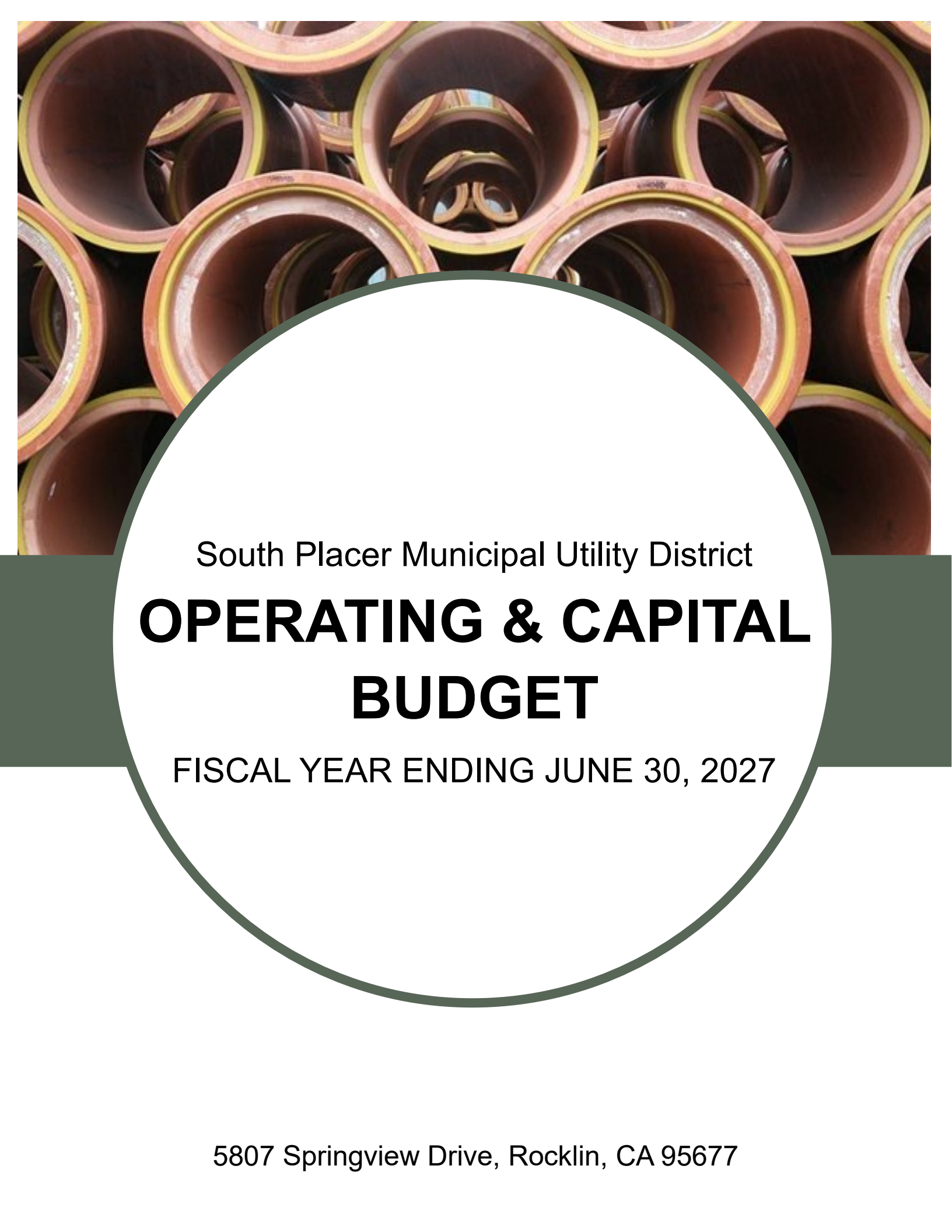


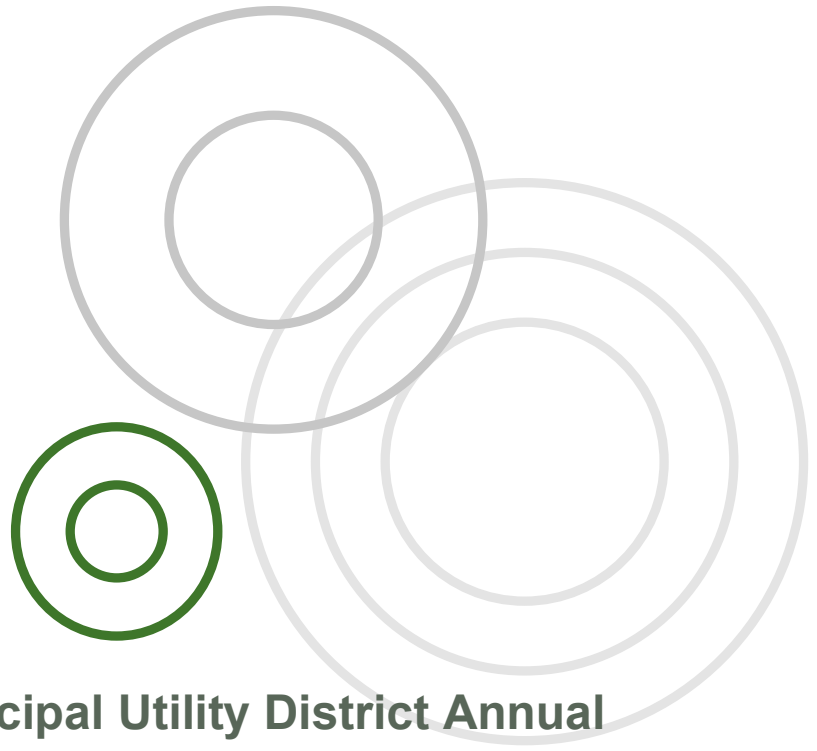


South Placer Municipal Utility District

OPERATING & CAPITAL BUDGET

FISCAL YEAR ENDING JUNE 30, 2027

5807 Springview Drive, Rocklin, CA 95677



South Placer Municipal Utility District Annual Operating and Capital Budget

Fiscal Year 2026-2027

PROTECT public health and the water environment.

PROVIDE efficient and effective sanitary sewer service.

PREPARE for the future.

PREPARED BY THE ADMINISTRATIVE SERVICES DEPARTMENT

Eric Nielsen, General Manager

Emilie Costan, Administrative Services Manager

Monica Lindholm, Management Analyst

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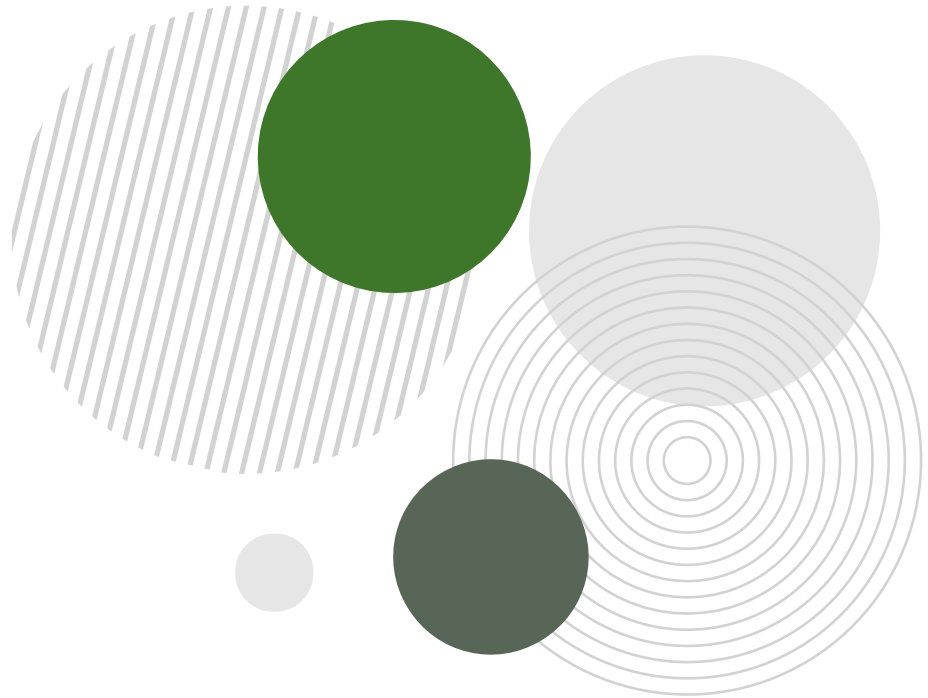
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REPORT ORGANIZATION

This Annual Operating and Capital Improvement Program Budget is intended to provide the Board with an overview of the District's fiscal plan of action, including revenue and expense details for the upcoming Fiscal Year 2026/27. This report is organized into a General Manager's budget message, District overview, strategic priorities, performance measures, budget summary, budget overview and process, budget highlights, controls and policies, detailed revenue and expenditure tables, department schedules, capital improvement program budget, regional wastewater treatment plant capacity projects, fund balances, debt, and reserves, long range planning and projections, and statistical and supplemental information.

The total adopted budget for Fiscal Year 2026/27 is \$45.89 million, \$24.13 million in annual operating expenses, and \$21.77 million in local capital investment.

The District's Board of Directors and staff members are proud to serve the City of Rocklin, the Town of Loomis, and the unincorporated communities of Penryn, Newcastle, and the Rogersdale area of Granite Bay. The District is a recognized leader in local government and demonstrates continued excellence in governance, transparency, operations, finance, and strategic planning. The adoption of this budget confirms the District's commitment to preventing sanitary sewer overflows and maintaining and improving facilities, services, and infrastructure in a fiscally responsible manner. The budget is a management tool and is not a legal document.

BUDGET MESSAGE

To the Honorable Board of Directors and Customers of the South Placer Municipal Utility District,

The South Placer Municipal Utility District (District) staff are pleased to present the operating and capital budget for the Fiscal Year beginning July 1, 2026, and ending June 30, 2027. Each year, staff carefully consider the development of the annual budget to ensure the District's mission, strategic goals, and commitments are financially supported.

The District's dedicated team is committed to fulfilling our mission to protect public health and the environment, provide excellent customer service, and prepare for the future. Every day, District staff work to ensure our infrastructure operates smoothly and meets the highest standards of safety, performance, and regulatory compliance.

The District recognizes that the public entrusts staff with the responsible use of public funds. Maintaining that trust requires careful financial planning through an approved budget and transparent reporting through financial audits. Each year, the District prepares its annual budget after thoughtfully establishing sewer rates and charges that support its mission. This process also addresses key challenges facing the sewer industry, including a more stringent regulatory environment, ongoing inflation that increases wages, services, and supply costs, the rising cost of living impacting customers and the broader community, and the need to maintain and upgrade aging infrastructure.

The District is continually looking to reduce the cost of ownership of the sewer system for our customers. We are proud to say that the District has consistently had one of the lowest (if not the lowest) monthly service rates in the region for over ten years. The ability to provide a high level of service at a reasonable monthly charge depends on many factors, including the thoughtful planning and execution of construction projects to renew the system as it ages. The District has multiple projects planned for construction in Fiscal Year 2026/27.

The District continues to look ahead and invest in the long-term strength of its systems, services, and the organization. There are several important initiatives currently underway that will continue to be budget priorities for Fiscal Year 2026/27.



Building a Robust Asset Management Program

The District manages a collection of essential public infrastructure assets in the form of pipelines and pump stations. We strive to operate this infrastructure at the lowest total cost of ownership to the customer. This budget supports work to refine a long-term Asset Management Plan to help prioritize maintenance, plan for future replacement needs, and ensure the system remains safe, reliable, and cost-effective for decades to come. This project is budgeted for \$150,000.

Strengthening Cybersecurity

Protecting the District's critical infrastructure is essential. This budget supports developing an updated and comprehensive Cybersecurity Plan that evaluates current practices, strengthens safeguards, and ensures adequate preparation for emerging threats. \$15,000 is budgeted for professional services to assist in the creation and implementation of the Cybersecurity Plan. This investment will help keep our operations resilient and secure.

Updating Capacity Charges

As the region continues to grow, it is important that the impacts from new development are mitigated by collecting capacity charges to build the infrastructure needed to support it. The District will be contracting with a consultant for this work and is budgeting \$50,000 in Fiscal Year 2026/27. With this consultant, we will be reviewing and updating our capacity charges to ensure they remain accurate, equitable, and aligned with the true cost of expanding our wastewater system.

Delivering Strategic Communication

The District is working to expand and improve the ways in which we communicate with customers, stakeholders, and the general public. We are committed to effectively relaying important information, involving customers in our decision-making processes, and sharing our successes. Staff developed a Strategic Communications Plan to guide these outreach efforts and will begin implementing the plan in the upcoming fiscal year, budgeting \$60,000 for this work.

Preparing for Future Capacity Needs

Sewer trunk extension projects and developer reimbursements are budgeted for in Fiscal Year 2026/27, reflecting the District's planned growth. These projects will allow the District to meet growing capacity needs and efficiently plan for future developments, while protecting the interests of customers and our environment. The District will contract for engineering, environmental, and construction professional services, with total projects estimated at \$11.16 million.

Maintaining District Facilities

The District headquarters located in Rocklin will undergo scheduled maintenance, as the corporation yard maintenance building will be getting a new roof, and the north-side perimeter block wall will be replaced. In addition, the headquarters building space planning project will

move into the construction phase, as existing spaces are reconfigured to meet operational needs. Projects are budgeted at \$1.42 million and are expected to be one-time costs, with the projects completed in Fiscal Year 2026/27. The District is not anticipating any disruptions in customer service due to these projects.

Maintaining District Equipment

Renewal of District equipment maintains the continuity of service for our customers. The District is budgeting \$876,000 for the purchase of a replacement combination sewer cleaning truck and just over \$50,000 for the replacement of aging lateral inspection cameras and lift station pumps.

Investing in Our People

Finally, one of our highest strategic priorities is making the District a great place to work. Our employees are dedicated public servants, and we strive to recognize their good work and support them with training and professional development opportunities. A strong, well-supported team means better service for our customers.

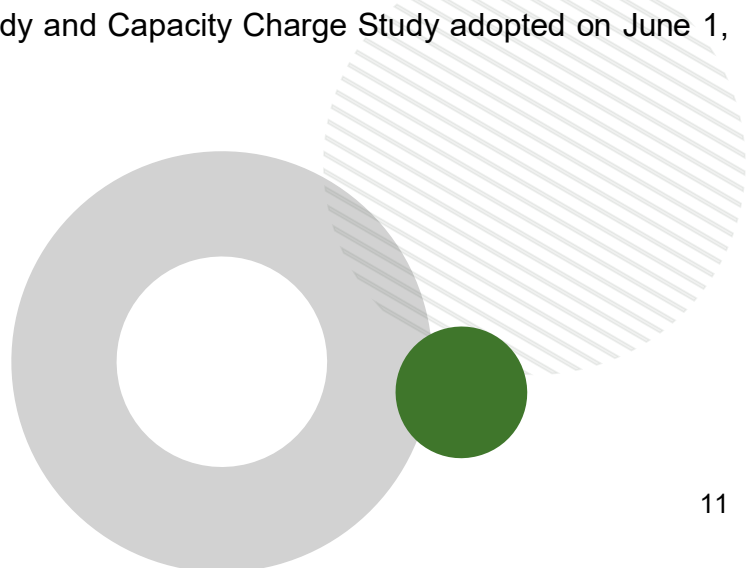
In Fiscal Year 2025/26, the Board adopted a Memorandum of Understanding (MOU) with Local 39, representing the General Employees Unit. This agreement included cost-of-living increases and changes to retiree health benefits. The District is budgeting \$25,000 for a full actuarial valuation, which will update the funded status and long-term liabilities from the District OPEB (Other Post Employment Benefits). Additionally, the District is budgeting \$1.00 million for an additional Unfunded Accrued Liability (UAL) contribution towards pension obligations, and an additional approximate \$2.99 million payment from the District's CEPPT trust towards UAL. These actions are part of the strategic plan priority of preparing for the future and foreseeable emergencies. Additional contributions and an overall reduction in the UAL reduce the interest the District pays, helping to keep costs low for the future and allowing funds to be spent on maintaining infrastructure.

These initiatives align with the strategic plan priorities, work plans, and action steps and include maintaining a low sewer service rate, preventing sanitary sewer overflows, continuing an excellent compliance record, extending the useful life of District assets, and ensuring assets are replaced when needed at the best value to customers of the District. This budget incorporates the District's Five-Year Cost of Service Study and Capacity Charge Study adopted on June 1, 2023.

Sincerely,



Eric Nielsen
General Manager



BOARD OF DIRECTORS



Gerald Mitchell
Board Member,
Ward 1

West Central area of the City of Rocklin, lying East of Highway 65; including the Blue Oaks Town Center, the Sunset Whitney Recreation Area, the West Oaks, portions of Stanford Ranch, Fairway Heights (north of Sunset), Parker Whitney, and Mission Hills neighborhoods

William Dickinson
Board President,
Ward 2

Northwest area of the City of Rocklin, East of Highway 65, directly South of the Town of Lincoln; including William Jessup University, Whitney High School, Whitney Ranch, and portions of the Whitney Oaks neighborhoods.

Christy Jewell
Board Member,
Ward 3

Southeast area of the City of Rocklin, South area of the Town of Loomis (east of I-80), and the Rodgersdale area of Granite Bay; including Sierra College, the Crossings Shopping Center, Southside Ranch, Sierra de Montserrat, and the Woodside neighborhoods.

Michael Faria
Board Member,
Ward 4

Central area of the City of Rocklin and a portion of the Western area of the Town of Loomis; including Rocklin High School, Twin Oaks Park, Sunrise Loomis Park, Clover Valley, and portions of the Stanford Ranch neighborhoods.

Jack Arney
Board Member,
Ward 5

Central area of the City of Rocklin, Central area of the Town of Loomis, the community of Penryn, and the community of Newcastle along the Interstate 80 corridor; including the downtown areas of Rocklin and Loomis, the Quarry District, Johnson-Springview Park, Del Oro High School, Fairway Heights (south of Sunset), Yankee Hill, and Lemos Ranch neighborhoods.

MANAGEMENT

Eric Nielsen

General Manager

Emilie Costan

Administrative Services Manager and Board Secretary

Chad Stites

Superintendent

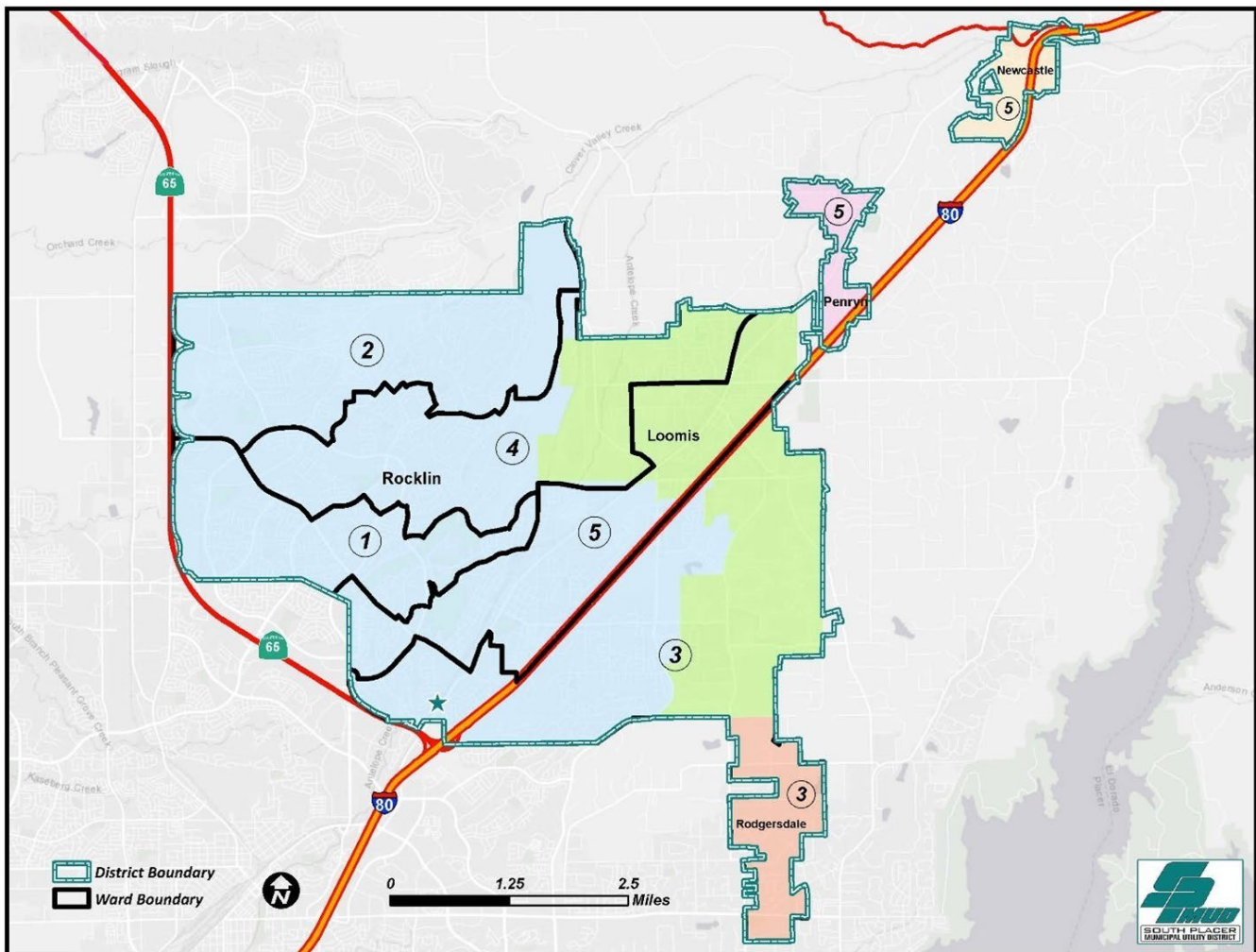
Carie Huff

District Engineer

DISTRICT OVERVIEW

The District, originally called the Rocklin-Loomis Municipal Utility District, was created in 1956 to provide sanitary sewer service to Rocklin and Loomis. While the service area has expanded, this remains the District's core service. The District service area is divided into five wards and is governed by a five-member, elected Board of Directors that establishes policy and oversees the General Manager. The General Manager is responsible for managing the day-to-day operations of the District. In the 1970s, the District decommissioned its sewage treatment facilities and began using the City of Roseville Dry Creek Wastewater Treatment Plant.

DISTRICT BOUNDARIES MAP



In the 1980s, the name of the District was changed to the South Placer Municipal Utility District (District) to reflect its expanding service area. In 2000, the District, the City of Roseville, and

Placer County created the South Placer Wastewater Authority (SPWA) under a Joint Powers Agreement to finance the construction of a second wastewater treatment plant, the Pleasant Grove Wastewater Treatment Plant.

In 2010, the District annexed the Newcastle Sanitary District (NSD). Today, it provides sewer service throughout southwestern Placer County, California, serving residents and businesses in the City of Rocklin, the Town of Loomis, and the unincorporated communities of Penryn, Newcastle, and the Rogersdale area of Granite Bay.

Wastewater collected by the District is conveyed to the Dry Creek and Pleasant Grove regional treatment plants, both operated by the City of Roseville.

In March 2022, the District adopted Ordinance 22-01. This Ordinance transitioned the District from at-large/from-district elections to by-district/from-district elections, requiring that each director reside in a particular ward and be elected by only those voters residing within that same ward. The Ordinance also established new ward boundaries in accordance with the California Elections Code Section 21500(c), giving due consideration to topography, geography, cohesiveness, contiguity, integrity, compactness of territory, communities of interest, and balance of the population.

The District adopts a five-year Strategic Plan. The purpose of the Strategic Plan is to describe and reaffirm the mission, vision, and core values of the District. It also outlines strategic priorities and combines those with work plans to direct the work of the District departments to implement the priorities. These strategic priorities reflect the direction, insights, and expertise of the District Board of Directors and District staff. An annual progress report is presented to the Board of Directors. In September 2022, the District adopted the 2023-2027 Strategic Plan. Prior to adoption, a public workshop was held to solicit feedback from constituents. This Strategic Plan presents performance measures using the Effective Utility Management framework to provide a mechanism for reporting progress, identifying and making course corrections, and ensuring accountability. In December 2025, the District presented the third Strategic Plan Annual Report to the Board of Directors. The 2023-2027 Strategic Plan and Annual Reports are available on the District website at <https://spmud.ca.gov/strategic-plan>.

FISCAL YEAR 2025/26 DISTRICT STATISTICS

STATISTICS	UNIT	TOTAL
Service Area	Square Miles	31
Estimated Population	Each	89,429
Equivalent Dwelling Units	EDU	38,633
Customer Accounts	Each	25,486
Annual Flow to WWTP	Million Gallons	1,767
Sewer Mains	Miles	293
Lower Laterals	Miles	124
Manholes/Flushing Branches	Each	7,357
Lift Stations	Each	14
Force Mains	Miles	7
Flow Recorder Stations	Each	12
Easements	Miles	94
Creek Crossings	Each	78

The South Placer Municipal Utility District service area covers 31 square miles. Rocklin makes up 89% of the service area, Loomis is 8%, and 3% is in unincorporated Placer County. The District serves a population of approximately 89,429 people, serving 25,486 customer accounts. This equates to 38,633 Equivalent Dwelling Units (EDU) (approximately 80% residential and 20% commercial) with an average dry weather sewer flow of about 4.5 million gallons per day. The District collects the sewage and transports it via 293 miles of District-owned and operated sewer mains (from 4" to 42" diameter). The District maintains an additional 124 miles of lower laterals within the public right-of-way. Other assets include our Headquarters, Maintenance, and Corporation Yard facilities, 7,357 manholes/flushing branches, 14 lift stations, 12 metering sites, and related buildings, facilities, and equipment.

LOCAL ECONOMIC CONDITIONS

The District boundaries are located in South Placer County. Placer County is in the northern portion of the Sacramento Valley and has an eastern border that touches the Nevada state line. Placer County has an annual population growth rate of 0.5%. It is one of the top ten fastest-growing counties in the State. Placer County has a population of 422,203 people and a labor force of 207,800. The District service area has a much higher population density than the County as a whole, with the 2020 United States Census reporting 3,391 people per square mile within the District's boundary and only 287 people per square mile in the County as a whole.

The median household income in Placer County is \$112,576, and the unemployment rate is 4.9% compared with 5.5% in the State of California as a whole. Health care and social assistance, retail trade, and professional, scientific, and technical services employ the largest

share of the local workforce. Low unemployment rates have continued to make it more difficult to recruit new employees; however, the higher turnover rate experienced by the District over the last few years due to anticipated retirements has stabilized.

Placer County benefits heavily from visitor spending, which recently set records of \$1.57 billion annually, generating significant local tax revenues and supporting roughly 16,000 jobs. However, inflation continues to be a major economic concern primarily due to uncertainty over the impact of tariffs and rising fuel costs due to global conflicts. Based on the Bureau of Labor Statistics Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W): West Region Size Class A, inflation grew 8.2% in Fiscal Year 2021/22, 3.1%¹ in Fiscal Year 2022/23, 2.8% in Fiscal Year 2023/24, and an additional 2.6% in Fiscal Year 2024/25. The Federal Reserve has continued to hold interest rates high to combat the rising inflation, ending Fiscal Year 2024/25 with an average thirty-year fixed rate of 6.53%².

DISTRICT FEES & CHARGES

The District's monthly service charge is a fixed amount that is billed quarterly in arrears. Bills are due two months after the billing date. Quarterly bills not paid by the due date are assessed a late fee. The monthly service charge for Fiscal Year 2025/26 was \$40.50 per equivalent dwelling unit (EDU). The monthly late fee was \$2.50 per EDU, and the Local Sewer Capacity Charge to "connect" a home or business to the sewer system was \$4,954 per EDU. The monthly service charge for Fiscal Year 2026/27 will adjust to \$42.53 per EDU, the monthly late fee will remain \$2.50 per EDU, and the Local Sewer Capacity Charge will adjust to \$5,019 per EDU.

¹ Bureau of Labor Statistics

² Yahoo Finance

DISTRICT FEE SCHEDULE FOR FISCAL YEAR 2026/27



South Placer Municipal Utility District

Fee Schedule

Resolution 26-23

Fiscal Year 2026/27

Fee Description	Fee Amount
Monthly Service Charge (Ordinance 23-01)	\$42.53 / EDU
Monthly PRSC Newcastle Residents (Resolution 13-11)	\$54 / EDU
Building Sewer Inspection/Food Service Establishment Tenant Improvement Inspection Fee	\$585
Building Sewer Inspection (Repairs)	\$305
Residential Ejector Pump Submittal Review (Includes plan review and inspection)	\$625
Accessory Dwelling Unit (ADU) Submittal Review (Includes plan review and inspection)	\$665
Reconnect Fee	\$660
Access Permit Fee	\$800
Project Plan Check & Inspection Processing Fee	\$2,580 Deposit + District Costs
Tenant Improvement Processing Fee (includes plan review)	\$400 Deposit + District Costs
Appeal Fee (Resolution 24-33)	\$50
Capacity Charge per Equivalent Dwelling Unit (EDU) (Ordinance 23-02)	\$15,006
Local Capacity Charge per EDU (Sewer Code Chapter 2)	\$5,019
Regional Capacity Charge per EDU (SPWA Treatment)	\$9,987
Project Related Participation Fee per EDU - PRPF (NSD) (Resolution 13-11/10-09 - Year 13) Adjusts 10/1/26	\$1,400
Out-of-Area Service Agreement Processing Fee	\$1,450
Annexation Single Parcel/Single Home	\$2,170
Annexation Large Annex (up to 50 acres)	\$7,720
Annexation Large Annex (More than 50 acres)	\$9,340
Warranty TV/Flush Fee (6" - 15" diameter)	\$3.90/ft + District costs
Warranty TV/Flush Fee (> 15" diameter)	\$5.45/ft + District costs
Inspection Overtime Fee (Weekday - 3 hr max)	\$905
Inspection Overtime Fee (Night/Saturday - 8 hr max)	\$2,105
Tap - Mainline	\$3,060
Tap - Manhole	\$3,485
One-Time Discharge Permit	\$1,145
Wastewater Discharge Permit (Initial Permit)	\$820
Wastewater Discharge Permit (Renewal)	\$545
Document Copy Fees	
~ Copy of 8.5 x 11 - 11 x 17	\$0.25
~ Copy 24 x 36	\$16
~ Copy GIS Document	\$85
~ Copy Electronic Files onto CD	\$85
Standard Specifications (Binder)	\$85 + shipping if mailed
Sewer System Management Plan (SSMP) (Binder)	\$85 + shipping if mailed
Credit Card Transaction Charge (Resolution 21-06/Policy 3170) NOT Applicable to Monthly Service Charges	2.5%

VISION, MISSION & VALUES

Vision

Our Vision is to be a reliable, innovative, sustainable, efficient, and cost-effective sewer service provider.

MISSION

We are a customer-owned utility dedicated to protecting public health and the water environment, providing efficient and effective sanitary sewer service, and preparing for the future.

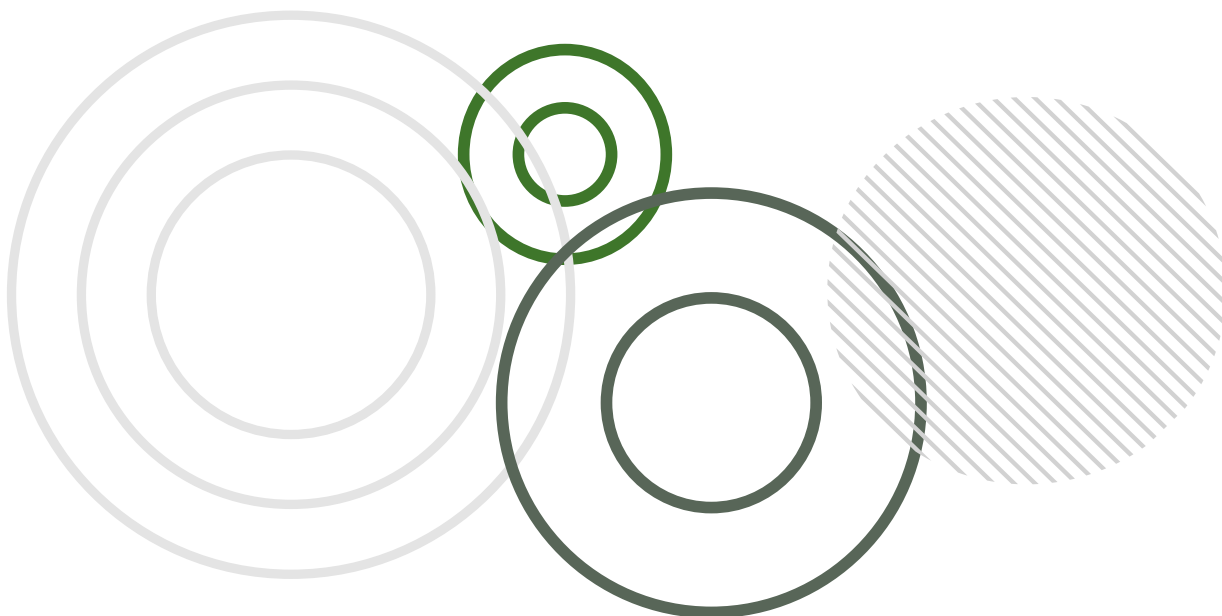
values

INTEGRITY: We will be trustworthy, truthful, and honest.

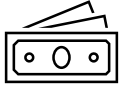
STEWARDSHIP: We will be accountable and committed to responsible management and respect for our environment.

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

QUALITY: We will be dedicated to continuous improvement.



STRATEGIC PRIORITIES



PROVIDE EXCEPTIONAL VALUE FOR THE COST OF SEWER SERVICE.

- Maintain Low Service Charges while Meeting Established Service Levels
- Use Investment Vehicles with the Best Return
- Become more Involved with the Determination of South Placer Wastewater Authority (SPWA) Treatment Costs



MAINTAIN AN EXCELLENT REGULATORY COMPLIANCE RECORD.

- Reduce Sanitary Sewer Overflows
- Comply with Statewide Sanitary Sewer Systems General Order Reissuance



PREPARE FOR THE FUTURE AND FORESEEABLE EMERGENCIES.

- Pay Down Unfunded Actuarial Liability (UAL)
- Prepare Written Contingency Plans for Emergencies



LEVERAGE EXISTING AND APPLICABLE TECHNOLOGIES TO IMPROVE EFFICIENCIES.

- Tactical Asset Management Plan (TAMP)
- Update Supervisory Control & Data Acquisition (SCADA)
- Reduce Reliance on Energy



MAKE THE DISTRICT A GREAT PLACE TO WORK.

- Employee Recognition
- Team Building Events

PERFORMANCE MEASURES

District Managers present a monthly report to the Board of Directors that summarizes activities occurring during the previous month and provides the Board with monthly performance data. As of May 2026, the District had 3,548 days, equivalent to 9.7 years, without a lost-time accident or injury. Monthly performance measures are available on the District website at <https://spmud.ca.gov/district-performance-measures>.

Strategic Plan Progress Reports are made to the Board of Directors annually. The reports are located on the District website at <https://spmud.ca.gov/strategic-plan>. Key strategic plan performance measures from the most recent Strategic Plan Annual Progress Report are shown by department in the individual department schedules included later in this budget document. Additionally, Board reports presented to the Board of Directors throughout the year include the Strategic Plan Priorities supported by the Board's action.

