

South Placer Municipal Utility District

Operating and Capital Budget
For the Fiscal Year Ending June 30, 2024



SOUTH PLACER MUNICIPAL UTILITY DISTRICT

FINAL ANNUAL BUDGET

FISCAL YEAR 2023/2024

PROTECT public health and the water environment.

PROVIDE efficient and effective sanitary sewer service.

PREPARE for the future.

PREPARED BY THE ADMINISTRATIVE SERVICES DEPARTMENT

HERBERT NIEDERBERGER, GENERAL MANAGER

EMILIE COSTAN, ADMINISTRATIVE SERVICES MANAGER

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SOUTH PLACER MUNICIPAL UTILITY DISTRICT

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:

PROTECT public health and the water environment

PROVIDE efficient and effective sanitary sewer service

PREPARE for the future

VALUES

Our Core Values are:

INTEGRITY:

We will be trustworthy, truthful, and honest

STEWARDSHIP:

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

SERVICE:

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

QUALITY:

We will be dedicated to continuous improvement

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

STRATEGIC PRIORITIES



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**



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**



MAKE THE DISTRICT A GREAT PLACE TO WORK

- ✓ **Employee Recognition**
- ✓ **Team Building Events**

BUDGET MESSAGE

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

The South Placer Municipal Utility District (District) staff is pleased to present the operating budget and supplemental information for the Fiscal Year beginning July 1, 2023 and ending June 30, 2024. Each year staff makes careful consideration in its budget development to ensure the District’s mission, strategic goals, and commitments are being financially supported.

The District prepares the budget after carefully setting sewer rates and charges to address the many challenges facing the sewer industry. The budget’s primary use is as a financial planning tool to accomplish the District’s strategic goals and objectives. This budget incorporates recommendations from the Rate and Cost of Service Study conducted by IB Consulting, LLC.

REPORT ORGANIZATION

This Annual 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 2023/24. This report is organized into a General Manager’s budget message, District overview, budget overview, budget summary, revenue budget, expense budget, capital outlay budget, fund balances and reserves, regional wastewater treatment plants and rate stabilization reserves, long range planning and projections, and statistical and supplemental information.

The total adopted budget for Fiscal Year 2023/24 is \$37.36 million.

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.

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 2022/23:

- ✓ Received the Special District Leadership Foundation's Special District Transparency Award.
- ✓ Received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association.
- ✓ Completed a Cost-of-Service and Rate Study and adopted a five-year rate model in accordance with Proposition 218.
- ✓ Completed a Capacity Fee Study to ensure appropriate funding for necessary system expansions and enlargement due to development.
- ✓ Enrolled in the State of California Low-income Household Water Assistance Program so that eligible District customers could receive payment assistance with their sewer bill.
- ✓ Implemented an automated pay-by-phone option for District customers.
- ✓ Transitioned banking and merchant card processing services to save costs for the District and its customers.
- ✓ Completed a Classification Study of all board-approved positions and a corresponding Compensation Study.
- ✓ Implemented enhanced Human Resource services for District employees.
- ✓ Completed a comprehensive, third-party pension and payroll audit.
- ✓ Completed a project to automatically apply optical character recognition to all documents stored in the District's electronic content management system.
- ✓ Substantially completed the Building Addition and Tenant Improvement Project which included significant staff involvement in project management and IT networking.

- ✓ Completed an update to Chapters 2, 3, and 4 of the District Sewer Code.
- ✓ Implemented changes to the Fats, Oils, and Grease (FOG) Control Program to require grease control devices with demonstrated efficiency ratings and oversaw the installation of nine new grease control devices throughout the District.
- ✓ Coordinated with the City of Rocklin to construct the Northwest Rocklin Sewer Annexation Project.
- ✓ Completed the K03-090 Emergency Sewer Pipe Replacement Project at the Blue Oaks Town Center retail complex.
- ✓ Initiated the industrial source control program in cooperation with the City of Roseville.
- ✓ Initiated a brewery study in collaboration with the City of Roseville.
- ✓ Completed easement acquisition at two key locations ensuring long term rights for operations and maintenance activities.
- ✓ Completed an update to the District Strategic Plan.
- ✓ Initiated the design of the replacement Supervisory Control and Data Acquisition (SCADA) system.
- ✓ Chemically treated 31,300 feet of mainline to slow root growth and lessen the chance of blockages in the sewer system.
- ✓ Inspected over 1,550 sewer mainlines with closed caption television (CCTV).
- ✓ Hired three maintenance workers to replace retired employees and support a new lower lateral crew.
- ✓ Updated the District Spill Emergency Response Plan to comply with the revised Statewide Sanitary Sewer Systems General Order.

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 an elected five-member Board of Directors who establish policy and oversee 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.

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.

