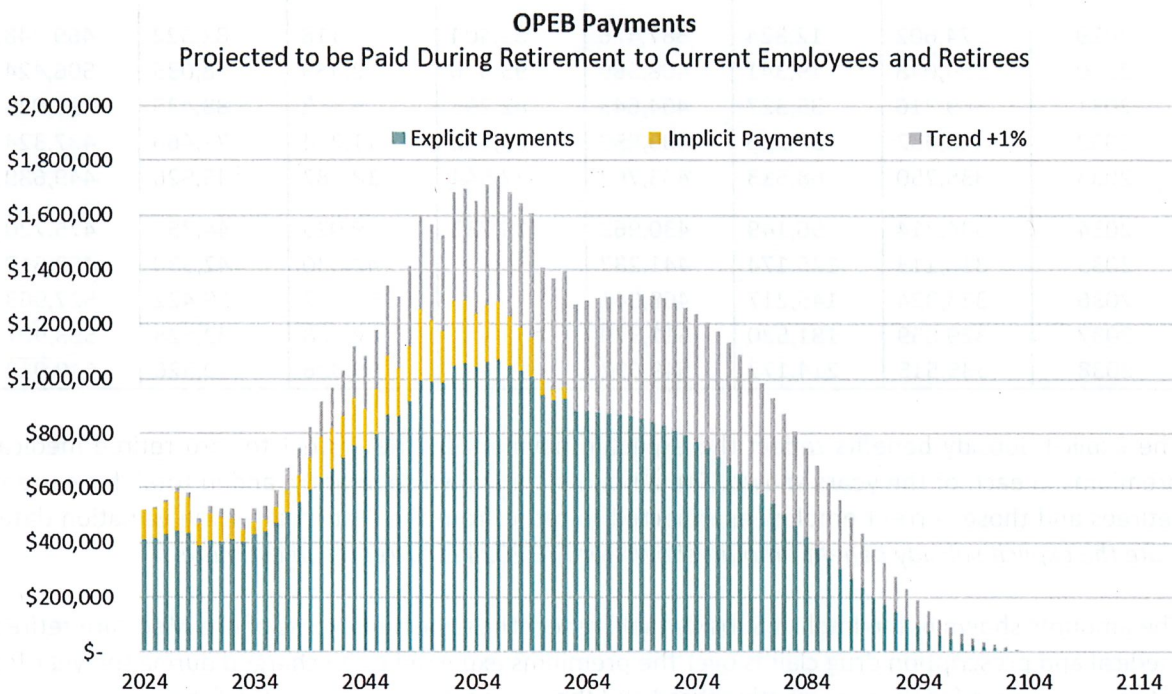
This value is also appropriate for use in GASB 75 financial reporting (i.e., Fiduciary Net Position).



F. Valuation Results as of June 30, 2023

This section presents the basic results of our recalculation of the OPEB liability using the updated employee data, plan provisions and asset information provided to us for the June 30, 2023, valuation. We described the general process for projecting all future benefits to be paid to retirees and current employees in Section C. Expected annual benefits have been projected on the basis of the actuarial assumptions outlined in Supporting Information, Section L.

Lifetime healthcare benefits (described in Section K.) are paid for qualifying retirees who enroll in coverage offered by the District. The graph below illustrates the annual Other post-employment benefits projected to be paid on behalf of current retirees and current employees expected to retire from the District.



Annual OPEB payments to current retirees and current employees assumed to retire from the District in the future are expected to steadily increase from about \$519,000 in 2024 to about \$1,291,000 in 2053 before gradually declining thereafter.

The amounts shown in green reflect the expected payment by the District toward retiree medical premiums. Those in yellow reflect the implicit subsidy benefits (i.e., the excess of estimated retiree medical and prescription drug claims over the premiums expected to be charged during the year for retirees' coverage) which are subsidized by active members. The projections in gray reflect increases in benefit levels if healthcare trend were 1% higher.

The first 15 years of benefit payments from the graph above are shown in tabular form on the following page.



Valuation Results as of June 30, 2023
(Continued)

Projected Annual Benefit Payments							
Fiscal Year Ending June 30	Explicit Subsidy			Implicit Subsidy			Total
	Current Retirees	Future Retirees	Total	Current Retirees	Future Retirees	Total	
2024	\$ 414,292	\$ -	\$ 414,292	\$ 104,793	\$ -	\$ 104,793	\$ 519,085
2025	413,118	1,973	415,091	108,711	1,954	110,665	525,756
2026	425,800	4,065	429,865	113,065	4,032	117,097	546,962
2027	437,280	7,335	444,615	134,581	6,031	140,612	585,227
2028	425,558	8,815	434,373	130,333	408	130,741	565,114
2029	374,602	12,824	387,426	81,404	1,118	82,522	469,948
2030	389,048	19,341	408,389	95,576	2,459	98,035	506,424
2031	369,316	35,327	404,643	82,293	6,142	88,435	493,078
2032	358,932	50,926	409,858	66,212	11,254	77,466	487,324
2033	335,250	68,513	403,763	27,544	18,382	45,926	449,689
2034	334,814	96,149	430,963	15,732	29,025	44,757	475,720
2035	316,113	125,174	441,287	-	42,330	42,330	483,617
2036	323,324	145,217	468,541	-	59,422	59,422	527,963
2037	329,859	181,520	511,379	-	82,528	82,528	593,907
2038	335,515	214,177	549,692	-	99,326	99,326	649,018

The Explicit Subsidy benefits reflect the expected payment by the District toward retiree medical premiums in each of the years shown. The amounts are shown separately, and in total, for current retirees and those current employees expected to retire from the District after the valuation date. *Note the explicit subsidy benefit amount shown for FYE 2024 is currently an estimate.*

The amounts shown in the Implicit Subsidy table reflect the expected excess of pre-Medicare retiree medical and prescription drug claims over the premiums expected to be charged during the year for retirees' coverage for those currently retired and those expected to retire in the future.

The projections shown above do not include any benefits expected to be paid on behalf of current active employees *prior to* retirement, nor do they include any benefits for potential *future employees* (i.e., those who might be hired in future years).



Valuation Results as of June 30, 2023
(continued)

The following chart compares the results of the June 30, 2023, valuation of OPEB liabilities to the results of the June 30, 2021, valuation.

Valuation date	6/30/2021			6/30/2023					
Discount rate	5.72%			5.65%					
Number of Covered Employees									
Actives	26			29					
Retirees	24			26					
Total Participants	50			55					
Subsidy									
Actuarial Present Value of Projected Benefits									
Actives	\$	3,995,154	1,157,794	\$	4,991,820	\$	1,191,982	\$	6,183,802
Retirees		4,956,826	769,259		5,640,087		771,475		6,411,562
Total APVPB		8,951,980	1,927,053		10,631,907		1,963,457		12,595,364
Actuarially Accrued Liability (AAL)									
Actives		1,824,139	518,662		1,938,421		461,398		2,399,819
Retirees		4,956,826	769,259		5,640,087		771,475		6,411,562
AAL		6,780,965	1,287,921		7,578,508		1,232,873		8,811,381
Market Value of Assets		6,286,359			6,286,359			5,799,237	
Unfunded Actuarially Accrued Liability (UAAL)									
Normal Cost		1,782,527			1,782,527			3,012,144	
For the period following the measurement date		206,577	60,423		244,582		60,669		305,251

The funded ratio – the ratio of the Assets to the Actuarial Accrued Liability – has decreased from 77.9% to 65.8% since the 2021 valuation.



Valuation Results as of June 30, 2023

(Concluded)

Changes Since the Prior Valuation

A reconciliation of the \$1,229,617 change in the Unfunded Actuarial Accrued Liability appears below. "Other plan experience" includes terminations and retirements other than expected, and plan elections different than assumed.

Reconciliation	Actuarial Accrued Liability (a)	Market Value of Assets (b)	Unfunded Actuarial Accrued Liability (c) = (a) - (b)
As of June 30, 2021 Funding Valuation <i>@ 5.72% discount rate</i>	\$ 8,068,886	\$ 6,286,359	\$ 1,782,527
Changes During the 2021-2022 Period:			
Service Cost	267,000		267,000
Interest Cost	465,382		465,382
Benefit Payments	(399,699)	(399,699)	-
Employer Contributions		516,227	(516,227)
Trust Expenses		(1,607)	1,607
Expected Asset Return		362,866	(362,866)
Investment experience greater (less) than expected		(1,162,758)	1,162,758
Assumption Changes			-
As of June 30, 2022	\$ 8,401,569	\$ 5,601,388	\$ 2,800,181
Changes During the 2022-2023 Period:			
Service Cost	275,011		275,011
Interest Cost	482,524		482,524
Benefit Payments	(481,692)	(481,692)	-
Employer Contributions		481,692	(481,692)
Trust Expenses		(1,605)	1,605
Expected Asset Return		320,353	(320,353)
Investment experience greater (less) than expected		(120,899)	120,899
Plan experience (gain) loss:			
Census changes other than expected	592,696		592,696
Premiums and claims other than expected	(241,265)		(241,265)
Other plan experience	(209,870)		(209,870)
Assumption changes:			
Updated healthcare trend	(120,328)		(120,328)
Updated discount rate	76,369		76,369
Updated demographic assumptions, including mortality improvement	36,367		36,367
As of June 30, 2023 Funding Valuation <i>@ 5.65% discount rate</i>	\$ 8,811,381	\$ 5,799,237	\$ 3,012,144



G. OPEB Funding Policy

The employer's OPEB funding policy and level of contributions to an irrevocable OPEB trust directly affects the discount rate which is used to calculate the OPEB liability to be reported in the employer's financial statements. Prefunding (setting aside funds to accumulate in an irrevocable OPEB trust) has certain advantages, one of which is the ability to (potentially) use a higher discount rate in the determination of liabilities for GASB 75 reporting purposes. Prefunding also improves the security of benefits for current and potential future recipients and contributes to intergenerational taxpayer equity by better matching the cost of the benefits to the service years in which they are earned and which correspond to years in which taxpayers benefit from those services.

Paying Down the UAAL

Once an employer decides to prefund, a decision must be made about how to pay for benefits related to accumulated prior service that have not yet been funded (the Unfunded Actuarial Accrued Liability, or UAAL⁴). This is most often, though not always, handled through structured amortization payments. The period and method chosen for amortizing this unfunded liability can significantly affect the Actuarially Determined Contribution (ADC) or other basis selected for funding the OPEB program.

When the AAL exceeds plan assets, choosing a longer amortization period to pay off the UAAL means smaller payments, but the payments will be required for more years; plan investments will have less time to work toward helping reduce required contribution levels. When the plan is in a surplus position, the reverse is true, and a longer amortization period is often preferable.

There are several ways the amortization payment can be determined. The most common methods are calculating the amortization payment as a level dollar amount or as a level percentage of payroll. The employer might also choose to apply a shorter period when the UAAL is positive, i.e., when trust assets are lower than the AAL, but opt for a longer period or to exclude amortization of a negative UAAL, when assets exceed the AAL. The entire UAAL may be amortized as one single component or may be broken into multiple components reflecting the timing and source of each change, such as those arising from assumption changes, benefit changes and/or liability or investment experience.

The amortization period(s) should not exceed the number of years which would allow current trust assets plus future contributions and earnings to be sufficient to pay all future benefits and trust expenses each year. Prefunding of OPEB is optional and contributions at any level are permitted. However, if trust sufficiency is not expected, a discount rate other than the assumed trust return will likely be required for accounting purposes.

Funding and Prefunding of the Implicit Subsidy

An implicit subsidy liability is created when retiree medical claims are expected to exceed the premiums charged for retiree coverage. Recognition of the estimated implicit subsidy each year is handled by an accounting entry, reducing the amount paid for active employees and shifting that amount to be treated as a retiree healthcare expense/contribution. The implicit subsidy is a true benefit to the retiree but can be difficult to see when medical premiums are set as a flat rate for both actives and pre-Medicare retirees.

⁴ We use actuarial, rather than accounting, terminology to describe the components used to develop the ADCs.



OPEB Funding Policy

(Concluded)

This might lead some employers to believe the benefit is not real or is merely an accounting construct, and thus to forgo prefunding of retiree implicit benefits.

Consider what would happen if the retiree premiums were based only on expected retiree claims experience. Almost certainly, retiree premiums would increase while premiums for active employees would go down if the active premiums no longer had to help support the higher retiree claims. *Who would pay the increases in retiree premiums?* Current plan documents and bargaining agreements would have to be consulted. Depending on circumstances, the increase in retiree premiums might remain the responsibility of the employer, pass entirely to the retirees, or some blending of the two. The answer would determine whether separate retiree-only premium rates would result in a higher or lower employer OPEB liability. In the current premium structure, with blended active and pre-Medicare retiree premiums, the employer is clearly, though indirectly, paying the implicit retiree cost.

The prefunding decision is complex. OPEB materiality, budgetary concerns, desire to use the full trust rate in developing the liability for GASB 75, and other factors must be weighed by each employer. Since prefunding OPEB benefits is not required, each employer's OPEB prefunding strategy will depend on how they balance these competing perspectives.

Development of the Actuarially Determined Contributions

Actuarially Determined Contributions (ADCs) are developed as the sum of the following two components, adjusted with interest to each fiscal year end:

- The normal cost for the year. The normal cost is the value of future retiree benefits earned by active employees during the year; and
- An amortization payment on the unfunded actuarial accrued liability. Benefits earned in prior periods that remain unfunded are funded over time. The District's amortization payments are developed as a level percentage of payroll.

Actuarially Determined Contributions developed as described above for the District's fiscal years ending June 30, 2025, and 2026 are shown in Section H. These ADCs include both explicit (cash benefit) and implicit subsidy benefit liabilities. Contributions credited toward meeting the ADC include:

- 1) direct payments to insurers toward retiree premiums, to the extent not reimbursed to the District by the trust,
- 2) each year's implicit subsidy payment
- 3) contributions to the OPEB trust.

The District's OPEB Funding Policy

The District has committed to making regular contributions to the plan's OPEB trust at least equal to the Actuarially Determined Contribution. ADCs determined on this basis should provide for trust sufficiency, based on the current plan provisions and census data, provided all assumptions are exactly realized and if the District contributes 100% or more of the ADC each year. Trust sufficiency cannot be guaranteed to a certainty, however, because of the non-trivial risk that the assumptions used to project future benefit liabilities may not be realized and trust assets may not earn the assumed return.



H. Development of Actuarially Determined Contributions

We develop the Actuarially Determined Contributions (ADCs) for fiscal years ending June 30, 2025, and June 30, 2026, from the results of this valuation. The ADC for fiscal year end June 30, 2024, was developed from the prior (2021) valuation and we have included this for reference as well.

Valuation date	6/30/2021		6/30/2023			
Discount rate	5.72%		5.65%			
Number of Covered Employees						
Actives	26		29			
Retirees	24		26			
Total Participants	50		55			
For fiscal year ending	6/30/2024		6/30/2025		6/30/2026	
Actuarial Present Value of Projected Benefits	\$ 11,247,858	\$ 12,773,253	\$ 12,954,333			
Actuarial Accrued Liability (AAL)						
Actives	2,775,981	2,857,907	3,351,551			
Retirees	5,920,213	6,240,066	6,052,021			
Total AAL	8,696,194	9,097,973	9,403,572			
Actuarial Value of Assets	7,123,940	6,018,017	6,407,194			
Unfunded AAL (UAAL)	1,572,254	3,079,956	2,996,378			
UAAL Amortization method	Level % of Pay		Level % of Pay		Level % of Pay	
Remaining amortization period (years)	16		15		14	
Amortization Factor	13.2541		12.6322		11.9314	
Actuarially Determined Contribution (ADC)						
Normal Cost	\$ 283,260	\$ 314,409	\$ 323,841			
Amortization of UAAL	118,624	243,819	251,133			
Interest to fiscal year end	22,988	31,540	32,486			
Total ADC	424,872	589,768	607,460			

Funding of the ADC

1 Implicit subsidy contribution	\$ 104,793	\$ 110,665	\$ 117,097	
Additional payments needed to meet ADC	320,079	479,103	490,363	
2 <i>Estimated agency paid premiums for retirees</i>	\$ 414,292	\$ 415,091	\$ 429,865	
3 <i>Estimated agency contribution to OPEB trust</i>	(94,213)	64,012	60,498	
Total Expected Employer Contributions (1+2+3)	\$ 424,872	\$ 589,768	\$ 607,460	

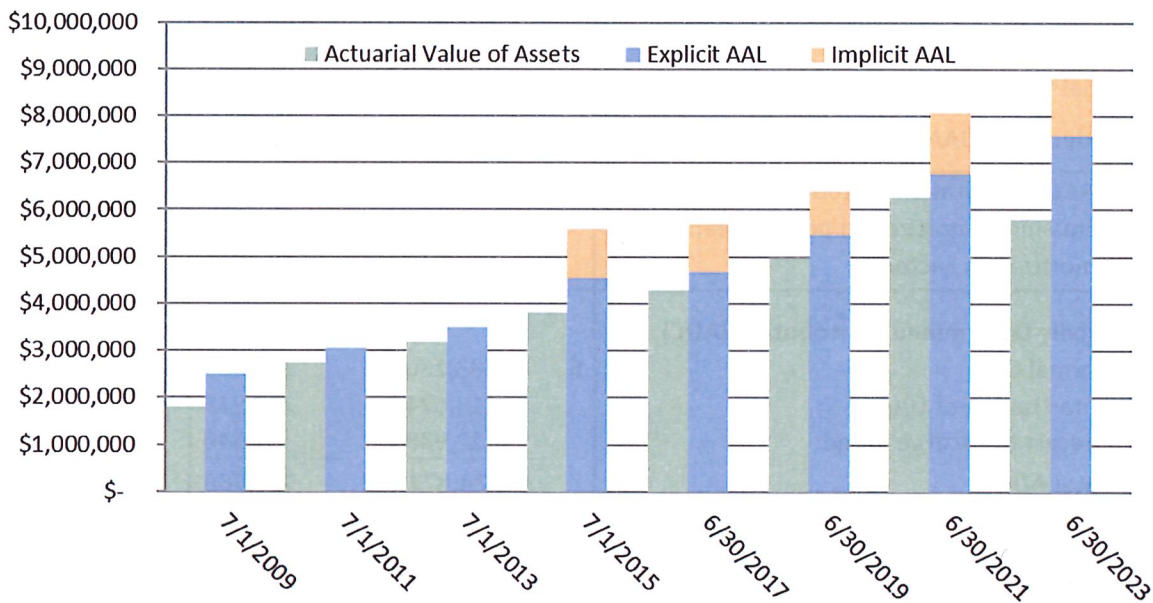


I. Historical Information

In this section, we provide a review of key components of valuation results from 2009 through 2023.

Schedule of Funding Progress							
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded		Covered Payroll (c)	UAAL as a Percentage of Covered Payroll	
			Actuarial Accrued Liability (b-a)	Funded Ratio (a/b)		Percentage ((b-a)/c)	Discount Rate
7/1/2009	\$ 1,800,053	\$ 2,505,691	\$ 705,638	71.8%	\$1,346,985	52.4%	7.75%
7/1/2011	\$ 2,729,321	\$ 3,062,219	\$ 332,898	89.1%	\$1,387,068	24.0%	7.75%
7/1/2013	\$ 3,181,069	\$ 3,496,648	\$ 315,579	91.0%	\$1,425,554	22.1%	7.61%
7/1/2015	\$ 3,825,896	\$ 5,596,626	\$ 1,770,730	68.4%	\$1,671,388	105.9%	7.28%
6/30/2017	\$ 4,272,867	\$ 5,710,816	\$ 1,437,949	74.8%	\$2,332,507	61.6%	6.73%
6/30/2019	\$ 4,958,199	\$ 6,398,896	\$ 1,440,697	77.5%	\$2,354,398	61.2%	6.30%
6/30/2021	\$ 6,286,359	\$ 8,068,886	\$ 1,782,527	77.9%	\$2,681,595	66.5%	5.72%
6/30/2023	\$ 5,799,237	\$ 8,811,381	\$ 3,012,144	65.8%	\$2,679,762	112.4%	5.65%

Schedule of Funding Progress



Significant changes during this period include:

- July 1, 2015:** First time recognition of the implicit subsidy liability; discount rate decreased from 7.61% to 7.28%; revised assumptions for retirement and termination; increase in number of active members from 21 to 24 and retirees from 10 to 15.
- June 30, 2017:** Discount rate decreased from 7.25% to 6.73% reflecting planned change in asset allocation strategy; increase in assumed long term healthcare trend and number of active members valued from 24 to 27; offset by very favorable plan experience
- June 30, 2019:** Discount rate decreased from 6.73% to 6.30%; updated demographic assumptions; favorable plan experience from lower than projected medical premiums



Historical Information

(Concluded)

- **June 30, 2021:** Added post-65 pool subsidy; updated healthcare trend and mortality projection scale; return on trust assets was significantly higher than expected; claims and premiums lower than expected offset by increased liability for earlier retirements than anticipated.
- **June 30, 2023:** Return on trust assets was significantly lower than expected over the past two years combined; retirements and turnover other than expected; premiums and claims other than expected; updated healthcare trend; updated discount rate.



J. Summary of Employee Data

Active members: The District reported 29 active employees in the data provided to us for the June 2023 valuation. Of these, 28 were reported to be enrolled in the medical program while 1 employee was waiving coverage.

Distribution of Benefits-Eligible Active Employees								
Current Age	Years of Service						Total	Percent
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 & Up		
Under 25							0	0%
25 to 29		1	1				2	7%
30 to 34	3	2	3				8	28%
35 to 39	1	4		1			6	21%
40 to 44		4	1		1		6	21%
45 to 49			3	1		1	5	17%
50 to 54		1					1	3%
55 to 59							0	0%
60 to 64			1				1	3%
65 to 69							0	0%
70 & Up							0	0%
Total	4	12	9	2	1	1	29	100%
Percent	14%	41%	31%	7%	3%	3%	100%	

<u>Valuation</u>	<u>June 2021</u>	<u>June 2023</u>
Average Attained Age for Actives	41.8	39.8
Average Years of Service	6.9	6.2

Retired members: There were also 26 retirees or survivors receiving benefits. The following chart summarizes the ages of current retirees in the District plan.