STRATEGIC PLAN PRIORITIES, WORK PLAN & ACTION STEPS

PRIORITIES	WORK PLAN	ACTION STEPS AND TIMELINE
Maintain an excellent regulatory compliance record	(1) Reduce Sanitary Sewer Overflows (SSOs)	- Maintain a compliant Sewer System Management Plan (SSMP) - Conduct biennial audits of the SSMP
	(2) Comply with Statewide Sanitary Sewer Systems General Order Reissuance (Order)	- Attend industry conferences and workshops to stay abreast of updates - Fully comply with all requirements by the Order Effective Date
Prepare for the future and foreseeable emergencies	(1) Pay down Unfunded Actuarial Liability (UAL)	- Analyze rates of return on investments and current UAL liability - Present findings to the Fee & Finance Committee for consideration annually prior to mid-year budget adjustments
	(2) Prepare written contingency plans for emergencies	- Develop a list of contingency plans by Dec 2022 - Develop two plans per fiscal year
Leverage existing and applicable	(1) Develop Tactical Asset Management Plan (TAMP)	- Update asset inventory by Jul 2023 - Establish criteria for renewal decisions by Dec 2023

PRIORITIES	WORK PLAN	ACTION STEPS AND TIMELINE
technologies to improve efficiencies		- Assess all lift stations by Jul 2024 - Draft TAMP by Dec 2025 - Final TAMP by Dec 2026
	(2) Update System Control and Data Acquisition (SCADA)	- Design by Jul 2023 - Complete Phase 1 (HQ & FRs) by Dec 2024 - Complete Phase 2 (LSs) by Jul 2026
	(3) Reduce reliance on energy	- Determine the cost of District-wide energy use by Jul 2023 - Develop options for energy savings by Jul 2024
Provide exceptional value for the cost of sewer service	(1) Maintain low service charge while meeting established service levels	- Complete Rate study by Mar 2023 - Adopt new rates (if necessary) by Jul 2023
	(2) Use investment vehicles with the best return	- Evaluate investments - Present options to the Fee & Finance Committee
	(3) Become more involved with the determination of South Placer Wastewater Authority (SPWA) treatment costs	- Staff attend all SPWA Board Meetings - Staff from partner agencies meet to discuss treatment cost options
Make SPMUD a great place to work	(1) Employee Recognition	- Hold monthly employee recognition events - Promote the Master's Program
	(2) Team Building Events	- Support Employee Engagement Committee - Monthly "All Hands" meetings - Annual employee team-building activity

KEY ACCOMPLISHMENTS

The District strives to be a reliable, innovative, sustainable, efficient, and cost-effective sewer service provider. To that end, the District had the following key accomplishments in Fiscal Year 2025/26:

- Received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association for its Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2025.
- Received the Award for Outstanding Achievement in Popular Annual Financial Reporting for its Popular Annual Financial Report for the Fiscal Year ended June 30, 2025.
- Received the Distinguished Budget Award from the Government Finance Officers Association for its Annual Budget for the Fiscal Year beginning July 1, 2025.
- Entered into an agreement with Sierra College to move from contracted sewer rates to the District's standard fees and charges and completed the first annual audit of the Sierra College Rocklin Campus.
- Negotiated a Memorandum of Understanding with the newly formed General Employees Unit and adopted a comprehensive Benefits Resolution covering Unrepresented District employees.
- Updated Board Policies and procedures to comply with the new Ralph M. Brown Act legislation and adopted a new Transfer of Equivalent Dwelling Unit Policy.
- Completed the Fleet Transition Master Plan to comply with the Advanced Clean Fleet regulations.
- Completed a Strategic Communications Plan to guide communication and outreach efforts.
- Completed design of the Headquarters Space Planning and Improvement Project.
- Joined CalWARN, a Mutual Disaster Assistance Program, made up of Water and Wastewater Agencies in California.
- Certified the District's Sewer System Management Plan to comply with the State Water Resources Control Board Order WQ 2022-0103-DWQ (General Order).
- Initiated the District's System Evaluation and Capacity Assurance Plan (SECAP) to ensure capacity for future development and updated the District's hydraulic model to include as-built information of Newcastle and development projections from the City of Rocklin, the Town of Loomis, and Placer County.

- Adopted updated Standard Specifications and Improvement Standards for Wastewater Pump Stations.
- Oversaw the replacement/installation of seventeen new grease control devices at existing food service establishments throughout the District to comply with the District's Fats, Oils, and Grease (FOG) Control Program.
- Presented the District's FOG Control Program at the California Alliance for Sewer System Excellence General Meeting.
- Completed construction of the Old State Highway Pipeline Replacement Project in cooperation with Placer County Water Agency (PCWA).
- Continued preliminary engineering and environmental review for two capital projects (Cameo Court Trunk and Lift Station Abandonment and Sierra College Trunk and Lift Station Abandonment) that will eliminate two lift station facilities.
- Participated in several paving projects with partner agencies, including the City of Rocklin and the Town of Loomis.
- Continued implementation of the industrial pretreatment and commercial discharger programs in cooperation with the City of Roseville.
- Initiated implementation of sewer permitting software to streamline the permitting process.
- Improved the District's Cybersecurity Plan.
- Participated in multiple community outreach events, including Hot Chili - Cool Cars, the Loomis Day Before Thanksgiving Parade, and Rocklin's Meet the Machines.
- Continued cross-training, collaboration, outreach, and coordination efforts with partner agencies and stakeholders, including the City of Roseville, the City of Rocklin, the Town of Loomis, Placer County, and PCWA.
- Completed the construction of the replacement Supervisory Control and Data Acquisition (SCADA) system.
- Inspected over 1,600 sewer mainlines with closed-circuit television (CCTV) and performed condition assessment on over 6,400 lower lateral pipes.
- Completed in-house root control of 470 lateral sewer pipes.
- Installed or repaired over 71 Property Line Clean Outs.

GOVERNMENT FINANCE OFFICERS ASSOCIATION

DISTINGUISHED BUDGET PRESENTATION AWARD



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

**South Placer Municipal Utility District
California**

For the Fiscal Year Beginning

July 01, 2025

Christopher P. Morill

Executive Director

SECTION 1

BUDGET SUMMARY

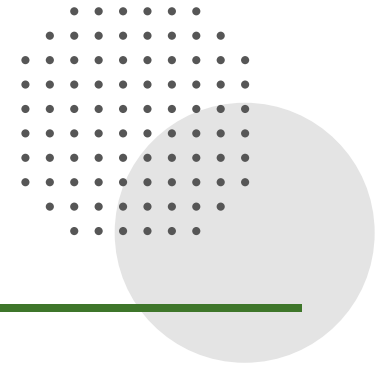


TABLE 1.1 FISCAL YEAR 2026/27 CONSOLIDATED BUDGET SUMMARY FOR ALL FUNDS

	PROJECTED FISCAL YEAR 2025/26	PROPOSED FISCAL YEAR 2026/27
BEGINNING NET POSITION	\$ 86,005,537	\$ 86,910,926
REVENUES - all funds excluding transfers	\$ 26,654,075	\$ 25,884,449
SEWER SERVICE CHARGES	\$ 18,737,000	\$ 19,893,749
LATE FEES	130,000	130,000
SEWER CAPACITY CHARGES	2,800,000	1,505,700
PERMITS, PLAN CHECK FEES & INSPECTIONS	467,075	300,000
PROPERTY TAXES	1,300,000	1,350,000
MISCELLANEOUS INCOME	70,000	30,000
INTEREST	3,150,000	2,675,000
EXPENDITURES - all funds excluding transfers	\$ 25,748,686	\$ 43,896,604
SALARIES / WAGES	\$ 3,340,380	\$ 3,830,400
RETIREMENT BENEFITS	1,973,502	2,017,729
INSURANCE BENEFITS	949,600	1,028,750
OPEB BENEFITS	777,660	547,000
PROFESSIONAL SERVICES	938,609	1,618,000
OTHER SERVICES & SUPPLIES	2,306,621	2,873,725
RWWTP EXPENSE	9,978,814	10,625,000
CURED IN PLACE PIPE	-	750,000
CY MASTER PLAN CAPITAL IMPROVEMENTS	120,000	1,420,000
EASEMENTS	-	612,000
LATERAL CAMERAS & LIFT STATIONS	15,000	53,000
PARTICIPATION IN REGIONAL PROJECTS	-	1,200,000
SCADA DESIGN & IMPLEMENTATION	3,598,500	-
SYSTEM EXPANSION PROJECTS	-	11,159,000
SYSTEM REHABILITATION PROJECTS	1,750,000	5,266,000
VEHICLES	-	896,000
CEPPT TRANSFERS OUT	\$ -	\$ 3,100,000
ENDING NET POSITION	\$ 86,910,926	\$ 65,798,771
RESERVES	\$ 6,023,848	\$ 6,532,401
OPERATIONS & MAINTENANCE RESERVE	\$ 5,023,848	\$ 5,532,401
EMERGENCY RESERVE	1,000,000	1,000,000
AVAILABLE FOR USE	\$ 80,887,079	\$ 59,266,370
INTERFUND TRANSFERS	\$ 2,835,843	\$ 2,000,000
FROM OPERATING TO CAPITAL RENEWAL	\$ 2,835,843	\$ 2,000,000

The total Fiscal Year 2026/27 revenues from all sources are projected to be \$25.88 million, with Operating Fund revenues projected to be \$22.18 million (86% of the total), and Capital Fund Revenues projected to be \$3.70 million (14% of the total). Fiscal Year 2026/27 expenditures are projected to be \$43.90 million. Operating Fund expenses are projected to be \$22.13 million, excluding transfers. Capital Projects are projected to be \$21.77 million. The capital spending is comprised of Operating Fund Capital Projects (Fund 100) - \$1.78 million; Capital Expansion Projects (Fund 300) – \$11.50 million; and Capital Renewal Projects (Fund 400) - \$8.49 million.

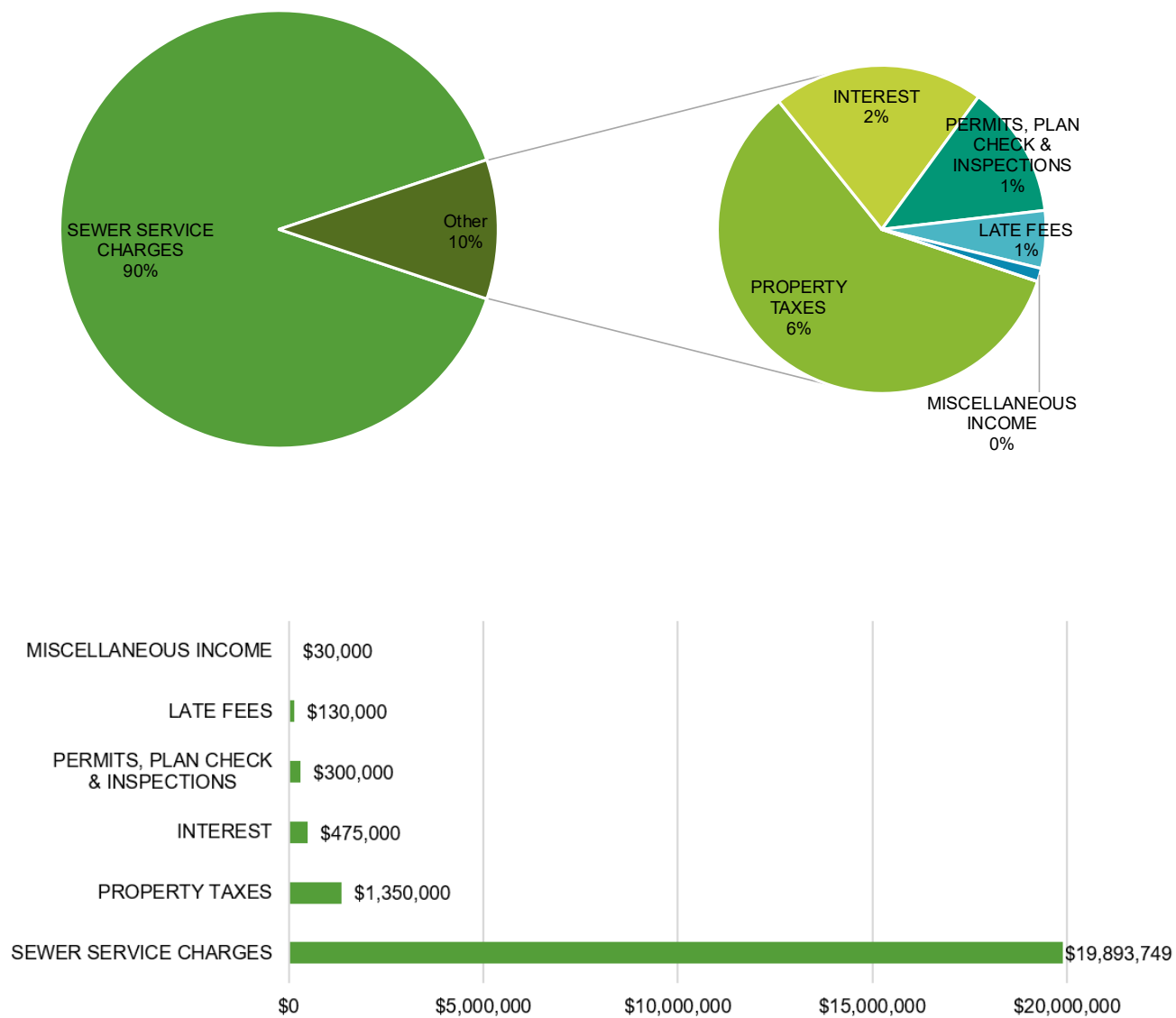
TABLE 1.2 FOUR-YEAR REVENUE & EXPENDITURE SUMMARY BY FUND

	AUDITED FINANCIALS		PROJECTED	PROPOSED
	FISCAL YEAR 2023/24	FISCAL YEAR 2024/25	FISCAL YEAR 2025/26	FISCAL YEAR 2026/27
OPERATING REVENUES	\$ 19,787,629	\$ 21,063,382	\$ 21,529,075	\$ 22,178,749
SEWER SERVICE CHARGES	\$ 16,971,988	\$ 18,042,358	\$ 18,737,000	\$ 19,893,749
PERMITS, PLAN CHECK FEES & INSPECTIONS	585,030	461,287	467,075	300,000
PROPERTY TAXES	1,241,515	1,423,233	1,300,000	1,350,000
LATE FEES	131,816	129,738	130,000	130,000
INTEREST	759,279	981,766	825,000	475,000
MISCELLANEOUS INCOME	98,001	25,000	70,000	30,000
OPERATING FUND EXPENDITURES - excluding transfers	\$ 16,014,467	\$ 15,388,667	\$ 20,215,390	\$ 23,905,604
SALARIES / WAGES	\$ 3,220,821	\$ 3,203,623	\$ 3,340,380	\$ 3,744,400
RETIREMENT BENEFITS	959,309	1,209,972	1,973,503	2,017,729
INSURANCE BENEFITS	800,790	872,440	949,600	1,028,750
OPEB BENEFITS	622,006	662,142	777,660	547,000
ASPHALT PAVING / ROOT CONTROL	99,478	144,422	266,000	197,000
BUILDING & GROUNDS MAINTENANCE	41,225	67,486	109,000	112,000
EASEMENTS	127,052	23,347	176,000	271,000
ELECTION EXPENSE	-	29,914	-	40,000
GENERAL OPERATING SUPPLIES & MAINTENANCE	180,984	173,154	233,850	551,000
LATERAL CAMERAS	21,994	16,492	29,000	34,000
LIFT STATIONS	35,857	40,839	80,000	96,000
PROFESSIONAL DEVELOPMENT / ENGAGEMENT	42,233	51,171	50,000	82,050
PROFESSIONAL SERVICES	475,476	610,422	768,800	1,318,000
PROPERTY & LIABILITY INSURANCE	410,875	319,227	319,000	365,000
REGULATORY COMPLIANCE/GOVERNMENT FEES	80,596	86,119	102,871	124,150
SUBSCRIPTION/MAINTENANCE AGREEMENTS	169,881	152,154	203,350	230,175
UNIFORMS	23,204	24,250	24,550	29,200
UTILITIES / FUEL & OIL	275,270	272,591	309,500	301,000
UTILITY BILLING / BANKING EXPENSE/PRINTING	252,971	279,155	311,500	336,150
VEHICLES	67,054	72,237	92,000	80,000
RWWTP EXPENSE	7,893,158	7,004,471	9,978,826	10,625,000
OPERATING FUND CAPITAL EXPENDITURES	\$ 214,233	\$ 73,039	\$ 120,000	\$ 1,776,000
CAPITAL FUND REVENUES	\$ 3,629,177	\$ 4,392,721	\$ 5,325,000	\$ 3,705,700
SEWER CAPACITY CHARGES	\$ 1,407,105	\$ 1,421,359	\$ 2,800,000	\$ 1,505,700
INTEREST	2,222,072	2,971,362	2,525,000	2,200,000
CAPITAL FUND EXPENDITURES	\$ 1,501,197	\$ 1,060,494	\$ 5,533,309	\$ 19,991,000
EXPANSION	\$ 150,000	\$ -	\$ 169,809	\$ 11,502,000
RENEWAL	1,351,197	1,060,494	5,363,500	8,489,000
INTERFUND TRANSFERS	\$ 2,991,286	\$ 2,617,566	\$ 2,835,843	\$ 2,000,000
FROM OPERATING TO CAPITAL RENEWAL	\$ 2,991,286	\$ 2,617,566	\$ 2,835,843	\$ 2,000,000

OPERATING REVENUE SUMMARY

The District’s Operating Fund Revenues are projected to be \$22.18 million. Operating Fund Revenues are primarily comprised of monthly service charges, which make up 90% of the District’s operating revenues. Additional revenues consist of development fees for services such as plan review, permitting, and inspection, property taxes, and interest revenue. This budget projects interest earnings of 3% on operating reserves. The District has the lowest monthly residential customer service fees in the region, \$42.53 a month for Fiscal Year 2026/27.

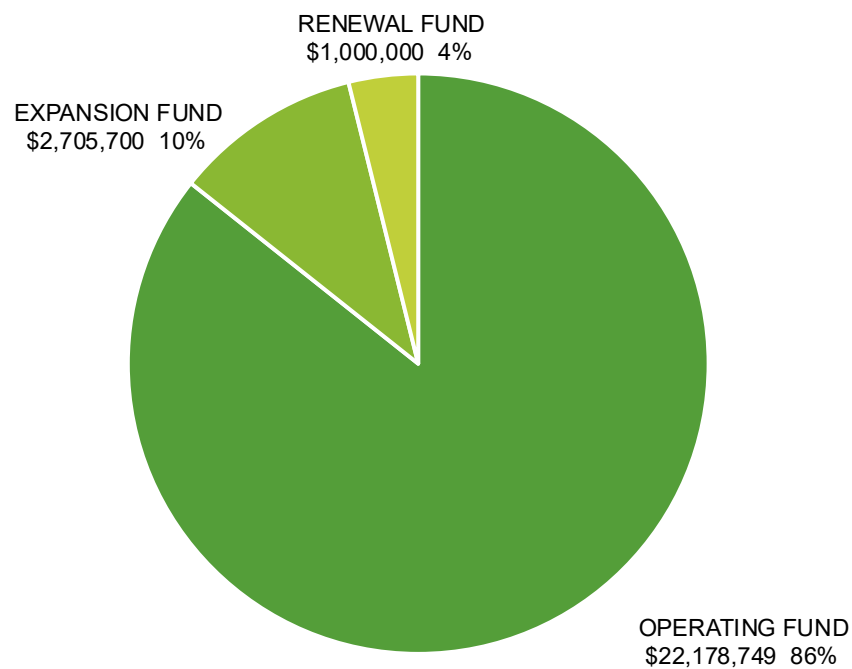
OPERATING FUND REVENUE SOURCE FIGURES



NON-OPERATING REVENUE SUMMARY

Non-operating Capital Fund revenues are made up of sewer capacity charges and investment interest income. The sewer capacity charges for Fiscal Year 2026/27 are \$15,006 per EDU, which is comprised of a \$5,019 Local Capacity Charge and a \$9,987 Regional Capacity Charge that is collected by the District but paid to the City of Roseville monthly. Capital non-operating revenue is projected to be \$3.70 million, based upon a 300 additional EDU projection for the year and interest earnings of 3% on the two capital reserve funds.

TOTAL REVENUES BY FUND FIGURE

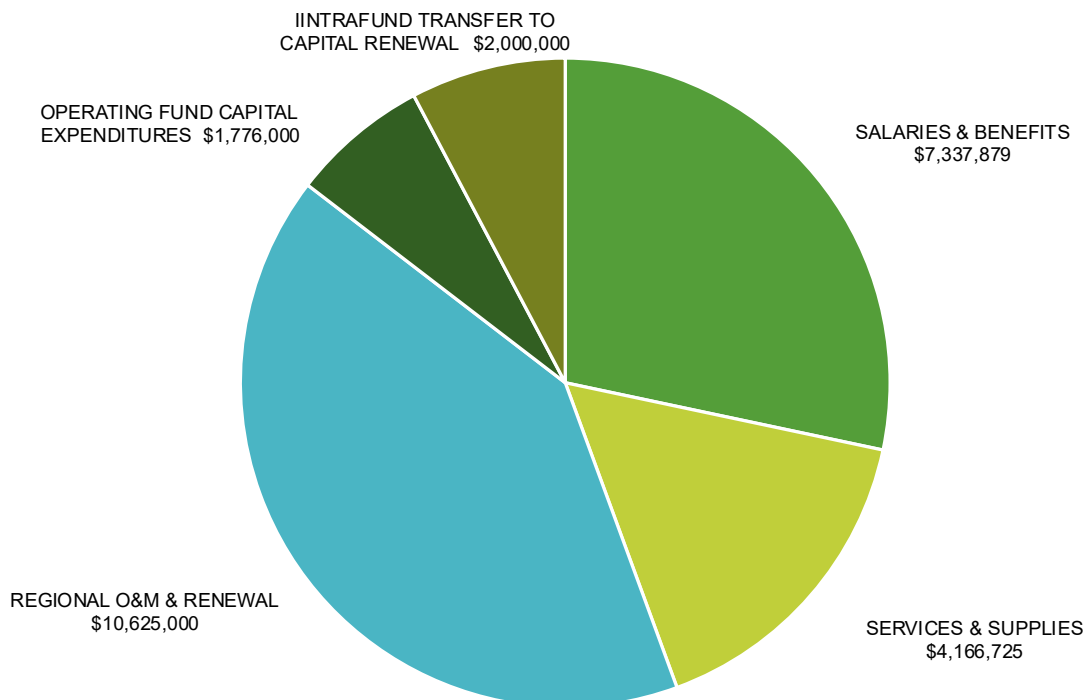


OPERATING EXPENDITURE SUMMARY

Operating Fund expenses are projected to be \$25.91 million. Operating expenses are the Districtwide costs to operate the sewer collection system and pay for wastewater treatment. They are comprised of personnel, administrative and operational costs, and new capital projects. The District differentiates new capital projects and purchases that increase the capacity of the sewer collection system and are funded from the Expansion Fund from other new capital projects and purchases, such as additional vehicles, that are funded from the Operating Fund.

This year's expense budget allocates 41% of the total Operating Fund expenses to pay for the cost of the Regional Wastewater Treatment Plants, which are operated and maintained by the City of Roseville and financed through a Regional Partnership with the City of Roseville, Placer County, and the District. The District's Local Collection System operations and maintenance expenses (i.e., salaries, benefits, services, and supplies) make up 44% of the spending plan, new capital projects make up 7% of the spending plan, and an additional 8% is allocated to renewal of the Local Collection System through an interfund transfer.

OPERATING FUND EXPENDITURES FIGURE



CAPITAL EXPENSES

Fiscal Year 2026/27 Capital Projects are projected to be \$21.77 million. Major Capital expenses for Fiscal Year 2026/27 include a replacement combination sewer cleaning truck, upgrades to District easements, preliminary engineering for the Sierra College Trunk, preliminary engineering and environmental for the abandonment of the Cameo Court Lift Station, preliminary engineering for the Antelope Creek A project, construction of the Del Rio and Delmar Sewer Trunk Extension, developer reimbursements for trunk line extensions at Boyington Road and College Park South, professional services for the 2025 Systems Evaluation and Capacity Assurance Plan (SECAP), design and construction of the Jack in the Box Line (I09-033), the King Road Replacement Project (N13-031), the Taylor Road Crossing Project in Newcastle, design and construction of the 2nd Street Sewer Main in Newcastle, participation in the Monument Springs and Rocklin Road Interchange Projects, Cured in Place Pipe (CIPP), easement acquisition, a new roof for the corporation yard maintenance building, replacement of the north-side perimeter block wall, and construction of the Headquarters Space Planning Project, participation in several paving projects in the City of Rocklin and Town of Loomis, annexations of properties currently serviced through out-of-area service agreements,

CAPITAL EXPENDITURES BY FUND FIGURE

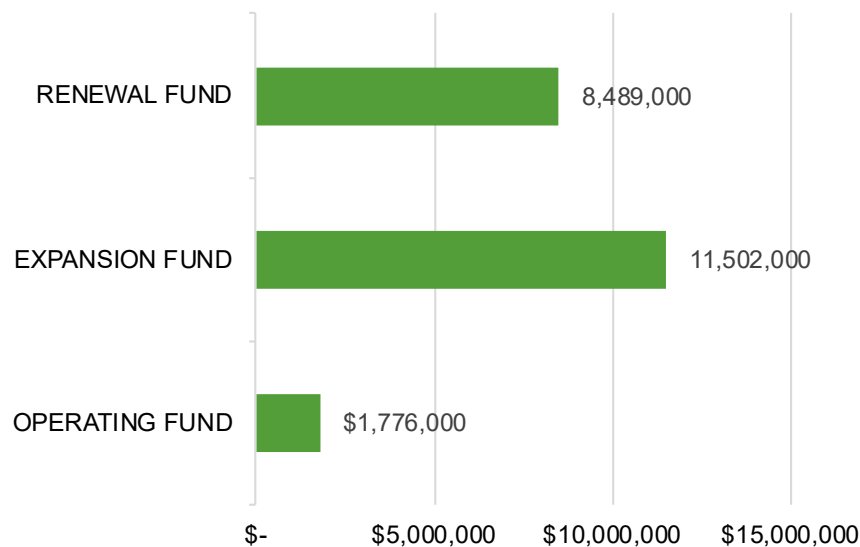


TABLE 1.3 FISCAL YEAR 2026/27 CAPITAL EXPENDITURE SUMMARY BY FUND

	AUDITED FINANCIALS		PROJECTED	PROPOSED
	FISCAL YEAR 2023/24	FISCAL YEAR 2024/25	FISCAL YEAR 2025/26	FISCAL YEAR 2026/27
OPERATING FUND BEGINNING BALANCE	\$ 12,697,177	\$ 12,852,203	\$ 17,285,621	\$ 15,310,538
OPERATING CAPITAL EXPENSES	\$ 214,233	\$ 73,039	\$ 120,000	\$ 1,776,000
COMPUTERS/OFFICE FURNITURE	\$ 31,790	\$ 17,130	\$ -	\$ 10,000
CY MASTER PLAN CAPITAL IMPROVEMENTS	-	-	120,000	770,000
EASEMENTS	-	21,330	-	261,000
PARTICIPATION IN REGIONAL PROJECTS	-	-	-	650,000
SYSTEM IMPROVEMENTS	83,939	34,579	-	50,000
TOOLS & EQUIPMENT	76,331	-	-	15,000
VEHICLES	22,173	-	-	20,000
EXPANSION FUND BEGINNING BALANCE	\$ 31,500,531	\$ 34,650,101	\$ 36,658,480	\$ 40,688,671
EXPANSION FUND CAPITAL EXPENSES	\$ 150,000	\$ -	\$ 169,809	\$ 11,502,000
SALARY & BENEFITS	\$ -	\$ -	\$ -	43,000
PROFESSIONAL SERVICES	-	-	169,809	300,000
EXPANSION PROJECTS	150,000	-	-	5,134,000
TRUNK EXTENSION REIMBURSEMENT	-	-	-	6,025,000
RENEWAL FUND BEGINNING BALANCE	\$ 23,829,176	\$ 26,006,945	\$ 29,214,374	\$ 27,811,717
RENEWAL FUND CAPITAL EXPENSES	\$ 1,351,197	\$ 1,060,494	\$ 5,363,500	\$ 8,489,000
CY MASTER PLAN CAPITAL IMPROVEMENTS	\$ 594,023	\$ 6,800	\$ -	650,000
EASEMENTS	-	-	-	351,000
PARTICIPATION IN REGIONAL PROJECTS	149,766	67,146	-	550,000
SALARY & BENEFITS	-	-	-	43,000
CURED IN PLACE PIPE	-	-	-	750,000
HIGH-RISK FACILITY CREEK CROSSINGS	-	-	-	750,000
LATERAL CAMERAS	-	-	15,000	18,000
LIFT STATIONS	-	11,698	-	35,000
SCADA DESIGN & IMPLEMENTATION	302,127	411,539	3,598,500	-
SYSTEM REHABILITATION	305,281	336,185	1,750,000	4,466,000
VEHICLES	-	227,127	-	876,000

The proposed budget represents an expenditure plan designed to accomplish the District's Strategic Plan Goals and Objectives and aligns with the District's Vision, Mission, and Values. Projected Revenues and Fund Balance Reserves are sufficient to cover Budgeted Expenditures, resulting in a Balanced Budget. The adopted budget provides for the service needs of both present and future customers in the South Placer Municipal Utility District service area.

South Placer Municipal Utility District

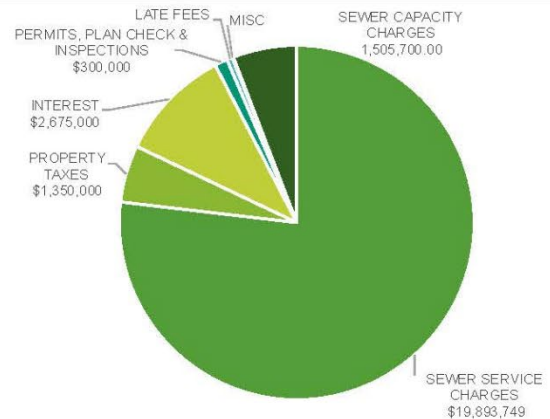
BUDGET-AT-A-GLANCE

FISCAL YEAR 2026-27

FY2026/27 Revenues are projected to be \$25.88 million.

Operating Fund Revenues are primarily comprised of monthly service charges, which account for 77% of the District's total revenues and 90% of the District's operating revenues. Additional revenue comes from fees for services such as plan reviews, permitting, inspections, as well as capacity charges, property taxes, and interest.

The District continues to have the lowest monthly residential customer service fees in the region at \$42.53 a month.



The District recognizes that the public entrusts staff to appropriately use the public funds collected from them. The District prepares the annual budget after carefully setting sewer rates and charges to fulfill the District's mission and address the many challenges facing the sewer industry which include a more stringent regulatory environment, continued inflationary pressures that cause wages, services, and supply costs to increase and create a high cost of living that negatively impacts customers and the community as a whole, and aging infrastructure.



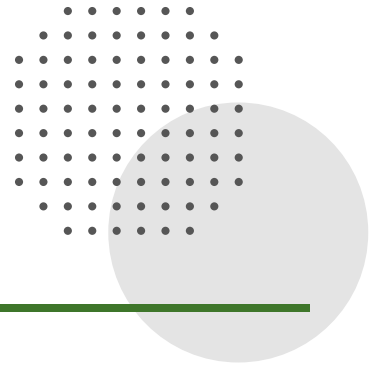
This year's expense budget allocates 41% of the total operating fund expenses to pay for costs at the Regional Wastewater Treatment Plants. The District's Local Collection System operations and maintenance expenses make up 44% of the spending plan, with an additional 15% allocated to Capital Projects.

Fiscal Year 2026/27 Capital Projects are projected to be \$21.77 million. This includes the construction of the Del Rio Court and Delmar Sewer Extension Project, and the Taylor Road Crossing Project. Also included are the abandonment, preliminary engineering, and environmental for the Antelope Creek A Project, the Cured-in-Place Pipe project, easement acquisition and repair work, a new roof for the corporation yard maintenance building, a replacement combination sewer cleaning truck, and participation in several regional projects.



SECTION 2

BUDGET OVERVIEW



The South Placer Municipal Utility District is an independent Special District operating as a single enterprise fund. For budgeting purposes, the District separates its single enterprise into three different proprietary funds: an Operating Fund (Fund 100), an Expansion Fund (Fund 300), and a Renewal Fund (Fund 400).

Operating Fund: used to support the general maintenance and operations of the District, including the operation and maintenance of the regional wastewater treatment plant facilities, and is funded primarily through monthly service charges. Additional revenue is collected from project fees, taxes, and interest.

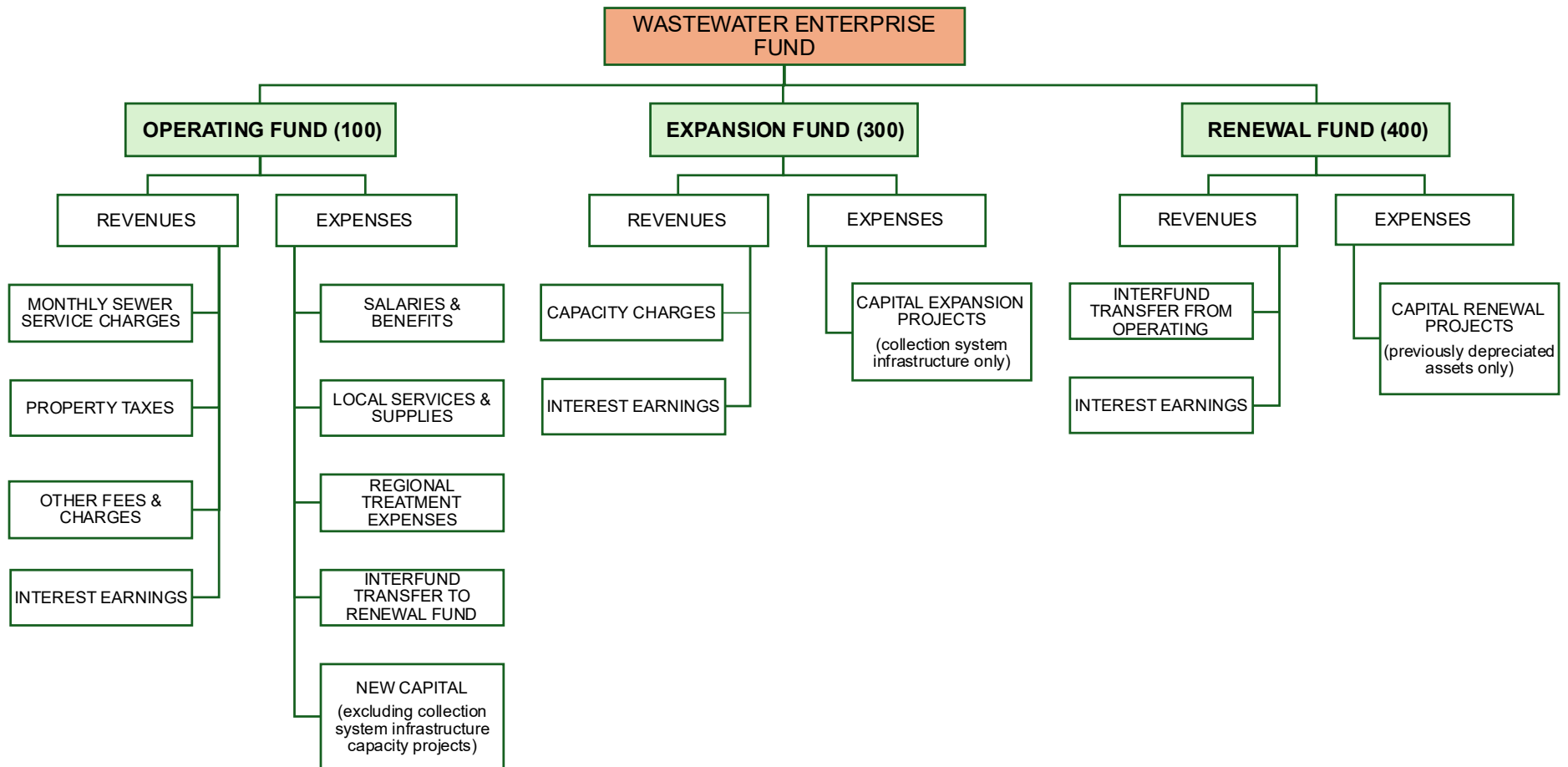
Expansion Fund: used to fund construction projects for new infrastructure or infrastructure improvements and enlargements to support new growth, and is funded through capacity charges and interest.

Renewal Fund: used to finance the rehabilitation, repair, and/or replacement of existing infrastructure, and is funded through an annual transfer from the Operating Fund that is approved through the budget process.

The District also participates in the CalPERS California Retiree Benefit (CERB) and California Employer's Pension Prefunding (CEPP) Trusts. Both trusts are tax-free trusts organized under Section 115 of the Internal Revenue Code.

The District does not have any outstanding debt and does not anticipate the potential issuance of debt until 2033. The District, the City of Roseville, and Placer County are participants in the South Placer Wastewater Authority (SPWA). SPWA has its own debt issuance, which is used to fund new infrastructure and infrastructure improvements at the regional wastewater treatment plants. The SPWA treatment plant capacity funding, debt, and rate stabilization reserve are discussed in more detail in the section of this report titled Regional Wastewater Treatment Plant Capacity Project Funding.

BUDGETARY FUND STRUCTURE FIGURE



BASIS OF ACCOUNTING & BUDGETING

The District's funds are maintained in accordance with Generally Accepted Accounting Principles (GAAP), as established by the Governmental Accounting Standards Board (GASB).

The Basis of Accounting refers to the specific time and method by which revenues and expenses are recognized in the accounts and reported in the financial statements. The Basis of Accounting utilized by the District in the financial statements is full accrual, whereby revenues and expenses are reported as they are earned and incurred, regardless of cash flow.