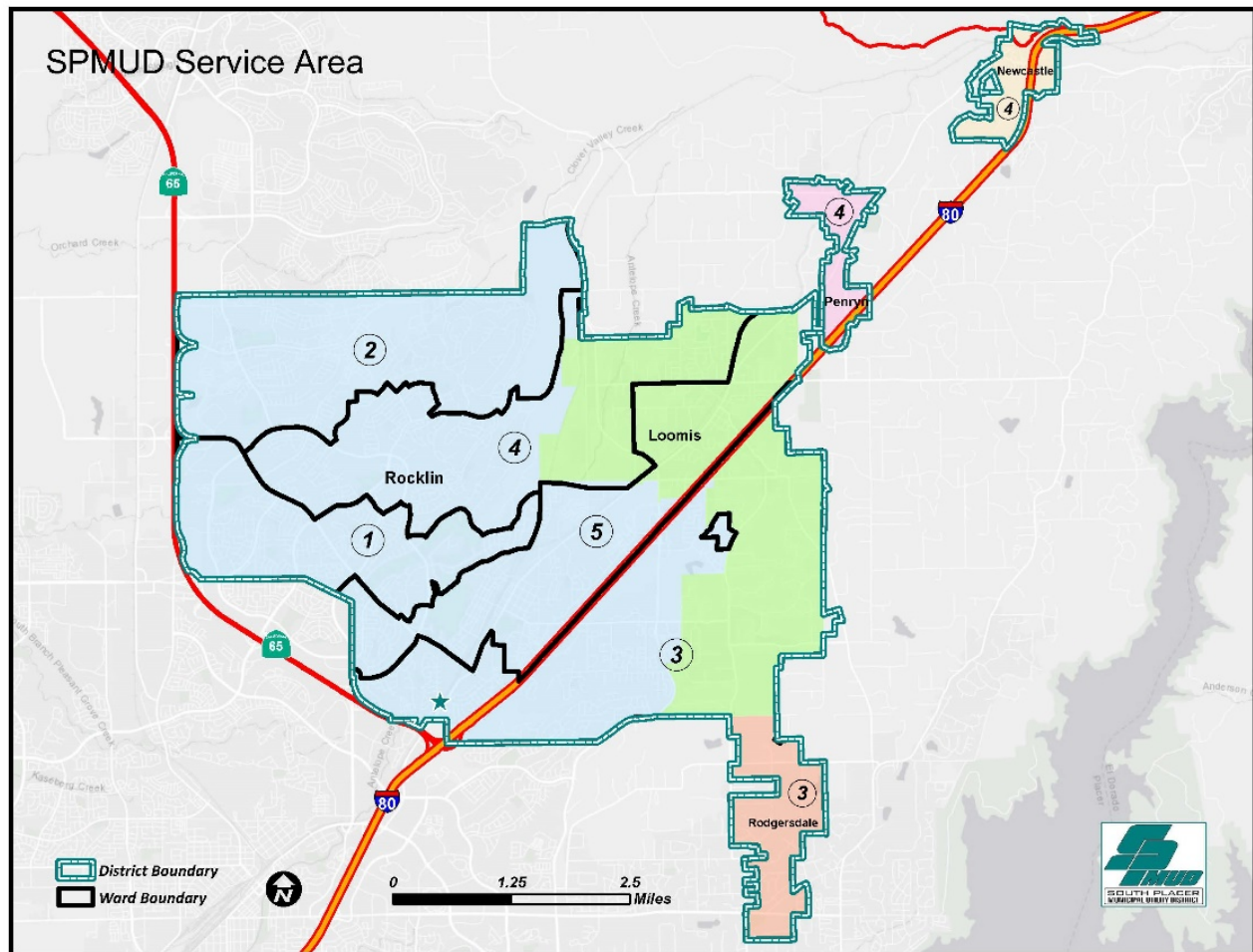
In 2010, the District annexed the Newcastle Sanitary District (NSD) area. The District currently provides sewer collection services in southwestern Placer County, California, and currently serves residents and businesses in the City of Rocklin, the Town of Loomis, and the unincorporated communities of Penryn, Newcastle, and the Rogersdale area of Granite Bay. Sewage is collected by the District and conveyed to the two regional wastewater treatment plants, Dry Creek and Pleasant Grove, which are 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 shall 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 2023, 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. The 2023-2027 Strategic Plan is available on the District website at <https://spmud.ca.gov/strategic-plan>.

FIGURE 1 – DISTRICT BOUNDARIES



The South Placer Municipal Utility District service area covers thirty-one square miles as shown in Table 1 and includes all of the incorporated limits of the City of Rocklin and Town of Loomis, plus portions of southern Placer County around the unincorporated communities of Penryn, Newcastle, and the Rodgersdale area of Granite Bay. Rocklin makes up 88%, Loomis is 9%, and 3% is in unincorporated Placer County. The District provides service to 25,298 connections or an equivalent population of about 85,775

people. This equates to 36,840 Equivalent Dwelling Units (EDU) (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 this via 290 miles of District-owned and operated sewer mains (from 4" to 42" diameter). The District maintains an additional 122 miles of lower laterals within our easement or public right-of-way. Other assets include our Headquarters, Maintenance, and Corporation Yard facilities, 6,854 manholes/flushing branches, 13 lift stations, 11 metering sites, and related buildings, facilities, and equipment.