Retirees by Age		
Current Age	Number	Percent
Below 50	0	0%
50 to 54	3	12%
55 to 59	3	12%
60 to 64	5	19%
65 to 69	7	27%
70 to 74	6	23%
75 to 79	1	4%
80 & up	1	4%
Total	26	100%
Average Age:		
On 6/30/2023	66.3	
At retirement	57.5	

Summary of Plan Member Counts: GASB 75 requires the employer to report specific plan member counts. The chart below shows these counts as of the June 30, 2023, valuation date:

Summary of Plan Member Counts	
Number of active plan members	29
Number of inactive plan members currently receiving benefits	26
Number of inactive plan members entitled to but not receiving benefits	1*

*Retirees eligible to return to the District for PEMHCA coverage



Summary of Employee Data
(Concluded)

The chart below reconciles the number of actives and retirees included in the June 2021 valuation of the District plan with those included in the June 2023 valuation:

Reconciliation of District Plan Members Between Valuation Dates					
Status	Covered Actives	Waiving Actives	Covered Retirees	Covered Surviving Spouses	Total
Number reported as of June 30, 2021	22	4	22	2	50
New employees	8				8
Separated employees	(1)	(1)			(2)
New retiree, elected coverage	(3)		3		0
Previously waiving, now covered	2	(2)			0
Deceased			(2)	1	(1)
Number reported as of June 30, 2023	28	1	23	3	55

The number of active employees increased by 3 (about 12%) between valuations and the number of retirees increased by 2 (about 8%). There were 3 new retirements between valuations; all 3 elected to continue District medical coverage in retirement.

The District's OPEB liability varies, based on the medical plan selected, the level of coverage (i.e., single, two-party or family) and whether or not the retiree is currently covered by Medicare. This chart shows current medical plan elections.

Participants by Medical Plan			
Medical Plan	Actives	Retired	Total
Waiving	1		1
Anthem Select Region 1		1	1
Blue Shield Access Region 1	1	1	2
Kaiser Region 1	25	7	32
PERS Platinum OOS		9	9
PERS Platinum Region 1		4	4
UHC Region 1	2	3	5
WHA Region 1		1	1
Total	29	26	55

The liability also varies based on the plan member's benefit level (tier). This chart shows the counts of actives and retirees who are covered by the different benefit levels. A description of the benefits for each tier is provided in the following section.

Participant Counts by Benefit Level			
Benefit Level	Active	Retired	Total
1: Hired before 7/1/11; retired before 7/1/12		7	7
2: Hired before 7/1/11; retired after 7/1/12	3	17	20
3: Hired after 7/1/11 but before 1/1/13		2	2
4: Hired on/after 1/1/13	26		26
Total	29	26	55



K. Summary of Retiree Benefit Provisions

OPEB provided: The District has indicated that the only OPEB provided is medical coverage.

Access to retiree medical coverage: Medical coverage is currently provided through CalPERS as permitted under the Public Employees’ Medical and Hospital Care Act (PEMHCA). This coverage requires the employee to satisfy the requirements for retirement under CalPERS: either (a) attainment of age 50 (if Classic) or age 52 (if PEPRA) with 5 years of State or public agency service or (b) an approved disability retirement.

The employee must begin his or her retirement (pension) benefit within 120 days of terminating employment with the District to be eligible to continue medical coverage through the agency and be entitled to the benefits described below. In other words, it is the timing of initiating retirement benefits and not timing of enrollment in the medical program which determines whether or not a District retiree qualifies for lifetime medical coverage and any benefits defined in the PEMHCA resolution.

If an eligible employee is not already enrolled in the medical plan, he or she may enroll within 60 days of retirement, during any future open enrollment period or with a qualifying life event. Once eligible, coverage may be continued at the retiree’s option for his or her lifetime. A surviving spouse and other eligible dependents may also continue coverage and may be eligible for District benefits.

Benefits paid by the District: The District benefits are a combination of amounts provided through a PEMHCA resolution and as described in a formal Memorandum of Understanding. The chart on the following page describes these benefits in detail.

Eligibility Category	Pre-65 Cap	Post-65 Cap	Benefit Level
1: Hired before 7/1/11; retired before 7/1/12	\$ 3,483	\$ 3,483	Anthem Traditional HMO Region 1 family rate
2: Hired before 7/1/11; retired after 7/1/12	2,656	1,160	Kaiser Region 1 family rate
3: Hired after 7/1/11 but before 1/1/13	2,656	1,160	Kaiser Region 1 family rate times vesting %
4: Hired on/after 1/1/13	2,043	773	Kaiser Region 1 Ee + 1 rate times vesting %

A detailed chart of benefits is provided on the following page.

Current premium rates: The 2024 monthly premium rates for Region 1 are shown below. The additional CalPERS administration fee is assumed to be separately expensed each year and has not been projected as an OPEB liability in this valuation.

Region 1 2024 Health Plan Rates						
Plan	Actives and Pre-Med Retirees			Medicare Eligible Retirees		
	Ee Only	Ee & 1	Ee & 2+	Ee Only	Ee & 1	Ee & 2+
Anthem Select HMO	\$1,138.86	\$2,277.72	\$2,961.04	\$ 405.83	\$ 811.66	\$ 1,217.49
Blue Shield Access+ HMO	1,076.84	2,153.68	2,799.78	392.68	785.36	1,178.04
Kaiser HMO*	1,021.41	2,042.82	2,655.67	386.55	773.10	1,159.65
PERS Platinum PPO	1,314.27	2,628.54	3,417.10	448.15	896.30	1,344.45
UHC Alliance HMO**	1,091.13	2,182.26	2,836.94	366.01	732.02	1,098.03
Western Health Advantage HMO	807.23	1,614.46	2,098.80	268.62	537.24	805.86

*Medicare rates shown are for Kaiser Medicare Advantage Summit

**Medicare rates shown are for UHC Medicare Advantage Edge



Summary of Retiree Benefit Provisions
(Continued)

Summary of Benefits	Hired	Retired	Age & Service Requirements	General Description	Maximum Monthly Benefit	Vesting Percent	Length of Benefits
PEMHCA Resolution Benefits	All	All	Age 50*, 5 years CalPERS membership or approved disability retirement	100% of the monthly medical plan premium for the retiree and any eligible covered dependents, not to exceed the applicable maximum monthly benefit	PEMHCA Minimum Employer Contribution (MEC); \$157 per month in 2024.	100%	Lifetime of retiree & surviving spouse**
	Prior to July 1, 2011	Prior to July 1, 2012	Age 50 and 5 years CalPERS membership or approved disability retirement		Highest HMO pre-Medicare family premium in Region 1	100%	Payable for the lifetime of the retiree & spouse; dependent children while eligible for coverage
Enhanced District Benefits (includes PEMHCA benefits)	Prior to July 1, 2011	On or after July 1, 2012	Age 50* (or approved disability retirement) and 10 years of CalPERS membership (5 of which are District service)		Kaiser family premium*** in Region 1	50% after 10 years of PERS service, plus 5% for each additional year; 100% with 20 or more years of PERS service	
	On or after July 1, 2011 and before January 1, 2013	On or after July 1, 2011			Kaiser family premium*** multiplied by the vesting percent		
	On or after January 1, 2013	On or after January 1, 2013			Kaiser Employee + 1 premium*** in Region 1, multiplied by the vesting percent		

* Age 52, for miscellaneous employees hired on or after January 1, 2013 and covered under the PEPRAs required formula.

** If the spouse is covered at the time of the retiree's death and entitled to survivor benefits under the retirement plan.

*** Post-Medicare, the maximum monthly benefit reduces to the supplemental rate.



L. Summary of Actuarial Methods and Assumptions

The ultimate real cost of an employee benefit plan is the value of all benefits and other expenses of the plan over its lifetime. These payments depend only on the terms of the plan and the administrative arrangements adopted. The actuarial assumptions are used to estimate the cost of these benefits; the funding method spreads the expected costs on a level basis over the life of the plan.

Important Dates

Valuation Date June 30, 2023

Valuation Methods

Funding Method Entry Age Normal Cost, level percent of pay

Asset Valuation Method Market Value

Participants Valued Only current active employees and retired participants and covered dependents are valued. No future entrants are considered in this valuation.

Development of Age-related
Medical Premiums

Actual premium rates for retirees and their spouses were adjusted to an age-related basis by applying medical claim cost factors developed from the data presented in the report, "Health Care Costs – From Birth to Death", sponsored by the Society of Actuaries. A description of the use of claims cost curves is provided in MacLeod Watts's Age Rating Methodology in Addendum 1 to this report.

Pre-Medicare retiree premiums are blended with premiums for active members. Medicare-eligible retirees are covered by plans which are rated solely on the experience of Medicare retirees with no subsidy by active employee premiums.

Monthly baseline premium costs were set equal to the active single premiums shown in the chart in Section K. Representative claims costs derived from the dataset provided by CalPERS are shown in the chart on the following page. Age-based claims were applied (a) for all retirees not yet eligible for Medicare and (b) for Medicare retirees receiving benefits in excess of the PEMHCA minimum and covered by Medicare Supplement plans.



**Summary of Actuarial Methods and Assumptions
 (Continued)**

Development of Age-related Medical Premiums

		Expected Monthly Claims by Medical Plan for Selected Ages - Male												
Region	Medical Plan	Non-Medicare Retirees						Medicare Retirees						
		50	53	56	59	62	65	70	75	80	85	90	95	
Region 1	Anthem Select HMO	1,045	1,232	1,431	1,640	1,865	Claims not developed for Medicare Advantage plans							
	Blue Shield Access+ HMO	1,186	1,398	1,624	1,861	2,116	Claims not developed for Medicare Advantage plans							
	Kaiser HMO	934	1,102	1,280	1,467	1,667	Claims not developed for Medicare Advantage plans							
	PERS Platinum PPO	1,299	1,531	1,779	2,039	2,318	381	427	464	486	480	458	454	
	UHC Alliance HMO	1,075	1,267	1,472	1,687	1,918	Claims not developed for Medicare Advantage plans							
OOS	Western Health Advantage H	835	984	1,143	1,310	1,490	Claims not developed for Medicare Advantage plans							
	PERS Platinum	819	965	1,121	1,285	1,461	381	427	464	486	480	458	454	
		Expected Monthly Claims by Medical Plan for Selected Ages - Female												
Region	Medical Plan	Non-Medicare Retirees						Medicare Retirees						
		50	53	56	59	62	65	70	75	80	85	90	95	
Region 1	Anthem Select HMO	1,295	1,422	1,530	1,654	1,823	Claims not developed for Medicare Advantage plans							
	Blue Shield Access+ HMO	1,469	1,614	1,736	1,876	2,068	Claims not developed for Medicare Advantage plans							
	Kaiser HMO	1,158	1,272	1,368	1,479	1,630	Claims not developed for Medicare Advantage plans							
	PERS Platinum PPO	1,609	1,768	1,902	2,055	2,266	365	413	447	467	471	462	454	
	UHC Alliance HMO	1,332	1,463	1,574	1,701	1,875	Claims not developed for Medicare Advantage plans							
OOS	Western Health Advantage H	1,035	1,136	1,223	1,321	1,456	Claims not developed for Medicare Advantage plans							
	PERS Platinum	1,014	1,114	1,199	1,295	1,428	365	413	447	467	471	462	454	



Summary of Actuarial Methods and Assumptions
(Continued)

Economic Assumptions

Discount Rate	5.72% as of prior funding valuation (June 30, 2021) 5.65% for current valuation
General Inflation Rate	2.5% per year
Salary Increase	3.0% per year; since benefits do not depend on salary, this is used to allocate the cost of benefits between service years and to determine the amortization component of the ADC.
Healthcare Trend	Medical plan premiums and claims costs by age are assumed to increase once each year. Increases over the prior year's levels are assumed to be effective on the dates shown below.

Effective January 1	Premium Increase	Effective January 1	Premium Increase
2024	Actual	2040-2043	4.8%
2025	6.5%	2044-2049	4.7%
2026	6.0%	2050-2059	4.6%
2027	5.5%	2060-2065	4.5%
2028	5.4%	2066-2067	4.4%
2029	5.3%	2068-2069	4.3%
2030	5.2%	2070	4.2%
2031	5.1%	2071-2072	4.1%
2032-2037	5.0%	2073-2074	4.0%
2038-2039	4.9%	2075 & later	3.9%

The healthcare trend shown above was developed using the Getzen Model 2023 published by the Society of Actuaries using the following settings: CPI 2.5%; Real GDP Growth 1.4%; Excess Medical Growth 1.0%; Expected Health Share of GDP in 2032 20%; Resistance Point 21%; Year after which medical growth is limited to growth in GDP 2075.

Increases in PEMHCA minimum	We assumed that the required PEMHCA Minimum Employer Contribution (MEC) will increase by 4.0% per year.
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Summary of Actuarial Methods and Assumptions
(Continued)

Participant Election Assumptions

Participation Rate *Active employees:* 100% are assumed to continue their current plan election in retirement, if eligible for more than the PEMHCA minimum benefit. 70% of those eligible for only the PEMHCA minimum are assumed to continue their current plan election in retirement. If currently waiving coverage, we assumed the employee will elect coverage in the Kaiser Sacramento Rate plan at or prior to retirement.

Retired participants: Existing medical plan elections are assumed to be continued until the retiree’s death.

Spouse Coverage *Active employees:* 90% of future retirees are assumed to be married and elect coverage for their spouse in retirement. Surviving spouses are assumed to continue coverage until their death. Husbands are assumed to be 3 years older than their wives.

Retired participants: Existing elections for spouse coverage are assumed to continue until the spouse’s death. Actual spouse ages are used, where known; if not, husbands are assumed to be 3 years older than their wives.

Dependent Coverage Active and retired employees: Existing elections for dependent coverage are assumed to be continued until the youngest dependent reaches age 26.

Medicare Eligibility Absent contrary data, all individuals are assumed to be eligible for Medicare Parts A and B at age 65.

Demographic Assumptions

Demographic actuarial assumptions used in this valuation are based on the 2021 experience study of the California Public Employees Retirement System using data from 1997 to 2019, except for a different basis used to project future mortality improvements. Rates for selected age and service are shown below and on the following pages.

Mortality Before Retirement
(before improvement applied)

CalPERS Public Agency Miscellaneous Non- Industrial Deaths		
Age	Male	Female
15	0.00018	0.00010
20	0.00039	0.00014
30	0.00044	0.00019
40	0.00075	0.00039
50	0.00134	0.00081
60	0.00287	0.00179
70	0.00594	0.00404
80	0.01515	0.01149



Summary of Actuarial Methods and Assumptions
(Continued)

Mortality After Retirement
(before improvement applied)

Healthy Lives			Disabled Miscellaneous		
CalPERS Public Agency Miscellaneous, Police & Fire Post Retirement Mortality			CalPERS Public Agency Disabled Miscellaneous Post-Retirement Mortality		
Age	Male	Female	Age	Male	Female
40	0.00075	0.00039	20	0.00411	0.00233
50	0.00271	0.00199	30	0.00452	0.00301
60	0.00575	0.00455	40	0.00779	0.00730
70	0.01340	0.00996	50	0.01727	0.01439
80	0.04380	0.03403	60	0.02681	0.01962
90	0.14539	0.11086	70	0.04056	0.02910
100	0.36198	0.31582	80	0.08044	0.06112
110	1.00000	1.00000	90	0.16770	0.14396

Mortality Improvement

MacLeod Watts Scale 2022 applied generationally from 2010.
(see Appendix 2)

Termination Rates

Male Miscellaneous Employees: Sum of Vested Terminated & Refund Rates From CalPERS Experience Study Report Issued November 2021						
Attained Age	Years of Service					
Age	0	3	5	10	15	20
15	0.1851	0.0000	0.0000	0.0000	0.0000	0.0000
20	0.1851	0.0927	0.0843	0.0000	0.0000	0.0000
25	0.1769	0.0927	0.0843	0.0377	0.0000	0.0000
30	0.1631	0.0802	0.0804	0.0377	0.0180	0.0000
35	0.1493	0.0677	0.0715	0.0366	0.0180	0.0141
40	0.1490	0.0583	0.0627	0.0337	0.0180	0.0141
45	0.1487	0.0538	0.0562	0.0309	0.0166	0.0141

Female Miscellaneous Employees: Sum of Vested Terminated & Refund Rates From CalPERS Experience Study Report Issued November 2021						
Attained Age	Years of Service					
Age	0	3	5	10	15	20
15	0.1944	0.0000	0.0000	0.0000	0.0000	0.0000
20	0.1944	0.1085	0.1074	0.0000	0.0000	0.0000
25	0.1899	0.1085	0.1074	0.0502	0.0000	0.0000
30	0.1824	0.0977	0.1041	0.0502	0.0252	0.0000
35	0.1749	0.0869	0.0925	0.0491	0.0252	0.0175
40	0.1731	0.0777	0.0809	0.0446	0.0252	0.0175
45	0.1713	0.0710	0.0730	0.0401	0.0213	0.0175



Summary of Actuarial Methods and Assumptions
(Continued)

Service Retirement Rates The following miscellaneous retirement formulas apply:

- For "Classic" employees hired before 4/19/2012: 2.7% @ 55
- For "Classic" employees hired on/after 4/19/2012: 2% @ 55
- For "PEPRA" employees: 2% @ 62

Sample rates of assumed future retirements applicable to each of these retirement benefit formulas are shown in tables below. Rates shown reflect the probability that an employee at that age and service will retire from the District in the next 12 months.

Miscellaneous Employees: 2.7% at 55 formula						
From CalPERS Experience Study Report Issued November 2021						
Current Age	Years of Service					
	5	10	15	20	25	30
50	0.0110	0.0160	0.0220	0.0330	0.0340	0.0380
55	0.0450	0.0580	0.0820	0.1380	0.2080	0.2780
60	0.0870	0.0840	0.0960	0.1420	0.1650	0.1980
65	0.1820	0.2010	0.2420	0.2640	0.2930	0.2930
70	0.2270	0.2270	0.2270	0.2270	0.2270	0.2270
75 & over	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

Miscellaneous Employees: 2% at 55 formula						
From CalPERS Experience Study Report Issued November 2021						
Current Age	Years of Service					
	5	10	15	20	25	30
50	0.0140	0.0140	0.0170	0.0210	0.0230	0.0240
55	0.0450	0.0420	0.0530	0.0860	0.0980	0.1230
60	0.0590	0.0640	0.0830	0.1150	0.1540	0.1700
65	0.1670	0.1870	0.2100	0.2620	0.2880	0.2910
70	0.2290	0.2290	0.2290	0.2290	0.2290	0.2290
75 & over	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

Miscellaneous "PEPRA" Employees: 2% at 62 formula						
From CalPERS Experience Study Report Issued November 2021						
Current Age	Years of Service					
	5	10	15	20	25	30
50	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
55	0.0100	0.0190	0.0280	0.0360	0.0610	0.0960
60	0.0310	0.0510	0.0710	0.0910	0.1110	0.1380
65	0.1080	0.1410	0.1730	0.2060	0.2390	0.3000
70	0.1200	0.1560	0.1930	0.2290	0.2650	0.3330
75 & over	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000



Summary of Actuarial Methods and Assumptions
(Concluded)

Disability Retirement Rates

CalPERS Public Agency Miscellaneous Disability From Nov 2021 Experience Study Report		
Age	Male	Female
20	0.00007	0.00004
25	0.00007	0.00009
30	0.00017	0.00033
35	0.00035	0.00065
40	0.00091	0.00119
45	0.00149	0.00185
50	0.00154	0.00193
55	0.00139	0.00129
60	0.00124	0.00094

Software and Models Used in the Valuation

ProVal - MacLeod Watts utilizes ProVal, a licensed actuarial valuation software product from Winklevoss Technologies (WinTech) to project future retiree benefit payments and develop the OPEB liabilities presented in this report. ProVal is widely used by the actuarial community. We review results at the plan level and for individual sample lives and find them to be reasonable and consistent with the results we expect. We are not aware of any material inconsistencies or limitations in the software that would affect this actuarial valuation.

Age-based premiums model – developed internally and reviewed by an external consultant at the time it was developed. See discussion on Development of Age-Related Medical Premiums in Appendices.

Getzen model – published by the Society of Actuaries; used to derive medical trend assumptions described earlier in this section.

Changes in assumptions or methods as of the Measurement Date

Discount Rate	Decreased from 5.72% to 5.65%, net of plan investment expenses, based on updated projected annual benefits applied to the most recent CalPERS information on expected trust returns.
Demographic Assumptions	Updated demographic assumptions from those in the 2017 CalPERS experience study to those recommended in the CalPERS 2021 Experience Study report issued November 2021
Healthcare trend	Updated the base healthcare trend scale from Getzen Model 2021_b to Getzen Model 2023



M. Certification

The purpose of this report is to provide actuarial information and potential contribution levels in conformity with the South Placer Municipal Utility District (the District) funding policy for the District's defined benefit other post-employment benefits. The District is not required to contribute the contributions developed in this report and we make no representation that the District will in fact fund the OPEB trust at any particular level.

In preparing this report we relied without audit on information provided by the District. This information includes, but is not limited to, plan provisions, census data, and financial information. We summarized the benefits in this report and our calculations were based on our understanding of the benefits as described herein. A limited review of this data was performed, and we found the information to be reasonably consistent. The accuracy of this report is dependent on this information and if any of the information we relied on is incomplete or inaccurate, then the results reported herein will be different from any report relying on more accurate information.

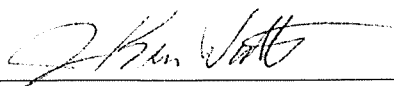
We consider the actuarial assumptions and methods used herein to be individually reasonable based on reasonable expectations of plan experience and the funding methodology adopted by the District. Expected returns used to develop the valuation discount rate were selected by the District based on information provided by CERBT. The results, and the assumptions on which they depend, provide an estimate of the plan's financial condition at one point in time. Future actuarial results may be significantly different for many reasons including, but not limited to, demographic and economic assumptions differing from future plan experience, changes in plan provisions, changes in applicable law, or changes in the value of plan benefits relative to other alternatives available to plan members.

Alternative assumptions may also be reasonable; however, demonstrating the range of potential plan funding patterns based on alternative assumptions was beyond the scope of our assignment. Results based on other assumptions or funding strategies may be materially different and present materially different funding patterns.