The Basis of Budgeting refers to the specific time and method by which revenues and expenses are recognized and reported in the budget. The budget is adopted and reported on a modified accrual basis of accounting consistent with Generally Accepted Accounting Principles (GAAP). Under the modified accrual basis, revenues are recognized when they become both measurable and available, and expenditures are recorded when the liability is incurred.

The District utilizes incremental budgeting for revenues and operating expenses and priority-based budgeting for capital expenses. The program budget by fund format is used versus a line-item detail format to provide the most valuable information to the reader on all the District's major areas of service, although additional detail is included throughout for reference.

Capital expenditures are included in the annual adopted budget and used as a limit on expenditures; however, these expenditures are capitalized and depreciated when recorded in the financial statements to conform to GAAP.

BUDGET APPROPRIATION

The District adopts a budget for all expenditures. Appropriations are adopted for the three proprietary funds. Total operating expenses and total capital expenses are adopted as separate appropriations. The General Manager is authorized to reallocate up to \$50,000 in funds within the operating and capital expense budgets. The District Board of Directors must authorize all other adjustments.

Budget appropriations lapse at the end of the fiscal year. Unspent amounts on specific capital and operations projects may be carried forward to the following fiscal year only with the authorization of the Board of Directors.

RATE STUDIES & LONG-TERM FINANCIAL PLANS

It is the District's policy to develop rate studies and long-term financial plans every five years using current budgetary and year-end actual information and incorporating anticipated changes. These are presented to the Board of Directors for discussion and consideration and adopted

through the Proposition 218 process. Staff continually reviews, maintains, and updates the long-term financial plans to evaluate the impact of operating factors and performance rates and reserves. The District underwent a Cost-of-Service and Rate Study in Fiscal Year 2022/23. The proposed monthly service rates for Fiscal Year 2023/24 through 2027/28 are incorporated in this budget document.

DISTRICT FUNDING GOALS

The South Placer Municipal Utility District’s primary funding goals are:



Fully funding all of the District’s operations, maintenance, and regulatory obligations.

ACTION STEPS / TIMELINE

- Prepare a balanced budget annually.



Providing adequate funding for capital investments.

ACTION STEPS / TIMELINE

- Use investment vehicles with the best return.
- Meet annually with the Fee & Finance Committee in November to review.



Fully funding the District’s obligations to CalPERS.

ACTION STEPS / TIMELINE

- Pay down the District’s Unfunded Actuarial Liability (UAL).

The District has made the following Additional Discretionary UAL Payments:

FY 2022/23	\$467,739
FY 2023/24	\$126,945
FY 2024/25	\$900,000
FY 2025/26	\$1,000,000
FY 2026/27 Proposed	\$1,000,000
FY 2026/27 Proposed	\$2,900,000 (CEPPT Balance, approx.)



Fully funding the District's Actuarial Determined Contributions (ADC) for Other Post-Employment Benefits (OPEB).

ACTION STEPS / TIMELINE

- Restructure Other Post-Retirement Benefits (OPEB). Completed in Fiscal Year 2025/26.



Maintaining minimum reserve fund balances.

ACTION STEPS / TIMELINE

- Prepare a balanced budget annually.
- Set rates that are adequate to meet service delivery requirements.
Five-year Cost of Service and Rate Study adopted in 2023.
- Long-term planning to smooth capital expenses and ensure adequate funding sources.



Meeting the debt coverage ratio mandated by the South Placer Wastewater Authority (SPWA) debt indenture.

ACTION STEPS / TIMELINE

- Become more involved with the determination of South Placer Wastewater Authority (SPWA) treatment costs.
- Update the System Evaluation and Capacity Assurance Plan. Every 5 years, it is currently undergoing an update.

BUDGET PROCESS

The District adopted its annual budget for Fiscal Year 2026/27 at the regularly scheduled meeting of the Board of Directors on July 2, 2026. The Budget's primary use is as a financial planning tool to accomplish the District's strategic goals and objectives.

The Annual Budget is a blueprint of planned operating and capital expenditures for each fiscal year beginning on July 1st and ending on June 30th. The District adopts an annual budget that provides the Board of Directors with the upcoming fiscal year's revenues and expenses for the District's three proprietary funds. The budget is reviewed at mid-year, and any necessary adjustments for unanticipated revenues or expenses are presented to the Board at the February Board meeting.

District staff meet regularly to review budget reports, discuss project-related expenses, and prepare budget projections and proposals. Staff works closely with the Board of Directors' Fee & Finance Advisory Committee to review budget projections and proposals and develop the annual budget. Staff present necessary capital projects, anticipated labor costs, and other operational expenses, as well as projected revenues, in order to prioritize where funds are allocated, with input and direction from the Committee, while still maintaining a balanced budget.

District staff presents the proposed budget at a public workshop before adoption. The District held its annual budget workshop on June 4, 2026, to obtain feedback from the Board of Directors and receive public input. During the workshop, it was recommended that additional funds be added to the professional services budget to hire a consultant to assist the District with rate and capacity fee analysis. The budget was updated to add \$50,000 to the Administrative Services Department's Professional Services budget.

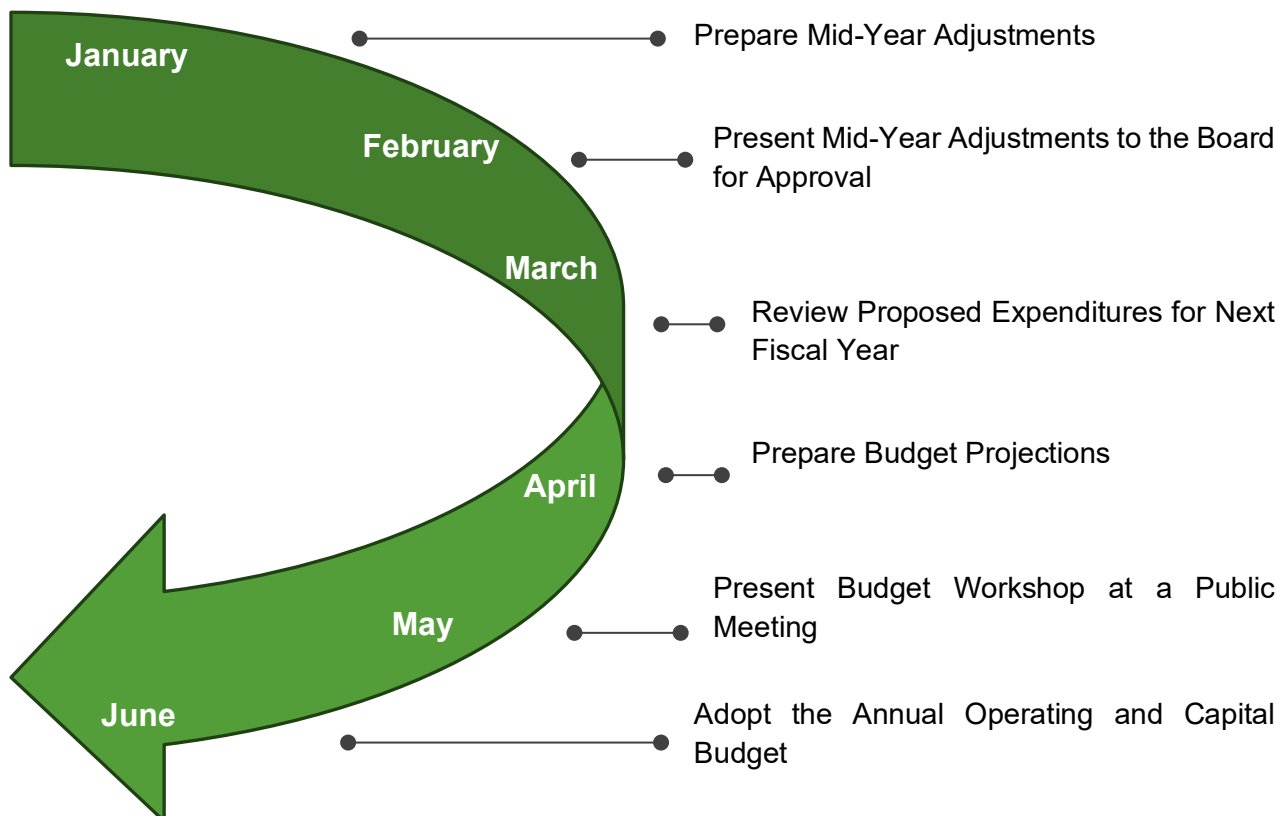
Throughout the year, staff may bring forward budget adjustments to the Board for approval as needed. Budget adjustments are reallocations between funds, departments, categories, or line items. Budget adjustments generally are for specific purchases that were not included in the originally adopted budget but may also include items that are no longer needed in the current budget year. This typically occurs due to unforeseen conditions such as staffing changes, supply chain issues, or unforeseen infrastructure needs. Budget adjustments must include the total adjustment amount as well as the original funding information. Budget adjustments may not supersede any of the budgeting controls or policies that the District has in place.

The annual budget conforms to all policies previously adopted by the Board of Directors.

BUDGET TIMELINE

MONTH	RESPONSIBILITY	BUDGET FUNCTION
January	Administrative Services Manager / Department Managers	Prepare Mid-Year Calculations / Provide Year-End Estimates
February	Administrative Services Manager / General Manager	Present Mid-Year Budget Report to the Board of Directors
March/April	Fee & Finance Committee	Review Proposed Expenditures for Next Fiscal Year
April/May	Administrative Services Manager / Department Managers	Prepare Budget Projections
June	Administrative Services Manager / General Manager	Present Budget Workshop to the Board of Directors
July	Board of Directors	Considers and Adopts the Budget

BUDGET PROCESS FIGURE



BUDGETARY CONTROLS & FINANCIAL POLICIES

The South Placer Municipal Utility District budget is developed in conformance with the generally accepted accounting principles (GAAP). The annual budget conforms to the policies adopted by the District Board of Directors.

BUDGETARY CONTROLS

The District prepares an annual budget where revenues and available reserves exceed expenses and provide adequate funding for capital projects and minimum reserve requirements unless otherwise approved by the Board. The District maintains a structurally balanced budget over time by ensuring that recurring revenues are greater than or equal to recurring expenses. District management uses the approved budget as the tool for ensuring adequate resources to meet the District's stated needs, complying with the District's primary funding goals, and assessing planned versus actual activities throughout the fiscal year. The General Manager is authorized to reallocate up to \$50,000 in funds within the operating and capital expense budgets.

DISTRICT RESERVE POLICY – BOARD POLICY #3130

Reserve funds are accumulated and maintained in a manner that allows the funding of costs and capital investments consistent with the District's Capital and Financial Plans while avoiding significant rate fluctuations due to changes in cash flow requirements. In accordance with the District's Reserve Policy #3130, the Operating Fund Assigned Fund Balance Reserves consists of two parts: the Operation and Maintenance Reserve and the Emergency Reserve, discussed in more detail below. The reserve policy was revised in June 2023 following the adoption of the Cost of Service and Rate Study covering fiscal years 2023/24 through 2027/28. The policy revision eliminated the Rate Stabilization Reserve and reduced the Emergency Reserve from \$3.00 million to \$1.00 million. The classification of these reserve fund balances is in conformance with Government Accounting Standards Board (GASB) Statement No.54 (Fund balance reporting and governmental fund type definitions).

OPERATIONS AND MAINTENANCE RESERVE

The purpose of the District Operation and Maintenance Reserve Fund is to ensure that the District will have sufficient funding available at all times to meet its operating obligations. Operating revenue is primarily received from monthly service charges, which are a flat rate and consistent over the year. Delinquencies are trued-up through tax liens, which are recoverable twice a year. Operating expenses are generally incurred uniformly over the year; however, work can be planned or deferred during the year to accommodate minor fluctuations in revenue. The source of funding for this reserve is Sewer Service

Charges. The District shall maintain an Operation and Maintenance Reserve Fund equivalent to three months of Operation and Maintenance expenses.

EMERGENCY RESERVE

The purpose of the Emergency Reserve Fund is to provide funds for emergency response for potential repair or replacement of capital facilities due to damage from a natural disaster or unanticipated failure. The Emergency Reserve would be used when capital renewal funds have otherwise been purposefully spent down to a preset limit on planned projects. The source of funding for this reserve is Sewer Service Charges. The District shall maintain an Emergency Reserve of \$1.00 million.

OTHER FINANCIAL POLICIES

The District adopts financial policies to provide the General Manager with operational guidance on financial transactions and decision-making.

BUDGET PREPARATION – BOARD POLICY #3105

The District's Budget Policy requires the adoption of an annual budget that is used as a financial planning tool to accomplish the District's strategic goals and objectives.

FIXED ASSET CAPITALIZATION AND ACCOUNTING CONTROL – BOARD POLICY #3115

The Fixed Asset Capitalization and Accounting Control Policy defines capital assets and sets the capitalization threshold at an original cost of \$5,000 or more. The policy also specifies that the District will use straight-line depreciation calculated over the estimated useful life of the asset and the established estimated useful life of the District's capital assets.

RECORDATION OF ASSETS FOR DEPRECIATION PURPOSES – BOARD POLICY #3251

The Recordation of Assets for Depreciation Purposes Policy specifies that the District shall maintain a Capital Renewal Reserve to accumulate the probable replacement cost of equipment each year over the life of the asset so that it can readily be replaced when necessary. The policy also requires the annual adoption of a schedule of values that is used to determine the value of developer-installed assets.

INVESTMENT POLICY – BOARD POLICY #3120

The District's current Investment Policy was developed and approved in accordance with California Government Code Section 53600. This Policy is reviewed annually by the Board of Directors.

The District holds a diversified investment portfolio that includes the Placer County Treasury Pool, the Local Agency Investment Fund, CalTrust, CA CLASS, Wells Fargo Securities, and Five Star Bank.

FUNDING OF CALPERS OTHER POST-EMPLOYMENT BENEFITS (OPEB) – BOARD POLICY #2575

The District participates in a Section 115 OPEB Trust through CalPERS called CERBT. The trust is used to prefund retiree health benefits and is reported in the District's GASB 75 Report. The Section 115 Trust allows the District to set aside extra resources for retiree health contributions at reduced investment risk and smooths volatility from year-to-year fluctuations in annual required contributions. The District is invested in CERBT Strategy 2 with an expected long-term return on trust assets of 6.1% per year.

FUNDING OF CALPERS UNFUNDED ACCRUED LIABILITY (UAL) – BOARD POLICY #2576

The District also participates in a Section 115 Pension Trust through CalPERS called CEPPT. The trust is used to prefund employer contributions, including unfunded accrued liabilities from the District's defined benefit pension obligations. The Section 115 Trust allows the District to set aside extra resources for pension contributions at reduced investment risk and smooths volatility from year-to-year fluctuations in annual required contributions. The District is invested in CEPPT Strategy 1 with an expected long-term return on trust assets of 5.4% per year. While these funds are not shown in the GASB 68 Report, they are reported along with other District investments and reflected as restricted funds in the District's Statement of Net Position.

PURCHASING POLICY – BOARD POLICY #3150

The District purchasing policy establishes efficient, equitable, and uniform procedures for purchasing goods and services and public construction projects. The Policy sets the purchasing authority of the General Manager at \$50,000, Department Managers at \$5,000, and other approved staff members at \$1,000.

The policy sets the purchasing requirements for goods, services, and public construction projects and specifies when a purchase order is required.

CHECK PROCESSING – BOARD POLICY #3140

The Check Processing Policy prescribes the approved signatories for all District payments and requires a minimum of two signatures on all District checks. The policy also requires that a monthly register of all issued checks be presented to the Board of Directors at the monthly board meeting and sets a bi-weekly payroll schedule and a monthly retiree health reimbursement schedule.

Board Policies in their entirety are available on the District website at <https://spmud.ca.gov/board-policy-handbook>.

ACCOUNTING SYSTEM AND CONTROLS

The District utilizes program and project cost accounting to record financial transactions in its Enterprise Resource Planning software throughout the year. The District uses the accrual basis for accounting and auditing, whereby revenues and expenses are reported as they are earned and incurred, respectively. At the end of each fiscal year, ending June 30th, the District prepares an Annual Comprehensive Financial Report (ACFR) containing a management discussion and analysis, financial statements and notes, statistical data, and other information. An independent auditing firm audits the District annually and provides the financial statements and notes, and reports its audit findings to the Board. The District's financial audit is conducted in conformance with the generally accepted accounting principles (GAAP). The District has been awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers' Association for its ACFR for fiscal years ending 2019, 2020, 2021, 2022, 2023, 2024, and 2025. The District also prepared and distributed a Popular Annual Financial Report (PAFR) for the first time for Fiscal Year 2023/24. The report received the Award for Outstanding Achievement in Popular Annual Financial Reporting. A PAFR was also prepared and distributed for Fiscal Year 2024/25. These annual reports provide a highlighted summary of the information in the ACFR in a format that is readily accessible and easily understandable to the general public and other interested parties without a background in public finance.

SECTION 3

DETAILED REVENUE & EXPENDITURE TABLES

The Revenue Budget is made up of Operating and Capital Revenues. Revenue projections are based on incremental budgeting and include projected growth within the District's service area.

OPERATING REVENUES

Operating Fund revenues are projected to be \$22.18 million. Operating Fund Revenues are primarily comprised of monthly service charges, which make up 89% of the District's operating revenues. The monthly service charge is a fixed-rate charge based on the EDUs assigned to the property in accordance with the District Sewer Code. An EDU is the typical volume and strength of wastewater generated by a single-family residence. EDUs for Commercial and Industrial users are calculated based on business use and square footage. Monthly service charges that are not paid are assigned annually to the property tax rolls and collected with the property tax income. Additional revenues consist of fees for services such as plan review, permitting, and inspections, which are 1% of the operating revenues, property taxes, which are 6% of the operating revenues, and interest income, which makes up an additional 1% of the operating revenues. This budget projects interest earnings of 3% on operating reserves. In accordance with District Ordinance 23-01, monthly service charges for Fiscal Year 2026/27 are \$42.53 per EDU. The District currently has the lowest monthly customer service fees in the region. Additional information, including comparison data, is available in Section 9, Statistical & Supplemental Information.

TABLE 3.1 FISCAL YEAR 2026/27 OPERATING FUND REVENUES

	FISCAL YEAR 2026/27
OPERATING FUND	
SEWER SERVICE CHARGES	\$ 19,893,749
PROPERTY TAXES	1,350,000
INTEREST	475,000
PERMITS, PLAN CHECK & INSPECTIONS	300,000
LATE FEES	130,000
MISCELLANEOUS INCOME	30,000
OPERATING FUND REVENUES	\$ 22,178,749

NON-OPERATING REVENUES

Non-operating Capital Fund revenues are made up of sewer capacity charges and investment interest income. The sewer capacity charges for Fiscal Year 2026/27 are \$15,006 per EDU, which is comprised of a \$9,987 Regional Capacity Charge used to fund treatment plant expansion and enlargement, and a \$5,019 Local Capacity Charge adopted by Ordinance 23-02 and used to fund collection system expansion and enlargement. Capital non-operating revenue is projected to be \$3.70 million, based on an estimated 300 EDUs being added to the system throughout the year.

TABLE 3.2 FISCAL YEAR 2026/27 CAPITAL FUND REVENUES

	FISCAL YEAR 2026/27
EXPANSION FUND	
SEWER CAPACITY CHARGES	\$ 1,505,700
INTEREST	1,200,000
EXPANSION FUND REVENUES	\$ 2,705,700
RENEWAL FUND	
INTEREST	\$ 1,000,000
RENEWAL FUND REVENUES	\$ 1,000,000

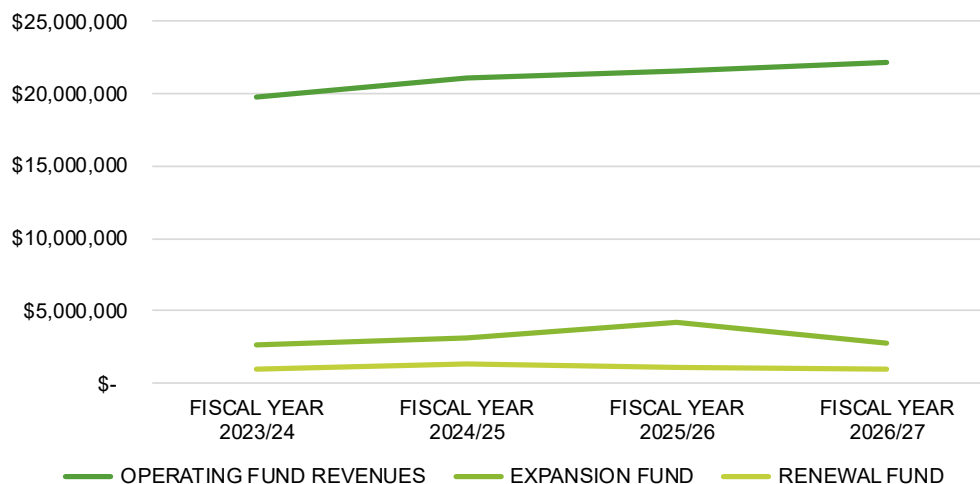
TOTAL REVENUES

The District’s total revenues for the Fiscal Year 2026/27 are projected to be \$25.88 million. Revenues are expected to increase slightly due to the planned growth of 300 additional EDUs, a moderate increase in the monthly service charge from the Proposition 218 approved rate increase, and the adjusted local Capacity Charge. The District is adopting a revenue budget with interest earnings of 3%. District investments are discussed in more detail in Section 7, Debt, Fund Balances, Investments, & Reserves. Five-year future revenue projections are shown in Section 8, Long Range Planning & Projections.

TABLE 3.3 FISCAL YEAR 2025/26 REVENUE BUDGET ALL FUNDS

	AUDITED FINANCIALS		PROJECTED	PROPOSED
	FISCAL YEAR 2023/24	FISCAL YEAR 2024/25	FISCAL YEAR 2025/26	FISCAL YEAR 2026/27
OPERATING FUND				
SEWER SERVICE CHARGES	\$ 16,971,988	\$ 18,042,358	\$ 18,737,000	\$ 19,893,749
PROPERTY TAXES	1,241,515	1,423,233	1,300,000	1,350,000
INTEREST	483,129	660,369	625,000	475,000
PERMITS, PLAN CHECK & INSPECTIONS	585,030	461,287	467,075	300,000
LATE FEES	131,816	129,738	130,000	130,000
MISCELLANEOUS INCOME	98,001	25,000	70,000	30,000
Less CEPPT Interest Earnings	\$ 19,511,479	\$ 20,741,985	\$ 21,329,075	\$ 22,178,749
Interest Income from CEPPT (Restricted)	\$ 276,150	\$ 321,397	\$ 200,000	\$ -
OPERATING FUND REVENUES	\$ 19,787,629	\$ 21,063,382	\$ 21,529,075	\$ 22,178,749
EXPANSION FUND				
SEWER CAPACITY CHARGES	\$ 1,407,105	\$ 1,421,359	\$ 2,800,000	\$ 1,505,700
INTEREST	1,255,667	1,653,758	1,400,000	1,200,000
EXPANSION FUND	\$ 2,662,772	\$ 3,075,117	\$ 4,200,000	\$ 2,705,700
RENEWAL FUND				
INTEREST	\$ 966,405	\$ 1,317,604	\$ 1,125,000	\$ 1,000,000
RENEWAL FUND	\$ 966,405	\$ 1,317,604	\$ 1,125,000	\$ 1,000,000
TOTAL SPMUD REVENUE	\$ 23,416,806	\$ 25,456,103	\$ 26,854,075	\$ 25,884,449

REVENUES BY FUND FIGURE



OPERATING EXPENDITURES

The following discussion details the Fiscal Year 2026/27 operational expenses. Operating expenses are the district-wide costs of operating the sewer collection system. They are comprised of personnel, administrative and operational costs, and capital expenses that are less than \$5,000.

SALARY & BENEFITS

TABLE 3.4 FISCAL YEAR 2026/27 OPERATING FUND SALARY & BENEFIT EXPENDITURES

	FISCAL YEAR 2026/27
SALARIES/WAGES	\$ 3,464,000
FICA - SOCIAL SECURITY	272,000
CALPERS RETIREMENT	341,000
CALPERS UNFUNDED ACCRUED LIABILITY	535,729
ADDITIONAL UAL CONTRIBUTION	1,000,000
457 & 401A RETIREMENT	141,000
BOOT ALLOWANCE	8,400
INSURANCE BENEFITS	1,028,750
RETIREE HEALTH/OPEB BENEFITS	547,000
SALARIES & BENEFITS	\$ 7,337,879

District salary and benefit expenses are projected to be \$7,337,879.

On March 19, 2026, the District Board of Directors approved a new Memorandum of Understanding (MOU) with IUOE Stationary Engineers, Local 39, covering Fiscal Years 2025/26, 2026/27, 2027/28, and 2028/29. The District and Local 39 met and conferred in good faith regarding wages, hours, and other terms and conditions of employment for employees within the General Employees Unit. The MOU specifies a cost-of-living adjustment effective June 25, 2026, of between two and five percent, based on the March-to-March movement for the previous twelve (12) months of the U.S. Bureau of Labor Statistics Employment Cost Index (ECI) for State and Local Government. The ECI index from March 2025 to March 2026 was 3.4%. The MOU also authorized changes to several other benefit provisions, including boot allowance, standby pay, call back pay, longevity pay, medical, dental, and vision coverage, and restructured the retiree medical benefit for employees who are hired on or after January 27, 2020, and retire after January 1, 2026. On May 7, 2026, a benefits resolution covering unrepresented employees was

approved by the District Board of Directors that provides the same cost-of-living adjustment and comparable benefit provisions.

The proposed Fiscal Year 2026/27 budget includes funding for the full year for the recently hired Associate Engineer in the Technical Services Department. The new position is needed to support the Department and the District's efforts to complete timely capital expansion and renewal projects. The funding for the position will be from the operating and capital funds, with approximately one-third of the time spent working on operating projects and activities, one-third of the time spent working on expansion projects, and one-third of the time spent working on renewal projects, with the actual allocations to the three funds based on the actual hours spent on each activity. The budget also includes funding for the two vacant Maintenance Worker I/II positions for half of the fiscal year to align with the anticipated recruitment timeline.

TABLE 3.5 CALPERS ADDITIONAL DISCRETIONARY UAL EXPENDITURES

	AUDITED FINANCIALS		PROJECTED	PROPOSED
	FISCAL YEAR 2023/24	FISCAL YEAR 2024/25	FISCAL YEAR 2025/26	FISCAL YEAR 2026/27
CALPERS MIN UAL PAYMENT	\$ 412,354	\$ 490,892	\$ 541,533	\$ 535,729
ADDITIONAL UAL CONTRIBUTION	126,945	-	1,000,000	1,000,000
ADDITIONAL UAL CONTRIBUTION FROM CEPPT	-	900,000	-	3,056,587
TOTAL UAL PAYMENTS	\$ 539,299	\$ 1,390,892	\$ 1,541,533	\$ 4,592,316
CEPPT BALANCE	\$ 3,425,665	\$ 2,847,062	\$ 3,100,000	\$ 43,413
ESTIMATED TOTAL CALPERS UAL	\$ 6,052,232	\$ 5,537,974	\$ 4,592,316	\$ -

The Fiscal Year 2025/26 budget was adjusted at mid-year to authorize a one-time additional unfunded accrued liability (UAL) payment of \$1.00 million. After this payment, the District's projected unfunded accrued CalPERS liability as of June 30, 2026, was \$4.59 million. One of the District's Strategic Work Plan Priorities is paying down the UAL. The proposed Fiscal Year 2026/27 budget includes payment of the required minimum CalPERS unfunded liability payment of \$535,729, as well as an additional unfunded accrued liability (UAL) payment of \$1.00 million. The District also plans to contribute the balance of the District's CEPP Trust towards the unfunded liability. As of March 31, 2026, the CEPPT account had a balance of \$2.99 million.

TABLE 3.6 OPEB EXPENDITURES

	AUDITED FINANCIALS		PROJECTED	PROPOSED
	FISCAL YEAR 2023/24	FISCAL YEAR 2024/25	FISCAL YEAR 2025/26	FISCAL YEAR 2026/27
RETIREE HEALTH OPEB PAYMENTS	\$ 393,845	\$ 427,192	\$ 465,012	\$ 489,800
GASB 75 OPEB ADJUSTMENT	228,161	170,938	-	-
CERBT CONTRIBUTIONS	-	64,012	60,498	-
RHSA ONETIME PAYMENTS	-	-	236,750	-
RHSA ON-GOING PAYMENTS	-	-	15,400	57,200
TOTAL RETIREE HEALTH PAYMENTS	\$ 622,006	\$ 662,142	\$ 777,660	\$ 547,000

Other Post-Employment Benefits (OPEB) payments for retiree medical benefits are expected to decrease to \$547,000. These expenditures include retiree health contributions for current retirees, ongoing payments to the new Retiree Health Savings Accounts for employees hired on or after January 27, 2020, and 1% employee contributions to the OPEB Fund from active employees hired before January 27, 2020. Staff will be working with the District's Actuary to complete a comprehensive valuation that incorporates the new benefits provisions. The District does not plan to make any Actuarial Determined Contribution (ADC) to the CalPERS CERB Trust until the new full valuation has been completed.

Total Salary and Benefits are programmed to increase by \$288,336 (4.1%) from the prior year. The increase is primarily a result of filling the vacancies in the Field Services Department, the new Associate Engineer position, programmed salary step increases, new and expanded benefits provisions in the Memorandum of Understanding, and the rising cost of healthcare premiums.

The District is under the direction of a five-member elected board and managed by the General Manager. The District is organized into three departments: Field Services, Technical Services, and Administrative Services. The District has thirty-five funded positions, comprised of the General Manager, three department managers, three management support, twenty-three full-time, and five elected employees. Two of the full-time positions are currently vacant and are being funded for half of the fiscal year.

TABLE 3.7 FISCAL YEAR 2026/27 PERSONNEL CLASSIFICATIONS

	AUDITED FINANCIALS		PROJECTED	PROPOSED
	FISCAL YEAR 2023/24	FISCAL YEAR 2024/25	FISCAL YEAR 2025/26	FISCAL YEAR 2026/27
GENERAL MANAGER	1	1	1	1
ADMINISTRATIVE SERVICES MANAGER	1	1	1	1
MANAGEMENT ANALYST I/II (a)	0	1	1	1
ADMINISTRATIVE SERVICES SPECIALIST	0	1	1	1
ADMINISTRATIVE SERVICES ASSISTANT I/II (a)	0	1	1	1
ADMINISTRATIVE SERVICES ASSISTANT I/II/III (a)	3	0	0	0
ADMINISTRATIVE SERVICES	5	5	5	5
DISTRICT ENGINEER	1	1	1	1
ASSOCIATE ENGINEER	0	0	1	1
GIS TECH/ANALYST (a)	1	1	1	1
ENGINEERING TECHNICIAN I/II (a)	1	1	1	1
LEAD INSPECTOR	1	1	1	1
INSPECTOR I/II (a)	2	2	2	2
STUDENT INTERN I/II/III (a) (b) (c)	0	0	0	0
TECHNICAL SERVICES	6	6	7	7
SUPERINTENDENT	1	1	1	1
REGULATORY COMPLIANCE TECH/SPEC (a)	1	1	1	1
FIELD SUPERVISOR	1	1	1	1
LEADWORKER	2	2	2	2
MAINTENANCE WORKER/INSPECTOR	1	1	1	1
MAINTENANCE WORKER/ELECTRO-MECHANICAL TECH	2	2	2	2
MAINTENANCE WORKER I/II (a) (b)	10	10	10	10
TEMPORARY LABORER I/II/III (a) (b) (c)	1	1	1	0
FIELD SERVICES	19	19	19	18
TOTAL REGULAR POSITIONS	30	30	31	30
BOARD OF DIRECTORS	5	5	5	5
MISCELLANEOUS TOTAL	5	5	5	5
TOTAL AUTHORIZED POSITIONS	35	35	36	35

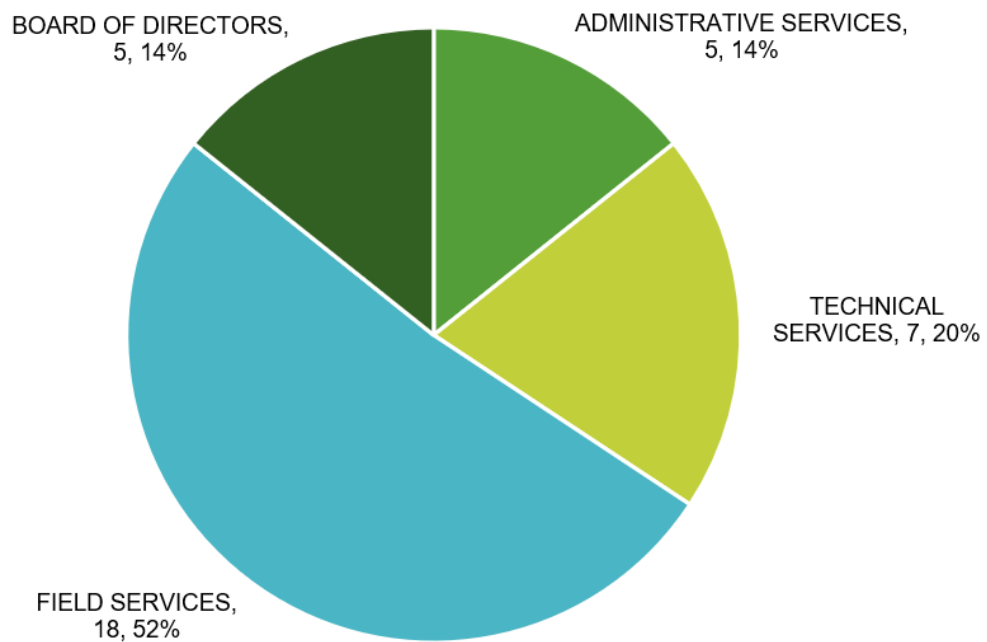
***Full Time Equivalent Positions (FTE)**

(a) Promotional/Flexible Classification

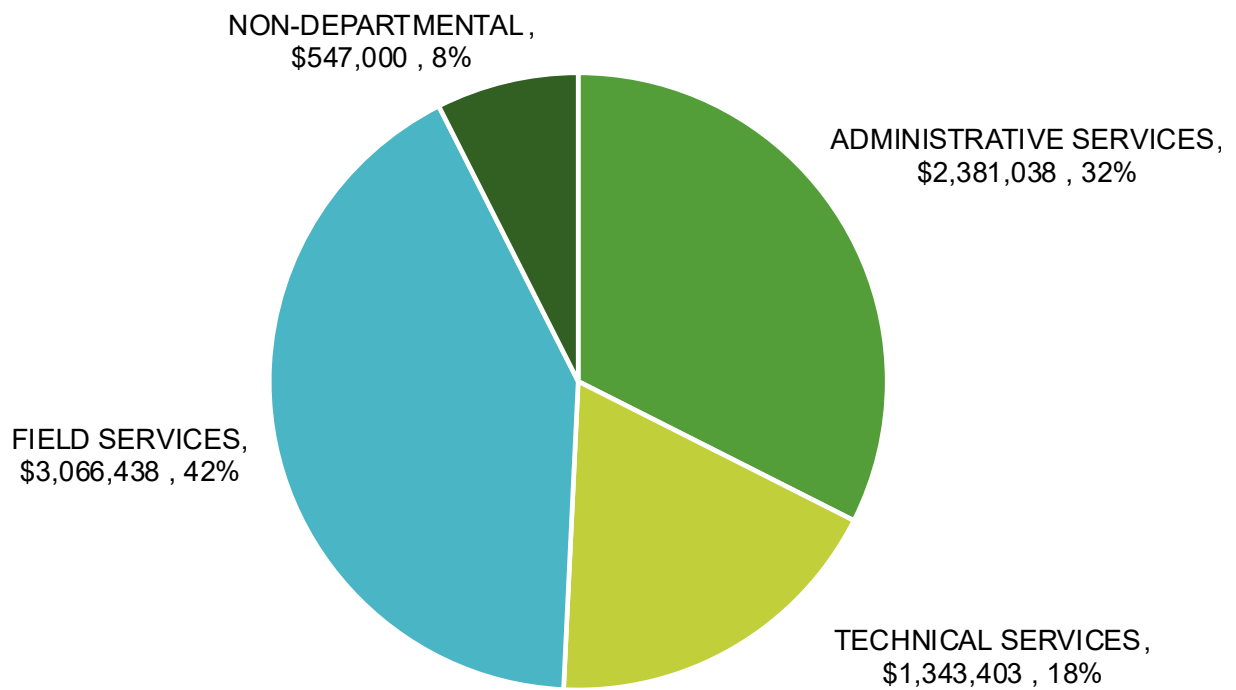
(b) Vacant position

(c) part-time (up to 20 hrs per week/non-benefitted) or temporary (full time for up to 6 months or 1,000 hours/non-benefitted).