TABLE 1 – DISTRICT STATISTICS

STATISTICS	UNIT	TOTAL
SERVICE AREA	Square Miles	31
ESTIMATED POPULATION	Each	85,775
EQUIVALENT DWELLING UNITS	EDU	36,840
CUSTOMERS CONNECTED	Each	25,298
ANNUAL FLOW TO WWTP	Million Gallons	1,857
SEWER MAINS	Miles	290
LOWE LATERALS	Miles	122
MANHOLES/FLUSHING BRANCHES	Each	6,854
LIFT STATIONS	Each	13
FORCE MAINS	Miles	7
FLOW RECORDER STATIONS	Each	11
EASEMENTS	Miles	69
CREEK CROSSINGS	Each	80

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 2022/23 was \$36.00 per equivalent dwelling unit (EDU). The monthly late fee was \$2.50 per EDU, and the Local Sewer Participation Fee to “connect” a home or business to the sewer system was \$4,827 per EDU. The monthly service charge for Fiscal Year 2023/24 will adjust to \$37.44 per EDU, the monthly late fee will remain \$2.50 per EDU, and the Local Sewer Participation Fee will adjust to \$4,915 per EDU.

BOARD OF DIRECTORS

- Gerald Mitchell **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 **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 **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.
- James Durfee **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.
- James Williams **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

- Herb Niederberger General Manager
- Emilie Costan Administrative Services Manager and Board Secretary
- Eric Nielsen Superintendent
- Carie Huff District Engineer

DEPARTMENTS

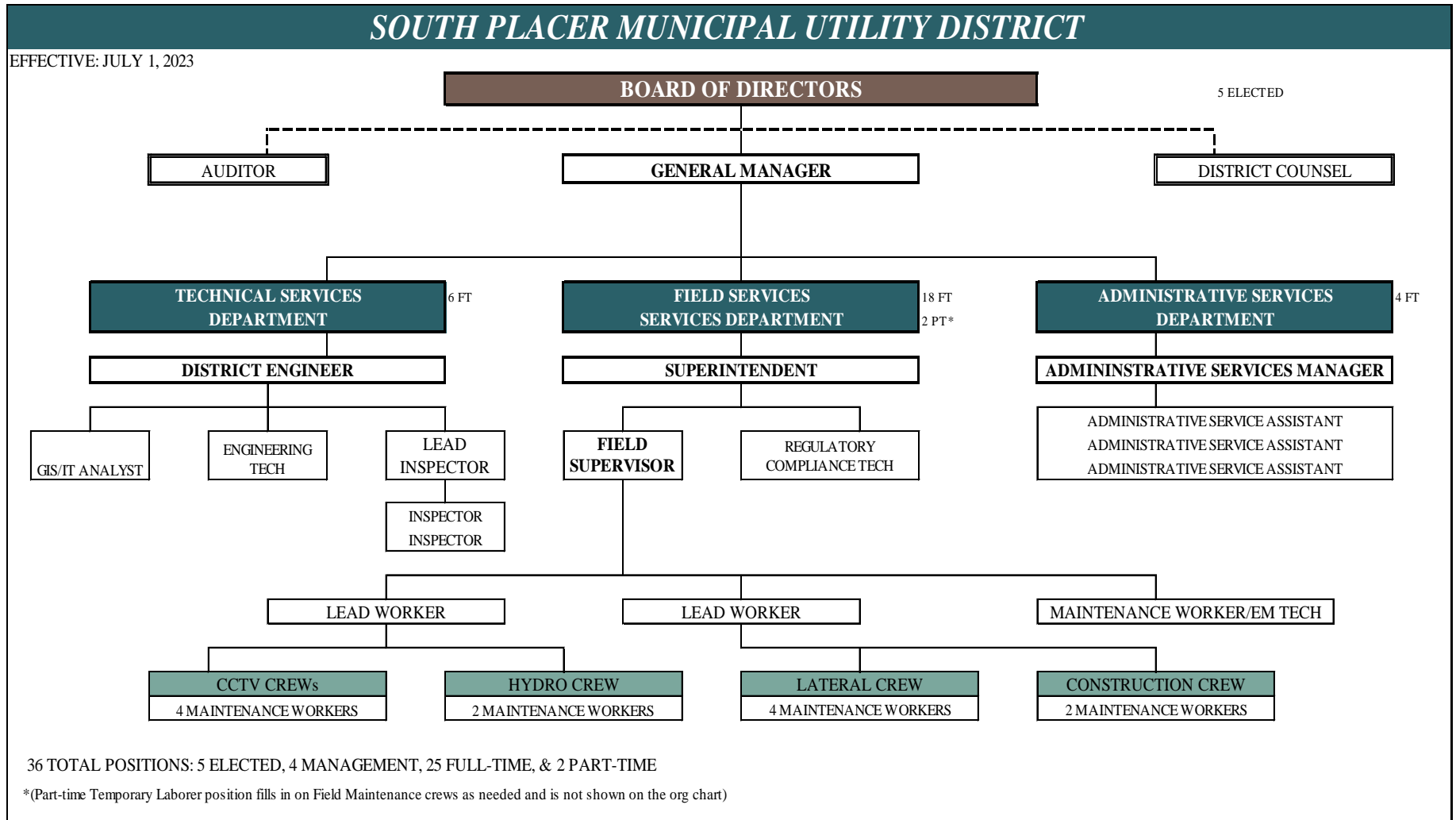
The District is organized into three departments: Administrative Services, Field Services, and Technical Services which are shown in Figure 2.