This report is prepared solely for the use and benefit of the District and may not be provided to third parties without prior written consent of MacLeod Watts. Exceptions: The District may provide copies of this report to their professional accounting and legal advisors who are subject to a duty of confidentiality, to CERBT, and to any party if required by law or court order. No part of this report should be used as the basis for any representations or warranties in any contract or agreement without the written consent of MacLeod Watts.

The undersigned actuaries are unaware of any relationship that might impair the objectivity of this work. Nothing within this report is intended to be a substitute for qualified legal or accounting counsel. Both actuaries are members of the American Academy of Actuaries and meet the qualification standards for rendering this opinion.

Signed: May 22, 2024



J. Kevin Watts, FSA, FCA, MAAA



Catherine L. MacLeod, FSA, FCA, EA, MAAA



Appendix 1: MacLeod Watts Age Rating Methodology

Both accounting standards (e.g., GASB 75) and actuarial standards (e.g., ASOP 6) require that expected retiree claims, not just premiums paid, be reflected in most situations where an actuary is calculating retiree healthcare liabilities. Unfortunately, the actuary is often required to perform these calculations without any underlying claims information. In most situations, the information is not available, but even when available, the information may not be credible due to the size of the group being considered.

Actuaries have developed methodologies to approximate healthcare claims from the premiums being paid by the plan sponsor. Any methodology requires adopting certain assumptions and using general studies of healthcare costs as substitutes when there is a lack of credible claims information for the specific plan being reviewed.

Premiums paid by sponsors are often uniform for all employee and retiree ages and genders, with a drop in premiums for those participants who are Medicare-eligible. While the total premiums are expected to pay for the total claims for the insured group, on average, the premiums charged would not be sufficient to pay for the claims of older insureds and would be expected to exceed the expected claims of younger insureds. An age-rating methodology takes the typically uniform premiums paid by plan sponsors and spreads the total premium dollars to each age and gender intended to better approximate what the insurer might be expecting in actual claims costs at each age and gender.

The process of translating premiums into expected claims by age and gender generally follows the steps below.

1. *Obtain or Develop Relative Medical Claims Costs by Age, Gender, or other categories that are deemed significant.* For example, a claims cost curve might show that, if a 50 year old male has \$1 in claims, then on average a 50 year old female has claims of \$1.25, a 30 year male has claims of \$0.40, and an 8 year old female has claims of \$0.20. The claims cost curve provides such relative costs for each age, gender, or any other significant factor the curve might have been developed to reflect. Section L provides the source of information used to develop such a curve and shows sample relative claims costs developed for the plan under consideration.
2. *Obtain a census of participants, their chosen medical coverage, and the premium charged for their coverage.* An attempt is made to find the group of participants that the insurer considered in setting the premiums they charge for coverage. That group includes the participant and any covered spouses and children. When information about dependents is unavailable, assumptions must be made about spouse age and the number and age of children represented in the population. These assumptions are provided in Section L.
3. *Spread the total premium paid by the group to each covered participant or dependent based on expected claims.* The medical claims cost curve is used to spread the total premium dollars paid by the group to each participant reflecting their age, gender, or other relevant category. After this step, the actuary has a schedule of expected claims costs for each age and gender for the current premium year. It is these claims costs that are projected into the future by medical cost inflation assumptions when valuing expected future retiree claims.

The methodology described above is dependent on the data and methodologies used in whatever study might be used to develop claims cost curves for any given plan sponsor. These methodologies and assumptions can be found in the referenced paper cited as a source in the valuation report.



Appendix 2: MacLeod Watts Mortality Projection Methodology

Actuarial standards of practice (e.g., ASOP 35, Selection of Demographic and Other Noneconomic Assumptions for Measuring Pension Obligations, and ASOP 6, Measuring Retiree Group Benefits Obligations) indicate that the actuary should reflect the effect of mortality improvement (i.e., longer life expectancies in the future), both before and after the measurement date. The development of credible mortality improvement rates requires the analysis of large quantities of data over long periods of time. Because it would be extremely difficult for an individual actuary or firm to acquire and process such extensive amounts of data, actuaries typically rely on large studies published periodically by organizations such as the Society of Actuaries or Social Security Administration.

As noted in a recent actuarial study on mortality improvement, key principles in developing a credible mortality improvement model would include the following:

- (1) Short-term mortality improvement rates should be based on recent experience.
- (2) Long-term mortality improvement rates should be based on expert opinion.
- (3) Short-term mortality improvement rates should blend smoothly into the assumed long-term rates over an appropriate transition period.

The **MacLeod Watts Scale 2022** was developed from a blending of data and methodologies found in two published sources: (1) the Society of Actuaries Mortality Improvement Scale MP-2021 Report, published in October 2021 and (2) the demographic assumptions used in the 2021 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, published August 2021.

MacLeod Watts Scale 2022 is a two-dimensional mortality improvement scale reflecting both age and year of mortality improvement. The underlying base scale is Scale MP-2021 which has two segments – (1) historical improvement rates for the period 1951-2017 and (2) an estimate of future mortality improvement for years 2018-2020 using the Scale MP-2021 methodology but utilizing the assumptions used in generating Scale MP-2015. The MacLeod Watts scale then transitions from the 2020 improvement rate to the Social Security Administration (SSA) Intermediate Scale linearly over the 10-year period 2021-2030. After this transition period, the MacLeod Watts Scale uses the constant mortality improvement rate from the SSA Intermediate Scale from 2030-2044. The SSA's Intermediate Scale has a final step in 2045 which is reflected in the MacLeod Watts scale for years 2045 and thereafter. Over the ages 95 to 117, the age 95 improvement rate is graded to zero.

Scale MP-2021 can be found at the SOA website and the projection scales used in the 2021 Social Security Administrations Trustees Report at the Social Security Administration website.



Glossary

Actuarial Accrued Liability (AAL) – Total dollars required to fund all plan benefits attributable to service rendered as of the valuation date for current plan members and vested prior plan members; see “Actuarial Present Value”.

Actuarial Funding Method – A procedure which calculates the actuarial present value of plan benefits and expenses, and allocates these expenses to time periods, typically as a normal cost and an actuarial accrued liability.

Actuarial Present Value Projected Benefits (APVPB) – The amount presently required to fund all projected plan benefits in the future, it is determined by discounting the future payments by an appropriate interest rate and the probability of nonpayment.

Actuarial Value of Assets – The actuarial value of assets is the value used by the actuary to offset the AAL for valuation purposes. The actuarial value of assets may be the market value of assets or may be based on a methodology designed to smooth out short-term fluctuations in market values.

Actuarially Determined Contribution (ADC) – A contribution level determined by an actuary that is sufficient, assuming all assumptions are realized, to (1) fully fund new employee’s expected benefits by their expected retirement date(s), (2) pay off over a sufficiently short period any unfunded liabilities current as of the date funding commences, and (3) adequately fund the trust so that the trust can meet benefit payment obligations.

CalPERS – Many state governments maintain a public employee retirement system; CalPERS is the California program, covering all eligible state government employees as well as other employees of other governments within California who have elected to join the system.

Defined Benefit (DB) – A pension or OPEB plan which defines the monthly income or other benefit which the plan member receives at or after separation from employment.

Defined Contribution (DC) – A pension or OPEB plan which establishes an individual account for each member and specifies how contributions to each active member’s account are determined and the terms of distribution of the account after separation from employment.

Discount Rate – The rate of return that could be earned on an investment in the financial markets; typically, the discount rate is based on the expected long-term yield of investments used to finance the benefits. The discount rate is used to adjust the dollar value of future projected benefits into a present value equivalent as of the valuation date.

Entry Age Normal Cost (EANC) – An actuarial funding method where, for each individual, the actuarial present value of benefits is levelly spread over the individual’s projected earnings or service from entry age to the last age at which benefits can be paid.

Excise Tax – The Affordable Care Act created a 40% excise tax on the value of “employer sponsored coverage” that exceeds certain thresholds. The tax was repealed in December 2019.

Explicit Subsidy – The projected dollar value of future retiree healthcare costs expected to be paid directly by the Employer, e.g., the Employer’s payment of all or a portion of the monthly retiree premium billed by the insurer for the retiree’s coverage.



Glossary

(Continued)

Funding Policy Contribution (FPC) – The contributions determined in accordance with the entity’s adopted funding policy. The FPC may range from “pay-go” (i.e., only paying benefits as they come due), to prefunding all projected liabilities expected for current and former employees. An entity’s FPC may be: (1) less than the Actuarially Determined Contribution (ADC) indicating that the entity has chosen not to prefund part of the liabilities reflected in the ADC; (2) more than the ADC indicating that the entity wants to prefund benefits faster than a typical ADC; or (3) based on contributions equal to 100% of an ADC, indicating that the entity desires to prefund over the period indicated by the ADC.

Government Accounting Standards Board (GASB) – A private, not-for-profit organization which develops generally accepted accounting principles (GAAP) for U.S. state and local governments; like FASB, it is part of the Financial Accounting Foundation (FAF), which funds each organization and selects the members of each board

Health Care Trend – The assumed rate(s) of increase in future dollar values of premiums or healthcare claims, attributable to increases in the cost of healthcare; contributing factors include medical inflation, frequency or extent of utilization of services and technological developments.

Implicit Subsidy – The projected difference between future retiree claims and the premiums to be charged for retiree coverage; this difference results when the claims experience of active and retired employees are pooled together and a ‘blended’ group premium rate is charged for both actives and retirees; a portion of the active employee premiums subsidizes the retiree premiums.

Non-Industrial Disability (NID) – Unless specifically contracted by the individual Agency, PAM employees are assumed to be subject to only non-industrial disabilities.

Normal Cost – Total dollar value of benefits expected to be earned by plan members in the current year, as assigned by the chosen funding method; also called current service cost.

Other Post-Employment Benefits (OPEB) – Post-employment benefits other than pension benefits, most commonly healthcare benefits but also including life insurance if provided separately from a pension plan.

Pay-As-You-Go (PAYGO) – Contributions to the plan are made at about the same time and in about the same amount as benefit payments and expenses coming due.

PEMHCA – The Public Employees’ Medical and Hospital Care Act, established by the California legislature in 1961, provides community-rated medical benefits to participating public employers. Among its extensive regulations are the requirements that a contracting Agency contribute toward medical insurance premiums for retired annuitants and that a contracting Agency file a resolution, adopted by its governing body, with the CalPERS Board establishing any new contribution.

Plan Assets – The value of cash and investments considered as ‘belonging’ to the plan and permitted to be used to offset the AAL for valuation purposes. To be considered a plan asset, (a) the assets should be segregated and restricted in a trust or similar arrangement, (b) employer contributions to the trust should be irrevocable, (c) the assets should be dedicated to providing benefits to retirees and their beneficiaries, and (d) that the assets should be legally protected from creditors of the employer and/or plan administrator. See also “Actuarial Value of Assets”.

Public Agency Miscellaneous (PAM) – Non-safety public employees.



Glossary
(Concluded)

Select and Ultimate – Actuarial assumptions which contemplate rates which differ by year initially (the select period) and then stabilize at a constant long-term rate (the ultimate rate).

Unfunded Actuarial Accrued Liability (UAAL) – The excess of the actuarial accrued liability over the actuarial value of plan assets.

Vesting – As defined by the plan, requirements which when met make a plan benefit nonforfeitable on separation of service before retirement eligibility.



SOUTH PLACER MUNICIPAL UTILITY DISTRICT

STAFF REPORT

To: Board of Directors

From: Carie Huff, District Engineer

Cc: Herb Niederberger, General Manager

Subject: City of Rocklin Concurrent Annexation Project (APN 365-020-076 – Ward 1 and APN 017-276-003 – Ward 2) and LAFCO Resolution of Support for Project Application

Meeting Date: August 1, 2024

Overview

In order for a property to receive District sewer service the property must be within the District’s boundaries. Properties that are located outside of the District that require sewer service must first annex into the District before sewer service can be provided. All annexations are required to be approved by the Local Area Formation Commission (LAFCO). In order for a property to be eligible for annexation it must be within the District’s Sphere of Influence and the property must have a demonstrated need to be annexed into the District (for example, the property is being developed or the existing septic system is failing).

The City of Rocklin is in the process of annexing two parcels into its boundary area as one project:

1. Parcel 1: APN 365-020-076-000, and
2. Parcel 2: APN 017-276-003-000.

Both parcels are located on the eastern edge of the State Route 65 right-of-way. Parcel 1 is located at the terminus of West Oaks Boulevard and is approximately 3.38 acres. Parcel 2 lies west of University Avenue and south of Orchid Drive and is approximately 2.9 acres. The intent is for both parcels to be annexed into the District’s boundary concurrently with the City of Rocklin’s annexation. The properties were originally intended to accommodate street overcrossings of the freeway when State Route 65 was originally constructed. Both properties were purchased by private buyers once Caltrans determined that the overcrossings would not be necessary, and Caltrans declared the properties surplus. Parcel 1 is owned by Black Iris Properties LLC and will become part of a high-density residential development to the south. Parcel 2 is owned by William Jessup University and, while there are currently no plans for development, it is logical to include the annexation at the same time as Parcel 1. Public sewer facilities cross Parcel 1 and are located adjacent to Parcel 2. All sewer facilities will be designed and constructed in accordance with the District’s Standard Specifications and Improvement Standards for Sanitary Sewers. The City of Rocklin has provided the attached legal descriptions and all other items required for the annexation project.

Recommendation

Staff recommends that the Board of Directors adopt Resolution 24-20 Resolution of Support for the Concurrent Annexations of APN 365-020-076 (Ward 1) and APN 017-276-003 (Ward 2) subject to final review by the District's legal counsel and the General Manager. Note that while the annexation of both parcels is one project, multiple actions are required by LAFCO.

Strategic Plan Goal

This action is consistent with the following SPMUD Strategic Plan Goals:

- Leverage existing and applicable technologies to improve efficiencies
- Provide exceptional value for the cost of sewer service

Fiscal Impact

The properties will be required to pay the connection/participation fees to the District when connection is made to the District's sewer system.

Attachments:

1. Resolution 24-20 – Resolution of Support for Concurrent Annexation to the City of Rocklin of APN 365-020-076 (Ward 1) and APN 017-276-003 (Ward 2)
2. Exhibit A – Site Map
3. Exhibit B – Parcel 1 Legal Description
4. Exhibit C – Parcel 2 Legal Description
5. Exhibit D – Plan to Provide Sewer Service to APN 365-020-076 (Ward 1) and APN 017-276-003 (Ward 2)

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

RESOLUTION NO. 24-20

RESOLUTION OF SUPPORT FOR CONCURRENT ANNEXATION OF PROJECT TO THE CITY OF ROCKLIN OF APN 365-020-076-000 (WARD 1) AND APN 017-276-003-000 (WARD 2)

WHEREAS, The South Placer Municipal Utility District (District) desires to initiate proceedings pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, commencing with Section 56000 of the California Government Code, for a change in organization that would annex territory into the District concurrent with the City of Rocklin annexation project, and

WHEREAS, the territory proposed to be provided services lies outside the boundaries of the DISTRICT, the parcel is set forth in Exhibit B – Parcel 1 (APN 365-020-076-000) and Exhibit C – Parcel 2 (APN 017-276-003-000) attached and incorporated herein by reference, and

WHEREAS, the reason for the proposed services is to provide sewage disposal services to the parcel, and

WHEREAS, APN 365-020-076-000 will be located in Ward 1 of the South Placer Municipal Utility District boundary, and

WHEREAS, the City of Rocklin, as Lead Agency, approved a mitigated negative declaration of environmental impacts for the annexation of APN 365-020-076-000 per City of Rocklin Resolution 2024-036, and

WHEREAS, APN 017-276-003 will be located in Ward 2 of the South Placer Municipal Utility District boundary, and

WHEREAS, the City of Rocklin, as Lead Agency, approved the General Plan EIR for the annexation of APN 017-276-003-000 per City of Rocklin Resolution 2012-170, and

WHEREAS, a plan for providing services has been prepared in accordance with Government Code Section 56653 and will be submitted herewith as Exhibit D.

NOW, THEREFORE BE IT RESOLVED, by the Board of Directors of the South Placer Municipal Utility District that this Resolution of Support is hereby adopted for concurrent annexation of the project including APN 365-020-076-000 (Ward 1) and APN 017-276-003-000 (Ward 2) to the City of Rocklin, 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 1st day of August 2024.

Signed: _____
James Durfee, President of the Board of Directors

Attest: _____
Emilie Costan, Board Secretary

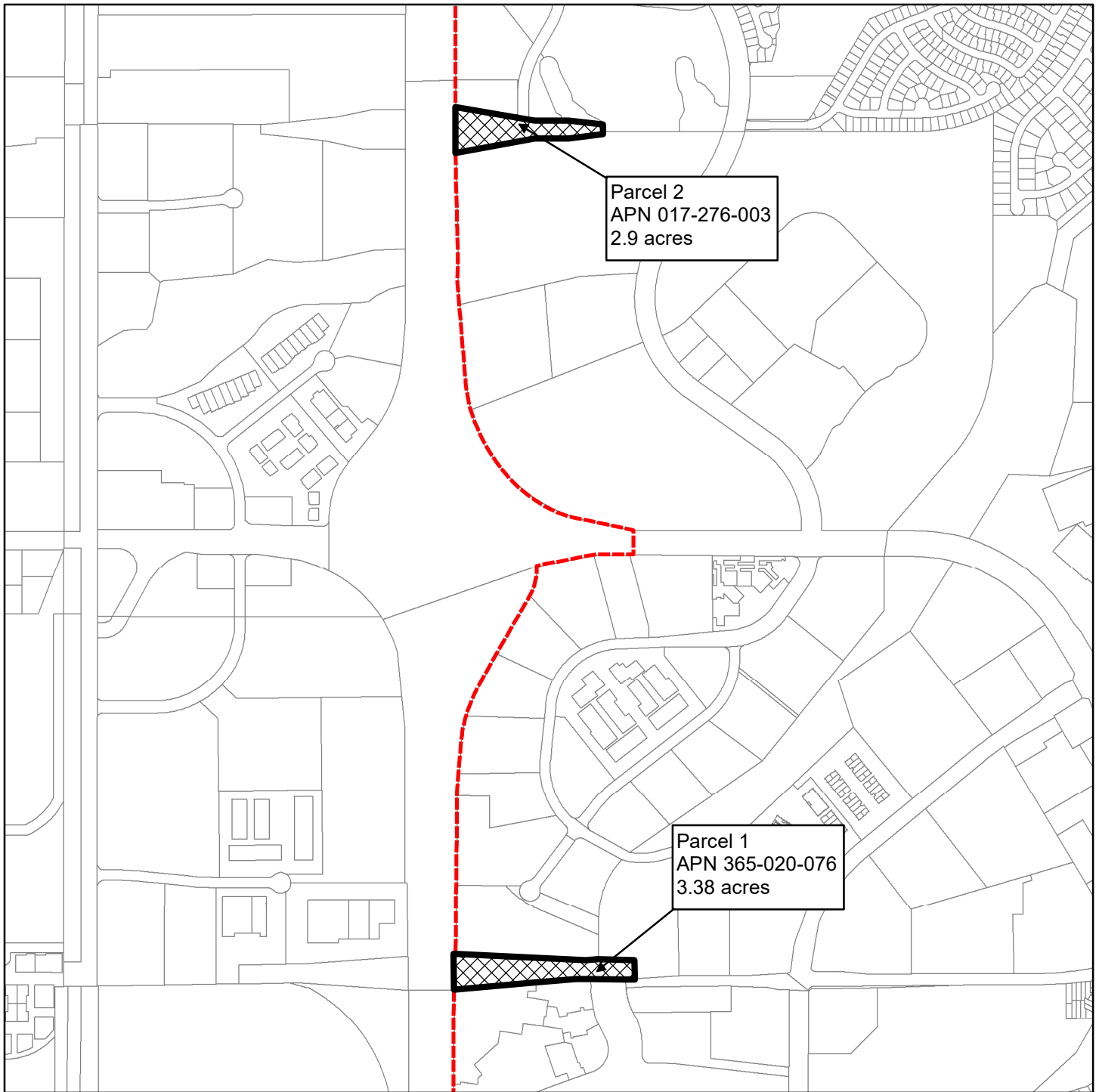


Exhibit A
City of Rocklin Annexation
APN: 365-020-076;
017-276-003

0 425 850 Feet
 1 in = 850 ft



EXHIBIT "A"

A portion of those parcels of land in the Northwest quarter of Section 15 and Southwest quarter of Section 10, Township 11 North, Range 6 East, Mount Diablo Base and Meridian, **(1) described in deed to the State of California recorded December 28, 1971 in Volume 1391, Page 409, (2) described in deed to the State of California recorded February 3, 1972 in Volume 1398, Page 60, and (3) described in deed to the State of California recorded October 17, 1986 in Book 3059, Page 321, Official Records of Placer County**, said portion is particularly described as follows:

BEGINNING at a point in the North line of said Section 15, distant North 89°23'52" East 1610.12 feet from the northwest corner of said Section 15;

THENCE from said POINT OF BEGINNING coincident and along said course North 89° 23' 53" East 324.75 feet, also being the southerly line of the parcel of land described in the deed to the State of California recorded October 17, 1986 in Book 3059, Page 321 Official Records of Placer County, to the easterly line of said parcel of land; Thence coincident and along the easterly line of said land North 0°04'32" East 110.01 feet to the southerly line of the parcel of land described in the deed recorded October 17, 1986 in Volume 3059, Page 325 Official Records of Placer County; Thence coincident and along the southerly line of said land the following two courses:

- 1) South 89° 23'52" West, 285.00 feet;
- 2) North 87° 56'04" West 756.58 feet to a point on the easterly line of existing State Route 65;

Thence coincident and along the easterly line of said existing State Route 65 South 0°03'37" West, 200.00 feet to a point on the northerly line of the parcel of land described in the deed recorded on January 30, 1990 in Book 3818, Page 246 Official Records of Placer County;

Thence coincident and along the northerly line of said land North 85°01'46" East 719.11 feet to the POINT OF BEGINNING.

There shall be no abutter's rights, including access rights, appurtenant to the above described real property in and to the adjacent State freeway.