FISCAL YEAR 2026/27 POSITIONS BY DEPARTMENT FIGURE



FISCAL YEAR 2026/27 SALARIES BY DEPARTMENT FIGURE



FISCAL YEAR 2026/27 SALARY SCHEDULE

SALARY SCHEDULE - HOURLY RATES		Effective June 25, 2026				
RANGE	POSITION	A	B	C	D	E
9	Student Intern I	20.00	21.00	22.05		
15	Student Intern II	23.20	24.36	25.57		
21	Student Intern III	26.90	28.25	29.66		
17	Temporary Laborer I	24.37	25.59	26.87		
23	Temporary Laborer II	28.26	29.68	31.16		
29	Temporary Laborer III	32.78	34.42	36.14		
22	Admin Services Asst I	27.57	28.95	30.40	31.92	33.52
29	Maintenance Worker I	32.78	34.42	36.14	37.94	39.84
33	Admin Services Asst II	36.18	37.99	39.89	41.88	43.98
34	GIS Tech	37.08	38.94	40.88	42.93	45.08
35	Maintenance Worker II / Engineering Tech I	38.01	39.91	41.91	44.00	46.20
36	MW/Inspector	38.96	40.91	42.95	45.10	47.36
37	MW/Elec-Mech Tech	39.94	41.93	44.03	46.23	48.54
38	Inspector I	40.93	42.98	45.13	47.39	49.75
41	Inspector II	44.08	46.28	48.60	51.03	53.58
42	Admin Services Spec / Mgmt Analyst I	45.18	47.44	49.81	52.30	54.92
43	Reg Compliance Tech / Leadworker	46.31	48.63	51.06	53.61	56.29
44	Engineering Tech II / Lead Inspector	47.47	49.84	52.34	54.95	57.70
45	GIS Analyst	48.66	51.09	53.64	56.33	59.14
47	Mgmt Analyst II	51.12	53.68	56.36	59.18	62.14
49	Reg Compliance Spec	53.71	56.39	59.21	62.17	65.28
50	Field Supervisor	55.05	57.80	60.69	63.73	66.91
53	Associate Engineer	59.28	62.25	65.36	68.63	72.06
62	Admin Services Mgr	74.04	77.74	81.63	85.71	89.99
64	Superintendent I	77.79	81.67	85.76	90.05	94.55
65	Superintendent II / District Engineer	79.73	83.72	87.90	92.30	96.91
75	General Manager	102.06	107.16	112.52	118.15	124.06

SERVICES & SUPPLIES

TABLE 3.8 FISCAL YEAR 2026/27 OPERATING FUND SERVICE & SUPPLY EXPENDITURES

	FISCAL YEAR
	2026/27
ASPHALT PAVING	\$ 101,000
BUILDING & GROUNDS MAINTENANCE	112,000
COMPUTER EQUIPMENT & SMALL OFFICE	29,850
EASEMENT MAINTENANCE	271,000
ELECTION EXPENSE	40,000
EMPLOYEE ENGAGEMENT	2,500
FUEL & OIL EXPENSE	80,000
GENERAL OPERATING SUPPLIES & MAINTENANCE	207,650
LATERAL CAMERA REPAIRS	34,000
LEGAL SERVICES	225,000
LIFT STATION & FLOW RECORDER PROGRAMS	96,000
OTHER OPERATING EXPENSE	302,500
PROFESSIONAL DEVELOPMENT	79,550
PROFESSIONAL SERVICES	1,093,000
PROPERTY & LIABILITY INSURANCE	365,000
REGULATORY COMPLIANCE/GOVERNMENT FEES	124,150
SUBSCRIPTION/MAINTENANCE AGREEMENTS	230,175
ROOT CONTROL PROGRAM	96,000
UNIFORMS	29,200
TOOLS & EQUIPMENT	11,000
UTILITIES	221,000
UTILITY BILLING/BANKING EXPENSE/PRINTING	336,150
VEHICLE REPAIR & MAINTENANCE	80,000
SERVICES & SUPPLIES	\$ 4,166,725

Operating Fund Expenses for Services and Supplies are projected to be \$4,166,725.

The costs of services and supplies are expected to increase slightly due to continued inflationary pressures. Expenses such as fuel and utilities have been most notably impacted by inflationary pressures. The budget includes \$300,000 in funds to negotiate a new lease agreement for a railroad crossing near Atlantic Street in Roseville. The service and supply budget also includes spending on remote site repairs, property and liability insurance, billing and banking services, gate and door maintenance, regulatory fees and charges, and root control.

The service and supply budget includes spending for professional services to complete the 2025 Systems Evaluation and Capacity Assurance Plan (SECAP), initiate the Tactical Asset Management Plan, including an inflow and infiltration study, complete the cybersecurity plan,

perform easement maintenance including tree removal, create a new full actuarial valuation of other post-employment benefits, assist with labor negotiations and other additional legal services, provide rate and capacity fee analysis, provide ongoing additional legal services during the term of the new Memorandum of Understanding with Local 39, and assist with the implementation of the strategic communications plan. Total Services and Supplies are programmed to increase by \$1.09 million (35%) over the prior year.

REGIONAL WASTEWATER TREATMENT PLANT OPERATIONS & MAINTENANCE AND RENEWAL PROJECT EXPENSES

TABLE 3.9 FISCAL YEAR 2026/27 OPERATING FUND REGIONAL WASTEWATER EXPENDITURES

	<u>FISCAL YEAR</u> <u>2026/27</u>
RWWTP OPERATIONS & MAINTENANCE	\$ 8,550,000
RWWTP RENEWAL	<u>2,075,000</u>
SPWA O&M & RENEWAL	<u>\$ 10,625,000</u>

Operations and Maintenance costs and the annual Renewal projects at the Wastewater Treatment Plants are projected to be \$10,625,000.

Wastewater treatment plant expenses are paid to the City of Roseville, which owns and operates the two Regional Wastewater Treatment Plants, at Dry Creek and Pleasant Grove, providing sewage treatment for the three regional South Placer Wastewater Authority (SPWA) partners, the South Placer Municipal Utility District, Placer County, and the City of Roseville.

The South Placer Wastewater Authority is formed through three separate agreements: a joint powers agreement, an operations agreement, and a funding agreement. The joint powers agreement establishes SPWA as an independent and separate legal entity that is governed by a Board of Directors appointed by the three member agencies for the purpose of planning, financing, acquisition, ownership, construction, and operation of the regional wastewater facilities. The operations agreement establishes that the regional wastewater facilities will be operated and maintained by the City of Roseville for the mutual benefit of the participants and requires the participants to contribute to the operations and maintenance costs based on their proportional volumetric share of the wastewater flows. The funding agreement is specific to the funding of additional treatment plant capacity. The agreement establishes the capacity allocation for each of the member agencies and provides requirements for debt service, regional capacity charges, and minimum rate stabilization fund reserves.

In accordance with the operations agreement, the District pays its share of the annual Operations and Maintenance and Renewal costs for the Regional Wastewater Treatment Plants based on its proportional flows, which are approximately 26% of the total flows into the plants. The City of Roseville provides the District with the annual estimated treatment, maintenance, and renewal expenses, and the District makes payments to the City quarterly. A true-up of actual flows and expenses is completed after the close of the fiscal year, and the District receives an invoice for additional charges or credit towards future payments. The District received a true-up invoice from Fiscal Year 2024/25 of \$76,062.

The City of Roseville provided estimated Fiscal Year 2026/27 treatment plant expenses of \$14.88 million, including \$9.20 million for operations and maintenance and \$5.67 million for renewal projects. These estimates are based on the City's adopted treatment plant budget, which historically has exceeded actual costs. Over the past two budget cycles, the District has improved the accuracy of its estimates by using incremental budgeting. For this budget, the District projected Fiscal Year 2026/27 treatment plant operations, maintenance, and renewal costs using trend analysis, anticipated inflation, known cost increases, and one-time spending assumptions. Compared with the prior year, the budget reflects higher staffing, equipment, regulatory, and renewal project costs. The District is therefore budgeting \$10.63 million in total treatment plant expenses, including \$8.55 million for operations and maintenance and \$2.08 million for renewal projects. This is an increase of \$646,174, or 6.5%, from Fiscal Year 2025/26. Treatment plant expenses remain the District's highest operating costs, representing more than 48% of operating revenues.

TABLE 3.10 HISTORY OF REGIONAL WASTEWATER TREATMENT FLOWS & EXPENDITURES

FISCAL YEAR 2021/22	SPMUD		City of Roseville		Rate Study	Expense / Revenue	Flows		
	BUDGETED	AUDITED PAYMENTS	ESTIMATED	ACTUAL RWWTP COSTS					
Operations & Maintenance	\$ 5,407,307	\$ 4,942,000	\$ 4,942,000	\$ 6,040,879	NA	39%	District	1,705	
Replacement & Rehabilitation	2,366,393	1,659,750	1,659,750	226,637			SPWA	6,473	
Total O&M and R&R	\$ 7,773,700	\$ 6,601,750	\$ 6,601,750	\$ 6,267,516			District %	26.34%	
FY 2020/21 True Up / Credit				505,476					
Balance Owed to City of Roseville				\$ 171,242					
FISCAL YEAR 2022/23	SPMUD		City of Roseville		Rate Study	Expense / Revenue	Flows		
	BUDGETED	AUDITED PAYMENTS	ESTIMATED	ACTUAL RWWTP COSTS					
Operations & Maintenance	\$ 7,054,000	\$ 7,054,000	\$ 7,054,000	\$ 7,009,559	NA	45%	District	1,878	
Replacement & Rehabilitation	2,611,000	2,611,000	2,611,000	280,857			SPWA	7,129	
Total O&M and R&R	\$ 9,665,000	\$ 9,665,000	\$ 9,665,000	\$ 7,290,416			District %	26.34%	
FY 2021/22 True Up / Credit				171,241					
Balance Owed to City of Roseville				\$ (2,203,343)					
FISCAL YEAR 2023/24	SPMUD		City of Roseville		Rate Study	Expense / Revenue	Flows		
	BUDGETED	AUDITED PAYMENTS	ESTIMATED	ACTUAL RWWTP COSTS					
Operations & Maintenance	\$ 8,181,000	\$ 6,135,750	\$ 8,181,000	\$ 7,336,417	\$ 7,547,780	49%	District	1,762	
Replacement & Rehabilitation	2,246,000	1,684,500	2,246,000	1,007,022			1,776,817	SPWA	6,814
Total O&M and R&R	\$ 10,427,000	\$ 7,820,250	\$ 10,427,000	\$ 8,343,439			\$ 9,324,597	District %	25.85%
FY 2022/23 True Up / Credit				(2,203,342)					
Balance Owed to City of Roseville				\$ (1,680,153)					
FISCAL YEAR 2024/25	SPMUD		City of Roseville		Rate Study	Expense / Revenue	Flows		
	BUDGETED	AUDITED PAYMENTS	ESTIMATED	ACTUAL RWWTP COSTS					
Operations & Maintenance	\$ 7,734,919	\$ 5,801,189	\$ 8,550,000	\$ 7,589,596	\$ 7,734,919	51%	District	TBD	
Replacement & Rehabilitation	1,441,729	1,081,297	4,575,000	1,654,733			1,441,729	SPWA	TBD
Total O&M and R&R	\$ 9,176,648	\$ 6,882,486	\$ 13,125,000	\$ 9,244,329			\$ 9,176,648	District %	25.37%
Recycled Water Credit				(605,628)					
FY 2023/24 True Up / Credit				(1,680,153)					
Balance Owed to City of Roseville				\$ 76,062					
FISCAL YEAR 2025/26	SPMUD		City of Roseville		Rate Study	Expense / Revenue Projected	Flows		
	BUDGETED	PROJECTED PAYMENTS	ESTIMATED	ACTUAL RWWTP COSTS					
Operations & Maintenance	\$ 7,314,424	\$ 8,121,665	\$ 9,332,000	\$ -	\$ 7,926,697	53%	District	TBD	
Replacement & Rehabilitation	2,611,000	1,857,161	5,195,000	\$ -			823,462	SPWA	TBD
Total O&M and R&R	\$ 9,925,424	\$ 9,978,826	\$ 14,527,000	\$ -			\$ 8,750,159	District %	25.85%
FY 2024/25 True Up / Credit				76,062			Estimate		
Balance Owed to City of Roseville				\$ (9,902,764)					
FISCAL YEAR 2026/27	SPMUD		City of Roseville		Rate Study	Expense / Revenue Proposed	Flows		
	BUDGETED	AUDITED PAYMENTS	ESTIMATED	ACTUAL RWWTP COSTS					
Operations & Maintenance	\$ 8,550,000	\$ -	\$ 9,201,000	\$ -	\$ 8,123,231	53%	District	TBD	
Replacement & Rehabilitation	2,075,000	-	5,678,000	-			336,062	SPWA	TBD
Total O&M and R&R	\$ 10,625,000	\$ -	\$ 14,879,000	\$ -			\$ 8,459,293	District %	25.37%
FY 2025/26 True Up / Credit				-			Estimate		

TABLE 3.11 ESTIMATED FIVE-YEAR RENEWAL PROJECT SPENDING AT THE PLEASANT GROVE WASTEWATER TREATMENT PLANT (PGWWTP) AND DRY CREEK WASTEWATER TREATMENT PLANT (DCWWTP)

LOCATION	NEW & EXISTING PROJECTS	FISCAL YEAR 2026/27	FISCAL YEAR 2027/28	FISCAL YEAR 2028/29	FISCAL YEAR 2029/30	FISCAL YEAR 2030/31	Total Project
Both	Programmable Logic Controllers Rehabilitation	\$ 1,766,682	\$ -	\$ -	\$ -	\$ -	\$ 5,432,103
Both	Lighting Rehabilitation	184,720	-	-	-	-	939,991
Both	Focused Condition Assessment	500,000	200,000	-	-	-	1,000,000
DCWWTP	Tertiary Filter Rehabilitation	1,000,000	3,800,000	2,000,000	-	-	6,800,000
DCWWTP	63-inch and 66-inch Influent Pipe Rehabilitation	1,077,559	4,000,000	-	-	-	5,375,000
DCWWTP	Dry Creek Operations and Laboratory Building	1,300,000	-	-	-	-	6,370,000
DCWWTP	Biofilter System Rehabilitation	7,699,917	1,300,000	-	-	-	10,000,000
DCWWTP	Motor Control Center and Switchgear Replacement	3,261,251	-	-	-	-	8,206,300
DCWWTP	Fiber Optic Rehabilitation	300,000	-	-	-	-	300,000
DCWWTP	Dry Creek Sewer Interceptor Manhole Repairs	500,000	500,000	500,000	500,000	500,000	2,500,000
DCWWTP	Primary Sedimentation Basin Rehabilitation	3,000,000	1,889,910	-	-	-	4,918,000
DCWWTP	Aeration Basins 500 - 800 Diffuser Replacement	-	1,125,000	1,125,000	-	-	2,250,000
DCWWTP	Secondary Clarifier Rehabilitation	-	-	-	-	2,600,000	2,600,000
DCWWTP	Dewatering Improvements	-	500,000	500,000	6,500,000	6,500,000	14,000,000
DCWWTP	Fencing Refurbish	-	927,000	-	-	-	927,000
DCWWTP	Generator 1 and 2 Replacement	-	-	2,404,000	-	-	2,404,000
DCWWTP	Grit Basin Rehabilitation and Influent Channel	-	1,967,000	-	-	-	1,967,000
DCWWTP	Ox Ditch Expansion Joints Repair	-	-	-	563,000	-	563,000
DCWWTP	Digester Improvements	-	1,000,000	3,000,000	2,000,000	-	6,000,000
PGWWTP	Variable Frequency Drives Installation	1,500,000	-	-	-	-	1,500,000
PGWWTP	Fencing Improvements	500,000	-	-	-	-	500,000
PGWWTP	Grit Channels and Basins Rehabilitation	-	-	-	1,026,000	-	1,026,000
PGWWTP	Influent Pump Station Biofilter System Rehabilitation	-	-	-	1,540,000	-	1,540,000
PGWWTP	Secondary Clarifier Rehabilitation	-	-	-	527,000	2,400,000	2,927,000
PGWWTP	Tertiary Filter Expansion	-	-	5,000,000	5,000,000	-	10,000,000
-	Environmental Utilities Asset Management Plan	99,538	-	-	-	-	200,100
-	Wastewater Industrial Pretreatment Program Update	108,692	-	-	-	-	450,000
-	Cybersecurity Evaluation Phase II	500,000	500,000	500,000	500,000	500,000	2,504,184
-	Historian Data Repository Updates	333,019	333,018	-	-	-	667,000
-	SCADA Automation Software Updates	832,736	832,735	-	-	-	1,667,500
-	Influent Improvements Alternatives Analysis	700,000	300,000	-	-	-	1,100,000
-	Influent Improvements Project	-	1,412,000	5,000,000	6,000,000	-	12,412,000
TOTAL REGIONAL RENEWAL PROJECTS		\$ 25,164,113	\$ 20,586,663	\$ 20,029,000	\$ 24,156,000	\$ 12,500,000	\$ 119,046,177
RENEWAL COSTS ASSIGNED TO THE DISTRICT BASED ON CURRENT FLOWS		\$ 6,504,923	\$ 5,321,652	\$ 5,177,497	\$ 6,244,326	\$ 3,231,250	\$ 30,773,437

Fiscal Year 2026/27 Renewal costs include carryover expenses on several projects that were budgeted for last fiscal year but have been delayed due to supply chain issues and changes to project management and consultant staffing. The Regional Wastewater Treatment Plants are also discussed in Section 6, Regional Wastewater Treatment Plant Capacity Funding, Debt, and Rate Stabilization Reserve.

IMPACT OF EXPENDITURES ON THE OPERATING BUDGET

The following projects are expected to have a positive impact on the operating budget by reducing costs or improving efficiency:

- The District is updating its Cybersecurity Plan, which will help safeguard operations and reduce the risk of service disruptions.
- The District is developing its Asset Management Program to standardize the process for evaluating potential capital improvement projects with the goal of achieving the lowest total cost of ownership for the rate payers.
- The budget includes spending on an Inflow and Infiltration (I&I) Study, reducing I&I from stormwater, improper connections, and other sources, which lowers treatment volumes and associated costs.
- The District is adding a permitting module to the Enterprise Resource System, which is expected to streamline the permitting process and save time for both staff and customers.

The following projects have the potential to increase future operating expenses:

- The District is completing the 2025 Systems Evaluation and Capacity Assurance Plan (SECAP). This plan determines capital expansion projects, which impact the local capacity fee. The budget also includes funding for a rate and capacity fee analysis. If capacity charges are reduced through either of these processes, there is a risk that operating funds will be needed to pay for future capacity projects.
- The District is planning to begin implementing the initiatives identified in the Strategic Communications Plan. While these tasks will help to increase communication with stakeholders and inform a larger audience, the District has not expended funds for this purpose in the past. Some of the initiatives have the potential to create ongoing future costs if maintained.

OPERATING EXPENSE BUDGET SUMMARY

The Fiscal Year 2026/27 Operating Fund Expense Budget of \$24.13 million is comprised of the following: \$7.34 million for salaries and benefits, \$4.17 million for services and supplies, \$10.63 million for Regional Wastewater Treatment Plant expenses, and a \$2.00 million interfund transfer from the Operating Fund to the Renewal Fund. This represents an increase of \$1.15 million

(5%) over the current projected expenses for Fiscal Year 2025/26, primarily due to inflationary increases, the railroad lease agreement, and professional services for capital projects that are being carried over from the prior year's budget.

TABLE 3.12 FISCAL YEAR 2026/27 OPERATING EXPENSE BUDGET

	AUDITED FINANCIALS		PROJECTED	PROPOSED
	FISCAL YEAR	FISCAL YEAR	FISCAL YEAR	FISCAL YEAR
	2023/24	2024/25	2025/26	2026/27
SALARIES/WAGES	\$ 2,999,196	\$ 2,978,410	\$ 3,103,000	\$ 3,464,000
FICA - SOCIAL SECURITY	221,625	225,213	237,380	272,000
CALPERS RETIREMENT	272,473	596,123	300,000	341,000
CALPERS UNFUNDED ACCRUED LIABILITY	412,354	490,892	541,533	535,729
ADDITIONAL UAL CONTRIBUTION	126,945	-	1,000,000	1,000,000
457 & 401A RETIREMENT	147,537	122,957	131,970	141,000
BOOT ALLOWANCE	-	-	-	8,400
INSURANCE BENEFITS	800,790	872,440	949,600	1,028,750
RETIREE HEALTH/OPEB BENEFITS	622,006	662,142	777,660	547,000
SALARIES & BENEFITS	\$ 5,602,926	\$ 5,948,177	\$ 7,041,143	\$ 7,337,879
ASPHALT PAVING	\$ 25,769	\$ 142,666	\$ 101,000	\$ 101,000
BUILDING & GROUNDS MAINTENANCE	41,225	67,486	109,000	112,000
COMPUTER EQUIPMENT & SMALL OFFICE	3,855	21,984	34,350	29,850
EASEMENT MAINTENANCE	127,052	23,347	176,000	271,000
ELECTION EXPENSE	-	29,914	-	40,000
EMPLOYEE ENGAGEMENT	-	2,326	2,000	2,500
FUEL & OIL EXPENSE	70,816	59,517	75,000	80,000
GENERAL OPERATING SUPPLIES & MAINTENANCE	176,838	136,294	190,500	207,650
LATERAL CAMERA REPAIRS	21,994	16,492	29,000	34,000
LEGAL SERVICES	96,940	117,080	225,000	225,000
LIFT STATION & FLOW RECORDER PROGRAMS	35,857	40,839	80,000	96,000
OTHER OPERATING EXPENSE	291	250	-	302,500
PROFESSIONAL DEVELOPMENT	42,233	48,845	48,000	79,550
PROFESSIONAL SERVICES	378,536	493,342	543,800	1,093,000
PROPERTY & LIABILITY INSURANCE	410,875	319,227	319,000	365,000
REGULATORY COMPLIANCE/GOVERNMENT FEES	80,596	86,119	102,871	124,150
SUBSCRIPTION/MAINTENANCE AGREEMENTS	169,881	152,154	203,350	230,175
ROOT CONTROL PROGRAM	73,709	1,756	165,000	96,000
UNIFORMS	23,204	24,250	24,550	29,200
TOOLS & EQUIPMENT	-	14,626	9,000	11,000
UTILITIES	204,454	213,074	234,500	221,000
UTILITY BILLING/BANKING EXPENSE/PRINTING	252,971	279,155	311,500	336,150
VEHICLE REPAIR & MAINTENANCE	67,054	72,237	92,000	80,000
SERVICES & SUPPLIES	\$ 2,304,150	\$ 2,362,980	\$ 3,075,421	\$ 4,166,725
RWWTP OPERATIONS & MAINTENANCE	\$ 6,208,658	\$ 5,923,174	\$ 8,121,665	\$ 8,550,000
RWWTP RENEWAL	1,684,500	1,081,297	1,857,161	2,075,000
REGIONAL O&M & RENEWAL	\$ 7,893,158	\$ 7,004,471	\$ 9,978,826	\$ 10,625,000
OPERATING EXPENDITURES	\$ 15,800,234	\$ 15,315,628	\$ 20,095,390	\$ 22,129,604
INTERFUND TRANSFER TO CAPITAL RENEWAL	2,601,119	2,617,566	2,835,843	2,000,000
OPERATING FUND CAPITAL EXPENDITURES	\$ 18,615,586	\$ 18,006,233	\$ 23,051,233	\$ 24,129,604

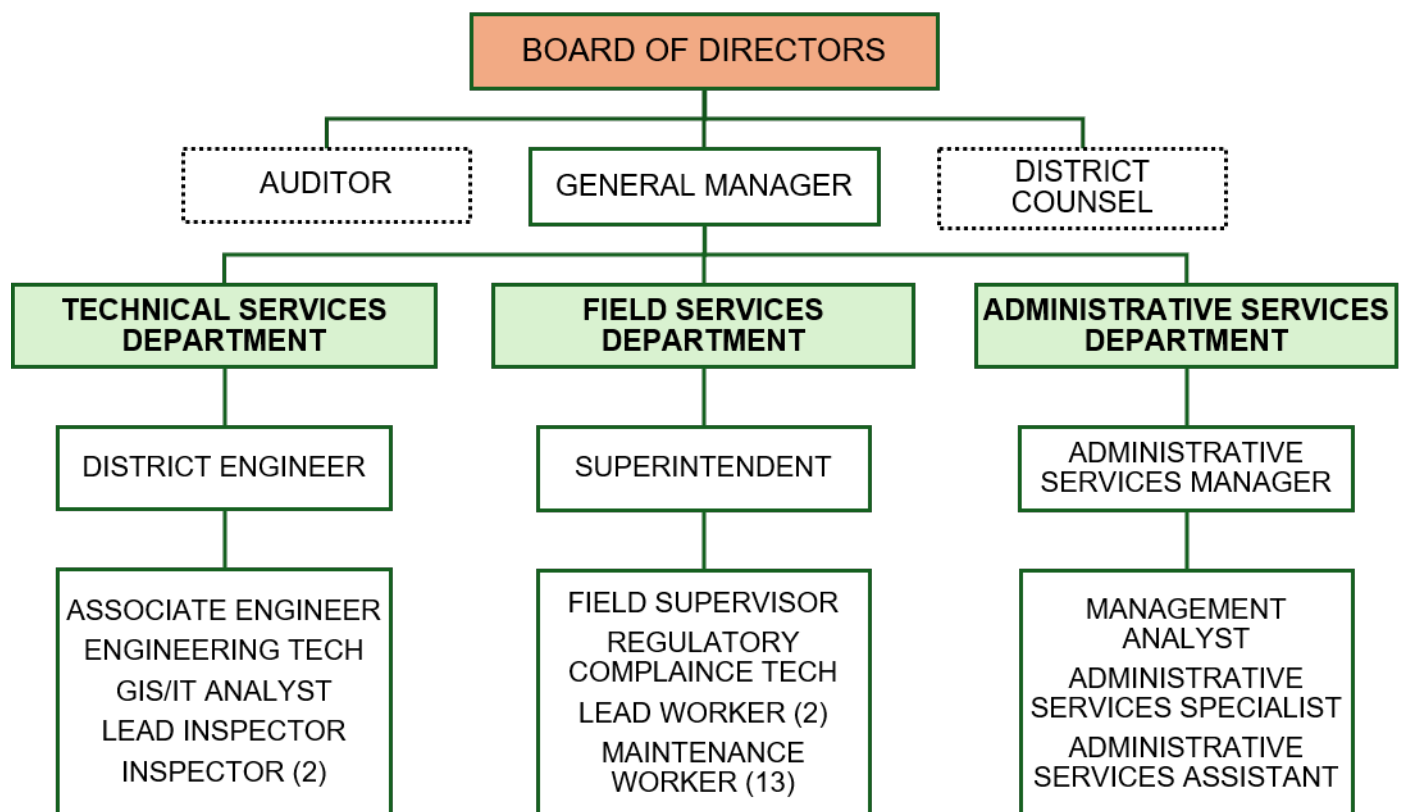
SECTION 4

DEPARTMENT SCHEDULES

The District is organized into three departments: Administrative Services, Field Services, and Technical Services, which are overseen by the General Manager.

There are 35 positions in total at the District: 5 elected, 4 management, 3 management support, and 23 full-time employees (FTE). The positions of the Auditor and District Counsel are filled by contract.

CONDENSED ORGANIZATIONAL CHART



Administrative Services Department

(5 Full-Time Employees)

The Administrative Services Department provides administrative support to the Board of Directors and internal and external customers, providing utility billing and account services, budgeting and finance, board secretary and public meeting administration, and human resources and payroll processing.



Field Services Department

(18 Full-Time Employees)

The Field Services Department provides for the maintenance and construction of infrastructure within the District and oversees the collection of wastewater within the jurisdiction.

Field Services operates on five different operational crews:

- CCTV Crew (4 Maintenance Workers)
- Hydro Crew (2 Maintenance Workers)
- Lateral Crew (4 Maintenance Workers)
- Construction Crew (2 Maintenance Workers)
- Elec/Mech Technician (1 Maintenance Worker)



Technical Services Department

(7 Full-Time Employees)

The Technical Services Department manages capital projects, provides the review and approval of development activity within the District, including permitting, plan review, inspections, geographic information systems, and IT support.



MAKING THE DISTRICT A GREAT PLACE TO WORK

The District works hard to support its most valuable asset, the amazing staff that works hard every day to serve the community. The District has an Employee Engagement Committee that meets regularly to provide meaningful recognition opportunities and support team cohesiveness. The District also holds monthly “All Hands” meetings to provide opportunities to communicate and connect with each other. In addition, District staff participate in events that support the community. Some of the events that the District regularly attends are the Rocklin Hot Chili - Cool Cars event, the Loomis Day Before Thanksgiving Parade, and the Rocklin Meet the Machines event.



LABOR AGREEMENTS

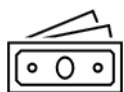
General District employees are newly represented by the International Union of Operating Engineers Local 39 (Local 39), with a Memorandum of Understanding adopted by Board Resolution on March 5, 2026, that covers the period of March 19, 2026, through June 21, 2029. Employees not represented by Local 39 are part of the Management and Management Support employee groups, with compensation set by the Resolution Covering Unrepresented District Employees, approved by the Board of Directors on May 7, 2026. The District cares about the well-being of its employees and works to ensure that employee wages and benefits support employees during all stages of life, including a generous employee assistance program.

ADMINISTRATIVE SERVICES DEPARTMENT

The Administrative Services Department provides essential administrative support to the Board of Directors, District staff, and customers. The department is overseen by the Administrative Services Manager. There are three employees, a Management Analyst, an Administrative Services Specialist, and an Administrative Services Assistant II, who work with the Administrative Services Manager to perform the Administrative functions of the District. The department is responsible for utility billing and account services, finance, budget, purchasing, accounts payable and receivable, human resources and employee benefits, payroll, Board Clerk/Secretary, elections, and the District websites. The General Manager oversees all three departments but is included in the Administrative Services Department budget.

STRATEGIC PLAN PRIORITY GOALS FOR FISCAL YEAR 2026/27

The Administrative Services Department has the following strategic plan goals for Fiscal Year 2026/27:



Strategic plan priority:

PROVIDE EXCEPTIONAL VALUE FOR THE COST OF SEWER SERVICE

Goal: Provide efficient and friendly customer service.

- Make self-service options easier for customers by adding new payment options
- Answer and return all incoming phone calls with a live person

Goal: Obtain the Government Finance Officers Association Triple Crown Award.

- Prepare documents in accordance with the program requirements
- Submit completed documents for review

Goal: Attend all Regional Partner and SPWA meetings.

- Provide representation at staff level and board meetings
- Review reports regularly to provide feedback and adequately plan for impacts



Strategic plan priority:

MAINTAIN AN EXCELLENT REGULATORY COMPLIANCE RECORD.

Goal: Continue to digitize paper records.

- Migrate 10% of electronic documents to the repository to create staff efficiencies
- Review retention of historic paper records and digitize 5% of retained records

Goal: Begin the process of integrating asset and account data currently stored in multiple software systems.

- Ensure that all new assets added to the system are easily identifiable
- Improve the descriptions on previously migrated sewer infrastructure assets

Goal: Receive an Unmodified Audit Opinion

- Provide backup and support for all financial transactions in accordance with GAAP and District Policies



Strategic plan priority:

PREPARE FOR THE FUTURE AND FORESEEABLE EMERGENCIES

Goal: Pay down the Unfunded Accrued Liability

- Reduce interest paid on unfunded liabilities by making additional discretionary payments

Goal: Adopt a sustainable budget that is cost-effective for District customers.

- Perform a new full actuarial valuation to understand the impact of the recently restructured other post-employment benefits
- Monitor and plan for future wastewater treatment plant expenses and local costs

Goal: Review accounts to ensure appropriate billing and account information.

- Update audited commercial accounts quarterly
- Perform account review and maintenance on all accounts routinely throughout the year



Strategic plan priority:

LEVERAGE EXISTING AND APPLICABLE TECHNOLOGIES TO IMPROVE EFFICIENCIES

Goal: Assist with the implementation of the new permitting module.

- Attend all implementation meetings
- Review documentation and provide input to improve outcomes, with a focus on customer experience



Strategic plan priority:

MAKE SPMUD A GREAT PLACE TO WORK

Goal: Fill vacant staffing positions and assist with onboarding.

- Provide support in recruiting a broad range of qualified applicants
- Streamline the onboarding process with all items completed in the first 30 days of employment

Goal: Support District employees and communicate updates regularly.

- Attend all Employee Engagement Committee and All Hands meetings
- Routinely seek out and forward resources to employees

DEPARTMENT PERFORMANCE MEASURES

Comparative Rate Rank

Description: The District works hard to maintain one of the lowest monthly rates in the region for its customers. Rates are compared against Placer County, the Cities of Roseville, Lincoln, Auburn, and Colfax, the Truckee Sanitation District, and the North Tahoe, Tahoe City, and Olympic Valley PUD.

Analysis: The District has consistently maintained one of the lowest rates in the region over the last ten years. A cost-of-service study was conducted in FY2022/23, and the Board approved a five-year rate increase that continues to see the District as the lowest cost provider in the region.

	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Estimate	FY2026/27 Target
District Monthly Rate	\$36.00	\$36.00	\$36.00	\$37.44	\$38.94	\$40.50	\$42.53
Highest Monthly Rate	\$126.66	\$126.66	\$126.66	\$126.76	\$143.07	\$147.00	\$152.00
Lowest Monthly Rate	\$32.08	\$32.08	\$32.08	\$37.44	\$38.94	\$40.50	\$42.53
Average Monthly Rate	\$67.77	\$66.50	\$66.50	\$72.67	\$74.22	\$76.00	\$78.00
District Rate as % of the Average Rate	53%	54%	54%	52%	52%	52%	< 60%

Number of Web Payments

Description: The District offers autopay through a bank draft or credit card, as well as the option for customers to make a one-time online payment. This measurement counts the number of individual web payments made over the course of the year.

Analysis: Online payments, including autopayments, save District staff time. The use of these payment methods has been rapidly increasing, with the number of online transactions increasing 110% over the last five years and 356% over the last ten years.

	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Estimate	FY2026/27 Target
Web Payments	19,323	29,364	36,043	39,975	40,625	42,000	45,000
Web Payments as % of Overall Payments	22%	33%	39%	41%	44%	45%	46%

Number of Customers on E-Bills

Description: The District offers an option for customers to sign up to receive an email billing statement in addition to or in lieu of a mailed paper billing statement. This measurement counts the number of customers on E-Bills.

Analysis: Customers utilizing the District's e-billing service have increased exponentially since it was first offered in FY2014/15, with the use of e-billing increasing 126% over the last five years. Paperless billing saves mailing and printing costs for the District.

	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Estimate	FY2026/27 Target
Customers on E-Bills	2,847	3,430	3,498	4,557	6,434	7,000	8,000
% of Customers on E-Bills	12%	14%	14%	18/%	25%	27%	31%

Customer Accounts per Employee

Description: The number of customer accounts per full-time employee (FTE) helps the District measure efficiency and cost effectiveness by allowing the District to see the balance between the workload and the workforce to complete it.

Analysis: The number of employees per customer account has fluctuated based on the number of vacant positions; however, generally, as the number of customer accounts has grown, so has the number of employees in the District.

	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Estimate	FY2026/27 Target
Customer Accounts	24,039	24,370	24,967	25,134	25,366	25,616	25,816
FTE	28	28	29	29	29	28	30
Customer Accounts per FTE	859	870	861	867	875	915	860

Voluntary Turnover Rate

Description: Employee turnover is a potential threat to the effort to retain, transfer, and improve institutional knowledge over time. The voluntary turnover rate looks at retirements and voluntary separations as a percentage of the total number of employees.

Analysis: A significant number of District employees had planned retirements over the last five years. There was also a steady number of voluntary separations over the same period, which were generally of less tenured employees.

	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Estimate	FY2026/27 Target
Voluntary Resignations	4	4	1	2	2	1	1
Resignations as % of Total FTE	14%	14%	3%	7%	7%	4%	3%

Debt Ratio

Description: The District has assets primarily in the form of infrastructure and capital reserves to expand and maintain infrastructure. The District has continuous current liability as billing occurs in arrears; however, the District participates in the County Teeter Program, which assesses unpaid sewer balances to the property tax bill and greatly mitigates risk from this liability. The only long-term liabilities of the District are pension and other post-employment benefit liabilities.

Analysis: The District has no conventional debt for the financing of District improvements and has maintained a consistently low rate of liabilities versus assets. Debt ratios from Placer County, the Cities of Roseville, Lincoln, Auburn, and Colfax, the Truckee Sanitation District, and the North Tahoe, Tahoe City, and Olympic Valley PUD were used as a point of comparison with the District and showed a low debt ratio for the District compared to other local agencies.