Administrative Services Department - *provides administrative support to the Board of Directors, the General Manager, and all departments, including the areas of utility billing and account services, finance, and human resources.*

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

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.*

FIGURE 2 – ORGANIZATIONAL CHART



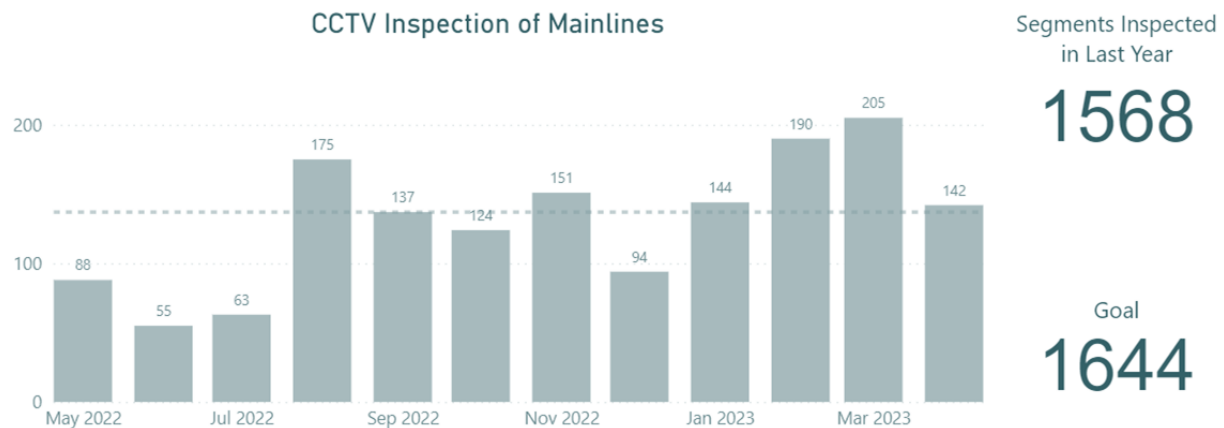
PERFORMANCE MEASURES

Strategic Plan Progress Reports are made to the Board of Directors annually at the September board meeting. Reports presented to the Board of Directors throughout the year include the Strategic Plan Priorities supported by the Board action.

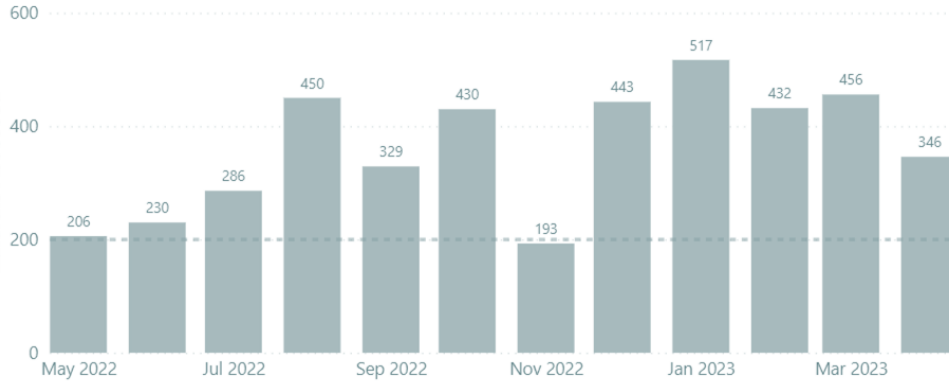
District Managers present a monthly report to the Board of Directors that summarize activities occurring during the previous month and provide the Board with monthly performance data. This data is also posted to the District website at <https://spmud.ca.gov/district-performance-measures>. The District has 2,434 days without a lost time accident or injury. Performance measures for the month of April 2023 are shown below.