The bearings and distances used in the above description are based on California State Coordinate System of 1927, Zone 2. Ground distances are in U.S. Survey Feet. Multiply the ground distances by 0.99992 to obtain grid distances.

Number
DD-024103-01-01 (024106-01-01)

EXHIBIT "A"

A portion of those parcels of land in the northwest quarter of Section 10, T. 11 N. R. 6 E. M.D.M. (1) described in deed to the State of California recorded February 3, 1972 in Book 1398, Page 60 and (2) described as PARCEL 024106-1 in Final Order of Condemnation recorded October 15, 1973 in Book 1526, Page 376 both Official Records of Placer County.

Said portion is particularly described as follows:

Beginning at a point in the easterly line of existing State Route 65 being the westerly terminus of course (18) as numbered and described in said deed to the State of California; THENCE from said Point of Beginning along said course (18) N 79° 34' 37" E 471.87 feet to the easterly terminus thereof; Thence along course (19) of said deed S 89° 56' 30" E 200.00 feet; Thence along course (20) of said deed N 82° 39' 05" E 201.68 feet; Thence along course (21) of said deed and the easterly line of said PARCEL 024106-1 N 00° 03' 30" E 60.00 feet; Thence along the northerly line of said PARCEL 024106-1 N 84° 13' 52" W 201.00 feet; Thence continuing along said northerly line N 89° 56' 30" W 200.00 feet; Thence along said northerly line and course (24) of said deed to the State of California N 80° 42' 43" W 470.09 feet to the westerly terminus of said course (24) and a point in the easterly line of said existing State Route 65; Thence along last said easterly line S 00° 03' 30" W 267.24 feet to the Point of Beginning.

There shall be no abutter's rights, including access rights, appurtenant to the above described real property in and to the adjacent State freeway.

The bearings and distances used in the above description are based on California State Coordinate System of 1927, Zone 2. Ground distances are in U.S. Survey Feet. Multiply the ground distances by 0.99992 to obtain grid distances.

This real property description has been prepared by me, or under my direction, in conformance with the Professional Land Surveyors Act.

Signature 
Professional Land Surveyor



Date 6/12/06

Exhibit “D”

Plan for Providing Sewer Services to APN 365-020-076-000 and APN 017-276-003-000

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 Pleasant Grove Wastewater 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 a 20-inch sewer trunk located on APN 365-020-076 and a 24-inch sewer trunk located adjacent to APN 017-276-003 (reference 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 their expense, the sewer facilities required to connect to sewer. All work shall be in accordance with the District’s Sewer Code and the District’s 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 fees, inspection fees and annexation processing fees must be received by the District prior to connection.

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

STAFF REPORT

To: Board of Directors

From: Carie Huff, District Engineer

Cc: Herb Niederberger, General Manager

Subject: Resolution 24-21 Finding the Proposed Annexation Categorically Exempt from CEQA and Adopting a Resolution of Support for an Out-of-Area Service Agreement and Subsequent Annexation of 2624 Swetzer Road (APN 032-181-007)

Meeting Date: August 1, 2024

Overview

For a property to receive District sewer service the property must be within the District's boundaries. Properties that are located outside of the District that require sewer service must first annex into the District before sewer service can be provided. All annexations are required to be approved by the Local Area Formation Commission (LAFCO). In order for a property to be eligible for annexation it must be within the District's Sphere of Influence and the property must have a demonstrated need to be annexed into the District (for example, the property is being developed or the existing septic system is failing).

The parcel requesting service is located at 2624 Swetzer Road (APN 032-181-007-000) in Loomis and encompasses approximately 1.4 acres. There is currently a single-family home located on the parcel with an existing septic system that is in disrepair and requires significant investment to repair or replace. The property owner/applicant is requesting to connect to the District's public sewer located within Swetzer Road. This connection requires an out-of-area service agreement with the condition to annex within a year. All sewer facilities will be designed and constructed in accordance with the District's Standard Specifications and Improvement Standards for Sanitary Sewers. Staff will work through the requirements for annexation with the property owner and LAFCO in the coming months. The property owner has paid the appropriate fees to date and additional fees will be required during the annexation process.

Recommendation

Staff recommends that the Board of Directors adopt Resolution 21-24:

1. Finding the proposed annexation categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3) because connection to sewer will not have a significant impact; and
2. Adopting a Resolution of Support for Annexation of 2624 Swetzer Road (APN 032-181-007) subject to final review and approval by the District's legal counsel and General Manager.

Strategic Plan Goal

This action is consistent with the District's Strategic Plan Priorities:

- Maintain an excellent regulatory compliance record.
- Leverage existing and applicable technologies to improve efficiencies.
- Provide exceptional value for the cost of sewer service.

Fiscal Impact

The property will be required to pay the connection/participation fee to the District when connection is made to the District sewer system.

Attachments:

1. Resolution 24-21 Finding the Proposed Annexation Categorically Exempt from CEQA and Adopting a Resolution of Support for an Out-of-Area Service Agreement and Subsequent Annexation of 2624 Swetzer Road (APN 032-181-007-000)
2. Out-of-Area Service Agreement
3. Exhibit A – Site Map
4. Exhibit B – Plan to Provide Sewer Service to 2624 Swetzer Road (APN 032-181-007-000)

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

RESOLUTION NO. 24-21

RESOLUTION TO FIND THE PROPOSED ANNEXATION CATEGORICALLY EXEMPT FROM CEQA AND ADOPT A RESOLUTION OF SUPPORT FOR AN OUT-OF-AREA SERVICE AGREEMENT AND SUBSEQUENT ANNEXATION OF 2624 SWETZER ROAD (APN 032-181-007-000)

WHEREAS, the territory proposed to be provided services, APN 032-181-007-000, located outside the boundaries of the South Placer Municipal Utility District (District), is a single-family home with an existing septic system in disrepair and a description of the parcel is set forth in Exhibit A attached hereto and incorporated herein by reference; and

WHEREAS, Section 56133 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 et seq) allows for the provision of services outside of the District boundaries if said parcel is within the District’s sphere of influence; and

WHEREAS, The South Placer Municipal Utility District (District) desires to initiate proceedings with the Placer Local Agency Formation Commission (Placer LAFCO), pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, for sewer service extension outside the District’s boundaries and the provision of service to APN 032-181-007-000 through an Out-of-Area Service Agreement; and

WHEREAS, the reason for the proposed extension of services is to provide sewage disposal services for a residence with an existing septic system in disrepair and the District is the provider of said sewage disposal services; and

WHEREAS, this proposal is within and consistent with the sphere of influence of the District; 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; and

WHEREAS, said parcel shall be annexed into the District within one year of the date of the out-of-area service agreement; and

WHEREAS, the proposed annexation is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3) because connection to the sewer system will not have a significant impact.

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

1. 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; and
2. The District General Manager is authorized to execute the aforementioned Out-of-Area Service Agreement.

PASSED AND ADOPTED at a Regular Meeting of the South Placer Municipal Utility District Board of Directors at Rocklin, CA this 1st Day of August 2024.

Signed: _____
James Durfee, President of the Board of Directors

Attest: _____
Emilie Costan, Board Secretary

**OUT-OF-AREA SERVICE AGREEMENT
FOR PROVISION OF SEWER SERVICES**

This Agreement (“Agreement”) is made and entered into to be effective as of the _____ day of _____, 2024 (the “Effective Date”) by and among the South Placer Municipal Utility District (“District”), a California Municipal Utility District, the Placer County Local Agency Formation Commission (“LAFCO”) and Blake and Melissa Bidleman (the “Bidlemans” or “Owners”). The District, LAFCO and the Bidlemans may sometimes be referred to individually as “Party” or collectively as “Parties” throughout this Agreement.

RECITALS

WHEREAS, the real property proposed to be provided sewer collection and treatment services, identified in the Official Records of the County of Placer at APN 032-181-007-000 (hereinafter the “Property”), is located outside the exterior boundaries of the South Placer Municipal Utility District (the “District”); and

WHEREAS, the record Owners of the Property, the Bidlemans, desire to have sewer service provided by the District because the existing septic system is in disrepair; and

WHEREAS a description of the boundaries of the Property is set forth in Exhibit A attached hereto and incorporated herein by reference; and

WHEREAS, Section 56133 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 et seq) allows for provision of services outside of the District boundaries if said property is within the District’s sphere of influence; and

WHEREAS, the District desires to initiate proceedings with the Placer County Local Agency Formation Commission pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, to provide sewer services outside of the District’s boundaries for the Property through an Out-of Area Service Agreement to allow immediate connection; and

WHEREAS, the reason for the proposed extension of services is to provide sewage disposal services for a residence and the District is the only public utility suitable for providing said sewage disposal services to the Property; and

WHEREAS, this proposal is within and consistent with the sphere of influence of the District; and

WHEREAS, a plan for providing services has been prepared in accordance with Government Code Section 56653 and is attached hereto as Exhibit B and incorporated by reference herein; and

WHEREAS, said Property shall be annexed into the District within one year of the date of this agreement.

AGREEMENT

NOW, THEREFORE in consideration of the mutual covenants, conditions and promises herein contained, it is hereby agreed by and between the District and Owners 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 Service to the Property

The District shall provide sewer service to the Property pursuant to the plan for providing services as set forth in Exhibit B, attached hereto. Said service is conditioned upon the payment by the Owners of the Property of all regional and local connection fees, service charges and inspection fees established by the District, and compliance by the Property owners 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 and LAFCO shall be borne solely by the Owners.

2.2 Term of Service

Until such time as the District annexes the Property when adjacent properties are annexed, the District shall provide sanitary sewer service to the Property as if it was within the District's boundaries. Owners shall also pay the pro-rata share of the 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 District shall maintain the same level of service to the Property 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 collection facilities located within its easement on Swetzer Road that service the Property, up to the property line clean out (PLCO).

3. District May Collect Sewer Fees and Charges

The District shall be entitled to charge fees and other charges to the extent permitted by law to provide sewer services to the Property consistent with fees and other charges to provide services to the overall service area of the District. These fees, rates and charges, including regional and local connection fees and participation fees, are established pursuant to District ordinances and resolutions, adopted by the District pursuant to the authority vested in it by the Municipal Utility District Act, California Public Utilities Code section 11501 *et seq.* The Property and Owners shall be bound by all such District ordinances, resolutions and

regulations, including, but not limited to, the imposition of penalties, interest and liens on the Property in the event of non-payment or late payment.

4. Term

This Agreement shall remain in effect in perpetuity until the District has annexed the Property.

5. Recording

A copy of this Agreement shall be recorded in the Official Records of the County of Placer.

6. Miscellaneous

6.1 Entire Agreement

This Agreement (including the Exhibits hereto) constitutes the entire understanding and agreement of the Parties relating to the 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.

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

OWNERS

Blake Bidleman

Melissa Bidleman

APPROVED PURSUANT TO GOVERNMENT
CODE SECTION 56133

By: _____
Placer County LAFCO Executive Officer

Exhibits:

- A. Map of APN 032-181-007-000
- B. Plan for Providing Sewer Services

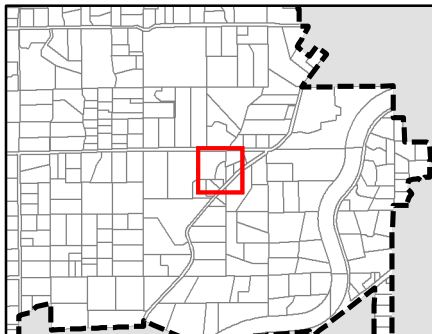
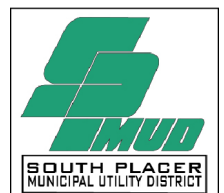
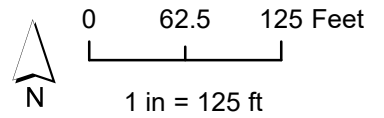


Exhibit A
2624 Swetzer Rd
APN: 032-181-007-000



Plan for Providing Sewer Services to APN 032-181-007-000

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 Wastewater 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 8-inch sewer pipe located in Swetzer Road, which abuts the property being served (see Exhibit A).

(4) An indication of any improvement or upgrading of structures, roads, sewer or water facilities, or other conditions the local

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

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

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

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
STAFF REPORT**

To: Board of Directors

From: Carie Huff, District Engineer

Cc: Herb Niederberger, General Manager
Emilie Costan, Administrative Services Manager
Eric Nielsen, Superintendent

Subject: Appeal – High Hand, 3750 Taylor Road, Loomis
Participation Charge Calculation

Meeting Date: August 1, 2024

Overview

High Hand occupies two buildings in Loomis, a café and nursery at 3790 Taylor Road and a large multi-use building at 3750 Taylor Road that contains retail shops and a brewery. The analysis recently completed, and the associated appeal pertains only to the large multi-use building at 3750 Taylor Road which previously paid a participation charge for 4.49 EDU. This charge was based upon an application from 1960 for two connections (2 EDU) and an additional participation charge of 2.29 EDU in 2022 for the addition of a brewery for a total of 4.49 EDU. Note that an analysis of 3790 Taylor Road was not completed at this time.

In June 2024, the District received a tenant improvement submittal for the addition of a kitchen within the brewery. Whenever the District receives plans for a Tenant Improvement that reflects a change in use, staff is obligated to recalculate the EDUs and associated charge corresponding to the sewer load of the new use and credit EDUs calculated based upon the prior uses. In accordance with the Sewer Code 2.03.03.A.2:

Where multiple uses, and/or tenants within the meaning of this Code, are contained or can be contained in the same structure, the General Manager, based on building permit data, applicable zoning, and plans of the developer, will allocate the respective square footage for the various uses and/or tenants, and determine a composite participation charge composed of the respective participation charges for each such use and/or tenant. Subsequent modifications to any structure may result in reclassification and the assessment of additional incremental participation charges.

Staff completed a review to determine a composite participation charge in accordance with the Sewer Code. A review of the High Hand occupied uses and applied areas was completed by staff in line with the exhibit submitted by the applicant (Attachment 1). This is the first time information has been submitted about other uses inside the entire building since 1960. The tenant improvement in 2022 only accounted for the brewery improvements. It appears that significant improvements to the premises to accommodate additional uses have occurred without the assessment of additional participation fees.

As stated in the attached District letter dated July 1, 2024 (Attachment 2), the Total EDU Assessment for High Hand is 13.24 EDU, less previous credits of 4.49 EDU, yielding a net due of

8.75 EDU. The total of the Local and Regional Participation Charge is currently \$14,728/EDU. A calculation yields a total Participation Charge due of \$128,870.00. In accordance with District Policy 3160 – Utility Billing Reconciliation and Payment Policy (Attachment 4), if the District has not charged a customer for Participation fees due at the time of connection to the District’s sewer facilities, the District will back-bill the customer for the participation fees, the determination of the fee rate will be made at the discretion of the General Manager.

Scott Paris, in the letter on behalf of High Hand dated July 10, 2024, (Attachment 3), has appealed the charge in accordance with the process identified in Chapter 1.15.00 of the Sewer Code. Mr. Paris contends that:

1. The District cannot automatically burden the property retroactively.
2. The additional participation fee calculation reflects an inaccurate categorization of current usage and the corresponding EDU factor and the credits previously paid lack background information.
3. The reassessment is “double dipping” by demanding fees be paid on existing facilities and previously paid fees.
4. Sewer participation fees should only be assessed for the High Hand Brewery Kitchen building permit (pending).

Note that if the payment of additional participation charges presents a hardship, the General Manager is authorized by the Board to consider a Deferral of Participation Charges in accordance with Policy #3350, (Attachment 5). If High Hand is the underlying fee title property owner, the District can execute the payment arrangement directly with them. If the property is leased, then the payment arrangement must be with the underlying fee title holder.

Recommendation

Staff recommends that the Board of Directors:

1. Find that the calculation of the composite participation charges for High Hand are correct per the District’s Sewer Code and Policies;
2. Deny the appeal; and
3. Require payment of the total Participation Charge due of \$128,870.00.
4. Authorize the General Manager to negotiate a Deferred Payment of Participation Fees with High Hand if appropriate.

Strategic Plan Priorities

Provide exceptional value for the cost of sewer service.

- 1) Maintain low service charge while meeting established service levels.

Related District Ordinances and Policies

This action complies with:

Sewer Code – Chapter 2

Ordinance 23-02 – District Participation Charges

Policy No. 3160 – Utility Billing Reconciliation and Payment Policy

Policy No. 3350 – Deferral of Participation Charges

Fiscal Impact

Denying the appeal will allow for the collection of the Local and Regional Participation Charge of \$128,870.00; \$43,102.50 to District Fund 300, and \$85,767.50 to the City of Roseville to cover debt service to the South Placer Wastewater Authority.

Granting of the appeal will void those charges.

Attachments:

1. High Hand Overall Site Plan
2. High Hand Additional Fee Letter, July 1, 2024
3. High Hand Appeal Letter, July 10, 2024
4. Policy No. 3160 – Utility Billing Reconciliation and Payment Policy
5. Policy No. 3350 – Deferral of Participation Charges



PROJECT INFORMATION:
3750 TAYLOR RD
LOOMIS, CA 95650

ZONING SITE COMPLIANCE: [L.M.C., CH. 13.26.040 TABLE 2-8]

CODE REQUIREMENT	REQUIRED	PROVIDED	DIFFERENCE	GENERAL NOTES
FRONT SETBACK	NO SB ALLOWED	NO SB ALLOWED	0'	COMPLIES
SIDE SETBACK	N/A	N/A	0'	COMPLIES
REAR SETBACK	N/A	N/A	0'	COMPLIES
MAX HEIGHT	35'	29.75'	-5.25'	COMPLIES
FLOOR AREA RATIO	0	0	0	N/A
LOT COVERAGE	35% - 60%	0%	0%	ASSUMED EXPECTATION

LEGEND: SITE PLAN

LOT SIZE	BUILDING LOT COVERAGE
(E) SF (N) SF CHANGE (E) SF (E) % (N) SF (N) % CHANGE (SF) (%)	PROPOSED LOT COVERAGE: PROPOSED IMPERVIOUS LOT COVERAGE
42253 SF 42253 SF 0 SF 31697 SF 75.02% 31697 SF 75.02% 0 SF 0.00%	EXISTING LOT COVERAGE: EXISTING IMPERVIOUS LOT COVERAGE
	RAINWATER DETENTION SITE: XX
	CONCRETE PAD: EXISTING CAST IN PLACE CONCRETE FINISH: EXISTING

GENERAL NOTES: SITE PLAN

- Building A: 4,127 SF
 - A1: 513 SF Office
 - A2: 729 SF Office
 - A3: 1,242 SF Storage
 - A4: 732 SF Bathroom
 - A5: 911 SF Meeting Space
- Building B: 4,250SF
 - B1: 1,820 SF Dining Room
 - B2: 1,235 SF Brewery
 - B3: 597 SF Storage
 - B4: 598 SF Upper Kitchen
- Building C: 2,379SF
 - C1: 668 SF Lower Kitchen
 - C2: 1,711 SF Stage Area
- Building D: 3,785 SF
 - D1: 2,885 SF Stage Area
 - D2: 900 SF Office
- Building E: 4,826 SF
 - E1: 1,470 SF Retail/gift
 - E2: 3,356 SF Storage
- Building F: 9,312 SF
 - F1: 800 SF Retail/gift
 - F2: 560 SF Retail/Gift
 - F3: 672 SF Retail/Gift
 - F4: 300 SF Storage
 - F5: 374 SF Office
 - F6: 832 SF Retail Nursery
 - F7: 5,774 SF Storage

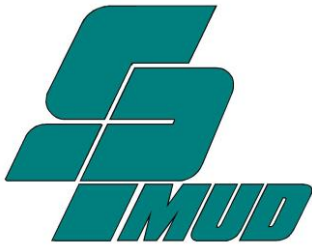
OWNER INFO:
SCOTT PARIS ENTERPRISE INC
P.O. BOX 2280
LOOMIS CA 95650
TEL: 916.257.6832
EMAIL: Scott@highhand.com

TENANT IMPROVEMENT:
HIGH HAND
3750 TAYLOR RD
LOOMIS, CA 95650
APN:004-080-061-000



TITLES:
OVERALL SITE PLAN
PLAN CHECK PCD1 06/30/2020
CONST. DOCUMENTS 6/03/2022 XX
SCHEMATIC DESIGN
PRINT DATE/TIME 1/19/2022 5:21:55 PM

SHEET:
A1.11



**SOUTH PLACER
MUNICIPAL UTILITY DISTRICT**

July 1, 2024

Scott Paris
Scott Paris Enterprises, Inc.
3750 Taylor Road
Loomis, CA 95650

Subject: High Hand
APN: 044-111-001-000
Additional Sewer Participation Fee

Dear Scott,

It has come to South Placer Municipal Utility District's (the District) attention that changes/alterations **will be/have been** made to 3750 Taylor Road, Loomis, California to accommodate a kitchen addition to High Hand Brewery. Please be advised that the participation fees originally paid on the building are not sufficient to fully cover this change/alteration in usage. In addition, under Chapter 2.03 of the District's Sewer Code, any alterations to a structure which increase EDU production require the payment of an additional participation charge for each additional EDU or portion thereof. Accordingly, an additional sewer participation fee is due for the kitchen addition along with the remainder of the commercial complex. Based on the Declaration of Density Form, plans, and other information the sewer participation fee for the above project has been determined by the District to be as follows:

CLASSIFICATION: Mixed Density / Multiple Use – Composite Charge
(Various Equivalent Dwelling Units (EDU) / 1,000 square feet (sq. ft.) per District Sewer Code)

High Hand (28,679 sq. ft.):

Building A:

Office, Bathroom and Meeting Space – 2,885 sq. ft.
Special Commercial User: 1/3 EDU per 1,000 sq. ft. per the District's Sewer Code
2,885 sq. ft. @ 1/3 EDU per 1,000 sq. ft. = 0.96 EDU

Storage – 1,242 sq. ft.
Low-Density User: 1/6 EDU per 1,000 sq. ft. per the District's Sewer Code
1,242 sq. ft. @ 1/6 EDU per 1,000 sq. ft. = 0.21 EDU

Building B:

Dining Room and Upper Kitchen – 2,418 sq. ft.
Special Commercial User: 2 EDU per 1,000 sq. ft. per the District's Sewer Code
2,418 sq. ft. @ 2 EDU per 1,000 sq. ft. = 4.84 EDU

Brewery – 1,235 sq. ft.
Medium-Density User: 2/3 EDU per 1,000 sq. ft. per the District’s Sewer Code
1,235 sq. ft. @ 2/3 EDU per 1,000 sq. ft. = 0.82 EDU

Storage – 597 sq. ft.
Low-Density User: 1/6 EDU per 1,000 sq. ft. per the District’s Sewer Code
597 sq. ft. @ 1/6 EDU per 1,000 sq. ft. = 0.10 EDU

Building C:

Lower Kitchen – 668 sq. ft.
Special Commercial User: 2 EDU per 1,000 sq. ft. per the District’s Sewer Code
668 sq. ft. @ 2 EDU per 1,000 sq. ft. = 1.34 EDU

Stage Area – 1,711 sq. ft.
Medium-Density User: 1/3 EDU per 1,000 sq. ft. per the District’s Sewer Code
1,711 sq. ft. @ 1/3 EDU per 1,000 sq. ft. = 0.57 EDU

Building D:

Stage Area and Office – 3,785 sq. ft.
Medium-Density User: 1/3 EDU per 1,000 sq. ft. per the District’s Sewer Code
3,785 sq. ft. @ 1/3 EDU per 1,000 sq. ft. = 1.26 EDU

Building E:

Retail/Gift – 1,470 sq. ft.
Medium-Density User: 1/3 EDU per 1,000 sq. ft. per the District’s Sewer Code
1,470 sq. ft. @ 1/3 EDU per 1,000 sq. ft. = 0.49 EDU

Storage – 3,356 sq. ft.
Low-Density User: 1/6 EDU per 1,000 sq. ft. per the District’s Sewer Code
3,356 sq. ft. @ 1/6 EDU per 1,000 sq. ft. = 0.56 EDU

Building F:

Retail/Gift, Office and Retail Nursery – 3,238 sq. ft.
Medium-Density User: 1/3 EDU per 1,000 sq. ft. per the District’s Sewer Code
3,238 sq. ft. @ 1/3 EDU per 1,000 sq. ft. = 1.08 EDU

Storage – 6,074 sq. ft.
Low-Density User: 1/6 EDU per 1,000 sq. ft. per the District’s Sewer Code
6,074 sq. ft. @ 1/6 EDU per 1,000 sq. ft. = 1.01 EDU

Total EDU Assessment	13.24 EDU
<u>(Less credits, previously paid)</u>	<u>4.49 EDU)</u>
	Balance = 8.75 EDU

Total = 8.75 EDU × \$14,728* = \$128,870.00

Total Due = \$128,870.00

*(rate currently in effect)

The additional fee has been figured on the size and usage of the space and the determination is consistent with the District’s Sewer Code and similar projects within the District. Under the


District's Sewer Code, the fee is due and payable immediately upon the completion of the change / alteration and must be paid prior to occupancy. The fee may be paid earlier if so desired. Please be advised that all fees are the responsibility of the record owner of the real property.