	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Estimate	FY2026/27 Target
District Debt Ratio	4.5%	4.5%	5.6%	4.9%	4.7%	4.5%	< 10.0%
Average Debt Ratio	16.9%	14.1%	16.4%	15.9%	16.0%	16.0%	15.5%
District Debt Ratio as % of the Average Debt Ratio	27%	32%	34%	31%	29%	27%	< 35%

Revenue to Expenditure Ratio

Description: The District primarily generates revenue through monthly service and capacity charges. Monthly service charges are used to fund operations, maintenance, and renewal expenses, and capacity fees are used for expansion and enlargement of the system. The timing of large capital projects impacts the revenue and expenditures year to year, with some years having higher revenue that is placed into fund balances and some years having higher expenditures as the large capital projects are completed.

Analysis: Expenditures fluctuate substantially based on the timing of capital projects. Operating Fund expenditures in FY2022/23 experienced a significant increase from inflationary pressures, resulting in the need for a cost-of-service study and rate increase. Overall, the District has managed to maintain low monthly service charges by minimizing expenditures and avoiding debt service.

	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Estimate	FY2026/27 Target
Revenue*	\$20.89	\$21.20	\$21.04	\$23.42	\$25.46	\$26.85	\$25.88
Expenditures*	\$17.53	\$16.19	\$24.93	\$20.45	\$19.07	\$25.75	\$43.90
% of Revenue to Expense	119%	131%	84%	115%	134%	104%	59%

*in millions

For additional information including, definitions, descriptions, analyses, charts, and graphs on any of the performance measures, please view the District's Strategic Plan Annual Performance Report located on the District's website at <https://spmud.ca.gov/strategic-plan>.

ADMINISTRATIVE SERVICES PROPOSED BUDGETED POSITION CHANGES

Fiscal Year 2025/26		Fiscal Year 2026/27	
General Manager	1	General Manager	1
Administrative Services Manager	1	Administrative Services Manager	1
Management Analyst I/II	1	Management Analyst I/II	1
Administrative Services Specialist	1	Administrative Services Specialist	1
Administrative Services Assistant I/II	1	Administrative Services Assistant I/II	1
Total Positions	5	Total Positions	5

The Administrative Services Department budget does not include any position changes for Fiscal Year 2026/27.

ADMINISTRATIVE SERVICES DEPARTMENT SALARY & BENEFITS SUMMARY

TABLE 4.1 FISCAL YEAR 2026/27 ADMINISTRATIVE SERVICES DEPARTMENT SALARIES & BENEFITS

	PROJECTED FISCAL YEAR 2025/26	PROPOSED FISCAL YEAR 2026/27
SALARIES/WAGES	\$ 738,000	\$ 810,000
FICA - SOCIAL SECURITY	56,457	62,000
CALPERS RETIREMENT	70,000	76,000
CALPERS UNFUNDED ACCRUED LIABILITY	1,007,365	1,089,288
457 & 401A RETIREMENT	56,145	60,000
INSURANCE BENEFITS/WORKERS COMP INSURANCE	241,900	283,750
RETIREE HEALTH/OPEB	777,660	547,000
SALARIES & BENEFITS	\$ 2,947,527	\$ 2,928,038

The Administrative Services Department is budgeting for general increases to Salary and Benefits from cost-of-living, step increases, and increased insurance premiums. The District is budgeting for the payment of Other Post-Employment Benefits (OPEB) for twenty-six District retirees, as well as ongoing contributions of \$200 per pay period to a Retiree Health Savings Account for eleven current employees based on their hire date. An Actuarially Determined Contribution to the District's CalPERS CERB Section 115 OPEB Trust is not programmed for Fiscal Year 2026/27. Total Salary and Benefit Expenses for the Administrative Services Department are expected to decrease by \$19,489 from Fiscal Year 2025/26 or 0.66%. This is primarily due to one-time contributions of \$250 per period worked, which were made to the Retiree Health Savings Accounts for ten employees in accordance with the Memorandum of Understanding for Fiscal Year 2025/26. With these one-time payments excluded, salary and benefits for the Administrative Services Department are programmed to increase by 8% primarily as a result of programmed salary step increases, anticipated cost-of-living increases, and the rising cost of healthcare premiums.

ADMINISTRATIVE SERVICES DEPARTMENT SERVICE & SUPPLIES SUMMARY

TABLE 4.2 FISCAL YEAR 2026/27 ADMINISTRATIVE SERVICES DEPARTMENT SERVICE & SUPPLIES

	<u>PROJECTED</u>	<u>PROPOSED</u>
	<u>FISCAL YEAR</u>	<u>FISCAL YEAR</u>
	<u>2025/26</u>	<u>2026/27</u>
ELECTION EXPENSE	-	40,000
EMPLOYEE ENGAGEMENT	2,000	2,500
GENERAL OPERATING SUPPLIES & MAINTENANCE	12,500	26,500
LEGAL SERVICES	225,000	225,000
PROFESSIONAL DEVELOPMENT	15,000	25,000
PROFESSIONAL SERVICES	120,000	250,000
PROPERTY & LIABILITY INSURANCE	319,000	365,000
REGULATORY COMPLIANCE/GOVERNMENT FEES	38,021	42,000
SUBSCRIPTION/MAINTENANCE AGREEMENTS	74,800	93,000
UTILITY BILLING/BANKING EXPENSE/PRINTING	308,750	333,000
SERVICES & SUPPLIES	\$ 1,115,071	\$ 1,402,000

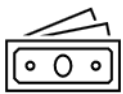
The Administrative Services Department Service and Supply budget includes increased regulatory fees and charges, ongoing specialized legal support, a new full actuarial valuation to incorporate changes to the other post-employment benefit provisions, implementation of high-priority strategic communications plan items, the new permitting software module, election services, and the impact of inflationary pressures on recurring services and supplies. Total Service and Supply Expenses for the Administrative Services Department are expected to increase by \$286,929 from Fiscal Year 2025/26 or 26%.

FIELD SERVICES DEPARTMENT

The Field Services Department is the largest department in the District. The department is overseen by the District Superintendent. There are seventeen employees who work with the Superintendent to ensure that the District's sewer system is properly operated and maintained. The department is responsible for the maintenance and construction of the District's infrastructure and oversees the collection of wastewater within the jurisdiction. The department is responsible for regulatory compliance and the prevention of sanitary sewer overflows.

STRATEGIC PLAN PRIORITY GOALS FOR FISCAL YEAR 2026/27

The Field Services Department has the following strategic plan goals for Fiscal Year 2026/27:



Strategic plan priority:

PROVIDE EXCEPTIONAL VALUE FOR THE COST OF SEWER SERVICE

Goal: Use preventative practices wherever possible to extend the life of District assets.

- Utilize the District's Fleet Maintenance contract to maximize the useful life of equipment and vehicles
- Update the project standards and complete the Cured-in-Place Pipe project

Goal: Provide quality maintenance of the District's sewer infrastructure in an efficient manner.

- Continue to fine-tune the District's Work Programs to ensure efficiency, effectiveness, and maintenance of the sewer overflow performance measures



Strategic plan priority:

MAINTAIN AN EXCELLENT REGULATORY COMPLIANCE RECORD.

Goal: Prevent Sanitary Sewer Overflows

- Utilize the newly purchased sewer combination cleaning truck to maintain and clean the system and limit sewer overflows

Goal: Remain in Compliance with the Requirements of the Advanced Clean Fleet Regulation

- Ensure vehicle replacements are in line with the District's Fleet Transition Masterplan and the Advanced Clean Fleet Regulation

**Strategic plan priority:****PREPARE FOR THE FUTURE AND FORESEEABLE EMERGENCIES**

Goal: Perform maintenance on District easements.

- Inspect all easements and determine access needs
- Provide resources for continuation of the easement maintenance program

Goal: Develop two written contingency plans.

- Prepare a Large Diameter Bypass Pumping Contingency Plan
- Prepare an Access During Wet Weather Season Contingency Plan

Goal: Prepare a Domestic Overflow Procedure

- Hire a consultant to prepare a process and procedure for responding to a domestic sewer overflow

**Strategic plan priority:****LEVERAGE EXISTING AND APPLICABLE TECHNOLOGIES TO IMPROVE EFFICIENCIES**

Goal: Implement GPS Technology to improve fleet operations and comply with new regulations

- Install Telematics into daily-driven District vehicles to gather the data needed to determine and optimize maintenance and replacement schedules

**Strategic plan priority:****MAKE SPMUD A GREAT PLACE TO WORK**

Goal: Continue to Promote and Foster Employee Growth

- Support employee involvement with the local California Water Environment Association (CWEA) Collection Systems Committee

DEPARTMENT PERFORMANCE MEASURES

Number of Spills per 100 miles of Sewer Main

Description: This measurement normalizes the number of spills based on the size of the collection system. To allow comparisons with other agencies, it considers spills from a failure in any part of the collection system except for laterals because not all collection systems take responsibility for laterals. Spills from laterals are tracked separately.

Analysis: Two spills per 100 miles of sewer main is a number that is often used in the collection system industry as a benchmark for good performance. The District has consistently had fewer than two spills per 100 miles of sewer main.

	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Estimate	FY2026/27 Target
Non-Lateral Spills per 100 miles of Sewer Mains	1.4	1.0	1.7	1.4	1.0	< 1.0	< 1.0
Total Miles of Sewer Mains in the District	287	290	290	291	293	294	294

Sewer Successfully Conveyed

Description: This measurement assesses the effectiveness with which the District collects sewer from its customers and conveys it to facilities where it can be treated before being discharged back into the environment. It compares the volume of sewer lost during spill events against the volume conveyed to SPWA through the District's flow recorders.

Analysis: The benchmarks for "good" performance (i.e., 99.900%) and "best in class" performance (i.e., 99.999%) are used in the IT industry when measuring the uptime of mission-critical networks. The District fulfills its mission to protect public health and the environment and provide effective and efficient service.

	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Estimate	FY2026/27 Target
Uptime or % of time the System is effectively conveying sewer	99.998%	99.999%	99.999%	99.999%	99.999%	99.999%	99.999%

Miles of Sewer per Employee

Description: This measurement tracks the ratio of miles of sewer against the number of field employees, as FTE, who work directly with and are needed to operate and maintain the sewer system. Miles of sewer is defined as the miles of sewer main and lower laterals owned by the District.

Analysis: The number of miles of sewer per employee has remained relatively steady since FY2020/21, and employees continue to operate the collection system efficiently with this ratio.

	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Estimate	FY2026/27 Target
Total Miles of Sewer Collection System	404	412	412	413	417	418	420
Field Employees	13	15	15	15	16	15	17
Miles per Field FTE	31	27	27	28	26	28	25

Lost Time Days

Description: This measurement shows the number of days away from work due to a work-related injury or illness as recorded on OSHA Form 300A each year.

Analysis: The District strives to maintain a safe work environment and has a very good safety record that is achieved through training, proper use of appropriate equipment, and standardized policies and procedures.

	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Estimate	FY2026/27 Target
Lost Time Days	0	0	0	0	0	0	0

Service Call Response Time Success Rate

Description: Customers can call 24/7 to report an issue, and at least one employee will respond on-site. This measurement assesses the consistency with which employees on standby respond when called out by customers within the timeframes set by the District.

Analysis: Overall, response times (in minutes) remain low; however, the percentage of service calls where the response time was met dropped below the goal of 95% in FY2024/25. Many of the failed responses were missed by a minute or two for unexplained reasons.

	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Estimate	FY2026/27 Target
Avg Response Time During Business Hours	18	16	18	21	22	18	< 30
Avg Response Time After Business Hours	48	47	45	43	37	39	< 60
Response Time Success as %	96%	98%	97%	96%	92%	93%	95%

Customer Satisfaction Surveys

Description: The District collects customer survey information from survey cards and forms on the District website. Customers can rate the service they have received in the areas of professionalism, response time, communication, and quality of work.

Analysis: Since FY2020/21, all of the over 200 surveys collected have shown only “extremely satisfied” ratings. This is indicative of the excellent customer service that District employees consistently provide to District customers.

	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Estimate	FY2026/27 Target
Extremely Satisfied	26	29	57	40	53	14	30
Somewhat Satisfied	0	0	0	0	0	0	0
Neutral	0	0	0	0	0	0	0
Somewhat Dissatisfied	0	0	0	0	0	0	0
Extremely Dissatisfied	0	0	0	0	0	0	0
Total # of Surveys Received	26	29	57	40	53	14	30

Repeat Customer Service Calls

Description: A repeat customer service call happens when District crews are requested to respond to the same location for the same issue as a previous callout. It is expected that once the District is aware of a problem, it will mitigate the problem until a permanent resolution to the problem has been implemented.

Analysis: Generally, the District has performed well in addressing issues as they are brought to its attention, limiting the number of repeat customer service calls. The District’s standard operating procedure for responding to spills includes identifying and scheduling corrective action.

	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Estimate	FY2026/27 Target
Repeat Calls	2	3	1	0	2	0	0

For additional information, including definitions, descriptions, analyses, charts, and graphs on any of the performance measures, please view the District’s Strategic Plan Annual Performance Report located on the District’s website at <https://spmud.ca.gov/strategic-plan>.

FIELD SERVICES PROPOSED BUDGETED POSITION CHANGES

Fiscal Year 2025/26		Fiscal Year 2026/27	
Superintendent	1	Superintendent	1
Regulatory Compliance Tech/Spec	1	Regulatory Compliance Tech/Spec	1
Field Supervisor	1	Field Supervisor	1
Lead Worker	2	Lead Worker	2
Maintenance Worker/Inspector	1	Maintenance Worker/Inspector	1
Maintenance Worker/Electro-Mechanical Tech	2	Maintenance Worker/Electro-Mechanical Tech	2
Maintenance Worker I/II	10	Maintenance Worker I/II	10
Temporary Laborer I/II/III	1	Temporary Laborer I/II/III	0
Total Positions	19	Total Positions	18

The Field Services Department budget does not include funding for a Temporary Laborer in Fiscal Year 2026/27. Additionally, there are two vacant Maintenance Worker I/II positions that are budgeted for half of the fiscal year.

FIELD SERVICES DEPARTMENT SALARY & BENEFITS SUMMARY

TABLE 4.3 FISCAL YEAR 2026/27 FIELD SERVICES DEPARTMENT SALARIES & BENEFITS

	PROJECTED FISCAL YEAR 2024/25	PROPOSED FISCAL YEAR 2025/26
SALARIES/WAGES	\$ 1,580,000	\$ 1,790,000
FICA - SOCIAL SECURITY	120,870	137,000
CALPERS RETIREMENT	145,000	165,000
CALPERS UNFUNDED ACCRUED LIABILITY	354,852	321,438
457 & 401A RETIREMENT	53,075	57,000
BOOT ALLOWANCE	-	6,000.00
INSURANCE BENEFITS	565,000	590,000
SALARIES & BENEFITS	\$ 2,818,797	\$ 3,066,438

The Field Services Department is budgeting for general increases to Salary and Benefits from cost-of-living, step increases, and increased insurance premiums in Fiscal Year 2026/27. The budget is also higher than Fiscal Year 2025/26 due to a Maintenance Worker position that became vacant in August 2025 and a series of internal promotions that resulted in an additional Maintenance Worker vacancy in February 2026. Both of these positions are budgeted to be filled for six months of Fiscal Year 2026/27. Total Salary and Benefits Expenses for the Field Services Department are expected to increase by \$247,641 from Fiscal Year 2025/26, or 9%.

FIELD SERVICES DEPARTMENT SERVICE & SUPPLIES SUMMARY

TABLE 4.4 FISCAL YEAR 2026/27 FIELD SERVICES DEPARTMENT SERVICE & SUPPLIES

	PROJECTED FISCAL YEAR 2024/25	PROPOSED FISCAL YEAR 2025/26
ASPHALT PAVING	\$ 101,000	\$ 101,000
BUILDING & GROUNDS MAINTENANCE	109,000	112,000
EASEMENT MAINTENANCE	176,000	271,000
FUEL & OIL EXPENSE	75,000	80,000
GENERAL OPERATING SUPPLIES & MAINTENANCE	170,000	171,000
LATERAL CAMERA REPAIRS	29,000	34,000
LIFT STATION & FLOW RECORDER PROGRAMS	80,000	96,000
OTHER OPERATING EXPENSE	-	301,000
PROFESSIONAL DEVELOPMENT	28,000	36,000
PROFESSIONAL SERVICES	97,000	95,000
REGULATORY COMPLIANCE/GOVERNMENT FEES	50,000	67,000
ROOT CONTROL PROGRAM	165,000	96,000
SAFETY GEAR/UNIFORMS	20,000	24,000
SUBSCRIPTION/MAINTENANCE AGREEMENTS	-	16,000
TOOLS & EQUIPMENT	9,000	11,000
UTILITIES	234,500	221,000
VEHICLE REPAIR & MAINTENANCE	92,000	80,000
SERVICES & SUPPLIES	\$ 1,435,500	\$ 1,812,000

The Field Services Department is budgeting for asphalt paving projects, easement maintenance, including tree removal services, gate and door maintenance, programmed root control treatments, new GPS technology to support the initiatives in the recently completed Fleet Transition Master Plan, and ongoing support for the newly replaced System Control and Data Acquisition (SCADA) system. Additionally, the proposed Field Services Department budget includes \$300,000 in funds to negotiate a new long-term lease agreement for a railroad crossing near Atlantic Street in Roseville. Many of the Field Services Department's Services and Supplies such as fuel and utilities, have been notably impacted by inflationary pressures that are anticipated to continue into Fiscal Year 2026/27. Total Service and Supply Expenses for the Field Services Department are expected to increase by \$376,500 from Fiscal Year 2025/26 or 26%.

TECHNICAL SERVICES DEPARTMENT

The Technical Services Department provides the review and approval of capital projects and development activity within the District, including permitting, plan review, inspections, and geographic information systems. The Department is overseen by the District Engineer. There are seven employees, an Associate Engineer, a GIS Analyst, an Engineering Technician, a Lead Inspector, and two Inspectors who work with the District Engineer to provide technical support and expertise throughout the District. The department is responsible for ensuring compliance with District standards and specifications and the Sewer Code, including capacity assurance.

STRATEGIC PLAN PRIORITY GOALS FOR FISCAL YEAR 2026/27

The Technical Service Department has the following strategic plan goals for Fiscal Year 2026/27:



Strategic plan priority:

MAINTAIN AN EXCELLENT REGULATORY COMPLIANCE RECORD.

Goal: Complete the System Evaluation and Capacity Assurance Plan.

- Update the hydraulic model to include loading by parcel using District resources
- Schedule biweekly check-ins with the consultant team to ensure the SECAP is on schedule



Strategic plan priority:

PROVIDE EXCEPTIONAL VALUE FOR THE COST OF SEWER SERVICE

Goal: Complete plan reviews and inspections by their targeted completion dates.

- Release a Request for Qualifications to generate a short list of outside consultant support
- Provide training to the new Associate Engineer to offer redundancy in plan reviews
- Implement the new Tyler permitting software to streamline the sewer permit process



Strategic plan priority:

PREPARE FOR THE FUTURE AND FORESEEABLE EMERGENCIES

Goal: Prevent Fats, Oils, and Greases from entering the collection system through inspection, education, and other methods of prevention.

- Continue indoor inspections of legacy grease control devices
- Continue outreach efforts with stakeholder agencies, including the City of Rocklin, the Town of Loomis, and Placer County, for education and to encourage collaboration

Goal: Complete the Del Rio Court and Delmar Sewer Extension Project.

- Update the District's specifications to release the project to bid
- Award the project in the Fall of 2026 for substantial completion of construction by the end of the 2026 calendar year

Goal: Complete the Jack-in-the-Box Sewer Replacement Project.

- Complete potholing activities to confirm utility locations
- Update the District's specifications to release the project to bid
- Award the project in February 2027 for spring construction



Strategic plan priority:

LEVERAGE EXISTING AND APPLICABLE TECHNOLOGIES TO IMPROVE EFFICIENCIES

Goal: Implement the new Tyler permitting module.

- Attend all implementation meetings
- Update the website to include clear information for permitting processes
- Conduct outreach to stakeholders, including the City of Rocklin, the Town of Loomis, Placer County, and homebuilders to describe the updated process



Strategic plan priority:

MAKE SPMUD A GREAT PLACE TO WORK

Goal: Promote and support leadership development and opportunities at the District.

- Provide opportunities for employees to attend training webinars
- Encourage attendance and participation in local CWEA and CASSE groups and conferences
- Implement department leadership discussions

DEPARTMENT PERFORMANCE MEASURES

Development Review Response Time

Description: The District's goal is to provide excellent customer service by providing prompt plan reviews and Responses, ensuring the comments are consistent with the District's Standard Specifications and Improvement Standards for Sanitary Sewers. This measure shows the number of development plan reviews turned around within the established review timelines, divided by the total number of plan reviews.

Analysis: The District's goal is to respond to development plan reviews within the 20-day first review period and within the 10-day subsequent review period. The District has been meeting this goal since FY2021/22. Staff fell just below the goal in FY2020/21, primarily due to staffing changes and training of new personnel.

	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Estimate	FY2026/27 Target
Number of Plan Reviews	78	104	55	50	65	60	60
Response Time Success as %	94.9%	96.2%	100%	100%	97%	98%	95%

Tenant Improvement Review Response Time

Description: This measure is the percentage of tenant improvement (TI) plan reviews turned around within the established review timelines, divided by the total number of plan reviews. FY2022/23 was the first year that the District started tracking this measurement.

Analysis: The District's goal is to respond to TI plan reviews within the 20-day 1st review period and within the 10-day subsequent review period. The District met this goal in FY2023/24 and FY2024/25.

	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Estimate	FY2026/27 Target
Number of Plan Reviews	-	-		61	48	49	50
Response Time Success as %	-	-		100%	97.9%	97.9%	95%

Partnering in Community Events

Description: This measurement tracks the number of outreach events conducted or attended by the District to build support and highlight the value of sewer services, to promote an appreciation of the true value of water and the District's role in the social, economic, public, and environmental health of the community.

Analysis: For many years, the District has reached out to the community by participating in community events, attending and participating in Government Relations Committee Meetings in various jurisdictions, and presenting capital project information at multiple community meetings and outreach events.

	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Estimate	FY2026/27 Target
Outreach Events Conducted or Attended	4*	7*	8	10	10	7	10

*estimates

Stakeholder Consultation

Description: The District strives to partner with stakeholders to coordinate shared goals, promote understanding, and receive input to meet the District's mission and vision. This measurement counts the number of stakeholder entities the District has engaged with.

Analysis: The number of contacts that the District engages with has grown. Active stakeholder contacts include the City of Rocklin, Town of Loomis, Placer County, South Placer Wastewater Authority, Placer County Water Agency, Rocklin Chamber of Commerce, Loomis Basin Chamber of Commerce, Loomis Union School District, Sierra College, North State Building Industry Association, Newcastle/Ophir Municipal Advisory Commission, Newcastle Community Association, Placer County Local Agency Formation Commission, and the City of Lincoln.

	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Estimate	FY2026/27 Target
Stakeholders Identified and Consulted With	7*	7*	10	12	10	14	15

*estimates

Asset Inventory Data

Description: This measure is a percentage of the total number of sewer assets inventoried divided by the total number of sewer assets.

Analysis: The District maintains an asset inventory that includes structures (manholes and flushing branches), pipes, laterals, property line cleanouts, pump stations, and pumps.

	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Estimate	FY2026/27 Target
Structures	98%	98%	98%	99%	99%	99%	99%
Pipes	99%	99%	99%	99%	99%	99%	99%
Laterals	96%	96%	97%	98%	98%	99%	99%
PLCOs	80%	81%	81%	79%	83%	86%	87%
Lift Stations	26%	26%	61%	94%	97%	99%	99%
Pumps	0%	0%	89%	97%	98%	99%	99%
Average	69%	69%	90%	98%	99%	97%	97%

Asset Renewal

Description: This measure is defined as a percentage of the total amount of funds reserved for renewal for each asset group divided by the total present worth of each asset group.

Analysis: This measure indicates the District's percentage of capital available in Fund 400 to replace total fixed assets. This measurement indicates that the District is in a healthy position to be able to renew assets when they reach the end of their service life.

	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Estimate	FY2026/27 Target
Total Funds Reserved*	\$21.71	\$21.96	\$23.83	\$26.01	\$29.21	\$31.9	\$25.4
Present Worth*	\$104.92	\$113.81	\$118.08	\$122.78	\$125.40	\$129.0	\$131.0
% of Funds	20.7%	19.3%	20.2%	21.2%	23.3%	24.7%	19.4%

*in millions

Collection System Failure/Spill Rate (Structural)

Description: The District's mission, in part, is to protect public health and the water environment, which is primarily accomplished through efforts to reduce sewer spills. A spill is a failure of the collection system to convey the sewage to be treated. This measurement tracks the number of spills due to structural failures (e.g., broken or missing pipe, offset joints, collapsed pipe).

Analysis: The District has historically been very successful at limiting the number of spills due to structural failures of the collection system. Small structural defects (e.g., slightly offset joints) can lead to big operational defects (e.g., roots, buildup of debris) that can quickly turn into spills of varying size. The District utilizes in-house construction crews to correct structural issues as they are discovered.

	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Actuals	FY2023/24 Actuals	FY2024/25 Actuals	FY2025/26 Estimate	FY2026/27 Target
Spills - Structural	0	1	1	2	3	0	0

For additional information, including definitions, descriptions, analyses, charts, and graphs on any of the performance measures, please view the District's Strategic Plan Annual Performance Report located on the District's website at <https://spmud.ca.gov/strategic-plan>.

TECHNICAL SERVICES PROPOSED BUDGETED POSITION CHANGES

Fiscal Year 2025/26		Fiscal Year 2026/27	
District Engineer	1	District Engineer	1
Associate Engineer	1	Associate Engineer	1
GIS Tech/Analyst	1	GIS Tech/Analyst	1
Engineering Technician	1	Engineering Technician	1
Lead Inspector	1	Lead Inspector	1
Inspector I/II	2	Inspector I/II	2
Student Intern I/II/III	0	Student Intern I/II/III	0
Total Positions	7	Total Positions	7

The Technical Services Department budget does not include any position changes for Fiscal Year 2026/27. The budget includes funding for the full year for the new Associate Engineer position. This position will support the District's efforts to complete timely capital expansion and renewal projects and support the efforts of the Technical Services Department.

TECHNICAL SERVICES DEPARTMENT SALARY & BENEFITS SUMMARY

TABLE 4.5 FISCAL YEAR 2026/27 TECHNICAL SERVICES DEPARTMENT SALARIES & BENEFITS

	PROJECTED FISCAL YEAR 2024/25	PROPOSED FISCAL YEAR 2025/26
SALARIES/WAGES	\$ 785,000	\$ 864,000
FICA - SOCIAL SECURITY	60,053	73,000
CALPERS RETIREMENT	85,000	100,000
CALPERS UNFUNDED ACCRUED LIABILITY	179,315	125,003
457 & 401A RETIREMENT	22,750	24,000
BOOT ALLOWANCE	-	2,400
INSURANCE BENEFITS	142,700	155,000
SALARIES & BENEFITS	\$ 1,274,818	\$ 1,343,403

The Technical Services Department is budgeting for general increases to Salary and Benefits from cost-of-living, step increases, and increased insurance premiums in Fiscal Year 2026/27. The salary and benefits for the new Associate Engineer position are also included in the budget and are allocated to all three proprietary funds, with one-third of the funding from the Operating

Fund (100), one-third of the funding from the Expansion Fund (300), and one-third of the funding from the Renewal Fund (400). The actual allocations to the three funds will be based on the actual hours spent on operating activities, expansion projects, and renewal projects. The Total Salary and Benefits Expenses for the Technical Services Department are expected to increase by \$68,585 from Fiscal Year 2025/26 or 5%.

TECHNICAL SERVICES DEPARTMENT SERVICE & SUPPLIES SUMMARY

TABLE 4.6 FISCAL YEAR 2026/27 TECHNICAL SERVICES DEPARTMENT SERVICE & SUPPLIES

	PROJECTED FISCAL YEAR 2024/25	PROPOSED FISCAL YEAR 2025/26
COMPUTER EQUIPMENT & SMALL OFFICE	\$ 34,350	\$ 29,850
GENERAL OPERATING SUPPLIES & MAINTENANCE	8,000	11,650
PROFESSIONAL DEVELOPMENT	5,000	18,550
PROFESSIONAL SERVICES	326,800	748,000
REGULATORY COMPLIANCE/GOVERNMENT FEES	14,850	15,150
SUBSCRIPTION/MAINTENANCE AGREEMENTS	128,550	121,175
SAFETY GEAR/UNIFORMS	4,550	5,200
PRINTING	2,750	3,150
SERVICES & SUPPLIES	\$ 524,850	\$ 952,725

The Technical Services Department is budgeting for professional services to complete the 2025 Systems Evaluation and Capacity Assurance Plan (SECAP) update, complete the Tactical Asset Management Plan, including an Inflow and Infiltration Study, and complete the Cybersecurity Plan. Total Service and Supply Expenses for the Technical Services Department are expected to increase by \$427,875 from Fiscal Year 2025/26 or 81%.

TABLE 4.7 FISCAL YEAR 2026/27 LOCAL OPERATING EXPENSES BY DEPARTMENT

	PROPOSED			COMBINED
	ASD	FSD	TSD	
SALARIES/WAGES	\$ 810,000	\$ 1,790,000	\$ 864,000	\$ 3,464,000
FICA - SOCIAL SECURITY	62,000	137,000	73,000	272,000
CALPERS RETIREMENT	76,000	165,000	100,000	341,000
CALPERS UNFUNDED ACCRUED LIABILITY	1,089,288	321,438	125,003	1,535,729
457 & 401A RETIREMENT	60,000	57,000	24,000	141,000
BOOT ALLOWANCE	-	6,000	2,400	8,400
INSURANCE BENEFITS/WORKERS COMP INSURANCE	283,750	590,000	155,000	1,028,750
RETIREE HEALTH/OPEB	547,000	-	-	547,000
SALARIES & BENEFITS	\$ 2,928,038	\$ 3,066,438	\$ 1,343,403	\$ 7,337,879
ASPHALT PAVING	\$ -	\$ 101,000	\$ -	\$ 101,000
BUILDING & GROUNDS MAINTENANCE	-	112,000	-	112,000
COMPUTER EQUIPMENT & SMALL OFFICE	-	-	29,850	29,850
EASEMENT MAINTENANCE	-	271,000	-	271,000
ELECTION EXPENSE	40,000	-	-	40,000
EMPLOYEE ENGAGEMENT	2,500	-	-	2,500
FUEL & OIL EXPENSE	-	80,000	-	80,000
GENERAL OPERATING SUPPLIES & MAINTENANCE	25,000	171,000	11,650	207,650
LATERAL CAMERA REPAIRS	-	34,000	-	34,000
LEGAL SERVICES	225,000	-	-	225,000
LIFT STATION & FLOW RECORDER PROGRAMS	-	96,000	-	96,000
OTHER OPERATING EXPENSE	1,500	301,000	-	302,500
PROFESSIONAL DEVELOPMENT	25,000	36,000	18,550	79,550
PROFESSIONAL SERVICES	250,000	95,000	748,000	1,093,000
PROPERTY & LIABILITY INSURANCE	365,000	-	-	365,000
REGULATORY COMPLIANCE/GOVERNMENT FEES	42,000	67,000	15,150	124,150
SUBSCRIPTION/MAINTENANCE AGREEMENTS	93,000	16,000	121,175	230,175
ROOT CONTROL PROGRAM	-	96,000	-	96,000
SAFETY GEAR/UNIFORMS	-	24,000	5,200	29,200
TOOLS & EQUIPMENT	-	11,000	-	11,000
UTILITIES	-	221,000	-	221,000
UTILITY BILLING/BANKING EXPENSE/PRINTING	333,000	-	3,150	336,150
VEHICLE REPAIR & MAINTENANCE	-	80,000	-	80,000
SERVICES & SUPPLIES	\$ 1,402,000	\$ 1,812,000	\$ 952,725	\$ 4,166,725

SECTION 5

CAPITAL IMPROVEMENT PROGRAM BUDGET

Fiscal Year 2026/27 Capital Projects are projected to be \$21.77 million. Capital Projects are necessary to maintain and replace existing infrastructure and assets, and complete necessary expansions to support the collection of sewage within the District boundaries. New capital projects and expenses that do not involve sewer infrastructure are typically funded through the Operating Fund Capital Improvement Program. Expansion projects increase the capacity of the sewer system and are identified in the District's System Evaluation and Capacity Plan (SECAP). These projects are funded through the Expansion Fund Capital Improvement Program. The timing of these projects depends largely on development proposals. District staff budget for these expenses based on the anticipated project timelines in coordination with the City of Rocklin, the Town of Loomis, and the County of Placer. Renewal projects replace or rehabilitate the sewer system and are identified through asset data such as age, material, and use, routine maintenance, condition assessment, and coordination with other development and municipal projects. These projects are funded through the Renewal Fund Capital Improvement Program.

Completion of the capital projects and purchases identified in the Fiscal Year 2026/27 Capital Improvement Program Budget supports the District's Strategic Plan Priorities:

- Maintain an Excellent Regulatory Compliance Record.
- Prepare for the Future & Foreseeable Emergencies.
- Leverage Existing and Applicable Technologies to Improve Efficiencies.
- Provide Exceptional Value for the Cost of Service.
- Make the District a Great Place to Work.

CAPITAL IMPROVEMENT PROGRAM SUMMARY

OPERATING FUND (FUND 100)

\$1,776,000

Fund 100 capital projects and expenses are funded through rates and charges. These projects consist of new capital assets and the replacement of capital assets that were not previously included in the District's fixed asset schedule. Current projects include construction of the Headquarters Space Planning Project, participation in several paving projects in the City of Rocklin and Town of Loomis, annexations of properties currently serviced through out-of-area service agreements, and upgrades to District easements.

CAPITAL IMPROVEMENT PROGRAM SUMMARY

EXPANSION FUND (FUND 300)

\$11,502,000

Fund 300 capital projects are funded through capacity charges and pay for expansion and enlargement projects. The purpose of this fund is to finance future capital facilities that are expansion or growth related on a pay-as-you-go basis. These capital improvement projects are identified through a System Evaluation and Capacity Assurance Plan, which is updated every five years. Current projects include preliminary engineering for the Sierra College Trunk, preliminary engineering and environmental for the abandonment of the Cameo Court Lift Station, preliminary engineering for the Antelope Creek A project, construction of the Del Rio Court and Delmar Avenue Sewer Trunk Extension, developer reimbursements for the Boyington Road Extension (Hidden Grove) and College Park South, and labor expenses for the new Associate Engineer.

CAPITAL IMPROVEMENT PROGRAM SUMMARY

RENEWAL FUND (FUND 400)

\$8,489,000

Fund 400 capital projects are funded through an interfund transfer from the Operating Fund and pay for the repair or replacement of current assets. The purpose of this fund is to accumulate the probable replacement cost of facilities and equipment each year over the life of the asset so it can be replaced readily when it becomes obsolete or replacement is needed. Current projects include the design and construction of the Jack in the Box Line (I09-033), preliminary engineering for the abandonment of the Cameo Court Lift Station, preliminary engineering for the Antelope Creek A project, design of the King Road Replacement Project (N13-031), construction of the Taylor Road Crossing Project in Newcastle, design of the 2nd Street Sewer Main in Newcastle, participation in the Monument Springs Bridge and the Rocklin Road Interchange Projects, Cured in Place Pipe (CIPP), easement acquisition and easement repair work, a new roof for the corporation yard maintenance building, replacement of the north-side perimeter block wall, a replacement combination sewer cleaning truck, and labor expenses for the new Associate Engineer.

INTERFUND IMPACT

In accordance with the District Reserve Policy, Board Policy #3130, the District shall maintain a Capital Renewal Reserve funded by an annual operating expense (transfer) sufficient to fund the next three years of planned capital, taking into account anticipated revenues, with an ideal target of five years of planned capital.

The District has developed Asset Replacement Funding Projections to determine the Capital Renewal Fund balance needed to fund necessary renewal projects over time. These projections predict that at the current accumulation rate, Fund 400 will not accumulate enough funds to pay for the necessary future replacements. The estimated life of sewer system infrastructure is 75 years. While the District is working to prolong the life of its assets and smooth the timeline of necessary replacement, there is a substantial portion of the District's system that will require replacement beginning in calendar year 2033. The District is expecting that debt financing of at least a portion of these infrastructure replacements will be necessary. In accordance with the Reserve Policy, the District will update the funding projections and re-evaluate reserve contributions to Fund 400 no less than every two years.