Service Calls - April							
Responsibility	SSO	Stoppage	Odor	Alarm	PLSD	Vermin	Misc
SPMUD Responsibility	4						1
Owner Responsibility		5			4		1
Total	4	5			4		2

Total Service Calls
15



Lower Lateral Assessments



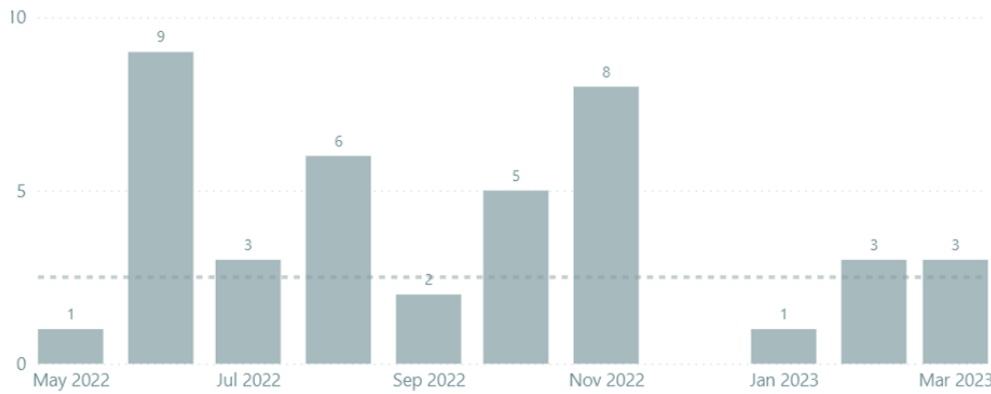
Laterals Assessed in Last Year

4318

Goal

2400

Pipe Repairs



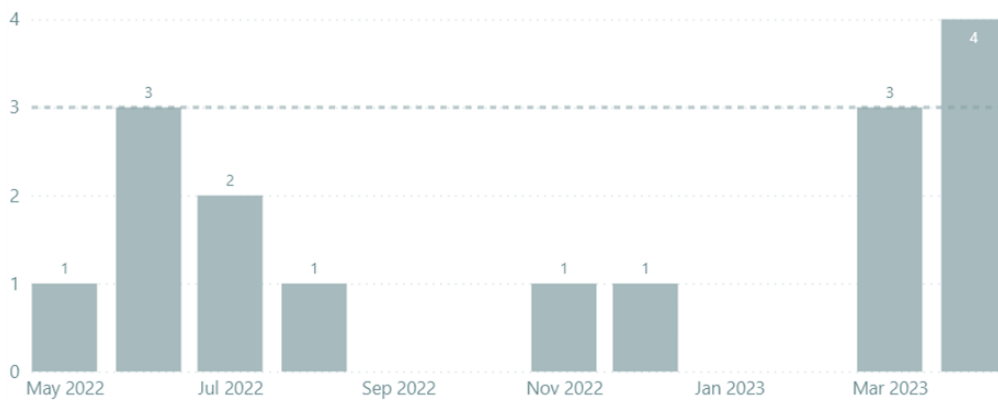
Pipes Repaired in Last Year

41

Goal

30

PLCO Installations



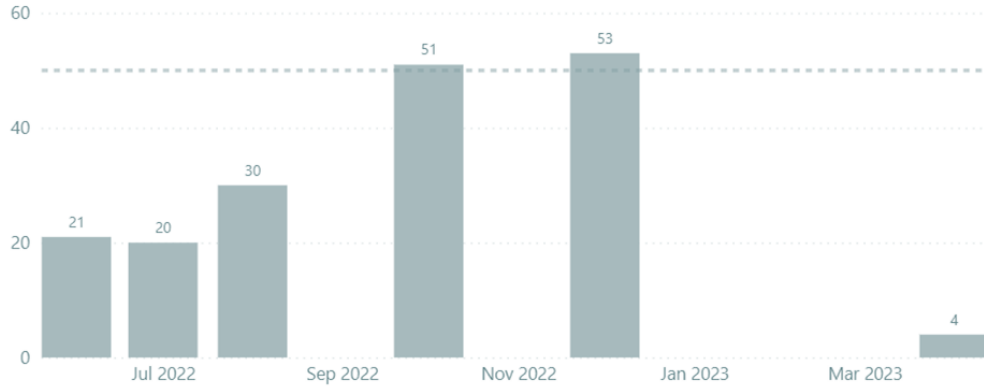