Please be aware that all fees are subject to change and the amount due will be based on the rates and ordinances then in effect when payment for the application to connect to the sewer is made, or when/if any subsequent changes occur in the EDU density that result in additional fees being due. There is an increase in the basic rate that is regularly scheduled to occur effective July 1st of each year. The amount due, if paid on or after the effective date, will be required to be paid at the new rate. Please feel free to call the District prior to payment for current rate information or check the District website: <https://spmud.ca.gov/tenant-improvement-plan-check-process>.

The subject matter contained in this letter is material to the real property and project, and should be disclosed to any/all prospective buyer(s) and/or future property owner(s).

If there are any questions, please do not hesitate to contact the District. The District's Sewer Code can be viewed at the District's website: <https://spmud.ca.gov/specifications-and-ordinances>.

Sincerely,


Carie Huff, P.E.
District Engineer





Date: July 10, 2024

SOUTH PLACER MUNICIPAL UTILITY DISTRICT
Appeals Committee - Board of Directors
5807 Springview Drive
Rocklin, California 95677

**RE: APPEAL NOTIFICATION - ADDITIONAL SEWER PARTICIPATION
REASSESSMENT FEE**

Dear Sir/Madam,

I am writing to appeal the additional sewer participation assessment for the property located at 3750 Taylor Road, Loomis, California (APN 044-111-011-000). As a diligent property owner, I have carefully reviewed the sewer participation assessment and believe it is unsubstantiated, inaccurate and unfair.

Upon receipt of your demand letter dated **July 1, 2024**, I am perplexed as to the basis of fact and “*other information*” that was utilized to derive the purported deficiencies. The salient reasons for this appeal are outlined as follows:

1. SPMUD’S own tardy and hindered actions (since 2003) cannot automatically and unjustly burden my property and business with retroactive/claw-back reassessments.
2. The “Demand” reflects an inaccurate categorization of current usage and the corresponding “EDU” factor. In addition, SPMUD’s acknowledgment of “*credits, previously paid*” fees lack any background information and supporting documentation.
3. The purported reassessment is, in effect, “double-dipping” by demanding fees to be paid on longstanding existing facilities, past and current usage, and previously paid fees.
4. Sewer Participation Fees should only be assessed for the pending building permit.

I am respectfully requesting a due diligence period of 90 Days for inspections or further investigations. During this time, I may engage professionals to evaluate the property thoroughly for an accurate historical assessment.

For any further discussion or to provide additional documentation, please feel free to reach me at the contact information provided above. I am available at your convenience.



I express my genuine interest in resolving this matter amicably and look forward to a fair and accurate assessment of the property sewer participation fee. I firmly believe that with the proper evaluation, the sewer participation assessment fee will align with the current pending building improvement permit of the property.

Thank you for your attention to this matter. I await your prompt response on when this will be placed on the agenda.

Sincerely,

A handwritten signature in black ink that reads "Scott Paris". The signature is written in a cursive style with a large, prominent initial "S".

Scott Paris

SOUTH PLACER UTILITY DISTRICT POLICIES

Policy Name:	3160 - UTILITY BILLING RECONCILIATION & PAYMENT POLICY		
Approval Authority:	SPMUD BOARD OF DIRECTORS	Adopted:	09/28/16
Resolution No:	15-03, 16-22	Revised:	

PURPOSE

This policy establishes a uniform procedure for the treatment of Utility billing errors, reconciliations and payments made to the District.

POLICY STATEMENT

The District may correct billing errors if not more than three years has elapsed from the bill due date to the date of discovery of the error. If the District has over billed a customer, the District may grant the customer either a refund or a credit to the customer’s account for not more than three years of over billed amounts.

If the District has under-billed a customer, the District may back-bill the customer for not more than three years of under billed amounts. In most situations the District will bill for only one year of billed amounts. The General Manager will determine each instance individually.

If the District has not charged a customer for Participation fees due at the time of connection to the District’s sewer facilities, the District will back-bill the customer for the participation fees, the determination of the fee rate will be made at the discretion of the General Manager. The District reserves the right to offer both residential and commercial customers for whom a participation payment has not been made, a deferred payment plan in accordance with Policy No. 3350 – Deferred Participation Charges.

In instances when a payment is made to the District and the payment method (checks, electronic payments, automated fund transfers and other similar payment transactions) is returned unpaid or non-sufficient funds, the District may impose a service charge, equivalent to the amount of bank charges incurred upon the District.

SOUTH PLACER MUNICIPAL UTILITY DISTRICT POLICIES

Policy Name:	3350 – DEFERRED PARTICIPATION CHARGES		
Approval Authority:	SPMUD BOARD OF DIRECTORS	Adopted:	11/05/15
Resolution No.	97-09, 13-08, 15-26, 17-34	Revised:	11/02/17

PURPOSE

The purpose of this policy is to establish criteria to accommodate the short term deferral of the payment of Sewer Participation Charges required by the District for the privilege of connecting to the District's wastewater system.

POLICY STATEMENT

Section 1: General

The District requires the payment of Sewer Participation Charges to offset the cost of connecting to the District's wastewater system. In some cases, payment of these charges poses a significant burden on certain residential, commercial or industrial users. To accommodate these users, the District has established a procedure for the short term deferral of the payment of these charges.

Section 2: Qualifications

In order to qualify for the Participation Fee Deferral Program, a project must meet one of the following criteria:

1. Existing commercial or industrial businesses relocating within the District, expanding facilities or changing use in a way that additional Participation Fees are due the District, where a hardship can be demonstrated, as determined by the General Manager.
2. New commercial or industrial projects that provide an economic community benefit and where a hardship can be demonstrated, as determined by the General Manager.
3. Single-family residential home where a hardship can be demonstrated, as determined by the General Manager.

Section 3: Payment Plan

The applicant for sewer services for any project(s) that qualify may request that the Participation fees which would be due to the District be paid through a deferred payment plan in accordance with the following conditions:

1. This policy applies to single parcel ownership.
2. The proposed usage shall be known, with no estimates for density or usage.
3. Applicant shall enter into a deferred payment agreement with the District.

4. No deferred payment agreement shall be in excess of five (5) years for commercial and industrial projects and one (1) year for residential projects.
5. Deferred payment agreements are non-transferrable.
6. The District shall charge interest on the amount of Participation fees deferred at the Wall Street Journal (WSJ) Prime Rate plus two percentage (2%) points per annum.
7. Any such deferral payment agreement shall be recorded and shall contain a provision authorizing the District to impose a lien on the property served in the event of default or non-payment of any installment payment when due.
8. Prior to the approval of any deferred payment agreement in excess of five (5) Equivalent Dwelling Units (EDU's), the General Manager shall submit a written report to the Board of Directors, for approval, citing the justification for the deferral, the terms of the repayment plan, and a listing of the current outstanding obligations due the District under these payment deferral plans.

Section 4: Delegation to the General Manager

The Board of Directors delegates the following authority to the General Manger:

1. To determine whether an applicant meets the qualifications set forth in Section 2, above.
2. To execute deferred payment agreement for connections of five (5) Equivalent Dwelling Units (EDU's) or less, provided that the application meets the requirement of Sections 2 and 3, above. All other requests for deferred payment agreements must be approved by the Board of Directors.

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
STAFF REPORT**

To: Board of Directors

From: Carie Huff, District Engineer

Cc: Herb Niederberger, General Manager
Emilie Costan, Administrative Services Manager
Eric Nielsen, Superintendent

Subject: Appeal – 6013 Princeton Reach Way (APN 048-560-008-000)
Past Due Participation Charge and Monthly Service Charges

Meeting Date: August 1, 2024

Overview

A recent audit of accounts for the South Placer Municipal Utility District (District) has concluded that 6013 Princeton Reach Way (APN 048-560-008-000) in Granite Bay is in violation of Chapter 2.02 of the District Sewer Code. This property has been illegally connected to the sewer system for over 28 years.

6013 Princeton Reach Way is a 5,000 square-foot single-family residence that was constructed circa 1996. Please see the attached photo. The District has no record of the connection or inspection of the construction, payment of participation fees, or monthly service charges. In addition, Placer County has no record of the connection or inspection of the construction, or payment of participation fees. The District sent the attached letter dated May 31, 2024, to Terry and Janice Reese, the current and original owners of the property located at 6013 Princeton Reach Way, to notify them that the sewer participation fee, inspection fee, and monthly service charges are due immediately and the lateral connection is required to be inspected by District staff to ensure compliance with District specifications. The property owner is responsible for payment of all District costs and fees and is also responsible for the cost of all remedial action that may be required to bring the connection into compliance with District specifications.

In accordance with District Policy 3160 – Utility Billing Reconciliation and Payment Policy:

- The District may correct billing errors if not more than three years have elapsed from the bill due date to the date of discovery of the error.
- If the District has not charged a customer for Participation fees due at the time of connection to the District’s sewer facilities, the District will back-bill the customer for the participation fees, the determination of the fee rate will be made at the discretion of the General Manager.
- The District reserves the right to offer residential customers for whom a participation fee has not been made, a deferred payment plan in accordance with Policy No. 3350 – Deferred Participation Charges.

The total amount of the required charges and fees due to the District is **\$16,509.52**, consisting of the following:

1. Participation Fee, Residential Home – 1 Equivalent Dwelling Unit (EDU):
1 EDU x \$14,767 = **\$14,767** (calculated at FY23/24 Rate)
2. Building Sewer Inspection Fee = **\$435.00**
3. Monthly Service Charges (May 2021 to May 2024) = **\$1,307.52** (calculated at the rate in effect at the time)

The Reese's, in their email dated July 22, 2024, copy attached, are appealing the charges in accordance with the process identified in Chapter 1.15.00 of the Sewer Code. They desire the District to consider waiving the Connection and Inspection fees on their home located at 6013 Princeton Reach Way. They contend that they hired licensed contractors to build their house and paid for all construction and utility connections to be performed according to code and all fees and services to be paid as required. They maintain that they did not knowingly allow or participate in any illegalities regarding the construction of their home.

Recommendation

Staff recommends that the Board of Directors:

1. Find that the calculations and application of fees and charges for 6013 Princeton Reach Way are correct per the District's Sewer Code and Policies;
2. Deny the appeal;
3. Require payment of total charges due in the amount of \$16,509.52; and
4. Allow the General Manager to negotiate a Deferral of Participation Charges in accordance with Policy 3350, which allows the inclusion of the past-due monthly service charge and inspection fee.

Strategic Plan Priorities

Provide exceptional value for the cost of sewer service.

- 1) Maintain low service charges while meeting established service levels.

Related District Ordinances and Policies

This action complies with:

- Policy 3160 – Utility Billing Reconciliation and Payment Policy
- Policy 3350 – Deferral of Participation Charges

Fiscal Impact

Denying the appeal will allow for the collection of the Local and Regional Participation Charge of \$14,767; \$4915 to District Fund 300, and \$9,852 to the City of Roseville to cover debt service to the South Placer Wastewater Authority. In addition, Fund 100 will be credited \$435.00 for the Building Sewer Inspection Fee, and \$1307.52 for the past-due Monthly Service Charge.

Granting of the appeal will void those charges.

Attachments:

1. Photo 6013 Princeton Reach Way
2. Letter to Terry and Janice Reese dated May 31, 2024
3. Policy # 3160 – Utility Billing Reconciliation and Payment
4. Reese's email dated July 22, 2024
5. Policy # 3350 - Deferral of Participation Charges

ArcGIS Web Map

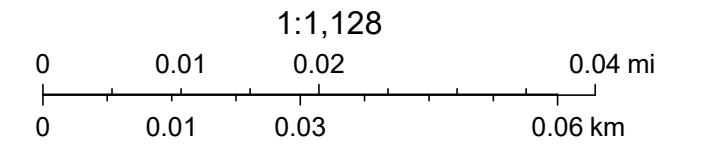


7/23/2024, 10:17:42 AM

- Parcels
- Site
- gis.DBO.GatedAccess
- Bollard, Key
- Cable, Combination Lock
- Gate, Garage Door Opener
- Gate, Gate Code
- Gate, Key
- Portable Flow Monitor Locations
- GRD Device
- Automatic Solids Transfer
- Gravity Grease Interceptor
- Gravity Grease Interceptor - Out of Service
- Hydromechanical Grease Interceptor
- Hydromechanical Grease Interceptor, Proposed
- Sand/Oil Separator

- Unknown
- SPMUD Drain
- Other SPMUD Utility Line
- Electrical Line
- Water Line
- Other SPMUD Utility Box
- Pull Box
- Water Valve
- Sanitary Sewer Services
- SPMUD - Operational
- SPMUD - Double Wye
- SPMUD - Proposed
- SPMUD - Inactive
- SPMUD - Abandoned
- Private - Inactive
- Private - Proposed
- Private - Operational
- Placer Union High School District - Operational
- SPMUD - Abandonment Pending
- Sanitary Pipe Inventory
- Gravity Line - Operational - SPMUD
- Force Main - Operational - SPMUD
- Gravity Line - Proposed - SPMUD
- Force Main - Proposed - SPMUD

Gravity Line - Inactive - SPMUD



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SOUTH PLACER MUNICIPAL UTILITY DISTRICT

May 31, 2024

Terry & Janice Reese
P.O. Box 2828
Granite Bay, CA 95746

**Subject: APN: 048-560-008-000, 6013 Princeton Reach Way
Illegal Connection – Outstanding Fees and Inspection Required**

Terry and Janice Reese,

It has come to the attention of South Placer Municipal Utility District (SPMUD) that 6013 Princeton Reach Way (APN 048-560-008-000) is in violation of Chapter 2.02 of the South Placer Municipal Utility District Sewer Code (<https://spmud.specialdistrict.org/files/4a02ce6b2/SPMUD-Sewer-Code-Full-Version.pdf>).

This property is illegally connected to the SPMUD sewer system. SPMUD has no record of the connection, payment of participation fees, or monthly service charges. The sewer participation fee, inspection fee, and monthly service charges are due immediately and the lateral connection is required to be inspected by SPMUD to ensure compliance with SPMUD specifications. The property owner is responsible for payment of all SPMUD costs and fees and is also responsible for the cost of all remedial action which may be required to bring the connection into compliance with SPMUD specifications.

Failure to bring the connection into compliance and failure to pay the required connection fee will result in the physical disconnection of the building sewer from the public sewer and legal action taken against the property owner. SPMUD supervision will be required in this process, along with a reconnection charge in accordance with the SPMUD Fee Schedule, along with all actual costs and expenses incurred by SPMUD in making the reconnection.

The total amount of the required fees to SPMUD are as follows:

Residential Home – 1 Equivalent Dwelling Unit (EDU):

1 EDU x \$14,767* = \$14,767 *rate currently in effect

Building Sewer Inspection Fee = \$435.00

Monthly Service Charges (May 2021 to May 2024) = \$1,307.52

Total Due = \$16,509.52

Please also note that fees remaining delinquent will have penalties added in accordance with Section 12811 of the Municipal Utility District Act and will become a lien on the real property. Payment may be made by paying via debit or with a Visa or Mastercard (credit card transaction fee required) in person or over the phone at the SPMUD Office located at 5807 Springview Drive, Rocklin, or by mailing a check (postmark dates are not acceptable). The property owner is also responsible for the payment of the current sewer service charges as well as sewer service charges for the past three years. An account has been created for the property, account #101-0014209-00, and you should receive a bill in June for service from March, April, and May.

Please be aware that all fees are subject to change and the amount due will be based on the rates and ordinances then in effect when payment for the application to connect to the sewer is made, or when/if any subsequent changes occur in the EDU density that result in additional fees being due. There is an increase in the basic rate that is regularly scheduled to occur effective July 1st of each year. The amount due, if paid on or after the effective date, will be required to be paid at the new rate. Please feel free to call SPMUD prior to payment for current rate information or check the SPMUD website: <https://spmud.ca.gov/rates-fees-and-billing-cycle>. Note that the SPMUD Ordinance(s) can be viewed at SPMUD's website: <https://spmud.ca.gov/specifications-and-ordinances>.

The subject matter contained in this letter is material to the real property and should be disclosed to any/all prospective buyer(s) and/or future property owner(s). Please note that in addition to recording a lien against the real property, SPMUD reserves the right to take legal action to foreclose on the lien and seek the recovery of all attorneys' fees and costs incurred.

Please contact the undersigned at (916) 786-8555 or ecostan@spmud.ca.gov by **August 30, 2024**, to make arrangements for payment of the connection fee, inspection fee, monthly service charges and inspection of the lateral connection. Failure to make payment arrangements and schedule an inspection by that date will result in disconnection from the SPMUD sewer system and legal action.

Sincerely,



Emilie Costan
Administrative Services Manager

Attachment:

Monthly Utility Charges
SPMUD Board Policy 3160 Billing Reconciliation Policy

CC: Herb Niederberger, SPMUD General Manager
Carie Huff, SPMUD District Engineer
Aaron Moore, SPMUD Lead Inspector

Attachment: Monthly Utility Charges

Date	Description	Amount
06/01/2024	CURRENT BILL 3/1/2024 – 5/31/2024	\$112.32
03/01/2024	BACK BILL 11/30/2023 - 2/29/2024	\$112.32
12/01/2023	BACK BILL 8/31/2023 - 11/30/2023	\$112.32
09/01/2023	BACK BILL 5/31/2023 - 8/31/2023	\$110.88
06/01/2023	BACK BILL 2/28/2023 - 5/31/2023	\$108.00
03/01/2023	BACK BILL 11/30/2022 - 2/28/2023	\$108.00
12/01/2022	BACK BILL 8/31/2022 - 11/30/2022	\$108.00
09/01/2022	BACK BILL 5/31/2022 - 8/31/2022	\$108.00
06/01/2022	BACK BILL 2/28/2022 - 5/31/2022	\$108.00
03/01/2022	BACK BILL 11/30/2021 - 2/28/2022	\$108.00
12/01/2021	BACK BILL 8/31/2021 - 11/30/2021	\$108.00
09/01/2021	BACK BILL 5/31/2021 - 8/31/2021	\$108.00
06/01/2021	BACK BILL 2/28/2021 - 5/31/2021	\$108.00
03/01/2021	BACK BILL 11/30/2020 - 2/28/2021	\$108.00



SOUTH PLACER UTILITY DISTRICT POLICIES

Policy Name:	3160 - UTILITY BILLING RECONCILIATION & PAYMENT POLICY		
Approval Authority:	SPMUD BOARD OF DIRECTORS	Adopted:	02/05/2015
Resolution No:	15-03, 16-22	Revised:	10/06/2016

PURPOSE

This policy establishes a uniform procedure for the treatment of Utility billing errors, reconciliations, and payments made to the District.

POLICY STATEMENT

The District may correct billing errors if not more than three years has elapsed from the bill due date to the date of discovery of the error. If the District has over billed a customer, the District may grant the customer either a refund or a credit to the customer’s account for not more than three years of over billed amounts.

If the District has under-billed a customer, the District may back-bill the customer for not more than three years of under billed amounts. In most situations the District will bill for only one year of billed amounts. The General Manager will determine each instance individually.

If the District has not charged a customer for Participation fees due at the time of connection to the District’s sewer facilities, the District will back-bill the customer for the participation fees, the determination of the fee rate will be made at the discretion of the General Manager. The District reserves the right to offer both residential and commercial customers for whom a participation fee has not been made, a deferred payment plan in accordance with Policy No. 3350 – Deferred Participation Charges.