The District is budgeting for a \$2.00 million operating expense transfer or interfund transfer to the Renewal Fund for Fiscal Year 2026/27. This is a lower interfund transfer than typically allocated to the Renewal Fund, which is typically targeted at 115% of the accumulated depreciation of District assets. This lower transfer allows additional operating funds to be allocated to pay down the District's unfunded accrued liability with CalPERS. The lower transfer is expected to be offset by larger future transfers that become possible due to interest saved on the District's unfunded pension costs and reduced minimum unfunded liability payments in future years. However, this strategy is not without risk; market fluctuations could increase the District's unfunded pension costs, despite additional contributions. The District will continue to evaluate liabilities against the reserves needed to complete necessary sewer infrastructure renewal projects, ensuring that adequate funding is available when replacements are needed.

IMPACT OF PROJECTS ON THE OPERATING BUDGET

The following capital projects are expected to have a positive impact on the operating budget by reducing costs or improving efficiency:

- Collection system renewal efforts, system rehabilitation projects, are designed to reduce the amount of reactive maintenance with the intent of lowering the operations and maintenance costs. These efforts also reduce inflow and infiltration (I&I), which lowers treatment volumes and associated costs.
- The District is developing its Asset Management Program to standardize the process for evaluating potential capital improvement projects with the goal of achieving the lowest total cost of ownership for the rate payers.
- Easement maintenance projects improve access to infrastructure for maintenance and renewal projects, saving time and resources. Easement acquisition helps to ensure that there is adequate easement area to perform work and utilize necessary equipment.
- Cured-in-Place Pipe projects extend the life of sewer pipes that would otherwise require replacement.

- Due to their immediate proximity to a waterway, any failure of an above-grade creek crossing results in the potential for serious consequences to public health and the environment, and litigation and fines for the District. Upgrading these high-risk facilities reduces potential future costs.
- The purchase of a new combination sewer cleaning trunk supports the necessary maintenance of the collection system, which also extends the life of District assets.

The following projects have the potential to increase future operating expenses:

- New trunk line extensions expand the size of the collection system, thereby increasing the District's operations and maintenance costs; however, those costs are offset by monthly service revenues from new customer connections.

TABLE 5.1 FISCAL YEAR 2026/27 PROGRAMMED CAPITAL IMPROVEMENT SUMMARY

		FUND 100 OPERATING	FUND 300 EXPANSION	FUND 400 RENEWAL
CAPITAL IMPROVEMENTS				
COMPUTERS/OFFICE FURNITURE	\$ 10,000	\$ 10,000	\$ -	\$ -
CY MASTER PLAN CAPITAL IMPROVEMENTS	1,420,000	770,000	-	650,000
EASEMENT/ACCESS ROADS	277,000	161,000	-	116,000
EASEMENT ACQUISITION	310,000	75,000	-	235,000
EASEMENT INSPECTION PROGRAM	25,000	25,000	-	-
PARTICIPATION IN REGIONAL PROJECTS	1,200,000	650,000	-	550,000
SYSTEM IMPROVEMENTS	50,000	50,000	-	-
TOOLS & EQUIPMENT	15,000	15,000	-	-
SALARY & BENEFITS	86,000	-	43,000	43,000
PROFESSIONAL SERVICES	300,000	-	300,000	-
EXPANSION PROJECTS	5,134,000	-	5,134,000	-
TRUNK EXTENSION REIMBURSEMENT	6,025,000	-	6,025,000	-
CURED IN PLACE PIPE	750,000	-	-	750,000
HIGH-RISK FACILITY CREEK CROSSINGS	750,000	-	-	750,000
LATERAL CAMERA REPLACEMENTS	18,000	-	-	18,000
LIFT STATION PUMP REPLACEMENTS	35,000	-	-	35,000
SYSTEM REHABILITATION	4,466,000	-	-	4,466,000
VEHICLE PURCHASES	896,000	20,000	-	876,000
TOTAL CAPITAL IMPROVEMENTS	\$ 21,767,000	\$ 1,776,000	\$ 11,502,000	\$ 8,489,000

TABLE 5.2 CAPITAL IMPROVEMENT INVESTMENT SUMMARY

	AUDITED FINANCIALS		PROJECTED	PROPOSED
	FISCAL YEAR 2023/24	FISCAL YEAR 2024/25	FISCAL YEAR 2025/26	FISCAL YEAR 2026/27
OPERATING FUND	\$ 214,233	\$ 73,039	\$ 120,000	\$ 1,776,000
EXPANSION FUND	150,000	-	169,809	11,502,000
RENEWAL FUND	1,351,197	1,060,494	5,363,500	8,489,000
TOTAL CAPITAL INVESTMENT	\$ 1,715,430	\$ 1,133,533	\$ 5,653,309	\$ 21,767,000

CAPITAL IMPROVEMENT DETAILS

COMPUTERS/OFFICE FURNITURE

Background: Office furniture is budgeted as part of the Corporation Yard Addition and Tenant Improvement Project. Construction was completed for this project during Fiscal Year 2022/23.

TOTAL PROJECT ESTIMATE:	\$3,370,000
FISCAL YEAR 2026/27:	\$10,000
ESTIMATED COMPLETION:	June 2027
ONE-TIME or ONGOING:	One-Time
FUNDING SOURCE:	Fund 100

Description: Budgeted funds are for the purchase of a large worktable in the Maintenance Building computer station area.

Impact: This project will promote collaborative work and will complete the TI project.

Strategic Plan Priority: Make the District a great place to work.

CORPORATION YARD MASTER PLAN CAPITAL IMPROVEMENTS

Background: The north-perimeter block wall that separates the District Corporation Yard from the adjacent residential properties and the roof of the Maintenance Building are beyond their useful life and in need of replacement. The Headquarters (HQ) building has several areas of underutilized space, and the current

TOTAL PROJECT ESTIMATE:	\$1,517,000
FISCAL YEAR 2026/27:	\$1,420,000
ESTIMATED COMPLETION:	June 2027
ONE-TIME or ONGOING:	One-Time
FUNDING SOURCE:	Fund 100 (\$770,000) Fund 400 (\$650,000)

configuration no longer meets operational needs. The District began the HQ Space Planning Project in Fiscal Year 2025/26 and has completed the design phase of the project.

Description: The budgeted amount for Fiscal Year 2026/27 includes the construction phase of the Headquarters Space Planning Project, as well as costs to complete the replacement of 750 feet of block wall and the original Maintenance Building roof.

Impact: These projects will keep the current corporation yard and buildings in good repair and will allow staff to focus on the work of the District.

Strategic Plan Priority: Make the District a great place to work.

EASEMENT/ACCESS ROADS NEW, REPLACEMENTS & UPGRADES

Background: The District has an ongoing easement road upgrade program. The District makes ongoing efforts to improve security and access to sewer facilities through a network of easements and access roads.

Description: The budgeted amount is for resurfacing access roads through contracted services to improve accessibility to sewer facilities.

TOTAL PROJECT ESTIMATE:	\$277,000 (FY26/27)
FISCAL YEAR 2026/27:	\$277,000
ESTIMATED COMPLETION:	Ongoing
ONE-TIME or ONGOING:	Ongoing
FUNDING SOURCE:	Fund 100 (\$161,000) Fund 400 (\$116,000)

Impact: Well-maintained and secure easement and access roads allow for regular inspections and maintenance of the District's infrastructure in all weather conditions.

Strategic Plan Priority: Prepare for the future and foreseeable emergencies.

EASEMENT/PROPERTY ACQUISITION

Background: The District plans to complete the annexation of properties currently served through out-of-area service agreements as recommended in the Municipal Services Review and Sphere of Influence Study completed in coordination with LAFCO in Fiscal Year 2024/25. In addition, the District plans to acquire property where the Taylor

Road Lift Station is located, as well as easements within the Blue Goose Parking Lot, four private properties in Loomis, and an access easement from an apartment complex in Rocklin.

Description: The budgeted amount for Fiscal Year 2026/27 will be spent on the annexation process through LAFCO and the cost of easement and property acquisition.

Impact: Well-maintained and secure easement and access roads allow for regular inspections and maintenance of the District's infrastructure. Acquiring additional easement helps to ensure that there is adequate easement area to perform work and utilize necessary equipment.

Strategic Plan Priority: Prepare for the future and foreseeable emergencies.

TOTAL PROJECT ESTIMATE:	\$310,000 (FY26/27)
FISCAL YEAR 2026/27:	\$310,000
ESTIMATED COMPLETION:	June 2027
ONE-TIME or ONGOING:	Ongoing
FUNDING SOURCE:	Fund 100 (\$75,000) Fund 400 (\$235,000)

EASEMENT INSPECTION PROGRAM

Background: The District makes ongoing efforts to improve security and access to sewer facilities through a network of easements and access roads.

Description: A professional services agreement with a consultant to perform

inspection services with a drone to collect and process data on the District's easements will be contracted with budgeted funds.

TOTAL PROJECT ESTIMATE:	\$25,000 (FY26/27)
FISCAL YEAR 2026/27:	\$25,000
ESTIMATED COMPLETION:	Ongoing
ONE-TIME or ONGOING:	Ongoing
FUNDING SOURCE:	Fund 100

Impact: The data from these inspections will document the condition of easements, demonstrate the change in the condition of easements over time, and be used to evaluate the potential encroachment of other improvements in easements.

Strategic Plan Priority: Leverage existing and applicable technologies to improve efficiencies.

SYSTEM IMPROVEMENTS

Background: System improvements are budgeted for the Keller Court project and will be completed once the homeowner completes improvements to the District's standards, provides easements, and provides a Bill of Sale for the existing improvements.

TOTAL PROJECT ESTIMATE:	\$50,000
FISCAL YEAR 2026/27:	\$50,000
ESTIMATED COMPLETION:	TBD
ONE-TIME or ONGOING:	Ongoing
FUNDING SOURCE:	Fund 100

Description: The budgeted amount is to cover overall project costs for the Keller Court project.

Impact: Well-maintained infrastructure built to the District's standards and specifications helps reduce the risk of costly failures.

Strategic Plan Priority: Prepare for the future and foreseeable emergencies.

PARTICIPATION IN REGIONAL PROJECTS

Background: The District coordinates with regional agencies to protect District assets during the construction of other agency improvements and to consolidate projects when applicable.

Description: Included in this budget is the cost to adjust the District's assets to conform to newly finished grades and cleaning of the existing system to ensure it is free of construction debris. Also budgeted are construction cooperation agreements with regional partners to participate in the adjustment of manholes to grade and, in some cases, rehabilitate or replace portions of the existing sewer facilities as part of the project.

TOTAL PROJECT ESTIMATE:	\$1,200,000
FISCAL YEAR 2026/27:	\$1,200,000
ESTIMATED COMPLETION:	Ongoing
ONE-TIME or ONGOING:	Ongoing
FUNDING SOURCE:	Fund 100 (\$650,000) Fund 400 (\$550,000)

PROJECT	SPENT TO DATE	TOTAL PROJECT BUDGET ESTIMATE
All - Pre and Post CCTV	-	\$75,000
City of Rocklin - Bluffs Phase 2 Pavement Rehabilitation	-	\$150,000
City of Rocklin - Bluffs Phase 3 Pavement Rehabilitation	-	\$150,000
City of Rocklin - Sunset Widening	-	\$75,000
City of Rocklin - Sierra College Paving	-	\$50,000
City of Rocklin - University Widening	-	\$75,000
Town of Loomis - Brace Road	-	\$75,000
City of Rocklin - Rocklin Road Interchange	-	\$200,000
City of Rocklin - Monument Springs Bridge	-	\$350,000

Impact: The cost of cleaning the system after the agency's project is to ensure that construction debris does not enter the sewer system. Cooperation construction agreements decrease the likelihood that the District will need to complete work soon after other regional projects are completed, which is advantageous to the District because the rehabilitation or replacement of the sewer facilities is less impactful to customers when combined with other improvements.

Strategic Plan Priority: Provide exceptional value for the cost of sewer service.
Prepare for the future and foreseeable emergencies.

PROFESSIONAL SERVICES

Background: Professional services are budgeted for the 2025 System Evaluation Capacity and Assurance Plan (SECAP), which is completed every 5 years.

Description: The budgeted amount for FY 2026/27 is for a consultant to assist the District in analyzing and preparing the report.

TOTAL PROJECT ESTIMATE:	\$300,000 (FY26/27)
FISCAL YEAR 2026/27:	\$300,000
ESTIMATED COMPLETION:	June 2027
ONE-TIME or ONGOING:	One-Time
FUNDING SOURCE:	Fund 300

Impact: The annual report ensures the District plans for the capacity projects needed to serve new development projects and sets appropriate rates and fees.

Strategic Plan Priority: Leverage existing and applicable technologies to improve efficiencies.
Maintain an excellent regulatory compliance record.
Prepare for the future and foreseeable emergencies.
Provide exceptional value for the cost of sewer service.

TOOLS & EQUIPMENT

Background: The District uses many different tools and equipment to improve efficiency and increase the safety of the work performed by staff.

Description: The budgeted amount for FY 2026/27 is allocated to purchase larger tools and equipment to support the construction crew.

TOTAL PROJECT ESTIMATE:	\$15,000 (FY26/27)
FISCAL YEAR 2026/27:	\$15,000
ESTIMATED COMPLETION:	Ongoing
ONE-TIME or ONGOING:	Ongoing
FUNDING SOURCE:	Fund 100

Impact: Maintenance and replacement of District equipment allows staff to focus on performing the primary work of the District efficiently and effectively.

Strategic Plan Priority: Leverage existing and applicable technologies to improve efficiencies.

LATERAL CAMERA REPLACEMENT

Background: The District utilizes CCTV footage from lateral cameras to inspect infrastructure for potential flaws and needed repair.

Description: The budgeted amount is allocated to replace equipment that is beyond its useful life.

TOTAL PROJECT ESTIMATE:	\$18,000 (FY26/27)
FISCAL YEAR 2026/27:	\$18,000
ESTIMATED COMPLETION:	June 2027
ONE-TIME or ONGOING:	One-Time
FUNDING SOURCE:	Fund 400

Impact: Timely replacement of District equipment allows staff to focus on performing the primary work of the District efficiently and effectively, and keeps the sewer system well-maintained.

Strategic Plan Priority: Leverage existing and applicable technologies to improve efficiencies.

EXPANSION PROJECTS

Background: As the region grows, it is important that infrastructure is built to support the new development.

Description: The District plans to finalize the design and environmental review and complete construction of the Del Rio Court and Delmar Avenue

TOTAL PROJECT ESTIMATE:	\$5,233,000
FISCAL YEAR 2026/27:	\$5,134,000
ESTIMATED COMPLETION:	Ongoing
ONE-TIME or ONGOING:	Ongoing
FUNDING SOURCE:	Fund 300

Sewer Trunk Extension. Other projects include preliminary engineering and environmental of the Cameo Court Lift Station Abandonment, and preliminary engineering for the Sierra College Trunk Project and Antelope Creek A, which are expansion and system rehabilitation projects with project funding split between Fund 300 and Fund 400.

PROJECT	SPENT TO DATE	TOTAL PROJECT BUDGET ESTIMATE
Sierra College Trunk	\$63,622	\$213,622
Cameo Court	\$17,180	\$117,180
Antelope Creek A	-	\$147,678
Del Rio Court and Delmar Sewer Extension	\$63,678	\$4,800,000

Impact: This project extends and/or realigns the sewer to accommodate future development.

Strategic Plan Priority: Prepare for the future and foreseeable emergencies.

LIFT STATION PUMP REPLACEMENTS

Background: The District uses submersible lift station pumps to convey wastewater.

Description: This budget includes the replacement of pumps that are no longer rebuildable.

TOTAL PROJECT ESTIMATE:	\$35,000
FISCAL YEAR 2026/27:	\$35,000
ESTIMATED COMPLETION:	June 2027
ONE-TIME or ONGOING:	One-Time
FUNDING SOURCE:	Fund 400

Impact: The maintenance of infrastructure improves system efficiency, extends the lifespan of the system, and helps prevent unexpected and costly failures.

Strategic Plan Priority: Maintain an excellent regulatory compliance record.

VEHICLE PURCHASES & UPGRADES

Background: The District's high velocity vacuum cleaner truck (hydro-vac or combination unit) has served its useful life and needs to be replaced. In addition, routine upgrades to existing fleet vehicles are needed.

Description: This budgeted amount is for the purchase of one new hydro-vac truck, as well as routine upgrades to maintain the District's fleet.

TOTAL PROJECT ESTIMATE:	\$896,000
FISCAL YEAR 2026/27:	\$896,000
ESTIMATED COMPLETION:	June 2027
ONE-TIME or ONGOING:	One-Time
FUNDING SOURCE:	Fund 100 (\$20,000) Fund 400 (\$876,000)

Impact: Replacement, routine maintenance, and upgrades to the District's fleet allow staff to focus on performing the primary work of the District efficiently and effectively.

Strategic Plan Priority: Leverage existing and applicable technologies to improve efficiencies.

CURED-IN-PLACE PIPE

Background: The District utilizes Cured-in-Place Pipe (CIPP) liners to extend the life of infrastructure.

Description: This budgeted amount is for the rehabilitation of pipes by installing CIPP liners into sewer mainlines, lateral pipes, and installing lateral seals.

TOTAL PROJECT ESTIMATE:	\$750,000 (FY26/27)
FISCAL YEAR 2026/27:	\$750,000
ESTIMATED COMPLETION:	Ongoing
ONE-TIME or ONGOING:	Ongoing
FUNDING SOURCE:	Fund 400

Impact: The maintenance of infrastructure improves system efficiency, extends the lifespan of the system, and helps prevent unexpected and costly failures.

Strategic Plan Priority: Maintain an excellent regulatory compliance record.
Provide exceptional value for the cost of sewer service.

HIGH-RISK FACILITY CREEK CROSSINGS

Background: The District is planning to replace a creek crossing identified in the High-Risk Facilities Analysis.

Description: The budgeted amount for Fiscal Year 2026/27 includes preliminary engineering and preparation of the necessary environmental and cultural resource documents.

TOTAL PROJECT ESTIMATE:	\$750,000
FISCAL YEAR 2026/27:	\$750,000
ESTIMATED COMPLETION:	TBD
ONE-TIME or ONGOING:	One-Time
FUNDING SOURCE:	Fund 400

Impact: This project replaces a high-risk creek crossing.

Strategic Plan Priority: Maintain an excellent regulatory compliance record.
Prepare for the future and foreseeable emergencies.

SYSTEM REHABILITATION

Background: The District owns, operates, and rehabilitates over 400 miles of pipe, serving more than 25,000 customer accounts.

Description: System rehabilitation projects programmed for Fiscal Year 2025/26 include design, preliminary engineering and environmental services, and construction.

TOTAL PROJECT ESTIMATE:	\$4,516,000
FISCAL YEAR 2026/27:	\$4,466,000
ESTIMATED COMPLETION:	Ongoing
ONE-TIME or ONGOING:	Ongoing
FUNDING SOURCE:	Fund 400

PROJECT	SPENT TO DATE	TOTAL PROJECT BUDGET ESTIMATE
Jack in the Box Line	\$49,065	\$900,000
Cameo Court	-	\$100,000
Antelope Creek A	-	\$66,000
King Road	-	\$75,000
Taylor Road Lift Station Design	-	\$100,000
Main Street, Newcastle	-	\$1,700,000
Taylor Road Crossing, Newcastle	-	\$325,000
2nd Street, Newcastle	-	\$150,000
Monument Springs Bridge	-	\$1,000,000
Misc District Capital Projects	-	\$100,000

Impact: These projects will improve the need for, or eliminate entirely, high-frequency maintenance and will provide a more efficient sewer system.

Strategic Plan Priority: Maintain an excellent regulatory compliance record.
Prepare for the future and foreseeable emergencies.

CAPITAL IMPROVEMENT DISTRICT LABOR: The salary and benefits for the 1.0 FTE Associate Engineer are budgeted to come from Funds 100, 300, and 400, with labor costs being charged to individual projects and funds as work occurs. It is estimated in this budget that \$43,000 will be charged to each of the three funds.

FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM

PROGRAM DESCRIPTION

The District has a Five-Year Capital Improvement Program that guides the timing of major Capital Improvements in the District. District staff meet regularly to determine the timing of projects and review the Five-Year Capital Improvement Plan, with the goal of maximizing the useful life of existing assets and smoothing large expenses year-to-year to ensure that adequate resources are available to complete improvements as they become necessary.

Staff review operational needs, the System Evaluation and Capacity Assurance Plan (SECAP), and condition assessment data to prioritize projects. Potential capital projects and supporting information are brought to the Infrastructure Advisory Committee, which provides recommendations on when projects receive funding.

The District is currently refining its Asset Management Plan to better document the processes used to manage, maintain, and renew its assets. The goal of this effort is to optimize performance while minimizing the total cost of ownership for customers. The updated plan will also provide a strong foundation for future Five-Year Capital Improvement Program updates.

The District's Five-Year Capital Improvement Program is broken down into three general areas: projects, vehicles, and equipment. Capital expenditures to acquire or construct new capital assets, and the renewal of existing capital assets, are grouped into these three areas as shown in Table 5.3, Detailed Five-Year Capital Improvement Program. A capital asset is any asset of significant value (i.e., over \$5,000) that has a useful life of over one year.

SOURCES OF FUNDING

The District uses three general funding sources for capital projects (i.e., operating, expansion, and renewal). Operating revenue collected through sewer service charges from existing customers pays for new capital assets. The District collects capacity charges from new development to fund system expansion to ensure that new customers pay the cost of new facilities needed to serve them. The District also collects sewer service charge revenue in excess of operational needs to pay for the renewal (i.e., replacement or rehabilitation) of existing capital assets.

The District uses pay-as-you-go financing to fund the capital improvement program, meaning that the projects and acquisitions are funded from existing resources (e.g., cash on hand, sewer service charges, capacity charges). The District does not currently fund projects or acquisitions through grants or loans.

TABLE 5.3 DETAILED FIVE-YEAR CAPITAL IMPROVEMENT PLAN

PROJECT	DESCRIPTION	JUSTIFICATION	EST COST	FISCAL YEAR 2026/27			FISCAL YEAR 2027/28			FISCAL YEAR 2028/29			FISCAL YEAR 2029/30			FISCAL YEAR 2030/31			FISCAL YEAR 2031/32		
				\$1.78 M	\$11.50 M	\$8.49 M	\$0.75 M	\$0.55 M	\$8.33 M	\$0.60 M	\$2.76 M	\$3.75 M	\$1.12 M	\$4.07 M	\$3.12 M	\$0.81 M	\$1.17 M	\$3.37 M	\$0.81 M	\$1.18 M	\$2.89 M
			TOTAL	Operating	Expansion	Renewal	Operating	Expansion	Renewal	Operating	Expansion	Renewal	Operating	Expansion	Renewal	Operating	Expansion	Renewal	Operating	Expansion	Renewal
IMPROVEMENT PROJECTS				\$1.73 M	\$11.50 M	\$7.56 M	\$0.70 M	\$0.55 M	\$7.50 M	\$0.55 M	\$2.76 M	\$3.25 M	\$1.08 M	\$4.07 M	\$2.62 M	\$0.76 M	\$1.17 M	\$3.17 M	\$0.76 M	\$1.18 M	\$2.67 M
Overhead	Salary and benefits. Professional services.		\$ 2,501,000	\$ -	\$ 343,000	\$ 43,000	\$ -	\$ 352,590	\$ 45,150	\$ -	\$ 362,473	\$ 47,408	\$ -	\$ 372,656	\$ 49,778	\$ -	\$ 383,152	\$ 52,267	\$ -	\$ 393,971	\$ 54,880
Participation in Regional Projects	Required utility adjustments and inspection of sewer within limits of stakeholder's projects.	Ensure access and prevent failures of sewer system resulting in spills.	\$ 2,375,000	650,000	-	350,000	75,000	-	200,000	75,000	-	200,000	75,000	-	200,000	75,000	-	200,000	75,000	-	200,000
Easements	Acquire easement, construct access roads, execute inspection program.	Maintaining all-weather access to facilities to respond in emergencies and lower the cost of O&M and future renewal.	\$ 3,862,000	261,000	-	351,000	350,000	-	300,000	350,000	-	300,000	350,000	-	300,000	350,000	-	300,000	350,000	-	300,000
Collection System Improvements	Improvements to the collection system that add new facilities (e.g., manholes)	Improve access.	\$ 300,000	50,000	-	-	50,000	-	-	50,000	-	-	50,000	-	-	50,000	-	-	50,000	-	-
Headquarters Space Planning Improvements	Construct tenant improvements to address underutilized spaces.	Maximize the use of the existing building.	\$ 920,000	770,000	-	-	150,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fleet Transition Infrastructure	Construct electrical infrastructure to support zero-emission vehicles.	Comply with Advanced Clean Fleet regulations.	\$ 1,318,000	-	-	-	77,000	-	-	77,000	-	-	600,000	-	-	282,000	-	-	282,000	-	-
High Risk Sewer Creek Crossings	Pre-design and environmental permitting for high risk sewer creek crossings.	Identified in High Risk Facilities Analysis. Reduce risk of spills into waterways.	\$ 4,500,000	-	-	750,000	-	-	750,000	-	-	750,000	-	-	750,000	-	-	750,000	-	-	750,000
CIPP	Mainline, lateral liners, and lateral seals.	Eliminate roots and I/I as potential causes of SSOs.	\$ 4,500,000	-	-	750,000	-	-	750,000	-	-	750,000	-	-	750,000	-	-	750,000	-	-	750,000
Corp Yard Perimeter Wall	Replace existing block wall.	Wall has surpassed useful service life.	\$ 400,000	-	-	400,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reroof O&M Building	Replace roof.	Roof has surpassed useful service life.	\$ 250,000	-	-	250,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Jack in the Box Line	1 segment (6") (350 LF)	Relocate old main in parking to correct bends & sags and eliminate a hot spot.	\$ 850,000	-	-	850,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Del Rio/Del Mar Trunk	12 segments (15") (1,240 LF)	Extend trunk sewer within the public right-of-way to the Rocklin/Loomis border.	\$ 4,800,000	-	4,800,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Taylor Rd Crossing	3 segments (6") (214 LF)	Reroute sewer main that is located inside of a storm drain culvert.	\$ 325,000	-	-	325,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Taylor Rd Lift Station	Replace lift station and improve access.	Lift Station exceeded service life.	\$ 1,100,000	-	-	100,000	-	-	1,000,000	-	-	-	-	-	-	-	-	-	-	-	-
Monument Springs Bridge Force Mains	Replace portions of the sewer system in conjunction with Rocklin project.	Renew aging assets and improve access to those assets.	\$ 2,000,000	-	-	1,000,000	-	-	1,000,000	-	-	-	-	-	-	-	-	-	-	-	-
Rocklin Rd Interchange	3 segments (18") (1,100 LF) Replace existing asbestos cement trunk within the project limits.	Ensure access to trunk sewer. Collaborate with City of Rocklin to limit impact to shared customers.	\$ 2,200,000	-	-	200,000	-	-	2,000,000	-	-	-	-	-	-	-	-	-	-	-	-
College Park South	9 segments (24") (1,300 LF) Development-dependent project.	Provide additional capacity. Reroute existing trunk for improved access.	\$ 3,275,000	-	3,275,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Boyington Rd Extension	~13 segments (12" 3,240 LF) Development-dependent project.	Eliminate two lift stations and reduce recurring operational and renewal costs.	\$ 2,750,000	-	2,750,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sierra College Trunk	~27 segments (24" 6,660 LF)	Eliminate Sierra College Lift Station. Reduce recurring costs.	\$ 4,750,000	-	150,000	-	-	-	-	-	2,300,000	-	-	2,300,000	-	-	-	-	-	-	-
King Rd & Los Flores Rd N13-031	3 segments (6") (760 LF)	Eliminate hot spot and improve access.	\$ 325,000	-	-	75,000	-	-	250,000	-	-	-	-	-	-	-	-	-	-	-	-
Main St Newcastle	7 segments (6") (850 LF) Reroute laterals.	Reroute sewer mains from underneath residences.	\$ 1,950,000	-	-	1,700,000	-	-	250,000	-	-	-	-	-	-	-	-	-	-	-	-
Cameo Ct Lift Station Abandonment	Bore and jack crossing of Stanford Ranch Rd. Installation of flow recorder facility. Requires upsize of 2,400 LF of Roseville sewer to 15-inch.	Eliminate one of District's largest lift stations. Reduce recurring operational and renewal costs.	\$ 2,400,000	-	100,000	100,000	-	-	500,000	-	-	1,200,000	-	-	500,000	-	-	-	-	-	-
Antelope Creek A	~ 13 segments (27") (3,120 LF) Replace existing 18".	Identified in SECAP as near-term project and identified in High Risk Analysis. Additional capacity and improve access.	\$ 2,960,000	-	84,000	66,000	-	-	-	-	-	-	-	-	-	-	785,000	620,000	-	785,000	620,000
2nd St Newcastle	1 segment (6") (200 LF) Reroute laterals.	Reroute sewer mains from underneath residences.	\$ 825,000	-	-	250,000	-	-	-	-	-	-	-	-	75,000	-	-	500,000	-	-	-
Dovetail Drive Trunk	~ 5 segments (18") (870 LF) Development-dependent project.	Replace existing dual trunk sewer with a single trunk sewer.	\$ 650,000	-	-	-	-	195,000	455,000	-	-	-	-	-	-	-	-	-	-	-	-
Del Mar Extension to Sierra College Blvd	~ 11 segments (15") (2,800 LF) Development-dependent project.	Extend Antelope Creek Trunk Sewer north to Sierra College Blvd.	\$ 1,500,000	-	-	-	-	-	-	-	100,000	-	-	1,400,000	-	-	-	-	-	-	-

PROJECT	DESCRIPTION	JUSTIFICATION	EST COST	FISCAL YEAR 2026/27			FISCAL YEAR 2027/28			FISCAL YEAR 2028/29			FISCAL YEAR 2029/30			FISCAL YEAR 2030/31			FISCAL YEAR 2031/32		
				\$1.78 M	\$11.50 M	\$8.49 M	\$0.75 M	\$0.55 M	\$8.33 M	\$0.60 M	\$2.76 M	\$3.75 M	\$1.12 M	\$4.07 M	\$3.12 M	\$0.81 M	\$1.17 M	\$3.37 M	\$0.81 M	\$1.18 M	\$2.89 M
			TOTAL	Operating	Expansion	Renewal	Operating	Expansion	Renewal	Operating	Expansion	Renewal	Operating	Expansion	Renewal	Operating	Expansion	Renewal	Operating	Expansion	Renewal
VEHICLES				\$0.02 M	\$0.0 M	\$0.88 M	\$0.02 M	\$0.0 M	\$0.78 M	\$0.02 M	\$0.0 M	\$0.27 M	\$0.02 M	\$0.0 M	\$0.39 M	\$0.02 M	\$0.0 M	\$0.16 M	\$0.02 M	\$0.0 M	\$0.10 M
Unit 1	Combination cleaner	Replacement at end of service life.	\$ 750,000	\$ -	\$ -	\$ 750,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unit 5	Customer service truck	Replacement at end of service life.	\$ 126,000	-	-	126,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unit 2	Combination cleaner	Replacement at end of service life.	\$ 650,000	-	-	-	-	-	650,000	-	-	-	-	-	-	-	-	-	-	-	-
Unit 14	Jet rodder.	Replacement at end of service life.	\$ 130,000	-	-	-	-	-	130,000	-	-	-	-	-	-	-	-	-	-	-	-
Unit 7	Construction truck	Replacement at end of service life.	\$ 190,000	-	-	-	-	-	-	-	-	190,000	-	-	-	-	-	-	-	-	-
Unit 30	Light duty. Inspection.	Replacement at end of service life.	\$ 38,000	-	-	-	-	-	-	-	-	38,000	-	-	-	-	-	-	-	-	-
Unit 31	Light duty. Inspection.	Replacement at end of service life.	\$ 38,000	-	-	-	-	-	-	-	-	38,000	-	-	-	-	-	-	-	-	-
Unit 4	CCTV van	Replacement at end of service life.	\$ 352,000	-	-	-	-	-	-	-	-	-	-	-	352,000	-	-	-	-	-	-
Unit 32	Light duty. Inspection.	Replacement at end of service life.	\$ 40,000	-	-	-	-	-	-	-	-	-	-	-	40,000	-	-	-	-	-	-
Unit 9	Dump truck	Replacement at end of service life.	\$ 120,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	120,000	-	-	-
Unit 39	Pool vehicle	Replacement at end of service life.	\$ 37,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	37,000	-	-	-
Unit 20	Light duty. Field Supervisor.	Replacement at end of service life.	\$ 39,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	39,000
Unit 25	Medium duty. Lift gate truck.	Replacement at end of service life.	\$ 65,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	65,000
Routine Upgrades			\$ 128,000	20,000	-	-	20,496	-	-	21,004	-	-	21,525	-	-	22,059	-	-	22,606	-	-
EQUIPMENT				\$0.03 M	\$0.0 M	\$0.05 M	\$0.03 M	\$0.0 M	\$0.05 M	\$0.03 M	\$0.0 M	\$0.24 M	\$0.03 M	\$0.0 M	\$0.11 M	\$0.03 M	\$0.0 M	\$0.05 M	\$0.03 M	\$0.0 M	\$0.11 M
Lift Station Pumps		Replacements.	\$ 160,000	\$ -	\$ -	\$ 35,000	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ 25,000
Lateral Camera		Replacements.	\$ 118,000	-	-	18,000	-	-	20,000	-	-	20,000	-	-	20,000	-	-	20,000	-	-	20,000
Tools		Replacements.	\$ 96,000	15,000	-	-	15,372	-	-	15,753	-	-	16,144	-	-	16,544	-	-	16,955	-	-
Computers/Furniture		Replacements.	\$ 64,000	10,000	-	-	10,248	-	-	10,502	-	-	10,763	-	-	11,030	-	-	11,303	-	-
IT Network	Servers, network devices.	Replacements.	\$ 60,000	-	-	-	-	-	-	-	-	-	-	-	60,000	-	-	-	-	-	-
OT Network	Servers, network devices.	Replacements.	\$ 65,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	65,000
Unit 3 CCTV System	Replace CCTV system only, not the truck.	Replacements.	\$ 190,000	-	-	-	-	-	-	-	-	190,000	-	-	-	-	-	-	-	-	-



SECTION 6

REGIONAL WASTEWATER TREATMENT PLANT CAPACITY PROJECT FUNDING

CAPACITY FUNDING, DEBT & RATE STABILIZATION RESERVE FUND

The District, the City of Roseville, and Placer County are participants in the South Placer Wastewater Authority (SPWA). The District collects and transports about 1.8 billion gallons of raw sewage annually to the Dry Creek and Pleasant Grove Regional Wastewater Treatment Plants in Roseville. The two Regional Wastewater Treatment Plants and infrastructure used by all three partners make up the regional facilities.

The South Placer Wastewater Authority is formed through three separate agreements: a joint powers agreement, an operations agreement, and a funding agreement. The joint powers agreement establishes the SPWA as an independent and separate legal entity that is governed by a Board of Directors appointed by the three member agencies for the purpose of planning, financing, acquisition, ownership, construction, and operation of the regional wastewater facilities. The operations agreement establishes that the regional wastewater facilities will be operated and maintained by the City of Roseville for the mutual benefit of the participants and requires the participants to contribute to the operations and maintenance costs based on their proportional volumetric share of the wastewater flows. The funding agreement is specific to the funding of additional treatment plant capacity. The agreement establishes the capacity allocation for each of the member agencies and provides requirements for debt service, regional capacity charges, and minimum rate stabilization fund reserves.

In accordance with the funding agreement, the District collects regional capacity charges to pay for capacity projects at the two wastewater treatment plants. The regional capacity charge for Fiscal Year 2026/27 is \$9,987. These capacity charges are collected by all three partner agencies and deposited monthly into a rate stabilization fund that is used to fund capacity projects, primarily through the payment of debt service on the outstanding bond debt. Projects are allocated based on each member's proportionate share. The District's current proportional share is 21.95%.

The most recent S & P Global bond rating of the SPWA was 'A', with a stable outlook. Per the SPWA February 4, 2026, Board Report *Debt Review FY2025-26* and the June 3, 2026, Board Report *Rate Stabilization Fund Balances as of March 31, 2026*, the SPWA has outstanding debt

of \$184.55 million and a rate stabilization fund balance of \$257.32 million. As of March 31, 2026, the District has a balance of \$91.00 million in its SPWA Rate Stabilization Account. The annual SPWA Debt assigned to the District from July 1, 2025, to March 31, 2026, was \$3.85 million. At the current debt service, the District has approximately 20 years' worth of debt service on account with SPWA.