PLCOs Installed in Last Year

16

Goal

36

Lateral Chemical Root Treatment



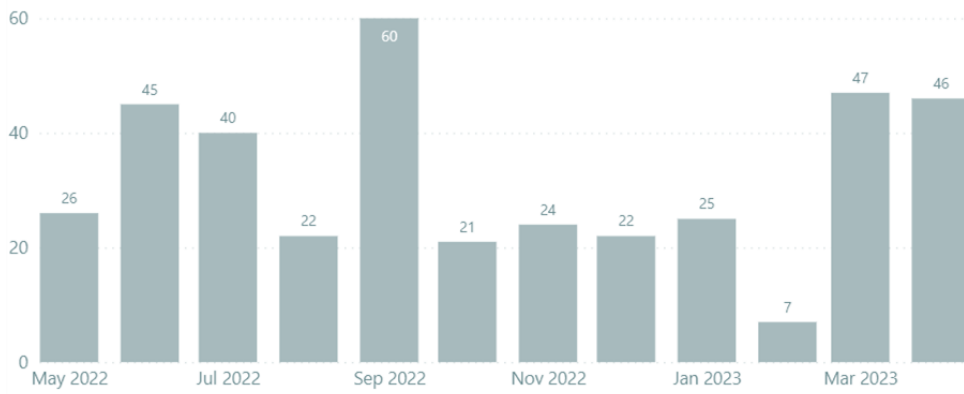
Laterals Treated in Last Year

179

Goal

600

Laterals Hydro Cleaned



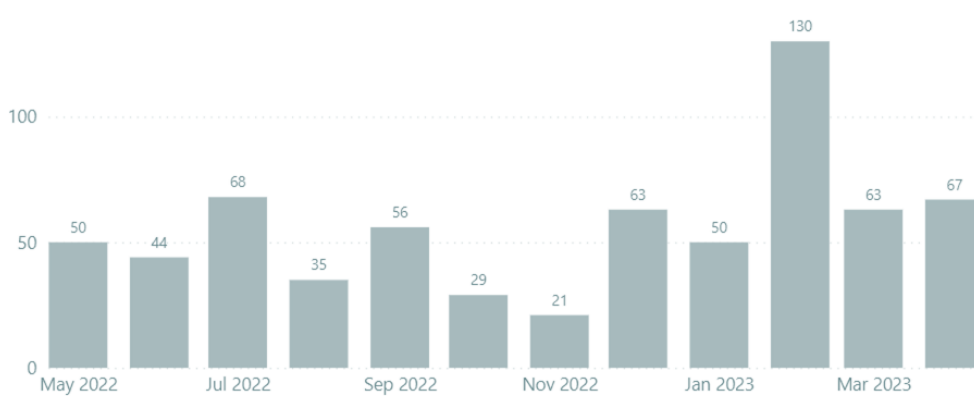
Laterals Cleaned in Last Year

385

Goal

Inspection-Driven Cleaning

Mainlines Hydro Cleaned



Segments Cleaned in Last Year

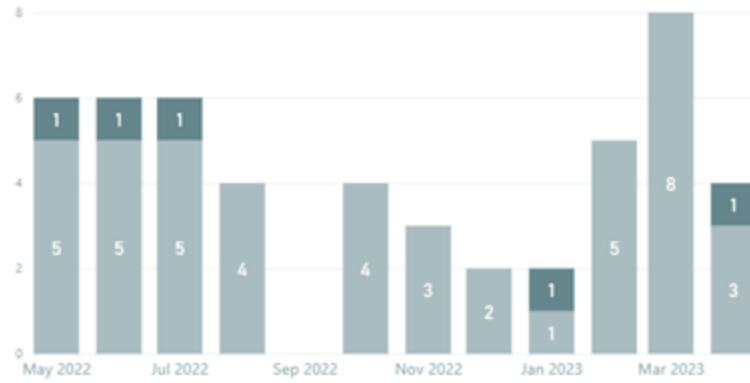
676

Goal

Inspection-Driven Cleaning

Plan Checks Completed - Monthly Totals