In instances when a payment is made to the District and the payment method (checks, electronic payments, automated fund transfers and other similar payment transactions) is returned unpaid or non-sufficient funds, the District may impose a service charge, equivalent to the bank charges incurred upon the District.

From: [TR](#)
To: [Herb Niederberger](#)
Subject: a/c #101-0014209-00 6013 Princeton Reach Way, Granite Bay 95746
Date: Monday, July 22, 2024 3:47:03 PM

Dear Mr. Niederberger,

We wish to be put on the agenda for the August Board Meeting of the Placer Municipal Utility District to consider the waiving of the Connection and Inspection fees on our home located at 6013 Princeton Reach Way, Granite Bay, CA 95746.

Please know that we hired licensed contractors to build our house and paid for all construction and utility connections to be performed according to code and all fees and services be paid as required. We certainly would not knowingly allow or participate in any illegalities regarding construction of our home.

Thank you for your consideration.

Terry Reese



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SOUTH PLACER MUNICIPAL UTILITY DISTRICT POLICIES

Policy Name:	3350 – DEFERRED PARTICIPATION CHARGES		
Approval Authority:	SPMUD BOARD OF DIRECTORS	Adopted:	11/05/15
Resolution No.	97-09, 13-08, 15-26, 17-34	Revised:	11/02/17

PURPOSE

The purpose of this policy is to establish criteria to accommodate the short term deferral of the payment of Sewer Participation Charges required by the District for the privilege of connecting to the District's wastewater system.

POLICY STATEMENT

Section 1: General

The District requires the payment of Sewer Participation Charges to offset the cost of connecting to the District's wastewater system. In some cases, payment of these charges poses a significant burden on certain residential, commercial or industrial users. To accommodate these users, the District has established a procedure for the short term deferral of the payment of these charges.

Section 2: Qualifications

In order to qualify for the Participation Fee Deferral Program, a project must meet one of the following criteria:

1. Existing commercial or industrial businesses relocating within the District, expanding facilities or changing use in a way that additional Participation Fees are due the District, where a hardship can be demonstrated, as determined by the General Manager.
2. New commercial or industrial projects that provide an economic community benefit and where a hardship can be demonstrated, as determined by the General Manager.
3. Single-family residential home where a hardship can be demonstrated, as determined by the General Manager.

Section 3: Payment Plan

The applicant for sewer services for any project(s) that qualify may request that the Participation fees which would be due to the District be paid through a deferred payment plan in accordance with the following conditions:

1. This policy applies to single parcel ownership.
2. The proposed usage shall be known, with no estimates for density or usage.
3. Applicant shall enter into a deferred payment agreement with the District.

4. No deferred payment agreement shall be in excess of five (5) years for commercial and industrial projects and one (1) year for residential projects.
5. Deferred payment agreements are non-transferrable.
6. The District shall charge interest on the amount of Participation fees deferred at the Wall Street Journal (WSJ) Prime Rate plus two percentage (2%) points per annum.
7. Any such deferral payment agreement shall be recorded and shall contain a provision authorizing the District to impose a lien on the property served in the event of default or non-payment of any installment payment when due.
8. Prior to the approval of any deferred payment agreement in excess of five (5) Equivalent Dwelling Units (EDU's), the General Manager shall submit a written report to the Board of Directors, for approval, citing the justification for the deferral, the terms of the repayment plan, and a listing of the current outstanding obligations due the District under these payment deferral plans.

Section 4: Delegation to the General Manager

The Board of Directors delegates the following authority to the General Manger:

1. To determine whether an applicant meets the qualifications set forth in Section 2, above.
2. To execute deferred payment agreement for connections of five (5) Equivalent Dwelling Units (EDU's) or less, provided that the application meets the requirement of Sections 2 and 3, above. All other requests for deferred payment agreements must be approved by the Board of Directors.

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
STAFF REPORT**

To: Board of Directors

From: Herb Niederberger, General Manager

Cc: Emilie Costan, Administrative Services Manager
Carie Huff, District Engineer

Subject: Resolution 24-22 Authorizing the General Manager to Execute a Participation and Monthly Service Charge Agreement for Wastewater Collection and Treatment for Del Oro High School

Meeting Date: August 1, 2024

Overview

The South Placer Municipal Utility District (District) Annual Comprehensive Financial Report for the Fiscal Year ending June 30, 2023 (FY 22-23 Audit) contained an audit finding pertaining to unusual billing procedures and charges for Del Oro High School that are substantially different from those adopted in the District Sewer Code. Del Oro payments are received as unapplied credit in the billing system, and monthly fee increases must be built into the manual calculations and manually reconciled. The audit and financial report were prepared in accordance with the requirements of the California Municipal Utility District Act (MUD Act) as well as the generally accepted auditing standards and the Government Auditing Standards issued by the Comptroller General of the United States. This Audit was conducted by Mann, Urrutia, and Nelson, CPAs, an independent auditor specializing in governmental and special district audits.

While investigating the audit findings, the District discovered that Del Oro has been paying sewer charges based on an Average Daily Attendance (ADA) of 1,500 students since 1959. No additional participation charges (connection fees) have been paid, despite additions funded by Measure D occurring on the campus. All other high schools provided sewer service by the District are on standard billing and pay participation charges in accordance with the District’s Sewer Code which is based on use and square footage (High Density User – Schools with cafeterias or gymnasiums with showers).

The District entered into negotiations with the Placer Union High School District (Placer Union) for the sole purpose of correcting Del Oro’s billing errors in compliance with the District’s Sewer Code. In summary:

- Placer Union has previously paid a Participation Charge for Del Oro equal to 125 EDUs. (This is based upon calculations contained in the 1959 Agreement: 1,500 students/12 students/EDU). Calculations also verify that as of July 1, 2023, Del Oro has been billed in a manner equivalent to 125 EDUs.
- No additional participation charges are due at this time for Del Oro. This is under the following understanding: 1) The current ADA at Del Oro is approximately 1,500 students; 2) In accordance with the 1959 Agreement, Placer Union paid a charge based upon an

anticipated enrollment of 1,500 students; and 3) The existing square footage (SF) of Del Oro is 200,000 sf which translates to 133.33 EDU.

- In the future, additional Participation Charges will be due for any incremental increase above 200,000 sf of building area at Del Oro. The charge will be based upon the current total of the Local and Regional Participation Charge in effect multiplied by the number of additional EDUs, calculated in accordance with the Sewer Code in effect at the time of the area increase.
- Placer Union agrees to the placement of sewer services for Del Oro High School into District billing in accordance with the District Sewer Code. The billing will be on a quarterly basis and is based upon the current monthly service charge in effect multiplied by the number of Del Oro High School EDUs, and will be implemented in accordance with the following schedule:

Effective Date	EDUs Assessed
7/1/2023	125
7/1/2024	127.77
7/1/2025	130.54
7/1/2026	133.33

Recommendation

Staff recommends that the Board of Directors adopt Resolution 24-22 authorizing the General Manager to execute a Participation and Monthly Service Charge Agreement for Wastewater Collection and Treatment for Del Oro High School.

Strategic Plan Priorities

- 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

Fiscal Impact

The District will experience an increase in general fund revenue commensurate with the rise in EDUs placed into billing and the rate in effect for that fiscal year as shown in the following table. This will be accounted for in Fund 100.

Effective Date	EDUs Assessed	Rates in effect (\$/EDU/month)	Quarterly Bill	Annual Bill
7/1/2023	125	\$37.44		
7/1/2024	127.79	\$38.94	\$16,121.16	\$64,484.64
7/1/2025	130.54	\$40.50	\$18,468.00	\$73,872.00
7/1/2026	133.33	\$42.53	\$21,179.94	\$84,719.76

Attachments:

1. Resolution 24-22 Authorizing the General Manager to Execute a Participation and Monthly Service Charge Agreement for Wastewater Collection and Treatment for Del Oro High School
2. Participation and Monthly Service Charge Agreement for Wastewater Collection and Treatment for Del Oro High School

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

RESOLUTION NO. 24-22

AUTHORIZING THE GENERAL MANAGER TO EXECUTE A PARTICIPATION AND MONTHLY SERVICE CHARGE AGREEMENT FOR WASTEWATER COLLECTION AND TREATMENT FOR DEL ORO HIGH SCHOOL

WHEREAS, on June 6, 1959, the Rocklin Loomis Municipal Utility District and the Placer Union High School District (the Parties) entered into a Memorandum of Agreement, whereby in exchange for connection to the District's system, Del Oro High School paid the District \$28,100, computed at \$225 per 12 students based on an enrollment of 1,500 students; and

WHEREAS, on July 1, 1962, the Parties entered into a Sewer Service Charge Agreement providing that annually on July 1st of each year, Del Oro High School will pay the District 70% of the monthly service charge in force on August 1st of the fiscal year for each unit of Average Daily Attendance (ADA) reported to the County Superintendent of Schools in the Principal's Annual Report, including regular and summer sessions; and

WHEREAS on June 22, 1970, the Parties entered into a Sewer Service Charge Agreement Addendum that modifies the reporting of ADA from the Principal's Annual Report sent to the County Superintendent of Schools to the ADA sent to the State of California as the basis for apportionment purposes: and

WHEREAS, on January 1, 1987, the Rocklin Loomis Municipal Utility District renamed itself the South Placer Municipal Utility District to reflect its expanding service area; and

WHEREAS, The South Placer Municipal Utility District Annual Comprehensive Financial Report for the Fiscal Year ending June 30, 2023 (FY 22-23 Audit) contained an audit finding pertaining to unusual billing procedures and charges for Del Oro High School that are substantially different from those adopted in the District Sewer Code; and

WHEREAS, the District entered into negotiations with the Placer Union High School District for the purpose of correcting Del Oro's billing errors in compliance with the District's Sewer Code.

NOW, THEREFORE BE IT RESOLVED that the Board of Directors of the South Placer Municipal Utility District hereby authorize the General Manager to execute the attached Participation and Monthly Service Charge Agreement for Wastewater Collection and Treatment for Del Oro High School.

PASSED AND ADOPTED at a Regular Meeting of the South Placer Municipal Utility District Board of Directors at Rocklin, CA this 1st day of August 2024.

Signed: _____

James Durfee, President of the Board of Directors

Attest: _____

Emilie Costan, Board Secretary

PARTICIPATION AND MONTHLY SERVICE CHARGE AGREEMENT FOR WASTEWATER COLLECTION AND TREATMENT FOR DEL ORO HIGH SCHOOL

This Participation and Monthly Service Charge Agreement for Wastewater Collection and Treatment for Del Oro High School (hereinafter the “Agreement”) is made and entered into to be effective as of the 1st day of July, 2024 (the “Effective Date”) by and between the South Placer Municipal Utility District, a Municipal Utility District organized and existing under California Public Utilities Code § 11501 *et seq.* (hereinafter the “District”) and the Placer Union High School District, a California High School District organized and existing under California Education Code § _____ *et seq.* (hereinafter the “Placer Union”). Both the District and the Placer Union may sometimes be referred to individually as “Party” or together as “Parties” throughout this Agreement.

RECITALS

WHEREAS, the Parties hereto did, on June 6, 1959, enter into a Memorandum of Agreement whereby in exchange for connection to the District’s system, Del Oro High School paid the District \$28,100, computed at \$225 per 12 students based on an enrollment of 1,500 students; and

WHEREAS, on July 1, 1962, the entered into a Sewer Service Charge Agreement providing that annually on July 1st of each year, Del Oro High School will pay the District 70% of the monthly service charge in force on August 1st of the fiscal year for each unit of Average Daily Attendance (ADA) reported to the County Superintendent of Schools in the Principal’s Annual Report, including regular and summer sessions; and

WHEREAS on June 22, 1970, the Parties entered into a Sewer Service Charge Agreement Addendum that modifies the reporting of ADA from the Principal’s Annual Report sent to the County Superintendent of Schools to the ADA sent to the State of California as the basis for apportionment purposes: and

WHEREAS, each of the aforementioned agreements and addenda are hereinafter referred to as the “Existing Agreements”; and

WHEREAS, over the past 64 years the Parties have dutifully adhered to the terms of the Existing Agreements, but due to changed conditions, the payments called for and the formula contained therein are no longer meaningful or realistic to either of the parties and are no longer in the public interest.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants, conditions and promises herein contained, it is hereby agreed by and between the District and the Placer Union as follows:

1. **Recitals**

The Recitals herein are expressly made a part of this Agreement.

2. **Defined Terms**

Unless otherwise defined herein, all capitalized terms used in this Agreement shall have the meanings ascribed to them in the District’s Sewer Code.

3. **Termination of Existing Agreements**

This Agreement replaces and supersedes all of the Existing Agreements in their entirety. The Existing Agreements are terminated as of the effective date of this Agreement.

4. **Existing and Future Participation Charges and Service Charges**

The Placer Union agrees that from the effective date of this Agreement, it will be subject to pay to the District the fees, rates and charges set forth in the District Sewer Code and any future amendments thereto for sewer service to Placer Union, subject to the following conditions:

- a) This Agreement only applies to the Placer Union campus in Loomis, CA.
- b) In accordance with the District Sewer Code, Equivalent Dwelling Units (EDUs) will be used in calculating the applicable Service Charges and Participation Charges to be paid by the Placer Union. Said EDUs will be applicable to all permanent, temporary and portable school facilities at Placer Union.
- c) As of July 1, 2023, Placer Union has paid a Participation Charge for Del Oro equal to 125 EDUs. (This is based upon calculations contained in the 1959 Agreement: 1500 students/12 students/EDU). Calculations also verify that as of July 1, 2023, the Del Oro has been billed in a manner equivalent to 125 EDUs.
- d) It has been determined that the Del Oro Campus has undergone substantial building modifications such that currently Del Oro comprises 200,000 square feet (sf) of building area. Per District Sewer Code Chapter 2.03.03B, the relative impact of a School (w/ Cafeterias or Gymnasiums w/ Showers) is based at a rate of 2/3EDU/1000sf. 200,000 sf translates to 133.33 EDUs.
- e) Placer Union agrees to the placement of sewer services for Del Oro High School into District billing in accordance with the District Serwer Code. Such billing is on a quarterly basis and is based upon the current monthly service charge in effect multiplied by the number of Del Oro High School EDUs, based upon the following implementation schedule:

Effective Date	EDUs Assessed
7/1/2023	125
7/1/2024	127.77
7/1/2025	130.54
7/1/2026	133.33

A sample calculation based upon currently approved rates is included as Attachment A to this agreement and is subject to any future changes in the Sewer Code or rates in effect.

- f) The District agrees that, as of the effective date of this agreement, no additional participation charges are due for Del Oro. This is under the following understanding: 1) The current ADA at Del Oro is approximately 1500 students; 2) in accordance with the 1959 Agreement, Placer Union paid a charge based upon an anticipated enrollment of 1500 students; and 3) The existing square footage of Del Oro is 200,000 sf which translates to 133.33 EDU.
- g) Placer Union agrees to the payment of additional Participation Charges in accordance with the District Sewer Code. for any future incremental increase above 200,000 sf of building area at Del Oro. The charge will be based upon the current total of the Local and Regional Participation Charge in effect multiplied by the number of additional EDUs, calculated in accordance with the Sewer Code in effect at the time of the area increase.
- h) Placer Union agrees to provide to the District each year a full, complete, and accurate report, in writing, which will include all existing and new construction, new site plans and any and all other information reasonably required by the District in calculating Participation Charges and Service Charges (the "Annual Report"). Placer Union agrees to provide the Annual Report to the District on or before the last day of May of each year. Any interim changes regarding each facility, new construction, new site plans and such other information not covered by the Annual Report shall be promptly reported to the District in writing. The Annual Report shall be sent to the District's General Manager as provided in Section 8.18, Notices, below.
- i) Any increases in the building area as determined by the Annual Report will require the payment of additional rates, fees and charges in accordance with the Sewer Code.

6. **Collection of Sewer Fees, Rates and Charges**

Placer Union agrees that all sewer services provided by the District to Del Oro High School campus are subject to all District ordinances and policies regulating the use of District facilities and discharge into the District's sewer system. Subject to Section 4, above, the District shall be entitled to collect all fees, rates and charges to the extent permitted by law to provide sewer services to the Del Oro High School campus. These fees, rates and charges, including, but not limited to, inspection and plan check fees, regional and local Participation Charges and Service Charges, are established pursuant to District ordinances and resolutions, adopted by the District pursuant to the authority vested in it by the Municipal Utility District Act, California Public Utilities Code section 11501 *et seq.*

7. **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 Parties execute the Agreement, and thereafter the District shall provide Placer Union with a copy of the recorded Agreement. The provisions of this Agreement shall constitute covenants which shall run with the property on which the Del Oro High School campus is located (as such may be expanded from time to time) and shall be binding upon and benefit the Parties and their successors and assigns.

8. **Miscellaneous**

8.1 **Entire Agreement**

This Agreement (including the attachments hereto) constitutes the entire understanding and agreement of the Parties regarding the subject matter hereof.

8.2 **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 with respect to any other or subsequent occurrence or event.

8.3 **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.

8.4 **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.

8.5 **Amendments**

All amendments to this Agreement shall be in writing and, if approved, must be signed by all Parties and approved by the governing boards of each Party.

8.6 **Governing Law**

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

8.7. **Authority to Execute Agreement**

The person or persons executing this Agreement on behalf of each Party warrants and represents that they have the authority to execute this Agreement and the authority to bind such Party to the performance of its obligations hereunder.

8.8. **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.

8.9. **Interpretation of Agreement**

The 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 the 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.

8.10. **No Joint Venture or Partnership**

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

8.11. **Attorneys' Fees**

Should any legal action be brought by any party for breach of this Agreement or to enforce any provisions herein, the prevailing party shall be entitled to reasonable attorneys' fees, court costs, and other costs as may be fixed by the Court. Attorneys' fees shall include attorneys' fees on any appeal, and, in addition, a party entitled to attorneys' fees shall be entitled to all other reasonable costs for investigating such actions, taking depositions and discovery, and all other necessary costs incurred in the litigation.

8.12. **Covenant of Good Faith and Fair Dealing**

No Party shall do anything which shall have the effect of injuring the right of another Party to receive the benefits of this Agreement or to do anything which would render its performance under this Agreement impossible. Each Party shall perform all acts contemplated by this Agreement to accomplish the objectives and purposes of this Agreement.

8.13. **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 or Placer Union, 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.

8.14. **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.

8.15. **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.

8.16. **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.

8.17. **Time is of the Essence**

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

8.18. **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 District: South Placer Municipal Utility District
Attention: General Manager
5807 Springview Drive
Rocklin, CA 95677
Telephone: (916) 786-8555
Facsimile: (916) 786-8553

Notice to Placer Union: Placer Union District High School District
Attention: Assistant Superintendent of Administrative Services
13000 New Airport Road,
Auburn, CA 95603
Telephone: 530-886-4400
Facsimile: 530-886-4439

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: _____
SPMUD Secretary

By: _____
General Manager

APPROVED AS TO FORM:

By: _____
SPMUD General Counsel

“PLACER UNION”
PLACER UNION HIGH SCHOOL DISTRICT

By: 
Name: Peter Efsthriu
Title: Asst. Superintendent

Attachment:

- A. Sample Quarterly and Annual Sewer Bill for July 1, 2023 through July 1, 2026 (based on current approved rates)

Attachment A
SPMUD/PUHSD (Del Oro) Agreement

Sample Quarterly and Annual Sewer Bill at current approved rates:

Effective Date	EDUs Assessed	Rates in effect (\$/EDU/month)	Quarterly Bill	Annual Bill
7/1/2023	125	\$37.44		
7/1/2024	127.79	\$38.94	\$16,121.16	\$64,484.64
7/1/2025	130.54	\$40.50	\$18,468.00	\$73,872.00
7/1/2026	133.33	\$42.53	\$21,179.94	\$84,719.76

GENERAL MANAGER REPORT

To: Board of Directors
From: Herb Niederberger, GM
Date: Aug 1, 2024
Subject: General Manager Monthly Staff Report – July 2024

1) DEPARTMENT REPORTS

Attached are the monthly status reports for the Board’s information:

- A. Administrative Services Department,
- B. Field Services Department, and
- C. Technical Services Department.

The Department Managers are prepared to answer any questions from the Board.

2) INFORMATION ITEMS

The General Manager has been working with the Consultant Team from CPS HR regarding the ongoing recruitment. The General Manager was out of the office from July 15 through 19, 2024.

- A. On July 22, 2024, the General Manager met with the Assistant Director of the Placer County Department of Public Works, Kevin Bell, to discuss Phase 2 of the South Placer Wastewater Authority Equivalent Dwelling Unit Evaluation.
- B. On July 24, 2024, the General Manager met with representatives from the Technical Services Department and the Field Services Department to discuss the next steps for grease control at Lucille’s BBQ.
- C. The General Manager met via Zoom Meeting on July 24, 2024, with District General Counsel to discuss the following: 1) Lucille’s NOV; 2) Del Oro payment agreement; and 3) Sierra Partners sewer collection agreement.
- D. On July 25, 2024, the General Manager participated in the District All-hands meeting during which employees were provided an update on the SCADA Implementation, the Sewer Comic book, Employee Engagement Committee actions, an upcoming employee survey as well as Board Activities and Agendas.
- E. Advisory Committee Meetings:

There were no other advisory committee meetings in July.