TABLE 6.1 TOTAL OUTSTANDING SPWA DEBT FOR FISCAL YEAR 2025/26

Summary of Outstanding Debt

SERIES	TYPE	ISSUES SIZE	OUTSTANDING PAR	COUPON / INTEREST RATE	FINAL MATURITY	% OF TOTAL DEBT
2017	Fixed Rate Bonds	\$ 74,780,000	\$ 44,050,000	5.00%	11/1/2037	23.87%
2020	Fixed Rate Bonds	\$ 46,920,000	\$ 46,920,000	5.00%	11/1/2035	25.42%
N/A	SRF Loans	\$ 103,040,170	\$ 93,580,812	1.30%	7/3/2053	50.71%
TOTAL \$			184,550,812			

TABLE 6.2 SPWA RATE STABILIZATION ACCOUNT BALANCES BY REGIONAL PARTNER AS OF MARCH 31, 2026

Changes in RSF Balances from July 1, 2025 to March 31, 2026

	CITY OF ROSEVILLE	SPMUD	PLACER COUNTY	TOTAL
REVENUES				
Regional Connection Fees	\$ 7,467,516	\$ 4,347,540	\$ 3,920,414	\$ 15,735,470
Deferred Connection Fees Interest - Placer County	-	-	34,259	34,259
IRS Tax Credit - PGWWTP Expansion and ERP Projects	20,194,104	6,864,807	4,215,836	31,274,747
Debt Proceeds	903,980	307,300	188,720	1,400,000
EXPENSES				
Capital Costs	\$ (3,929,221)	\$ (1,335,704)	\$ (820,287)	\$ (6,085,212)
Debt Service	(7,301,039)	(2,481,924)	(1,524,207)	(11,307,170)
Administrative Costs	(90,762)	(30,854)	(18,948)	(140,564)
Increase/Decrease in RSF Balances	\$ 17,244,578	\$ 7,671,165	\$ 5,995,787	\$ 30,911,530
Beginning Balance, as of July 1, 2025	136,767,402	71,385,150	12,099,812	220,252,364
Ending Balance Before Interest Allocation	<u>\$ 154,011,980</u>	<u>\$ 79,056,315</u>	<u>\$ 18,095,599</u>	<u>\$ 251,163,894</u>
Interest Allocation	\$ 3,821,643	\$ 1,941,622	\$ 396,702	\$ 6,159,967
Ending Balance as of March 31, 2026 (unaudited)	<u>\$ 157,833,623</u>	<u>\$ 80,997,937</u>	<u>\$ 18,492,301</u>	<u>\$ 257,323,861</u>

The adoption of this budget allows the District to demonstrate compliance with the required Debt Coverage Ratio required by the SPWA Bond Indenture. The District's Proportionate Share of Debt Service is to be paid from the Participant's Net Revenues in the SPWA Rate Stabilization Fund. To the extent that the District's Proportionate Share of Debt Service is not paid in full from

the Rate Stabilization Fund, the District pledges payment directly to the SPWA from the District's Operating Fund.

TABLE 6.3 ESTIMATED CAPACITY PROJECT SPENDING AT THE PLEASANT GROVE WASTEWATER TREATMENT PLANT (PGWWTP) AND DRY CREEK WASTEWATER TREATMENT PLANT (DCWWTP) THROUGH 2045

LOCATION	NEW & EXISTING PROJECTS	Anticipated	Total Spent	Remaining	Total Project
		Start Date		Budget	
Both	WWTP Capacity Evaluation	Started	\$ 1,489,370	\$ 182,132	\$ 1,671,502
DCWWTP	Influent Improvements	2030	-	-	16,500,000
DCWWTP	Tertiary Filtration - New Unit Phase 1	2030	-	-	18,700,000
DCWWTP	Capacity Expansion	Started	1,425,849	15,299,151	47,800,000
DCWWTP	Operations & Laboratory Building Construction	Started	2,794,894	12,059,106	14,854,000
DCWWTP	Electrical Capacity Assessment	2026	-	600,000	600,000
PGWWTP	Secondary Settleability, Pumping, Control & Aeration	2031	-	-	50,700,000
PGWWTP	Tertiary Filtration - New CDF Units, Phase 1	2031	-	-	33,900,000
PGWWTP	UV Disinfection - New Unit, Phase 1	2031	-	-	13,200,000
PGWWTP	Influent Pump Station - Additional Pump	2030	-	-	1,700,000
PGWWTP	Primary Clarifiers - New Units, Phase 1	2035	-	-	25,600,000
PGWWTP	Dewatering - New Unit	2039	-	-	19,300,000
PGWWTP	Influent Screening - New Unit	2040	-	-	4,200,000
PGWWTP	Expansion & Energy Recovery Project	Started	111,517,478	3,144,705	114,662,183
PGWWTP	Maintenance Admin & Shop Building	Started	1,095,033	33,104,967	34,200,000
PGWWTP	Electrical Capacity Expansion Project	Started	1,971,873	4,028,127	40,000,000
-	Regional Pump Station 26 & Force Main	Started	4,819,219	80,781	4,900,000
-	Corridors Trunk Sewer Project	Started	91,007	5,308,993	5,400,000
-	Inflation Reduction Support Project	Started	28,980	71,020	100,000
-	2025 Wastewater Systems Evaluation Update	Started	2,555	497,445	500,000
TOTAL REGIONAL EXPANSION PROJECTS			\$ 125,236,258	\$ 74,376,427	\$ 448,487,685
CAPACITY COSTS ASSIGNED TO THE DISTRICT BASED ON THE CURRENT PROPORTIONATE SHARE			\$ 27,489,359	\$ 16,325,626	\$ 98,443,047

SECTION 7

DEBT, FUND BALANCES, INVESTMENTS, & RESERVES

DEBT

Since its formation in 1956, the District has never issued debt and does not have any outstanding debt obligations. The District has not obtained a bond or credit rating since there has never been a need to consider the issuance of debt. The District does not anticipate the potential issuance of debt until 2033, when a large portion of the District's infrastructure will require replacement.

FUND BALANCES

The District maintains three proprietary funds. The balance of each fund is an accumulation of the revenues and expenditures over the life of the fund. The District also participates in the California Employer's Pension Prefunding (CEPP) Trust, which is reported as a restricted asset in the Financial Statements.

TABLE 7.1 FUND BALANCE BREAKDOWN

FUND	AUDITED FINANCIALS		PROJECTED	PROPOSED
	FISCAL YEAR 2023/24	FISCAL YEAR 2024/25	FISCAL YEAR 2025/26	FISCAL YEAR 2026/27
OPERATING FUND	\$ 12,852,203	\$ 17,285,621	\$ 15,310,538	\$ 11,583,683
EXPANSION FUND	34,650,101	36,658,480	40,688,671	31,892,371
RENEWAL FUND	26,006,945	29,214,374	27,811,717	22,322,717
RESTRICTED CEPPT	3,425,665	2,847,062	3,100,000	-
TOTALS	\$ 76,934,914	\$ 86,005,537	\$ 86,910,926	\$ 65,798,771

FUND BALANCE CHANGES

OPERATING FUND FISCAL YEAR 2025/26

The Operating Fund is used to support the general maintenance and operations of the District, including the operation and maintenance of the regional wastewater treatment plant facilities. The fund is projected to decrease from the end of Fiscal Year 2024/25 by \$1.98 million or 11%, with an anticipated balance of \$15.31 million at the end of Fiscal Year 2025/26. This decrease

reflects the interfund transfer to the Renewal Fund and the payment of invoices for Fiscal Year 2025/26 and is primarily the result of delayed spending. After the retirement of the General Manager in December of 2024, the Superintendent was promoted into the General Manager's role, which then led to a series of internal promotions for the positions of Superintendent, Field Supervisor, and Lead Worker. These positions are responsible for procurement activities in the Field Services Department, which are necessary to complete larger operations and maintenance projects and spend on capital purchases. Additionally, funding was approved in Fiscal Year 2025/26 to hire an Associate Engineer to assist the District with completing programmed capital expansion and renewal projects. This position was filled in May 2026. As onboarding and training in these key positions occur, delayed procurement activities will continue to be prioritized.

OPERATING FUND FISCAL YEAR 2026/27

The Operating Fund is expected to decrease from the end of Fiscal Year 2025/26 by \$3.73 million, or 24%, with an anticipated balance of \$11.58 million at the end of Fiscal Year 2026/27. This projected decrease is a result of the higher programmed spending on regional wastewater treatment plant expenses, salary and benefit expenses, professional services to assist with several key initiatives, and the completion of larger projects and capital expenditures. Reserve funds from prior years, which include interest earnings, will be used to fill the \$3.73 million gap between the projected revenues and expenses for the Fiscal Year 2026/27 budget.

CAPITAL EXPANSION FUND FISCAL YEAR 2025/26

The Capital Expansion Fund is used to fund construction projects for new infrastructure, infrastructure improvements, and infrastructure enlargements. The fund is projected to increase from the end of Fiscal Year 2024/25 by \$4.00 million or 11%, with an anticipated balance of \$40.69 million at the end of Fiscal Year 2025/26. This increase is the result of projected interest earnings of \$1.4 million as well as additional EDUs being added to the collection system, which is anticipated to result in capacity charge revenues of \$2.8 million. A large portion of the capacity charge revenue is from two large projects, the Sierra College gymnasium addition and student housing project, and the Harper Apartments on West Oaks Boulevard, which together accounted for 331 of the 550 EDUs that are projected to be added to the District's collection system. These revenues, combined with delays in the timing of the programmed trunk line extension projects, are resulting in an increase in the fund balance.

CAPITAL EXPANSION FUND FISCAL YEAR 2026/27

The Capital Expansion Fund is expected to decrease from the end of Fiscal Year 2025/26 by \$8.80 million or 21%, with an anticipated balance of \$31.89 million at the end of Fiscal Year 2026/27. This projected decrease is a result of construction starting on the Del Rio and Delmar Sewer Truck Extensions with the hiring of the new Associate Engineer, while the large Developer Reimbursements for the Boyington Lift Station and College Park South Trunk Lines are

budgeted but are dependent on developers to complete and are therefore subject to the timing of the associated development activity.

CAPITAL RENEWAL FUND FISCAL YEAR 2025/26

The Capital Renewal Fund is used to finance the rehabilitation, repair, and replacement of existing infrastructure. The fund is projected to decrease from the end of Fiscal Year 2024/25 by \$1.40 million or 5%, with an anticipated balance of \$27.81 million at the end of Fiscal Year 2025/26. This decrease is the result of projected capital spending on renewal projects of \$5.36 million, primarily from the System Control and Data Acquisition (SCADA) Replacement Project and the Newcastle Old State Highway System Rehabilitation Project. The expenses are projected to exceed the interfund transfer from the Operating Fund and interest earnings on the fund balance.

CAPITAL RENEWAL FUND FISCAL YEAR 2026/27

The Capital Renewal Fund is projected to decrease from the end of Fiscal Year 2025/26 by \$5.49 million, or 20%, with an anticipated balance of \$22.32 million at the end of Fiscal Year 2026/27. This decrease is due to expected project spending of \$8.49 million and a lower interfund transfer than typically allocated to the Renewal Fund. The lower transfer is expected to be offset by larger future transfers that become possible due to reduced minimum unfunded liability payments. The estimated life of sewer system infrastructure is 75 years. While the District is working to prolong the life of its assets and smooth the timeline of necessary replacement, there is a substantial portion of the District's system that will require replacement beginning in calendar year 2033. The District is expecting that debt financing of at least a portion of these infrastructure replacements will be necessary.

CALPERS CEPP TRUST (RESTRICTED) FISCAL YEAR 2025/26

The restricted CalPERS California Employer's Pension Prefunding Trust (CEPPT) is a Section 115 trust fund dedicated to prefunding employer contributions to defined benefit pension systems for eligible California public agencies. The Trust is projected to increase by \$252,938, or 9%, with an anticipated balance of \$3.10 million at the end of Fiscal Year 2025/26. This increase is a result of interest earnings. These interest earnings can be applied toward future pension obligations.

CALPERS CEPP TRUST (RESTRICTED) FISCAL YEAR 2026/27

The CEPPT is projected to be used in its entirety to pay down the District's Unfunded Accrued Liability (UAL) at the start of Fiscal Year 2026/27. This additional one-time discretionary contribution will eliminate and/or lower future minimum unfunded liability payments that the District is required to make to CalPERS. These required annual payments are calculated using the CalPERS discount rate of 6.8%, which is higher than the interest earned from investments that the District holds in its reserve accounts.

TABLE 7.2 FUND BALANCES: SOURCES AND USES

Fund 100 Operating Fund

PROJECTED BALANCE AS OF JULY 1, 2026	\$	15,310,538
Proposed Revenues		
<i>Fund 100 Revenues</i>	\$	21,703,749
<i>Interest</i>		475,000
<i>Total Fund 100 Revenues</i>	\$	22,178,749
Proposed Expenditures		
<i>Local Operations/Maintenance Expenses</i>	\$	(11,504,604)
<i>Regional Operations/Maintenance & Renewal Expenses</i>		(10,625,000)
<i>Interfund Transfer - Depreciation</i>		(2,000,000)
<i>SubTotal Fund 100 Expenses</i>	\$	(24,129,604)
<i>Capital Projects</i>	\$	(1,776,000)
<i>Total Fund 100 Expenditures</i>	\$	(25,905,604)
100 ENDING FUND BALANCE	\$	11,583,683
<i>Minimum Operating Fund Reserve Requirement per Policy #3130</i>	\$	5,532,401
100 FUND BALANCE (LESS RESERVE REQUIREMENT)		
AVAILABLE FOR USE	\$	6,051,282

California Employers' Pension Prefunding Trust (CEPPT)

PROJECTED BALANCE AS OF JULY 1, 2026	\$	3,100,000
Proposed Revenues		
<i>Interest</i>	\$	-
<i>Total CEPPT Revenues</i>	\$	-
Proposed Expenditures		
<i>Additional Discretionary Payment to CalPERS UAL</i>	\$	(3,100,000)
<i>Total CEPPT Expenditures</i>	\$	(3,100,000)
CEPPT ENDING BALANCE	\$	-

Fund 300 Expansion

PROJECTED BALANCE AS OF JULY 1, 2026	\$ 40,688,671
Proposed Revenues	
<i>Sewer Participation Charges</i>	\$ 1,505,700
<i>Interest</i>	1,200,000
<i>Total Fund 300 Revenues</i>	<u>\$ 2,705,700</u>
Proposed Expenditures	
<i>Capital Projects</i>	\$ (11,502,000)
<i>Total Fund 300 Expenditures</i>	<u>\$ (11,502,000)</u>
300 ENDING FUND BALANCE	<u><u>\$ 31,892,371</u></u>

Fund 400 Renewal

PROJECTED BALANCE AS OF JULY 1, 2026	\$ 27,811,717
Proposed Revenues	
<i>Interfund Transfer - Depreciation</i>	\$ 2,000,000
<i>Interest</i>	1,000,000
<i>Total Fund 400 Revenues</i>	<u>\$ 3,000,000</u>
Proposed Expenditures	
<i>Capital Projects</i>	\$ (8,489,000)
<i>Total Fund 400 Expenditures</i>	<u>\$ (8,489,000)</u>
400 ENDING FUND BALANCE	<u><u>\$ 22,322,717</u></u>
<i>Minimum Emergency Reserve Requirement per Policy #3130</i>	\$ 1,000,000
400 FUND BALANCE (LESS RESERVE REQUIREMENT) AVAILABLE FOR USE	<u><u>\$ 21,322,717</u></u>

COMPLIANCE WITH THE DISTRICT RESERVE POLICY

As indicated in the Fund Balance Sources and Uses Table above, the District is projecting an Operating Fund Reserve balance of \$11.58 million by year-end, which exceeds the minimum reserve requirement of \$5.53 million, and the Capital Renewal Fund is projected to have a balance of \$22.32 million by year-end, which exceeds the minimum emergency reserve requirement of \$1.00 million. This budget allows the District to demonstrate continued compliance with Reserve Policy #3130.

TABLE 7.3 RESERVE REQUIREMENT

	AUDITED FINANCIALS		PROJECTED	PROPOSED
	FISCAL YEAR	FISCAL YEAR	FISCAL YEAR	FISCAL YEAR
	2023/24	2024/25	2025/26	2026/27
OPERATING FUND	\$ 12,852,203	\$ 17,285,621	\$ 15,310,538	\$ 11,583,683
3 MONTHS OF OPERATING EXPENSE*	15,800,234	15,315,628	20,095,390	22,129,604
OPERATIONS & MAINTENANCE RESERVE	3,950,059	3,828,907	5,023,848	5,532,401
AVAILABLE FOR USE	<u>\$ 8,902,144</u>	<u>\$ 13,456,714</u>	<u>\$ 10,286,691</u>	<u>\$ 6,051,282</u>
EXPANSION FUND	<u>34,650,101</u>	<u>36,658,480</u>	<u>40,688,671</u>	<u>31,892,371</u>
RENEWAL FUND	26,006,945	29,214,374	27,811,717	22,322,717
EMERGENCY RESERVE	1,000,000	1,000,000	1,000,000	1,000,000
AVAILABLE FOR USE	<u>\$ 25,006,945</u>	<u>\$ 28,214,374</u>	<u>\$ 26,811,717</u>	<u>\$ 21,322,717</u>
TOTAL RESERVES	<u>\$ 4,950,059</u>	<u>\$ 4,828,907</u>	<u>\$ 6,023,848</u>	<u>\$ 6,532,401</u>

*Before Interfund Transfer

CASH & INVESTMENT BALANCES

Cash balances are invested in accordance with the District's Investment Policy, Board Policy #3120, in the Local Agency Investment Fund (LAIF); the Placer County Treasury; CalTRUST, California CLASS, Wells Fargo Fixed-Income Securities, and Five Star Bank Money Market. The breakdown of these investments is shown in Table 7.1 Investment Account Balances as of March 31, 2026.

As of March 31, 2026, the District held \$28.73 million in LAIF, \$16.64 million in Wells Fargo Fixed-Income Securities, \$14.53 million in the California CLASS Prime Fund, \$14.52 million in a Five Star Bank Money Market, \$7.31 million in the CalTRUST Short-Term Fund, \$5.96 in the Placer County Treasury, \$5.69 million in Cash, and \$2.99 million in a CalPERS CEPP Trust (CEPPT). As of March 31, 2026, the District's unaudited fund balances were \$21.02 million in the Operating Fund, \$40.97 million in the Expansion Fund, and \$31.40 million in the Renewal Fund. In addition, the District held \$2.99 million in the CEPPT, which is restricted for pension expenses. The District's investment portfolio balance as of March 31, 2026, increased \$10.37 million or 12.06% from the Fiscal Year 2024/25 audited numbers; however, the cash-on-hand balance on March 31, 2026, was higher than usual due to regional capacity charge revenue from

a large project that was subsequently transferred to the City of Roseville. The fund balances will be adjusted at year-end to account for interfund transfers.

ALLOCATION BY FUND AS OF MARCH 31, 2026 FIGURE

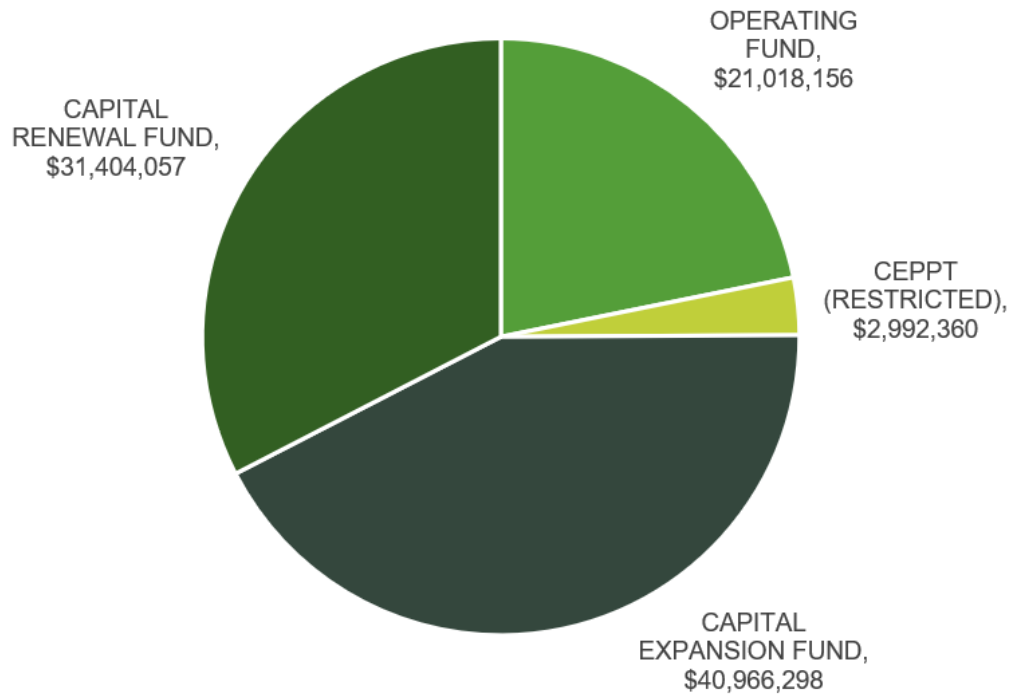
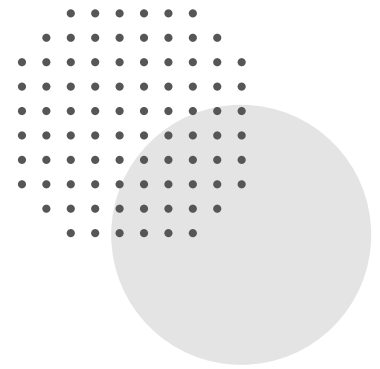


TABLE 7.4 INVESTMENT ACCOUNT BALANCES AS OF MARCH 31, 2026

INVESTMENT	PRIOR YEAR Jan 25 - Mar 25	PRIOR QUARTER Oct 25 - Dec 25	MARKET VALUE Jan 26 - Mar 26	QUARTERLY RETURN	% OF PORTFOLIO
LAIF	\$ 27,546,962	\$ 28,450,662	\$ 28,729,467	0.93%	30%
WELLS FARGO FIXED INCOME	15,721,012	16,576,027	16,644,839	1.07%	17%
CA CLASS	13,949,129	14,400,803	14,534,016	1.06%	15%
FIVE STAR MONEY MARKET	8,062,962	11,405,002	14,520,613	0.93%	15%
CALTRUST SHORT TERM	7,029,652	7,261,872	7,310,623	0.67%	8%
PLACER COUNTY TREASURY	5,730,798	5,900,241	5,956,625	0.97%	6%
CASH	3,481,355	3,790,043	5,692,328	0.13%	6%
RESTRICTED - CEPPT	2,699,830	3,017,068	2,992,360	-0.88%	3%
TOTAL/AVERAGE	\$ 84,221,700	\$ 90,801,719	\$ 96,380,871	0.85%	100%

SECTION 8

LONG-RANGE PLANNING & PROJECTIONS



In Fiscal Year 2022/23, the District hired a consultant to perform a Wastewater Cost of Service Rate Study. IB Consulting reviewed the financial health of the District and determined that the District was in a strong financial position with a healthy reserve balance. However, without a rate increase, the annual net operating income would diminish over the years and the District's Capital Improvement Plan (CIP) would draw down reserves below the District's minimum reserve requirements over the next five years. Much of the District's collection system was installed prior to 1970, and the assets are approaching the end of their useful life. A significant number of replacements will occur over the next decade, with a peak in Fiscal Year 2032/33. The capital spending on renewal projects in the Fiscal Year 2032/33 is expected to be funded through debt issuance.

The financial plan developed by the consultant utilized a fifteen-year project model to establish rates for the next five years. The plan modified the reserve requirement by eliminating the local rate stabilization reserve and reducing the emergency reserve from \$3.00 million to \$1.00 million. The financial plan provides for modest rate increases and a long-term strategy to implement cost-containment strategies and issue debt to assist with the funding of necessary capital replacements in Fiscal Year 2032/33.

Monthly Service Charges were adopted by Ordinance 23-01 at the June 2023 District Board Meeting.

Implementation Schedule of Monthly Service Charges

Implementation Date	July 1, 2023	July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027
Monthly Service Charge (\$ per EDU)	\$ 37.44	\$ 38.94	\$ 40.50	\$ 42.53	\$ 44.66

The consultant also completed a Capacity Charge Study based on the reasonable cost to accommodate additional demand from new development or the expansion of existing development. The incremental cost approach was used to determine the appropriate fee. The Capacity Charge was adopted by Ordinance 23-02 at the June 2023 District Board Meeting. The fee for Fiscal Year 2023/24 was set at \$4,915 and adjusts on July 1st of each successive year by the change in the average of the Construction Cost Index (20-City) and the Construction

Cost Index (San Francisco, CA) as reported in the Engineering News Record for the preceding 12-month period ending the prior May. The fee for Fiscal Year 2026/27 is \$5,019.

The long-term financial plan aligns the District with its mission to “Protect, Provide, and Prepare,” its vision, “To be a Reliable, Innovative, Sustainable, Efficient, and Cost-effective sewer service provider,” and its core values of “Integrity, Stewardship, Service, and Quality.”

The long-term financial plan supports the strategic plan priority “Maintain an Excellent Regulatory Compliance Record” by ensuring that funding is available for appropriate staffing, root control, pipe lining, and other items that prevent sanitary sewer overflows and ensure compliance. The long-term financial plan supports the strategic plan priority “Prepare for the Future and Foreseeable Emergencies” by identifying long-term financing of capital improvements and strategies to mitigate future financial liabilities. The long-term financial plan supports the strategic plan priority “Leverage Existing and Applicable Technologies to Improve Efficiencies” by focusing on methods to create efficiency and improve the utilization of resources. The long-term financial plan supports the strategic plan priority “Provide Exceptional Value for the Cost of Service” by ensuring that the District maintains one of the lowest monthly service rates in the area. The long-term financial plan supports the strategic plan priority “Make the District a Great Place to Work” by ensuring the long-term financial stability of the District and programs that support the District’s greatest asset, its dedicated workforce.

The long-range budget includes projections for annual growth that are based on anticipated projects within the District’s service area. Revenues and expenditures are projected using incremental budgeting and the following assumptions from the Cost of Service and Rate Study:

SEWER SERVICE CHARGES	Adopted rates
GENERAL COSTS	2.48% escalation
INTEREST	2.48% escalation based on projected ending fund balances
CAPITAL CONSTRUCTION	3.30% based on 20-year average engineering news index record (ENIR)
SALARY & BENEFIT COSTS	5% escalation
ENERGY COSTS	5% escalation
PROPERTY & LIABILITY INSURANCE	5% escalation

The District maintains its minimum reserve balances through Fiscal Year 2027/28. The District is scheduled to undergo a new Five-Year Cost-of-Service and Rate Study beginning in Fiscal Year 2027/28 and covering the Fiscal Years of 2028/29 through 2032/33.

TABLE 8.1 FIVE-YEAR REVENUE PROJECTIONS

	PROPOSED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
	FISCAL YEAR	FISCAL YEAR	FISCAL YEAR	FISCAL YEAR	FISCAL YEAR	FISCAL YEAR
	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
OPERATING FUND						
MONTHLY SEWER SERVICE CHARGE PER EDU	\$ 42.53	\$ 44.66	\$ 44.66	\$ 44.66	\$ 44.66	\$ 44.66
SEWER SERVICE CHARGES REVENUES	\$ 19,893,749	\$ 20,070,204	\$ 20,177,388	\$ 20,284,572	\$ 20,391,756	\$ 20,498,940
PERMITS, PLAN CHECK FEES & INSPECTIONS	300,000	250,000	250,000	250,000	250,000	250,000
PROPERTY TAXES	1,350,000	1,383,480	1,417,790	1,452,952	1,488,985	1,525,912
LATE FEES	130,000	130,000	130,000	130,000	130,000	130,000
INTEREST	475,000	300,000	307,440	315,065	322,878	330,885
MISCELLANEOUS INCOME	30,000	30,744	31,506	32,288	33,089	33,909
TOTAL OPERATING FUND	\$ 22,178,749	\$ 22,164,428	\$ 22,314,125	\$ 22,464,876	\$ 22,616,707	\$ 22,769,646
EXPANSION FUND						
EDU GROWTH	300	250	250	200	200	200
SEWER CAPACITY CHARGES	\$ 1,505,700	\$ 1,311,394	\$ 1,083,824	\$ 1,119,565	\$ 1,156,547	\$ 1,194,768
INTEREST	1,200,000	1,229,760	1,288,788	1,320,750	1,353,505	1,353,505
TOTAL EXPANSION FUND	\$ 2,705,700	\$ 2,541,154	\$ 2,372,612	\$ 2,440,316	\$ 2,510,052	\$ 2,548,273
RENEWAL FUND						
INTEREST	\$ 1,000,000	\$ 1,024,800	\$ 1,050,215	\$ 1,076,260	\$ 1,102,952	\$ 1,130,305
TOTAL RENEWAL FUND	\$ 1,000,000	\$ 1,024,800	\$ 1,050,215	\$ 1,076,260	\$ 1,102,952	\$ 1,130,305
TOTAL REVENUE	\$ 25,884,449	\$ 25,730,382	\$ 25,736,952	\$ 25,981,452	\$ 26,229,711	\$ 26,448,224

TABLE 8.2 FIVE-YEAR OPERATING FUND PROJECTIONS

	PROPOSED FISCAL YR 2026/27	PROJECTED FISCAL YR 2027/28	PROJECTED FISCAL YR 2028/29	PROJECTED FISCAL YR 2029/30	PROJECTED FISCAL YR 2030/31	PROJECTED FISCAL YR 2031/32
SALARIES/WAGES	\$ 3,464,000	\$ 3,637,200	\$ 3,819,060	\$ 4,010,013	\$ 4,210,514	\$ 4,421,039
BOOT ALLOWANCE	8,400	8,400	8,400	8,400	8,400	8,400
FICA - SOCIAL SECURITY	272,000	278,246	292,158	306,766	322,104	338,210
RETIREMENT BENEFITS	2,017,729	601,870	627,649	654,630	682,873	712,438
INSURANCE BENEFITS	1,028,750	1,080,188	1,134,197	1,190,907	1,250,452	1,312,975
RETIREE HEALTH/OPEB	547,000	574,350	603,068	633,221	664,882	698,126
SALARIES & BENEFITS	\$ 7,337,879	\$ 6,180,253	\$ 6,484,531	\$ 6,803,937	\$ 7,139,225	\$ 7,491,188
ASPHALT PAVING/ROOT CONTROL	\$ 197,000	\$ 203,501	\$ 210,217	\$ 217,154	\$ 224,320	\$ 231,722
BUILDING & GROUNDS MAINTENANCE	112,000	114,778	117,624	120,541	123,531	126,594
EASEMENT MAINTENANCE	271,000	277,721	284,608	291,667	298,900	306,313
ELECTION EXPENSE	40,000	-	80,000	-	80,000	-
EMPLOYEE ENGAGEMENT	2,500	2,500	2,500	2,500	2,500	2,500
GENERAL OPERATING SUPPLIES & MAINTENANCE	551,000	564,665	578,668	593,019	607,726	622,798
LATERAL CAMERA REPAIRS	34,000	34,843	35,707	36,593	37,500	38,430
LEGAL SERVICES	225,000	230,580	236,298	242,159	248,164	254,319
LIFT STATION & FLOW RECORDER PROGRAMS	96,000	98,381	100,821	103,321	105,883	108,509
PROFESSIONAL DEVELOPMENT	79,550	81,523	83,545	85,617	87,740	89,916
PROFESSIONAL SERVICES	1,093,000	358,859	367,759	376,879	386,226	395,804
PROPERTY & LIABILITY INSURANCE	365,000	383,250	402,413	422,533	443,660	465,843
REGULATORY COMPLIANCE/GOVERNMENT FEES	124,150	127,229	130,384	133,618	136,931	140,327
SUBSCRIPTION/MAINTENANCE AGREEMENTS	230,175	235,883	241,733	247,728	253,872	260,168
UNIFORMS	29,200	29,924	30,666	31,427	32,206	33,005
UTILITIES/FUEL & OIL	301,000	316,050	331,853	348,445	365,867	384,161
UTILITY BILLING/BANKING EXPENSE/PRINTING	336,150	344,487	353,030	361,785	370,757	379,952
VEHICLE REPAIR & MAINTENANCE	80,000	81,984	84,017	86,101	88,236	90,424
SERVICES & SUPPLIES	\$ 4,166,725	\$ 3,486,157	\$ 3,671,843	\$ 3,701,086	\$ 3,894,020	\$ 3,930,786
RWWTP MAINTENANCE & OPERATIONS	\$ 8,550,000	\$ 8,762,040	\$ 8,979,339	\$ 9,202,026	\$ 9,430,236	\$ 9,664,106
RWWTP RENEWAL	2,075,000	2,143,475	2,214,210	2,287,279	2,362,759	2,440,730
SPWA EXPENSES	\$ 10,625,000	\$ 10,905,515	\$ 11,193,548	\$ 11,489,305	\$ 11,792,995	\$ 12,104,836
OPERATIONS EXPENSE LESS DEPRECIATION	\$ 22,129,604	\$ 20,571,926	\$ 21,349,923	\$ 21,994,328	\$ 22,826,241	\$ 23,526,809
INTERFUND TRANSFER TO CAPITAL RENEWAL	\$ 2,000,000	\$ 3,560,114	\$ 3,677,597	\$ 3,798,958	\$ 3,924,324	\$ 4,053,826
OPERATING FUND EXPENSES	\$ 24,129,604	\$ 24,132,039	\$ 25,027,520	\$ 25,793,286	\$ 26,750,564	\$ 27,580,636

TABLE 8.3 FIVE-YEAR CAPITAL EXPENSE PROJECTIONS

	PROPOSED FISCAL YR 2026/27	PROJECTED FISCAL YR 2027/28	PROJECTED FISCAL YR 2028/29	PROJECTED FISCAL YR 2029/30	PROJECTED FISCAL YR 2030/31	PROJECTED FISCAL YR 2031/32
OPERATING FUND						
COMPUTERS/OFFICE FURNITURE	\$ 10,000	\$ 10,248	\$ 10,502	\$ 10,763	\$ 11,030	\$ 11,303
CY MASTER PLAN CAPITAL IMPROVEMENTS	770,000	227,000	77,000	600,000	282,000	282,000
EASEMENTS/ACCESS ROADS	161,000	175,000	175,000	175,000	175,000	175,000
EASEMENT ACQUISITION	75,000	150,000	150,000	150,000	150,000	150,000
EASEMENT INSPECTION PROGRAM	25,000	25,000	25,000	25,000	25,000	25,000
PARTICIPATION IN REGIONAL PROJECTS	650,000	75,000	75,000	75,000	75,000	75,000
SYSTEM IMPROVEMENTS	50,000	50,000	50,000	50,000	50,000	50,000
TOOLS & EQUIPMENT	15,000	15,372	15,753	16,144	16,544	16,955
VEHICLE PURCHASES	20,000	20,496	21,004	21,525	22,059	22,606
TOTAL OPERATING FUND	\$ 1,776,000	\$ 748,116	\$ 599,260	\$ 1,123,432	\$ 806,633	\$ 807,864
EXPANSION FUND						
EXPANSION PROJECTS	\$ 5,134,000	\$ 195,000	\$ 2,400,000	\$ 3,700,000	\$ 785,000	\$ 785,000
SALARY & BENEFITS	43,000	45,150	47,408	49,778	52,267	54,880
PROFESSIONAL SERVICES	300,000	307,440	315,065	322,878	330,885	339,091
TRUNK EXTENSION REIMBURSEMENT	6,025,000	-	-	-	-	-
TOTAL EXPANSION FUND	\$ 11,502,000	\$ 547,590	\$ 2,762,472	\$ 4,072,656	\$ 1,168,152	\$ 1,178,972
RENEWAL FUND						
CY MASTER PLAN CAPITAL IMPROVEMENTS	\$ 650,000	\$ -	\$ -	\$ -	\$ -	\$ -
CURED IN PLACE PIPE	750,000	750,000	750,000	750,000	750,000	750,000
EASEMENTS/ACCESS ROADS	116,000	150,000	150,000	150,000	150,000	150,000
EASEMENT ACQUISITION	235,000	150,000	150,000	150,000	150,000	150,000
HIGH-RISK FACILITY CREEK CROSSINGS	750,000	750,000	750,000	750,000	750,000	750,000
LATERAL CAMERA REPLACEMENTS	18,000	20,000	20,000	20,000	20,000	20,000
LIFT STATION PUMP REPLACEMENTS	35,000	25,000	25,000	25,000	25,000	25,000
PARTICIPATION IN REGIONAL PROJECTS	550,000	200,000	200,000	200,000	200,000	200,000
SALARY & BENEFITS	43,000	45,150	47,408	49,778	52,267	54,880
SYSTEM REHABILITATION	4,466,000	5,455,000	1,200,000	575,000	1,120,000	620,000
TOOLS & EQUIPMENT	-	-	190,000	60,000	-	65,000
VEHICLE PURCHASES	876,000	780,000	266,000	392,000	157,000	104,000
TOTAL RENEWAL FUND	\$ 8,489,000	\$ 8,325,150	\$ 3,748,408	\$ 3,121,778	\$ 3,374,267	\$ 2,888,880
TOTAL CAPITAL EXPENSES	\$ 21,767,000	\$ 9,620,856	\$ 7,110,139	\$ 8,317,866	\$ 5,349,052	\$ 4,875,715

TABLE 8.4 FIVE-YEAR NET POSITION PROJECTIONS

	PROPOSED FISCAL YEAR 2026/27	PROJECTED FISCAL YEAR 2027/28	PROJECTED FISCAL YEAR 2028/29	PROJECTED FISCAL YEAR 2029/30	PROJECTED FISCAL YEAR 2030/31	PROJECTED FISCAL YEAR 2031/32
OPERATING FUND						
MONTHLY SEWER SERVICE CHARGE PER EDU	\$ 42.53	\$ 44.66	\$ 44.66	\$ 44.66	\$ 44.66	\$ 44.66
TOTAL REVENUES	\$ 22,178,749	\$ 22,164,428	\$ 22,314,125	\$ 22,464,876	\$ 22,616,707	\$ 22,769,646
TOTAL O&M EXPENSES	22,129,604	20,571,926	21,349,923	21,994,328	22,826,241	23,526,809
TOTAL CAPITAL EXPENSES	1,776,000	748,116	599,260	1,123,432	806,633	807,864
INTERFUND TRANSFER TO RENEWAL	2,000,000	3,560,114	3,677,597	3,798,958	3,924,324	4,053,826
ENDING FUND BALANCE	\$ 9,593,946	\$ 6,878,218	\$ 3,565,563	\$ (886,279)	\$ (5,826,770)	\$ (11,445,623)
EXPANSION FUND						
EDU GROWTH	300	250	250	200	200	200
TOTAL REVENUES	\$ 2,705,700	\$ 2,541,154	\$ 2,372,612	\$ 2,440,316	\$ 2,510,052	\$ 2,548,273
TOTAL EXPENSES	11,502,000	547,590	2,762,472	4,072,656	1,168,152	1,178,972
ENDING FUND BALANCE	\$ 32,735,202	\$ 34,728,766	\$ 34,338,906	\$ 32,706,566	\$ 34,048,466	\$ 35,417,767
RENEWAL FUND						
INTERFUND TRANSFER FROM OPERATING	\$ 2,000,000	\$ 3,560,114	\$ 3,677,597	\$ 3,798,959	\$ 3,924,324	\$ 4,053,826
TOTAL REVENUES	\$ 1,000,000	\$ 1,024,800	\$ 1,050,215	\$ 1,076,260	\$ 1,102,952	\$ 1,130,305
TOTAL EXPENSES	8,489,000	8,325,150	3,748,408	3,121,778	3,374,267	2,888,880
ENDING FUND BALANCE	\$ 26,419,272	\$ 22,679,036	\$ 23,658,440	\$ 25,411,881	\$ 27,064,890	\$ 29,360,141

SECTION 9

STATISTICAL & SUPPLEMENTAL INFORMATION

Statistical and Supplemental Information is based on audited numbers from Fiscal Year 2024/25 and does not include projected numbers for Fiscal Year 2025/26. This section presents detailed information as a context for understanding the District's economic condition and overall health.