● Plan Checks ● Sign Plans

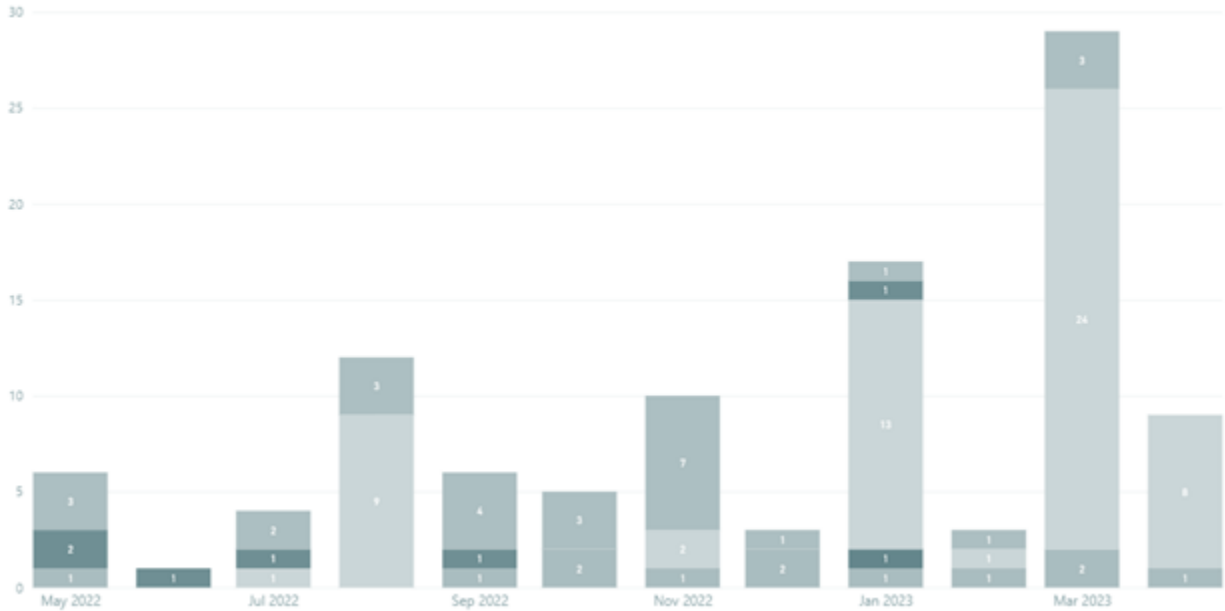


% "In Time" Plan Checks



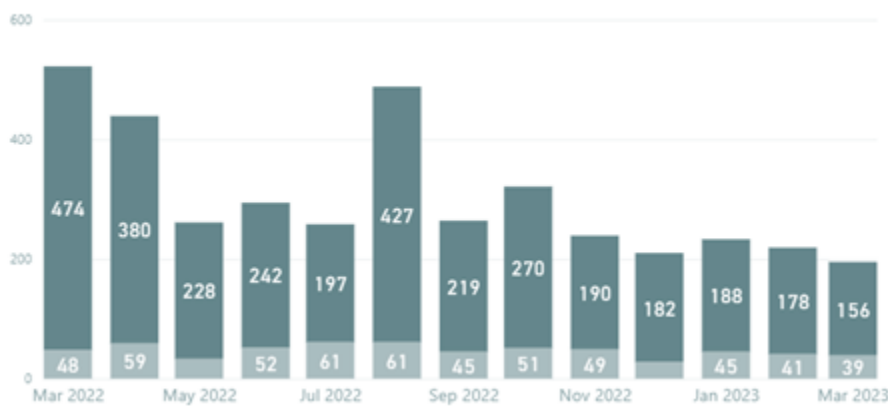
Sewer Permits - Completed - Monthly Totals

Permit Type: ● Accessory Dwelling Unit (ADU) ● Commercial Tenant Improvement ● New Primary Dwelling ● Other ● Repair



811 Responses - Monthly Totals

● Field ● Office



% "In Time" Responses



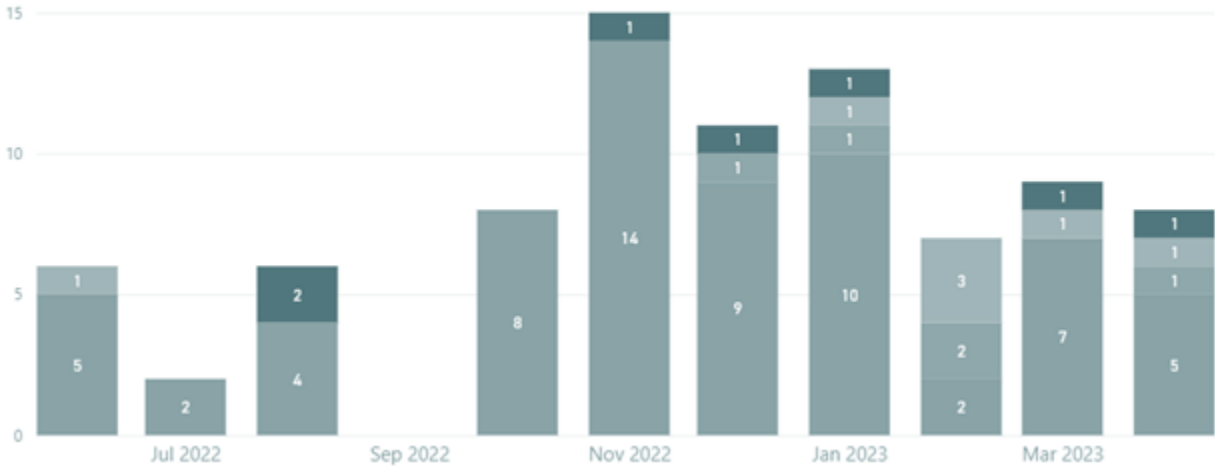
Building Sewer Inspections - Monthly Totals