3) **PURCHASE ORDERS/CONTRACTS INITIATED UNDER GENERAL MANAGER AUTHORITY**

PO Req#	Date	Vendor	Description	Amount
405	6/28/2024	Diamondback Automotive	Locking Bed Covers for the Inspector Trucks	\$6,721.36
407	7/02/2024	IT Pipes OPCO Ltd	Annual License	\$6977
408	7/02/2024	ESRI	GIS Annual License	\$8460
409	7/01/2024	Cintas Corp	Uniforms	\$17,500
410	7/01/2024	Cintas Corp	Paper Products	\$15,000
411	7/17/2024	Jensen Landscape	Landscape Services	\$13,500
412	7/01/2024	Sonitrol	Security Monitoring	\$18,000
413	7/01/2024	Streamline	Website Services	\$6,000
414	7/22/2024	Gold Country Tractors	New Kubota Tractor	\$41,240
415	7/23/2024	USA North	Annual License 811 Service	\$6027.34

4) **LONG RANGE AGENDA**

September 2024 (Regular)

- Strategic Plan 2023-27, Annual Report
- Sierra College Payment Agreement
- Award CIPP Liner Contract
- Award Paving Contract
- Award SCADA Engineering Services Contract

September 2024 (Special)

- GM Interviews

October 2024

- Presentation Emergency Services Messaging
- Award SCADA Implementation Contract

November 2024

- Annual / Quarterly Investment Report

December 2024

- GM Employee Evaluation and 401a) award
- Final Audit and Consolidated Annual Financial Report
- Participation Charge Report for FY2023/24

January 2025

- Swearing in of new Directors
- Selection of Officers
- Presidential Appointments to Advisory Committees
- Approve GM 2025 Goals

ITEM VIII. ASD REPORT

To: Board of Directors
From: Emilie Costan, Administrative Services Manager
cc: Herb Niederberger, General Manager
Subject: Administrative Services Department Monthly Report
Board Date: August 1, 2024

Year-end

Administrative Services Staff has been continuing to work on Reimbursements, Billings, Purchase Orders, Journal Entries, and other year-end items. The Administrative Services Manager will be working to close the Fiscal Year and complete the year-end entries with the District's Accountant during the week of July 29th. Audit sampling work is scheduled for August 8th, and audit work is scheduled for the week of September 2nd.

Strategic Plan Metrics

The Administrative Services Manager has been working with the other Department Managers to compile updated data for the Strategic Plan Annual Report Card that will be brought to the Board at the September Board Meeting.

Fall Newsletter

Administrative Services Staff are working to create the Fall Newsletter which will be included with the September, October, and November bill statements.

Ongoing Recruitments

The Administrative Services Manager is continuing to work on the recruitment of a Temporary Laborer and Management Analyst.

July Monthly Investment Transactions per GC §53607

DEPOSITS, TRANSFERS, OR WITHDRAWALS

CalTRUST:	None
CA CLASS:	None
LAIF:	None
Placer County:	None
Wells Fargo:	None
Five Star MM:	None

ITEM VII. FSD REPORT

To: Board of Directors
From: Eric Nielsen, Superintendent
Cc: Herb Niederberger, General Manager
Subject: Field Services Department Monthly Report
Meeting Date: August 1, 2024

Department Overview

This section provides the Board an update on the news and major tasks from the Field Services Department (FSD).

1. Supervisory Control and Data Acquisition (SCADA) Replacement

- a. Staff will meet with the consultant team on July 9, 2024, to review comments on the 90% submittal in preparation for finalizing the project bid documents.
- b. Project bid documents are expected to be submitted on July 31, 2024. Those bid documents will be advertised in August with the bid opening in September. The contract for the project using the bid from the lowest responsible, responsive bidder will be presented to the board in October for approval.
- c. Staff plans to present a contract for engineering and inspection services during construction to the Board during the September board meeting for approval.

2. Janitorial Services

- a. Universal Building Services started janitorial services for the District's facilities at 5807 Springview Drive at the beginning of July.

3. Workplace Violence Prevention Plan and Related Policies

- a. Staff continue efforts to improve workplace safety at the District based on the internal assessment conducted during the development of the Workplace Violence Prevention Plan.
- b. The Superintendent and Regulatory Compliance Technician met with a corporal from the Rocklin Police Department on July 10, 2024, to review our planned responses to potential workplace violence events and incorporate training provided by the Rocklin Police Department into the District's training schedule.
- c. The Superintendent and Regulatory Compliance Technician are scheduling vendor demonstrations of emergency communication systems that would replace the emergency group text messages. These systems improve the speed and consistency of messaging, allow for the reporting/tracking of the status of individuals during an incident, and allow for potential coordination with the Rocklin Police Department.

4. Patch Pavement Restoration

- a. Contract documents were advertised for bid on July 19, 2024.
- b. Staff plan to present a contract to the Board during the September board meeting for approval.

5. Zero-Emission Fleet Transition

- a. Staff is corresponding with firms who provide services to understand options and develop a scope of work to meet the new regulations.
- b. Staff will present a contract to the Board at a future board meeting for approval prior to commencing with the work.

6. Temporary Laborer Recruitment

- a. An offer has been made to an applicant for the Temporary Laborer position. The pre-employment process is underway.

7. Leadership Rocklin

- a. The Superintendent is serving on the Leadership Rocklin Steering Committee (LRSC) again for the 2024/2025 class. The LRSC met on July 10, 2024, to outline the class schedule and make assignments. The District will again be hosting the class for the Transportation and Infrastructure session in November.

Reporting

This section provides the Board an overview of the Field Services Department operations and maintenance activities through 6/30/2024. The work listed is not all inclusive.

1. Lost Time Accidents/Injuries (OSHA 300)

- a. Zero (0)
 - i. 2861 days (7.8 years) without a Lost Time Accident/Injury
- b. Workers Compensation Claims over last 12 months
 - i. Two

2. Safety/Training/Professional Development

- a. Field Services employees participated in training for the following:
 - i. Spill Emergency Response
 - ii. Spill Emergency Response for Standby Supervisors
 - iii. Temporary Traffic Control
 - iv. Heat Stress
 - v. Standard Operating Procedures (SOPs) during crew rotations

3. Customer Service Calls

- a. Response Time Goals over the Last 12 Months

	Goal	Average	Success Rate
During Business Hours	< 30 minutes	21 min	96%
During Non-Business Hours	< 60 minutes	43 min	

Service Calls - June

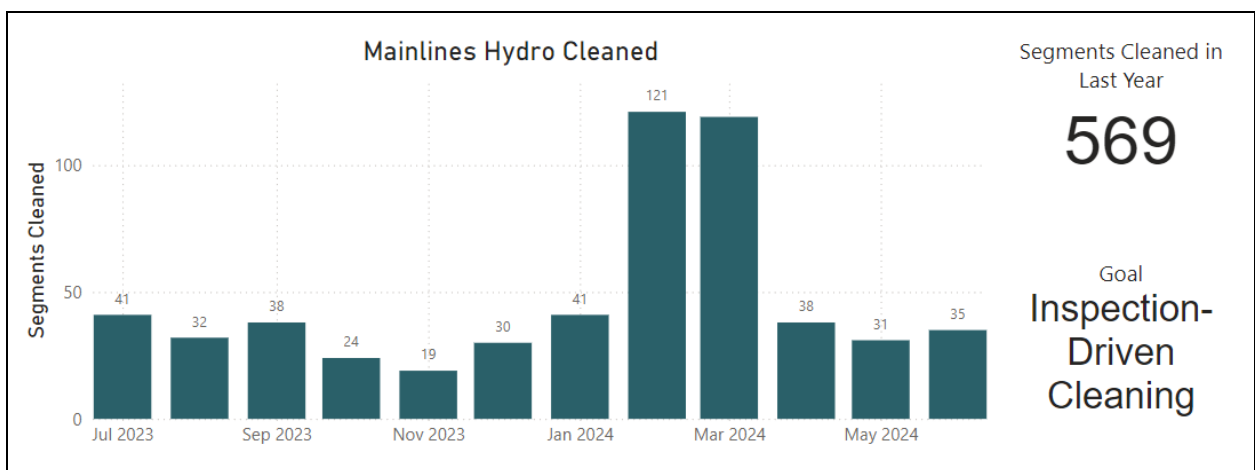
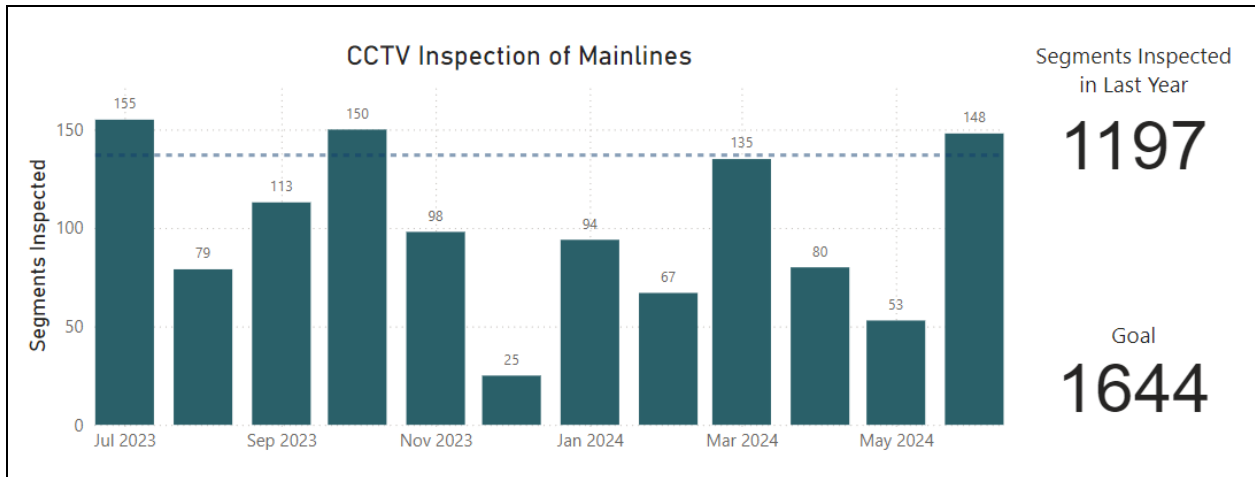
Responsibility	Spill	Stoppage	Odor	Alarm	PLSD	Misc
SPMUD Responsibility	1			1		1
Owner Responsibility		1				1
N/A				1		
Total	1	1		2		2

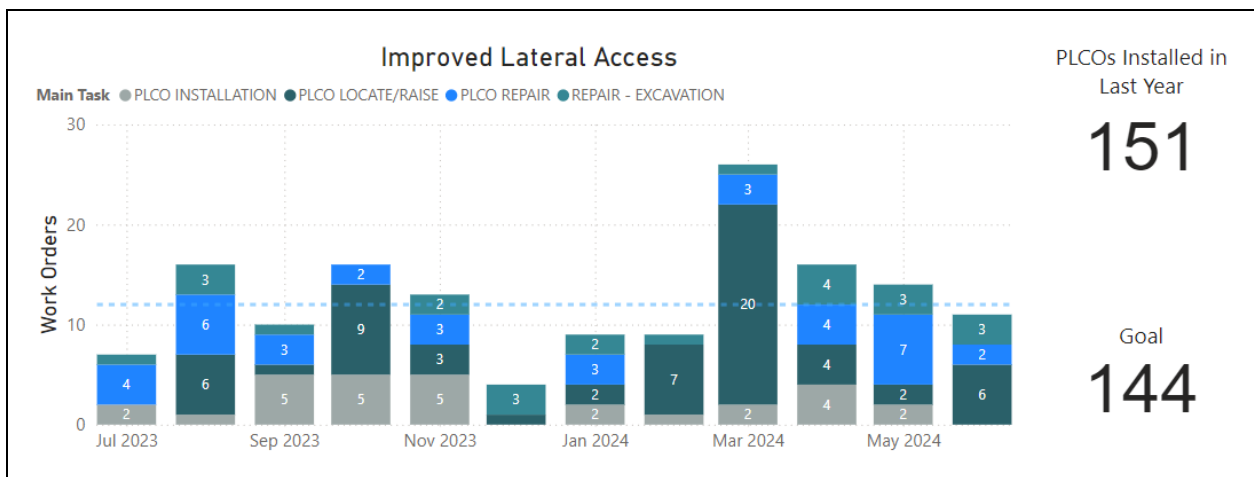
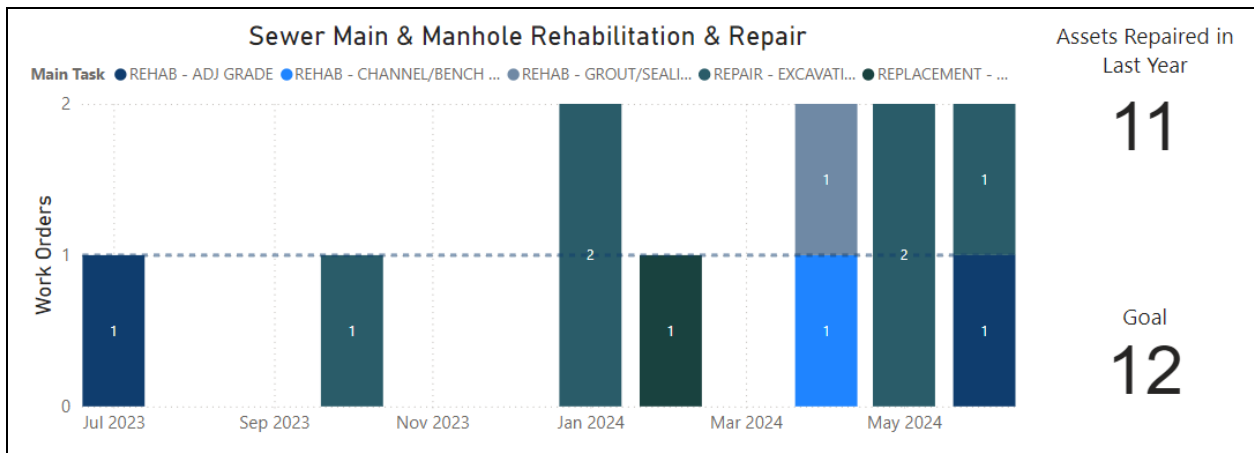
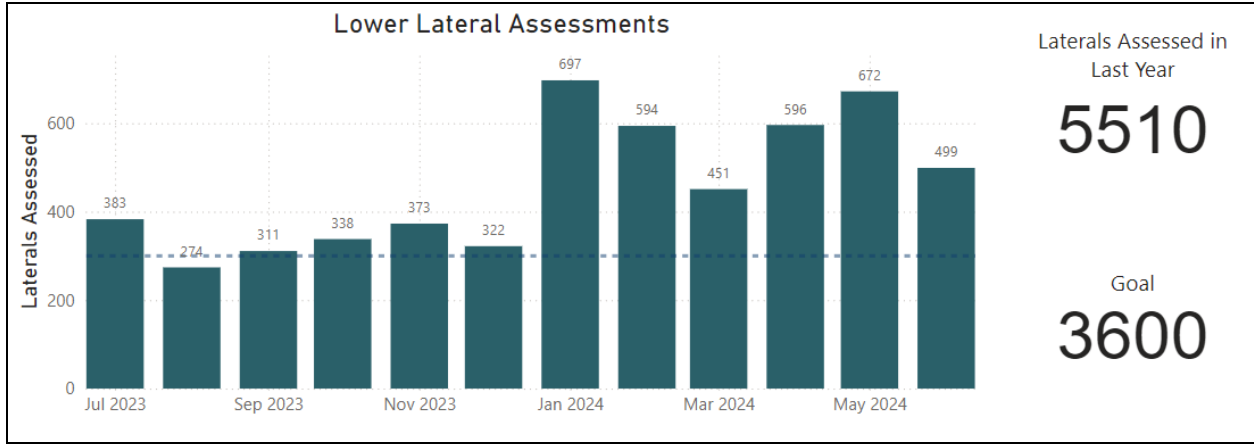
Total Service Calls

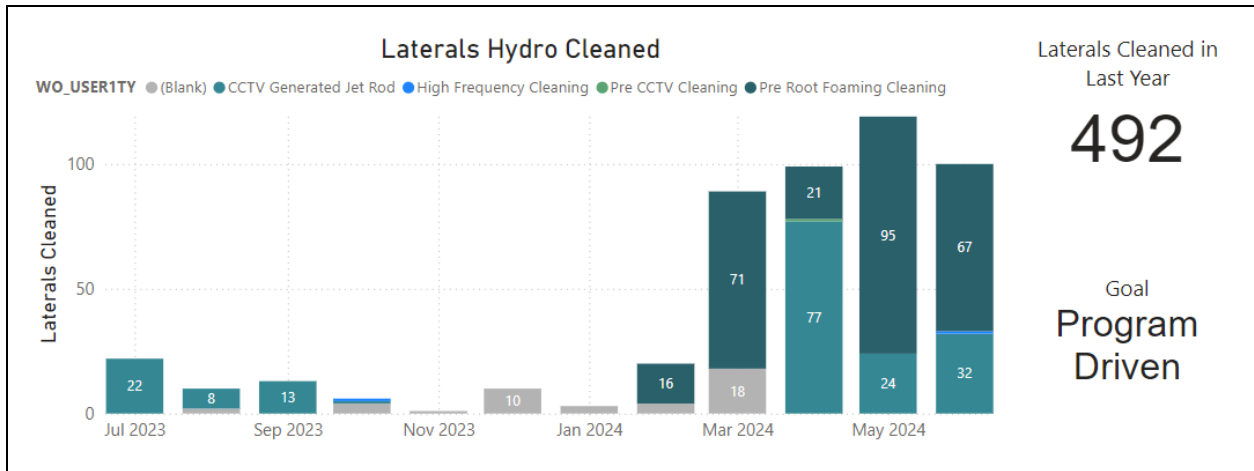
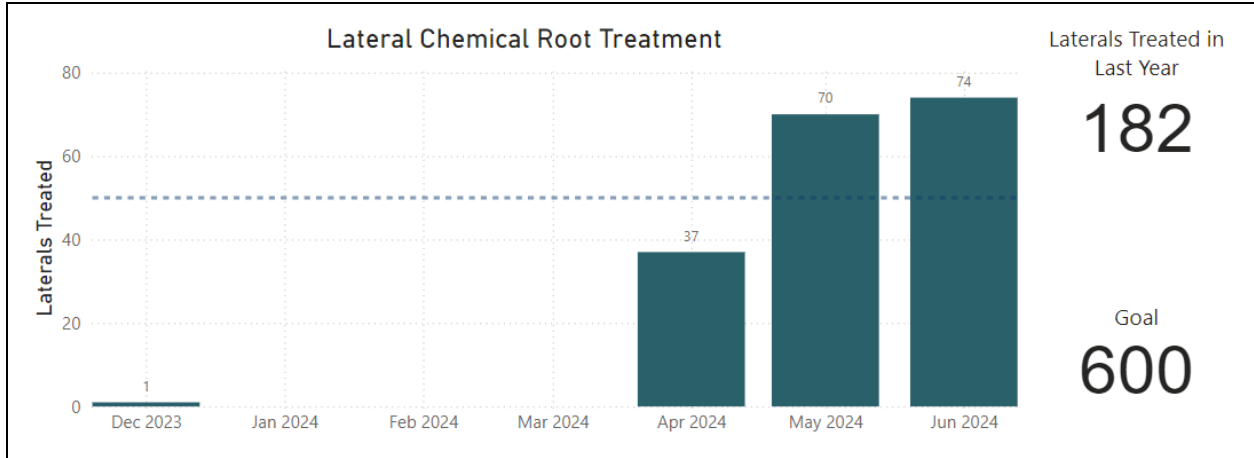
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4. Production

- a. The information provided below shows the work performed in key areas of focus. It does not represent all the work completed in the department.







ITEM VII. TSD REPORT

To: Board of Directors
From: Carie Huff, District Engineer
Cc: Herb Niederberger, General Manager
Subject: Technical Services Department Monthly Report
Board Date: August 1, 2024

TSD Updates:

- ❖ The outreach materials created by 10 Ton Press are complete and the District will offer them at the front counter, during maintenance operations, and at outreach events.
- ❖ The District Engineer is working with the City of Lincoln, LAFCO and the Sierra College Partners Development Team to implement the out of area service agreement for the Sierra College Partners development. The out of area service agreement, approved by the District in 2017, is required because the parcel resides within the District's sphere of influence but cannot realistically sewer to District facilities. The agreement specifies that four properties will connect to a new District manhole which will then connect to the City of Lincoln's sewer system. Since the agreement was executed in 2017, the City of Lincoln's fee structure has changed, which complicates the funding portion of the agreement. Based on the outcome of the June 26th meeting, the District's legal counsel and the City of Lincoln attorney are working together to prepare an amendment to the 2017 agreement which addresses the financial concerns and payment mechanism.
- ❖ TSD staff participated in the Monument Springs Bridge coordination meetings on June 26th, July 22nd and July 24th.
- ❖ The District Engineer attended the SPWA board meeting on June 27th.
- ❖ The District Engineer attended the City of Rocklin's State of the City event on June 28th.
- ❖ TSD staff participated in the Employee Engagement Committee (EEC) meeting on July 9th.
- ❖ TSD participated in the Countywide Development Coordination Meeting on July 16th with regional stakeholders, including the City of Rocklin, the City of Roseville, Placer County, PCWA, and PG&E among others.
- ❖ TSD staff conducted a site visit and review of the Kniesel's operations at 4011 Sierra College Boulevard to determine if a reduction in EDU assessment is warranted. Staff is reviewing information to make a determination.
- ❖ The District Engineer participated in an interview by the City of Rocklin's consultant for their zoning update on July 17th.

- ❖ The FY2023/24 commercial field audit is complete and the first quarter of FY2024/25 is in process. TSD staff revamped and improved the commercial field audit process by shifting from printing and markup of paper maps to creating web maps that can be edited by staff in the field on tablets or cell phones. This change enables staff to complete the audit process quickly and saves resources. This improvement also enables staff to see commercial updates more quickly.
- ❖ TSD continues to work on updates to the District's Standard Specifications and Improvement Standards for Sanitary Sewer to align with the Sewer Code updates and to Chapter 4 – Wastewater Pump Stations. WaterWorks Engineers submitted the updated standards on July 8th and staff is reviewing in anticipation of a workshop on August 7th.

Northwest Rocklin Sewer Annexation Construction Project (formerly known as Atherton Trunk)

The City notified the District on March 12th that the property owner accepted their offer to purchase the easement. The City is preparing the appropriate documents to finalize the purchase and will reach out once again to update the District on the schedule. There has been no update since March 12th.

There are multiple development applications for projects upstream of the Northwest Rocklin Sewer Annexation Construction Project that propose to connect to the District's sewer system. The District has noted in responses to the City of Rocklin that connections will be approved on a case-by-case basis pending acceptance of the Northwest Rocklin Sewer Annexation Project. On July 11th, the District notified the City that Stanford Ranch 6.8 (165 EDU) will not be allowed to connect to the District's sewer system until the easements are finalized and the project is accepted by the District.