TABLE 9.1 EQUIVALENT DWELLING UNITS

For the Fiscal Year Ending June 30,	Total EDUs	Increase	% Increase
2025	38,009	454	1.21%
2024	37,555	715	1.94%
2023	36,840	829	2.25%
2022	36,011	689	1.91%
2021	35,322	463	1.31%
2020	34,859	685	1.97%
2019	34,174	729	2.13%
2018	33,445	620	1.85%
2017	32,825	991	3.02%
2016	31,834	593	1.86%

HISTORICAL GROWTH FIGURE

**SPMUD Annual EDUs Added
FY1981/82 through FY2024/25**

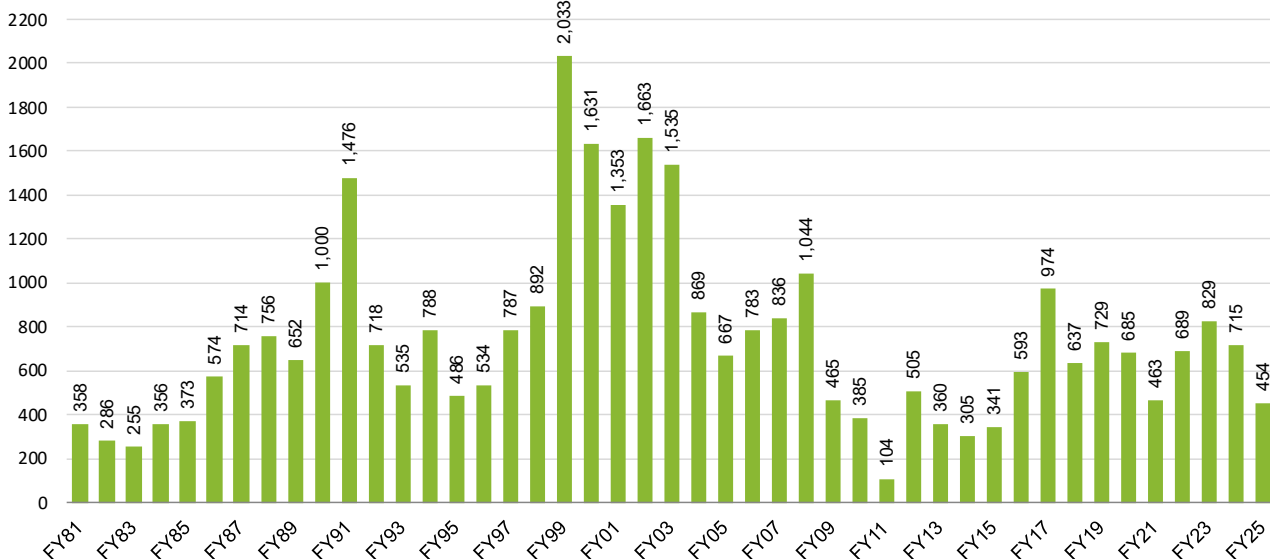
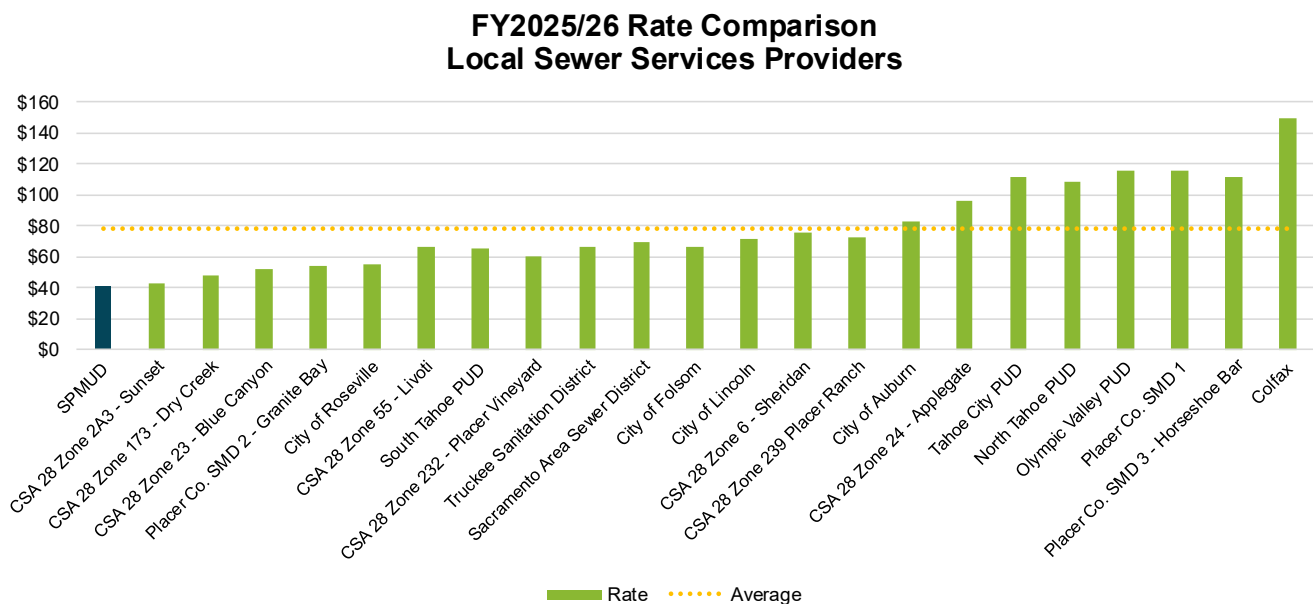


TABLE 9.2 RATES AND CAPACITY CHARGES

For the Fiscal Year Ending June 30,	Sewer Service Rates per Month	Sewer Service Revenues	Local Sewer Capacity Charges	Local Capacity Charge Revenues
2026	\$40.50	\$18,867,000*	\$4,954	\$2,800,000*
2025	\$38.94	\$18,172,096	\$4,926	\$1,421,359
2024	\$37.44	\$17,103,804	\$4,915	\$1,407,105
2023	\$36.00	\$16,273,142	\$4,827	\$1,443,652
2022	\$36.00	\$15,955,824	\$4,330	\$3,476,886
2021	\$36.00	\$15,605,794	\$4,129	\$2,933,779
2020	\$36.00	\$15,383,211	\$4,014	\$1,415,952
2019	\$34.00	\$14,336,548	\$3,923	\$2,574,427
2018	\$31.00	\$12,694,346	\$3,750	\$2,520,400
2017	\$28.00	\$11,196,600	\$3,750	\$4,700,227
2016	\$28.00	\$10,911,091	\$3,000	\$1,443,773

*Projected

MONTHLY SEWER RATE COMPARISON FOR PLACER COUNTY (COLLECTION & TREATMENT) FIGURE



The Monthly Sewer Rate Comparison chart above for Placer County shows a comparison of other local agencies' service fees; the District is the lowest-cost sewer service provider in Placer County (as well as the major Sacramento Metropolitan area).

TABLE 9.3 DISTRICT HISTORICAL BENCHMARKS

	2020/21	2021/22	2022/23	2023/24	2024/25
Personnel Costs	\$4,789,242	\$4,221,548	\$5,390,497	\$5,935,046	\$5,948,177
Sewer Service Revenue	\$15,605,794	\$15,955,824	\$16,273,142	\$17,103,804	\$18,172,096
Personnel Cost / Sewer Service Revenue	31%	26%	33%	35%	33%
Equivalent Dwelling Units	35,322	36,011	36,840	37,555	38,009
Personnel Costs / Per EDU	\$135.59	\$117.23	\$146.32	\$158.04	\$156.49
FSD Employees	17	18	18	18	16
Miles of Pipe	404	412	412	415	417
Miles of Pipe/ FSD Employees	23.76	22.89	22.89	23.06	26.06

TABLE 9.4 DISTRICT HISTORICAL STATISTICS

Item	Unit	2024/25	2023/24	2022/23	2021/22	2020/21
District Employees	Each	27	28	29	26	27
Service Charges	Dollars (M)	\$18.17	\$17.10	\$16.27	\$15.95	\$15.58
Customer Accounts	Each	25,366	25,133	25,298	25,091	24,402
Equal Dwelling Units	EDU	38,009	37,555	36,840	36,011	35,322
Service Fee per EDU	Monthly	\$38.94	\$37.44	\$36.00	\$36.00	\$36.00
Annual Flow to WWTP	Gallons (M)	1,767	1,762	1,878	1,705	1,632
Sewer Mains	Miles	293	292	292	290	287
Lower Service Laterals	Miles	124	123	123	122	117
Manhole/Flushing Branch	Each	7,357	6,925	6,879	6,843	6,791
Lift Stations	Each	13	13	13	13	13
Force Mains	Miles	7	7	7	7	7

Item	Unit	2019/20	2018/19	2017/18	2016/17	2015/16
District Employees	Each	28	27	26	25	24
Service Charges	Dollars (M)	\$15.38	\$14.33	\$12.34	\$10.98	\$10.91
Customer Accounts	Each	23,888	23,430	22,775	22,175	21,658
Equal Dwelling Units	EDU	34,859	34,174	33,445	32,825	31,676
Service Fee per EDU	Monthly	\$36.00	\$34.00	\$34.00	\$28.00	\$28.00
Annual Flow to WWTP	Gallons (M)	1,642	1,533	1,570	1,675	1,411
Sewer Mains	Miles	285	280	277	274	267
Lower Service Laterals	Miles	111	109	133	127	123
Manhole/Flushing Branch	Each	6,706	6,619	6,399	6,365	6,083
Lift Stations	Each	13	13	13	13	13
Force Mains	Miles	7	6.8	6.8	6.8	6.8

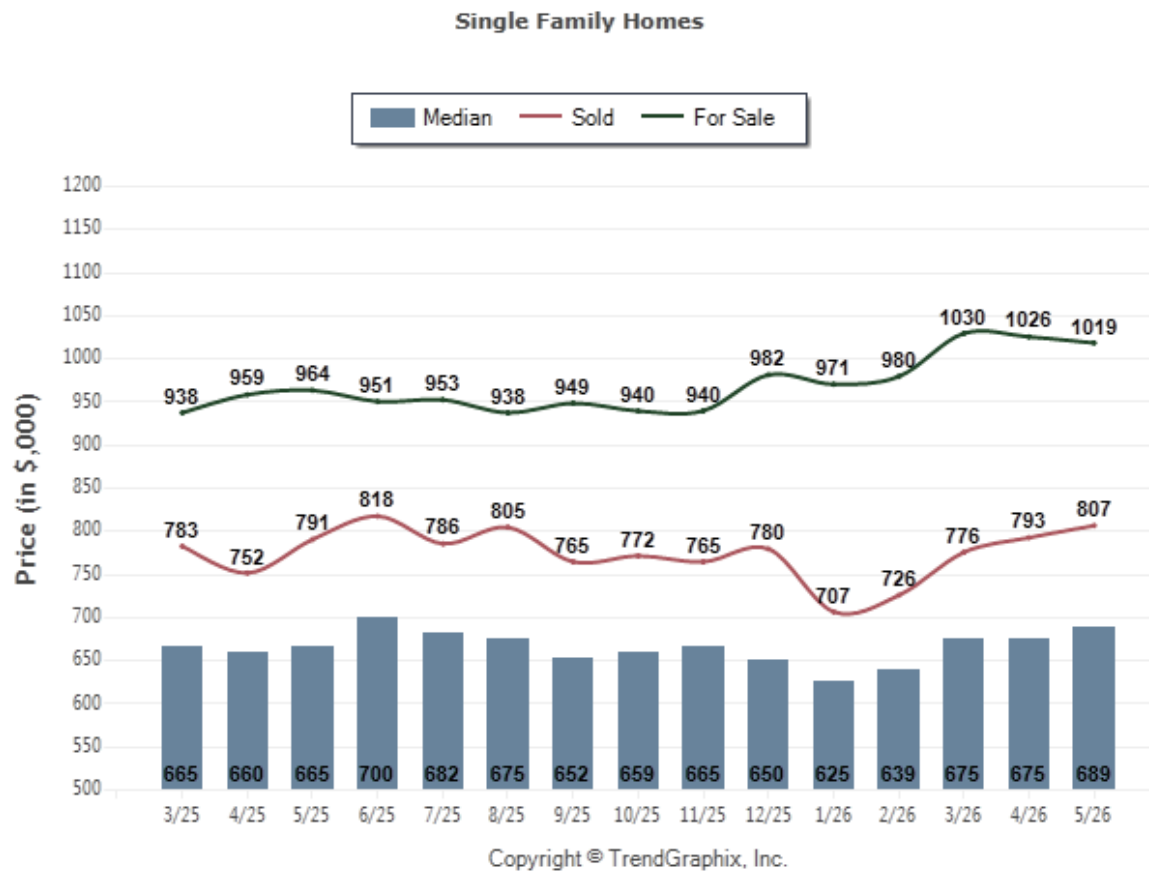
TABLE 9.5 TEN LARGEST CUSTOMERS

2024/25	2023/24	2022/23	2021/22
Meridian Apts	Meridian Apts	Meridian Apts	Meridian Apts
Rocklin Ranch Apts	Rocklin Ranch Apts	Rocklin Ranch Apts	Rocklin Ranch Apts
Sunset Summit Apts	Sunset Summit Apts	Sunset Summit Apts	Sunset Summit Apts
Terracina Apts	Rocklin Elem. Schools	Rocklin Elem. Schools	Garnet Creek Apts
Rocklin Elem. Schools	Garnet Creek Apts	Garnet Creek Apts	Rocklin Elem. Schools
Garnet Creek Apts	Rocklin High Schools	Rocklin High Schools	Rocklin High Schools
Rocklin High Schools	Villa Serena Apts	Villa Serena Apts	Villa Serena Apts
Villa Serena Apts	Sierra Lakes MH Park	Sierra Lakes MH Park	Sierra Lakes MH Park
Sierra Lakes MH Park	Blue Oaks Town Center	Winstead Apts	Winstead Apts
Winsted Apts	Winsted Apts	Sierra Gateway Apts	Sierra Gateway Apts
2020/21	2019/20	2018/19	2017/18
Meridian Apts	Meridian Apts	Meridian Apts	MW Investment
Rocklin Ranch Apts	Rocklin Ranch Apts	Rocklin Ranch Apts	Sunset West Apts
Sunset Summit Apts	Sunset Summit Apts	Sunset Summit Apts	William Jessup Univ
Garnet Creek Apts	Garnet Creek Apts	Garnet Creek Apts	Rocklin High Schools
Rocklin High Schools	Rocklin High Schools	Rocklin High Schools	Rocklin Elem. Schools
Villa Serena Apts	Villa Serena Apts	Senior Living	Del Oro High School
Sierra Lakes MH Park	Rocklin Elem. Schools	Sierra Lakes MH Park	Sierra College
Rocklin Elem. Schools	Sierra Lakes MH Park	Broadstone Apts	Walmart (Rocklin)
Broadstone Apts	Broadstone Apts	Sagora Senior Living	Loomis RV Park
Ansel Park Sr Living	Sagora Senior Living	William Jessup	Studio Movie Grill
2016/17	2015/16	2014/15	2013/14
Sunset West Apts	Sunset West Apts	Sunset West Apts	William Jessup Univ
William Jessup Univ	William Jessup Univ	William Jessup Univ	Rocklin High Schools
Rocklin High Schools	Rocklin High Schools	Rocklin High Schools	Rocklin Elem. Schools
Rocklin Elem. Schools	Rocklin Elem. Schools	Rocklin Elem. Schools	Del Oro High School
Del Oro High School	Del Oro High School	Del Oro High School	Sierra College
Sierra College	Sierra College	Sierra College	Walmart Rocklin
Walmart Rocklin	Walmart Rocklin	Walmart Rocklin	Loomis RV Park
Loomis RV Park	Loomis RV Park	Loomis RV Park	Howard Johnson
Howard Johnson	Howard Johnson	Howard Johnson	Blue Oaks Marketplace
Blue Oaks Marketplace	Blue Oaks Marketplace	Blue Oaks Marketplace	RC Willey

TABLE 9.6 PLACER COUNTY DEMOGRAPHIC AND ECONOMIC STATISTICS

Fiscal Year Ending June 30,	Placer County Workforce	Number of Employed	Number of Unemployed	Unemployment Rate %	District Population	Median Household Income
2025	207,800	197,700	10,100	4.9%	88,194	\$112,576
2024	197,500	188,400	9,100	4.6%	86,965	\$110,591
2023	194,300	186,900	7,400	3.8%	85,775	\$109,895
2022	191,800	185,500	6,300	3.3%	84,591	\$104,226
2021	186,900	176,900	10,000	5.3%	76,672	\$95,371
2020	181,000	167,000	14,000	7.7%	76,136	\$89,691
2019	186,600	180,400	6,200	3.3%	68,415	\$84,357
2018	183,900	177,800	6,100	3.3%	68,325	\$80,728
2017	179,800	171,800	8,000	4.5%	66,525	\$76,600
2016	176,800	167,900	8,900	5.0%	64,974	\$71,435
2015	175,800	164,800	11,000	6.3%	63,324	\$70,490
2014	175,800	162,300	13,500	7.7%	62,790	\$70,100
2013	174,900	158,500	16,400	9.4%	61,800	\$69,800

TABLE 9.7 PLACER COUNTY SINGLE-FAMILY HOME SALES PRICE STATISTICS



Source: Placer County Association of Realtors

**TABLE 9.8 DISTRICT & PLACER COUNTY DEMOGRAPHIC AND ECONOMIC STATISTICS
AS OF JULY 1, 2025**

	District	Placer County
Persons under 5 years, percent	5.6%	4.8%
Persons under 18 years, percent	24.1%	21.3%
Persons 65 years and over, percent	14.3%	21.2%
Female persons, percent	50.3%	50.8%
White alone, not Hispanic or Latino, percent	62.4%	66.0%
Hispanic or Latino, percent (b)	15.6%	16.3%
Asian alone, percent (a)	10.9%	10.9%
Black alone, percent (a)	1.4%	2.4%
American Indian and Alaska Native alone, percent (a)	0.5%	1.1%
Native Hawaiian and Other Pacific Islander alone, percent (a)	0.1%	0.4%
Two or More Races, percent	16.2%	5.5%
Language other than English spoken at home, percent of persons age 5 years+, 2019-2023	17.1%	16.6%
Owner-occupied housing unit rate, 2019-2023	69.9%	74.8%
Median value of owner-occupied housing units, 2019-2023	\$697,643	\$688,100
Median gross rent, 2019-2023	\$2,212	\$2,069
Households, 2019-2023	28,992	157,954
Persons per household, 2019-2023	2.73	2.62
High school graduate or higher, percent of persons age 25 years+, 2019-2023	95.9%	95.1%
Bachelor's degree or higher, percent of persons age 25 years+, 2019-2023	47.2%	43.2%
Population per square mile, 2020	3391.0	287.60
Population per square mile, 2010	2746.0	247.60

Fact Notes:

(a) Includes persons reporting only one race

(b) Hispanics may be of any race, so also are included in applicable race categories

Source: <https://www.census.gov/quickfacts>

TABLE 9.9 TEN LARGEST EMPLOYERS IN PLACER COUNTY

2025		2015	
Business or Organization	No. of Employees	Business or Organization	No. of Employees
Sutter Health	6,672	Kaiser Permanente	3,839
Kaiser Permanente	6,154	Sutter Health	3,693
Placer County	2,745	Palisades Tahoe	2,500
Thunder Valley Casino Resort	2,508	Placer County	2,378
Roseville City School District	1,861	Hewlett Packard	2,000
Sierra Joint Community College District	1,514	Thunder Valley Casino Resort	1,875
City of Roseville	1,386	PRIDE Industries	1,221
Pacific Gas & Electric	1,360	Safeway	1,218
Safeway	1,181	City of Roseville	1,047
Western Placer Unified School District / Hewlett Packard Enterprise	900	Roseville City School District	1,015

Source: Sacramento Business Journal, May 2025 & May 2015

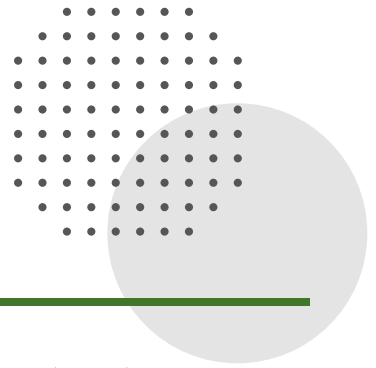
TABLE 9.10 TEN LARGEST TAXPAYERS IN PLACER COUNTY

Taxpayer Name	Total Tax	Net Taxable Value
Pacific Gas & Electric Company	\$22,631,424	\$1,309,939,358
Roseville Shoppingtown LLC	\$5,742,203	\$555,414,788
John Mourier Construction INC	\$4,473,512	\$107,243,245
Liberty Utilities (Calpeco Electric), LLC	\$3,293,470	\$190,782,014
Cellco Partnership	\$2,700,169	\$156,413,671
Jen CA Placer Ranch LLC	\$2,259,967	\$94,900,340
KB Homes Sacramento INC	\$1,883,845	\$55,349,147
Briet Wave MF SC Owner LLC	\$1,742,675	\$169,857,640
Harvest-USIV LLC & Harvest-USIII LLC	\$1,681,799	\$120,950,140
Taylor Morrison of California LLC	\$1,589,183	\$60,582,782

Source: Placer County

SECTION 10

ACRONYMS & ABBREVIATIONS



Administrative Services Department (ASD): one of the three District departments.

Actuarial Determined Contribution (ADC): the annual contribution calculated by the District Actuary to fully fund expected benefit payments.

Annual Comprehensive Financial Report (ACFR): a detailed, audited financial report prepared by a government entity.

Closed Caption Television (CCTV): video surveillance technology.

Full-Time Equivalent Position (FTE): a unit of measurement that represents the workload of a full-time employee, often used to standardize the number of employees in an organization, regardless of whether they work full-time or part-time.

Cost of Living Adjustment (COLA): an increase in pay or benefits that often depends on the rising cost of goods and services.

Consumer Price Index (CPI): a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services.

Capital Improvement Program (CIP): a plan that helps organizations budget for large projects and improvements based on goals and resources.

California Association for Sewer System Excellence (CASSE): an association of local agencies in and around Placer County that works collaboratively on utility management, reducing spills, and operational excellence.

California Employers Pension Prefunding Trust (CEPPT): a Section 115 trust fund dedicated to prefunding employer contributions to defined benefit pension systems for eligible California public agencies.

California Employers Retiree Benefit Trust (CERBT): a Section 115 Trust fund dedicated to prefunding Other Postemployment Benefits for all California public agencies.

California Public Employees Retirement System (CALPERS): a public employee pension and health system.

California Special Districts Association (CSDA): a not-for-profit association that was formed in 1969 to promote good governance and improve core local services through professional development, advocacy, and other services for all types of independent special districts.

California Water Environment Association (CWEA): a professional organization for wastewater professionals with resources for wastewater management and resource recovery.

Corporation Yard (CY): the District maintenance buildings and yard located at 5805 Springview Drive in Rocklin, California.

Cured-in-Place Pipe (CIPP): a trenchless rehabilitation method used to repair and extend the life of existing pipelines.

Engineering News Index Record (ENIR): a key construction index that tracks the cost of basic construction materials and labor, including items like concrete, steel, and common labor, and is used for projects like roads, bridges, and infrastructure.

Equivalent Dwelling Unit (EDU): the typical volume and strength of wastewater generated by a single-family residence or 190 gallons per day of wastewater flow.

Fats, Oils, & Grease (FOG): Fats, Oils, and Grease that are deposited into the sanitary sewer system.

Field Services Department (FSD): one of the three District departments.

Flow Recorder (FR): a device used for monitoring, measuring, or recording the rate of flow, pressure, or discharge of sewage.

Geographical Information Systems (GIS): a system that creates, manages, analyzes, and maps data.

Generally Accepted Accounting Principles (GAAP): a set of accounting rules, standards, and procedures issued and frequently revised by the Financial Accounting Standards Board (FASB). Public companies in the U.S. must follow GAAP when their accountants compile their financial statements. GAAP is also widely used in governmental accounting.

Governmental Accounting Standards Board (GASB): A national advisory board of accounting standards for public agencies that is responsible for the procedures, methods, and standards used to present financial information about public agencies.

Government Finance Officer Association (GFOA): a professional organization for finance.

Grease Control Device (GCD): a grease interceptor or a grease trap that attaches to wastewater plumbing fixtures and lines for the purpose of trapping or collecting Fats, Oils, and Grease prior to discharge into the private lateral and/or the public sewer system.

High-Risk Facilities (HRF) Analysis: an analysis of sewer creek crossings to mitigate the risk of sanitary sewer overflows into waterways.

Headquarters (HQ): the District offices located at 5807 Springview Drive in Rocklin, California.

Inflow and Infiltration (I&I): In sanitary sewer systems, inflow refers to stormwater that enters the sewer system directly, often through roof drains, foundation drains, or holes in manhole covers. Infiltration, on the other hand, is groundwater that seeps into the sewer system through cracks, leaks, and faulty connections in the pipes themselves. Both inflow and infiltration contribute to excess water in the system, potentially overloading it and leading to backups or overflows.

Joint Powers Authority (JPA): a separate public agency formed pursuant to a joint exercise of powers agreement.

Lift Station (LS): a pumping station that moves wastewater from a lower elevation to a higher elevation.

Local Agency Formation Commission (LAFCO): state-mandated quasi-judicial countywide commissions whose purview is to oversee boundary changes of cities and special districts, the formation of new agencies, including the incorporation of new cities and districts, and the consolidation or reorganization of special districts and or cities.

Local Agency Investment Fund (LAIF): a voluntary program created by statute, began in 1977 as an investment alternative for California's local governments and special districts.

Memorandum of Understanding (MOU): an agreement between an employee group and the District.

Other Post-Employment Benefits (OPEB): benefits, other than pension distributions, that employees may begin to receive from their employer once they retire. They may include life insurance, health insurance, or deferred compensation.

Operations & Maintenance (O&M): the performance of day-to-day activities required to maintain facilities (buildings, grounds, equipment, systems) to the maximum extent possible for the benefit of the facility users.

Placer County Water Agency (PCWA): the water agency serving the District's jurisdictional area.

Popular Annual Financial Report (PAFR): a simplified, non-technical summary of a government's financial activities, intended to be easily understood by the general public.

Private Lateral Sewer Discharge (PLSD): sewage discharges that are caused by blockages or other problems within privately owned laterals.

Property Line Clean Out (PLCO): an access point for a sewer line located near the property line that is used for cleaning and unclogging the sewer line.

Regional Wastewater Treatment Plants (RWWTP): the Dry Creek Wastewater Treatment Plant and Pleasant Grove Wastewater Treatment Plant.

Replacement & Rehabilitation (R&R): any project to repair, rehabilitate, remodel, renovate, reconstruct, or finish existing facilities or buildings; to improve, replace, or add utilities or fixed equipment.

Sanitary Sewer Overflow (SSO): any overflow, spill, release, discharge, or diversion of untreated or partially treated wastewater from a sanitary sewer system.

Sanitary Sewer Management Plan (SSMP): a plan document required by the State Water Resources Control Board Statewide Waste Discharge Requirements General Order for Sanitary Sewer Systems to reduce sanitary sewer spills, protect public health and environment, and improve the overall maintenance and management of sewer systems.

South Placer Wastewater Authority (SPWA): a joint powers authority formed to finance wastewater treatment.

South Placer Municipal Utility District (SPMUD): the District, created in 1956, formerly the Rocklin Loomis Municipal Utility District.

Supervisory Control and Data Acquisition (SCADA): a category of software applications for controlling industrial processes, which gather data in real-time from remote locations in order to control equipment and conditions.

System Evaluation and Capacity Assurance Plan (SECAP): a document that ensures compliance with the California State Water Resources Control Board by outlining the District's efforts to ensure capacity for existing customers and prepare and plan for future development.

Tactical Asset Management Plan (TAMP): a robust asset management plan focused on the strategic utilization and renewal of assets that includes governance, reporting measures, and training material.

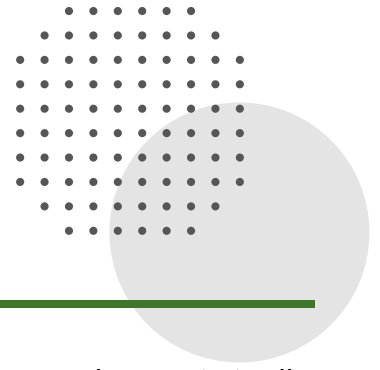
Technical Services Department (TSD): one of the three District departments.

Unfunded Accrued Liability (UAL): in a defined benefit pension plan, the difference between the estimated cost of future benefits and the assets that have been set aside to pay for those benefits.

Wastewater Treatment Plant (WWTP): the facilities used for the treatment of wastewater from public sewer systems.

SECTION 11

GLOSSARY



811: a phone number that serves as the communication link between anyone who wants to dig and the utility companies that have buried lines.

Accrual Basis: The recognition of revenues or expenditures in a fiscal year, though the actual cash may not be received or paid until the following fiscal year.

Appropriation: When a government body formally sets aside a specific amount of money for a designated purpose.

Balanced Budget: A financial plan where projected revenues equal or exceed planned expenditures, over a specific defined period.

CA CLASS: a Joint Powers Authority investment pool that provides public agencies the opportunity to invest funds on a cooperative basis in rated pools that are managed in accordance with state law, with the primary objectives of offering Participants maximum safety, daily and next-day liquidity, and optimized returns.

CalTRUST: a Joint Powers Authority created by public agencies in 2003 to provide a convenient method for public agencies to pool their assets for investment purposes.

Capital Asset: Assets owned by the District that cost over \$5,000. Capital assets include land, buildings, vehicles, equipment, and infrastructure.

Capital Outlay: (also called capital expenditures) expenditures for the acquisition cost of capital assets, such as equipment, or expenditures to make improvements to capital assets that materially increase their value or useful life.

Capacity Charge: (also called a participation or connection fee) a charge for public facilities in existence at the time a charge is imposed or charges for new facilities to be constructed in the future that are of benefit to the person or property being charged.

Collection System: any system of pipes or sewer lines used to convey wastewater to a treatment facility.

Collection System (Local): the District's system of pipes or sewer lines used to convey wastewater to the regional treatment facility.

Effective Utility Management: a framework and primer developed by the Environmental Protection Agency and a ten-partner coalition to help water, wastewater, and stormwater systems meet the challenges of aging infrastructure, rapidly evolving technology, enhanced customer expectations, rising costs and affordability, and ongoing regulatory requirements.

Enterprise Fund: a self-supporting government fund that sells goods and services to the public for a fee.

Force Main: pipelines that convey wastewater under pressure from the discharge side of a pump or pneumatic ejector to a discharge point.

Flow Recorder Stations: a station used for monitoring, measuring, or recording the rate of flow, pressure, or discharge of sewage.

Flushing Branch: a line built specifically to allow the introduction of large quantities of water to the collection system so the lines can be flushed out with water.

Fixed Income Securities: an investment that provides a return through fixed periodic interest payments and the eventual return of principal at maturity. Examples include treasury bonds and bills, municipal bonds, corporate bonds, and certificates of deposit.

Fund Balance: the net position of governmental funds calculated in accordance with generally accepted accounting principles (GAAP); assets less liabilities.

Goal: a specific desired result that the District is committed to achieving, requiring time, effort, and planning.

Industrial Source Control: stopping industrial pollutants at their source before they enter a system or the environment.

Infrastructure: basic physical and organizational structures and facilities such as buildings, roads, and sewer systems.

Interfund Transfer: a transfer between different funds within the same organization or government entity. These transfers do not involve an exchange of equivalent goods or services, and they do not create a requirement for repayment.

Monthly Service Charge: the primary source of revenue for the District used solely to fund operations and maintenance costs for wastewater collection and treatment, renewal of infrastructure, labor, materials, and regulatory compliance.

Objective: a goal or target the District works to achieve.

Ordinance: a piece of legislation enacted by a municipal authority.

Proprietary Fund: used in governmental accounting to account for activities that involve business-like interactions. These funds are considered self-supporting in that the services rendered by them are generally financed through user charges or on a cost-reimbursement basis.

Proposition 218: a California proposition, which amended the state constitution relating to the passage of property-related fees. It requires that the District inform property owners and ratepayers that: 1) proposed rate increases are being proposed; 2) the proposed rate increases are calculated based on the cost to provide the service; and 3) a public hearing on the proposed rate increases be held at least 45 days after the public notification.

Rate Stabilization Reserve Account: cash reserves that can mitigate the effects of occasional shortfalls in revenue, thereby allowing for stable rates and charges.

Renewal: any project to repair, rehabilitate, remodel, renovate, reconstruct, or finish existing facilities or buildings; to improve, replace, or add utilities or fixed equipment.

Resolution: a formal expression of opinion or intention agreed on by a legislative body, committee, or other formal meeting, typically after taking a vote.

Sewer Lateral: the segment of pipe that connects a home or building to a sewer main, which is usually located beneath a street or easement.

Sewer Lateral (Lower): the portion of a lateral from the property line to the sewer main that the District is responsible for maintaining.

Sewer Lateral (Upper): (also called a private lateral), the portion of a lateral from the building foundation to the property line that the private property owner is responsible for maintaining.

Sewer Trunk: one of the main sewer lines in the wastewater collection system.

Special District: A form of local government created by the people of a community to deliver specialized services essential to their health, safety, economy, and well-being.

Unincorporated: communities that are not officially considered to be municipal areas of their own accord.

Ward: a division or district of a municipality that is typically represented by an elected official.