Sierra College Trunk and Lift Station Abandonment, Rocklin

Efforts to coordinate access with property owners to complete a preliminary survey have stalled. The site walk is intended to identify elevation information and indication of surface obstacles (large rock outcropping, etc.). Test pits and/or ground disturbing activities are not proposed with the site walk. Staff anticipates meeting with the design team and the District's legal counsel in the coming weeks to determine next steps.

Cameo Court Trunk and Lift Station Abandonment, Rocklin

WaterWorks Engineers is working with the City of Roseville to analyze their hydraulic model to determine downstream improvements required to accommodate the District's connection. This analysis is anticipated to be completed in the coming months.

PCWA / Newcastle Construction Cooperation Project

Staff is reviewing the final plans and specifications submitted by GHD. The initial engineer's estimate indicates that the District's portion of the project is \$1,600,000 with half budgeted in FY24/25 and the other half in FY25/26. This includes cost sharing with PCWA on shared aspects of the project including mobilization/demobilization, traffic control, potholing, survey and paving. The District and PCWA will be working with property owners on right-of-entry agreements as the design is finalized. Coordination with property owners for work on private property is ongoing.

Jack in the Box Sewer Replacement Project

The District provided comments on the design to Ubora, the design engineer. District staff is coordinating pothole efforts to confirm utility locations and if rock is present in locations where

the new sewer alignment will be deeper than the existing pipe. The design will be refined once this information is available.

Del Rio Court and Delmar Sewer Extension Project

Staff is working on the specifications and anticipates that the project will go to bid this summer with an award in September of 2024.

Johnson Springview Park Creek Crossing, Rocklin

As indicated in previous TSD reports, WaterWorks Engineers and their subconsultant, Helix Environmental Planning, completed preliminary biological and cultural resource field surveys and records searches for the project. The preliminary results indicate close proximity to sensitive tribal resources and that this segment of Antelope Creek is identified as essential fish habitat for listed salmonids. In addition, the preliminary cost estimate for the project is significantly higher than anticipated due to the complexity of the design. Staff presented these findings in detail at the Infrastructure Advisory Committee in February and the City of Rocklin. Staff investigated the availability of Congressional Community Project Funding, however that funding cycle has closed. It appears that the City may pursue the bridge crossing somewhere further upstream that does not have similar environmental and flooding concerns. Staff will return with this project when it reaches a higher priority.

Taylor Road Crossing, Newcastle

The final design is complete, and staff is working on the specifications to go to bid in August.

Main Street, Newcastle

Potholing was completed the week of June 17th and confirmed the utility locations and depths. Minor changes are required to refine the design. Coastland, the design engineer, will be working towards the final design in the coming months.

Farron Street Sewer Trunk Replacement

TSD staff is currently working on the contract documents to release for bidding. Staff is bundling two projects together to make the work more attractive to contractors and to encourage better pricing.

Proposed Annexation of the Castle City Mobile Home Park in Newcastle

As previously reported, staff met with representatives from the State of California and Caritas, the owner of Castle City Mobile Home Park, to review the District's role in the funding application and consolidation process. The District is required to submit the funding application and manage all aspects of the project, including funding until reimbursed by the State of California. Coleman Engineering is working on completing the application and requested additional information from the District. Staff will present additional information about the project in the coming months with a request for direction from the board.

Local Agency Formation Commission (LAFCO)

LAFCO approved the contract with RSG to complete the District's Municipal Services Review and Sphere of Influence Update on June 12th. The kickoff meeting is scheduled for July 24th.

FOG Program

The District's FOG Inspector conducted six core sample inspections of grease control devices (GCDs) in June at the following locations:

- Starbucks, 6075 Horseshoe Bar Road
- Round Table Pizza, 6111 Horseshoe Bar Road

- Taco Bell, 6079 Horseshoe Bar Road
- Paquitas, 3883 Taylor Road
- Arco AM/PM, 4280 Sierra College Boulevard
- La Fogata, 3987 Taylor Road

The District's FOG Inspector conducted three pump out/cleaning inspections of grease control devices (GCDs) in June at the following locations:

- Pho Cali, 2209 Sunset Boulevard
- Tokyo Dori, 5050 Rocklin Road
- Dutch Brother's Coffee, 4610 Sierra College Boulevard

Pump-out/cleaning inspections are coordinated and scheduled to achieve a condition assessment of a previously installed GCD. Most often, these types of inspections are scheduled for indoor GCDs that were previously installed and inspected under a jurisdiction apart from the District. This was the case for Pho Cali and Tokyo Dori. Both indoor GCDs are in disrepair due to excessive rust, corrosion, and improper installation. Both locations also had multiple FOG-producing fixtures that are not connected to the GCD which bypasses any means of mitigation. As a result, Warning of Non-Compliance letters were issued to both establishments and staff is currently working with the ownership groups to reach a solution for replacement. The District also schedules pump-out/cleaning inspections for new restaurants that are opening in an existing location served by an existing GCD. This was the case for Dutch Brothers Coffee, which is opening a new location in a commercial building that was previously occupied by Del Taco. Any defects observed during these inspections require immediate rehabilitation and/or replacement, prior to receiving a building sewer final.

The District's FOG Inspector has continued site visits to address the "no device" list in SwiftComply, resulting in the removal of two more food service establishments (FSEs) from the list.

Finally, District staff conducted a tenant improvement pre-design meeting with the owner of High-Hand Nursery to discuss plans for a new restaurant. The purpose of the meeting was to clarify the scope of the design and identify the sewer fixtures before construction begins. Additionally, staff held a preconstruction meeting for a new sushi restaurant, Raku Sushi, which is set to open in Rocklin. This meeting focused on reviewing the approved plans, the District's inspection processes and any special requirements.

Industrial Pretreatment

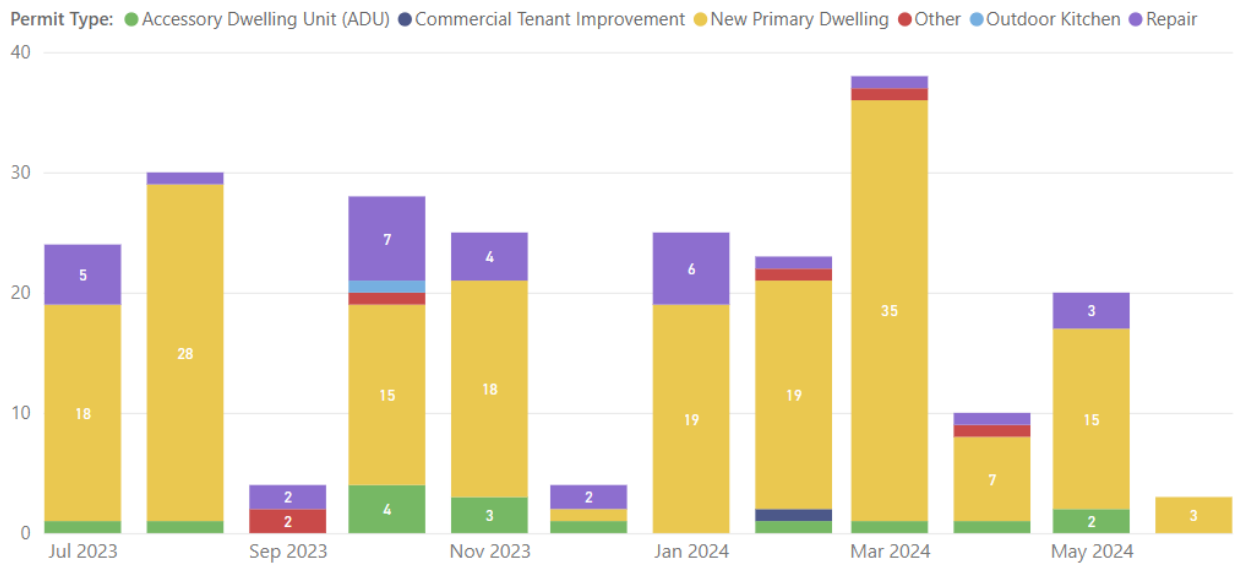
District Staff and the City of Roseville's Industrial Waste Analyst met with the owners of Moksa Brewing Company and Shred Beer Company in June. These meetings were follow-ups to the Warning of Non-Compliance notices previously issued to each brewery. During these sessions, staff reviewed action items and outlined the next steps required to resolve the compliance issues.

Additionally, cost effective solutions were discussed to ensure compliance without imposing a costly burden on the breweries. Both parties worked collaboratively to identify practical and affordable measures that would meet regulatory requirements while supporting the operational needs of the businesses. The aim was to achieve compliance in a manner that was both effective and economically feasible for the breweries.

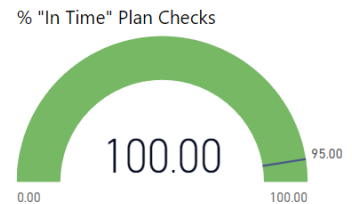
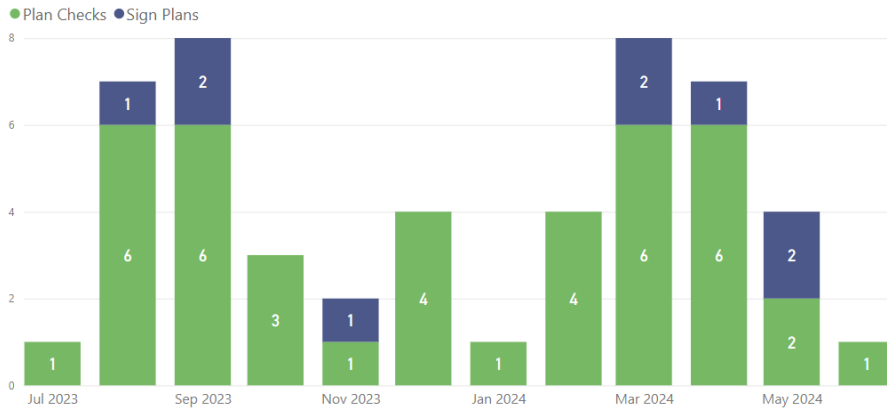
Department Performance Indicators

The following charts depict the efforts and performance of the department in the following areas of work as of June 30, 2024. The charts are being created in a new reporting tool that directly connects to the District’s data, improving the timeliness of reporting efforts and leveraging the District’s investment in technology. Additional charts may be added in the future for other areas of work in the department.

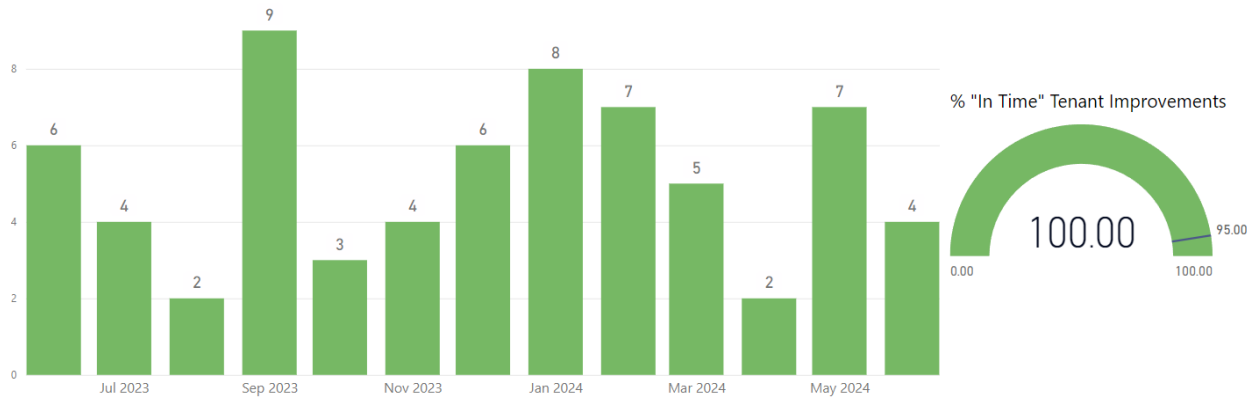
Sewer Permits - Completed - Monthly Totals



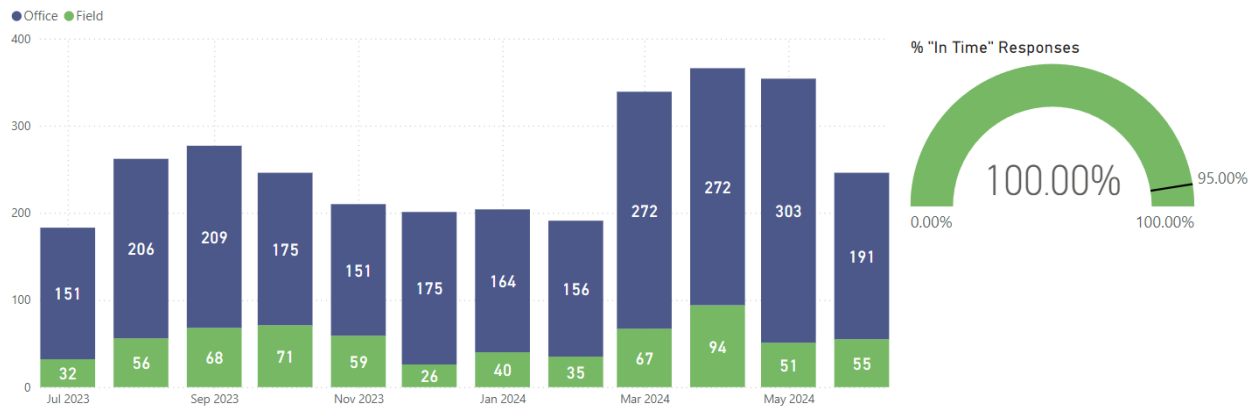
Plan Checks Completed - Monthly Totals



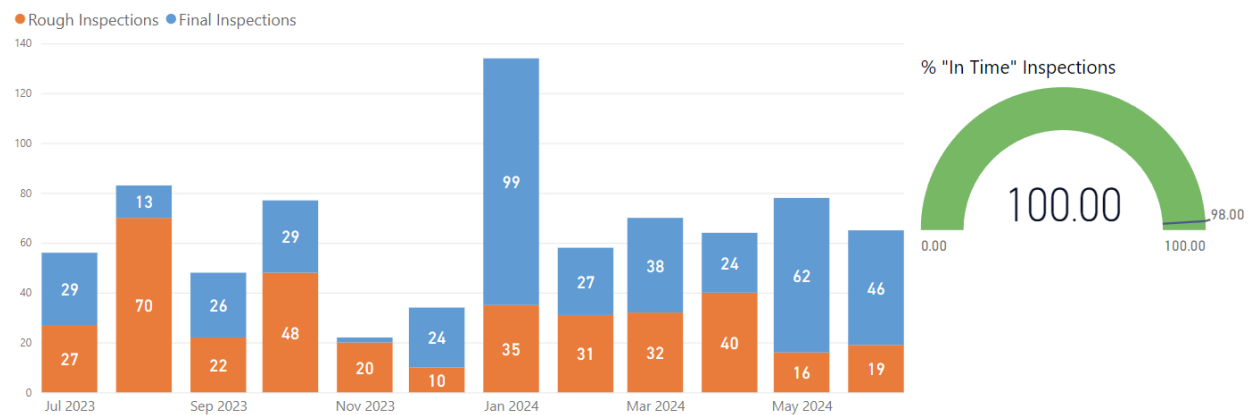
Tenant Improvement Reviews Completed - Monthly Totals



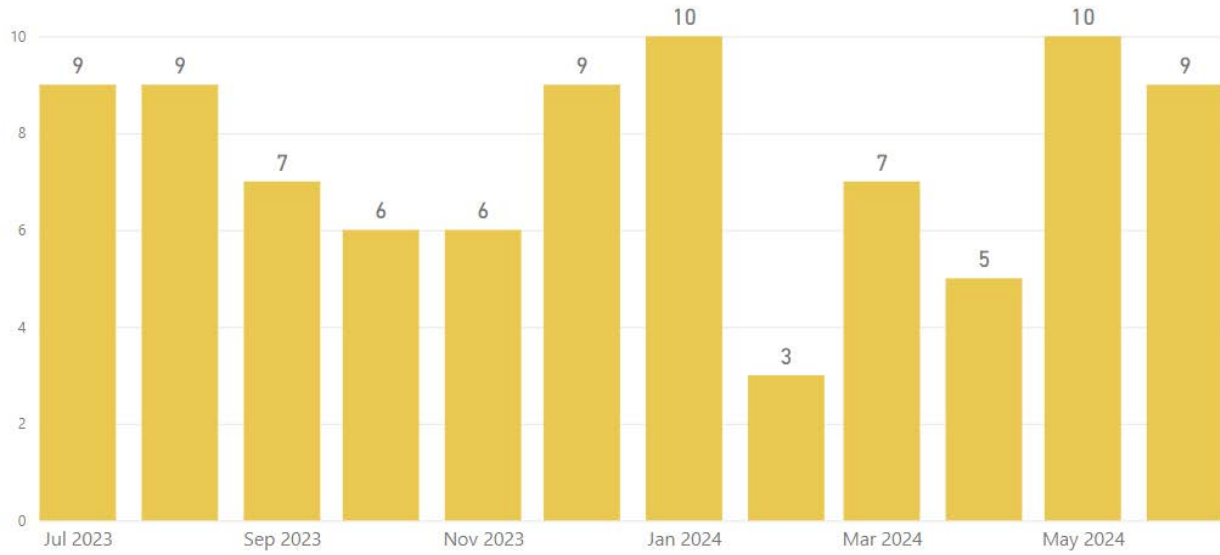
811 Responses



Building Sewer Inspections - Monthly Totals

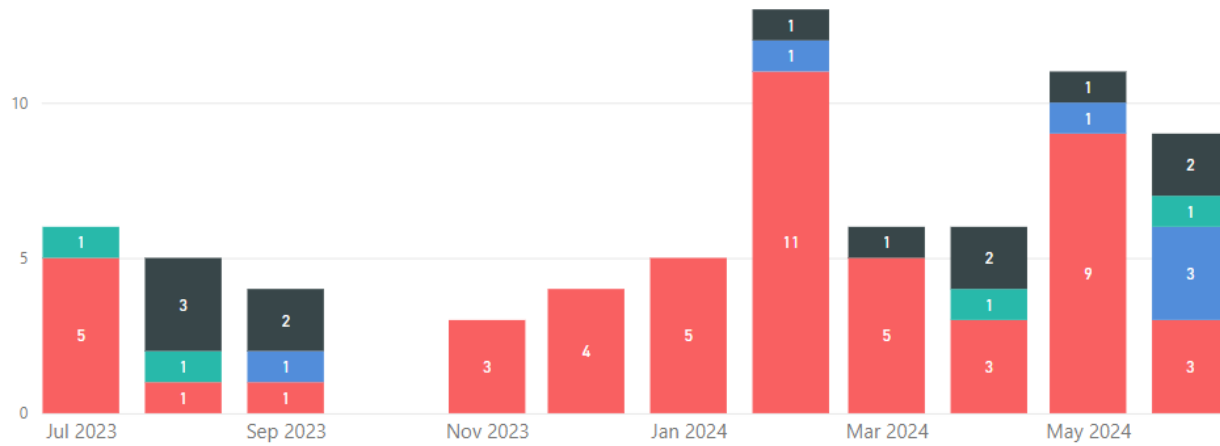


FOG Pickups - Monthly Totals



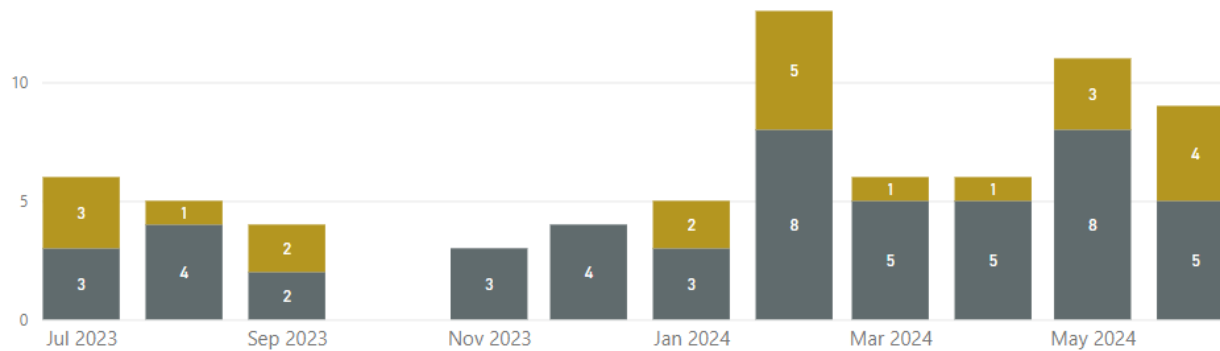
Grease Interceptor Inspections

Template ● GGI Core Sample Inspection - Outside ● GGI Pump Out/Cleaning Inspection ● HGI Core Sample Inspection - Inside ● HGI Core Sample Inspection - Outside

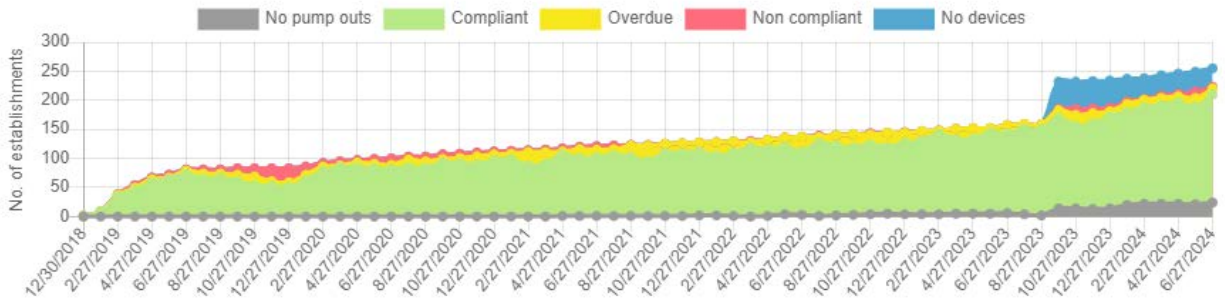


Interceptor Inspection Results

Compliance ● Compliant ● Non-compliant



FOG Compliance History



SwiftComply updated the program to include facilities that do not have a grease control device. This blue area indicates food service establishments that either have no devices or have not been investigated or inspected yet.