● Rough Inspections ● Final Inspections



Grease Interceptor Inspections

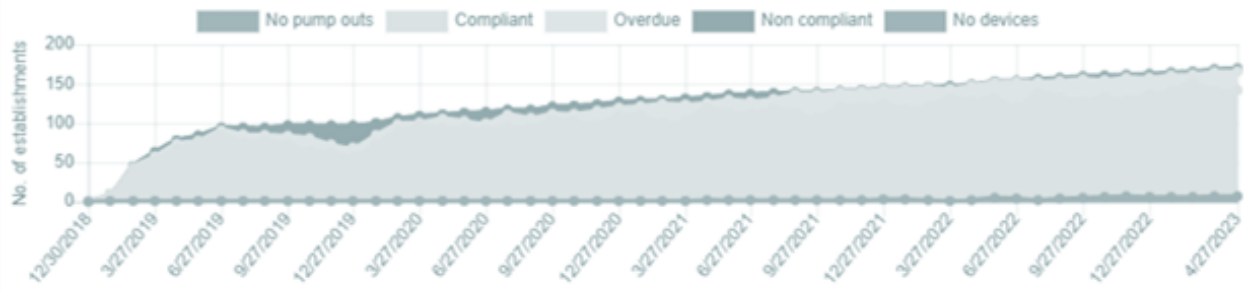
Template ● GGI Core Sample Inspection - Outside ● GGI Pump Out/Cleaning Inspection ● HGI Core Sample Inspection - Inside ● HGI Core Sample Inspection - Outside



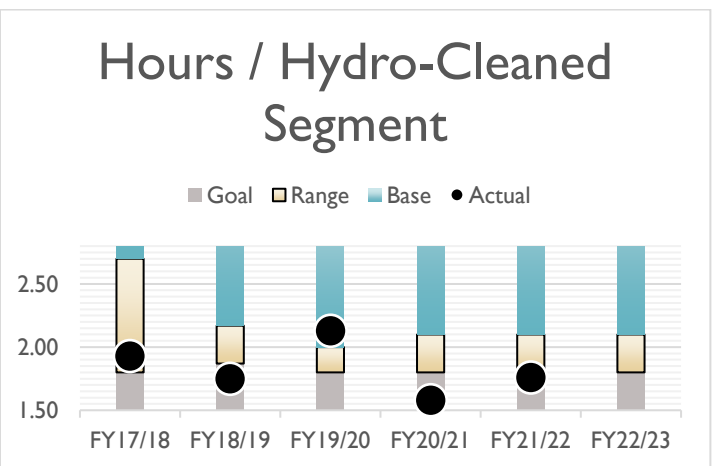
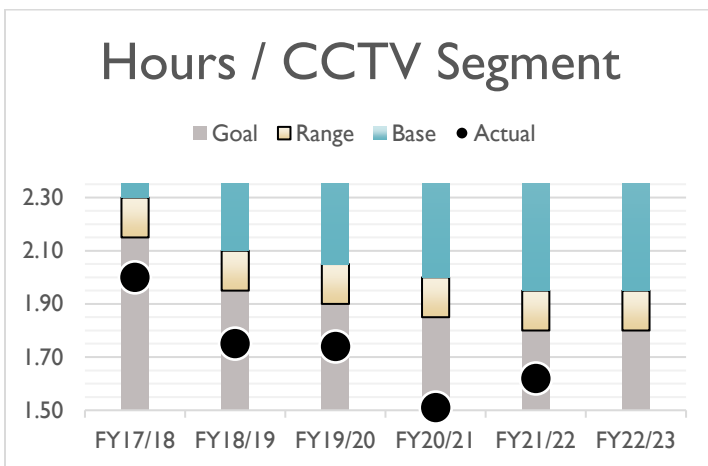
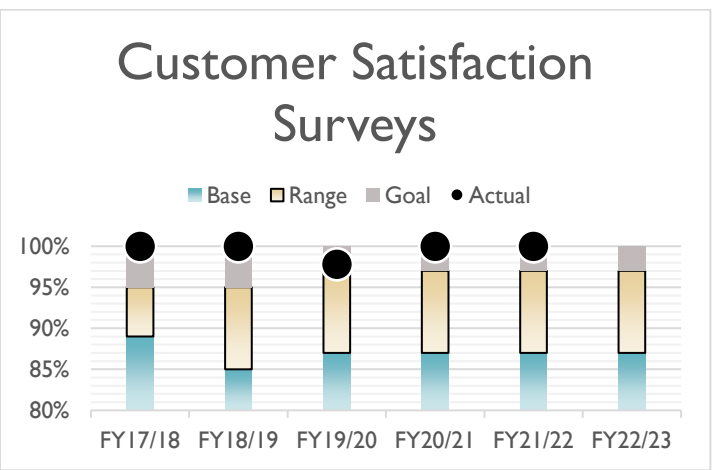
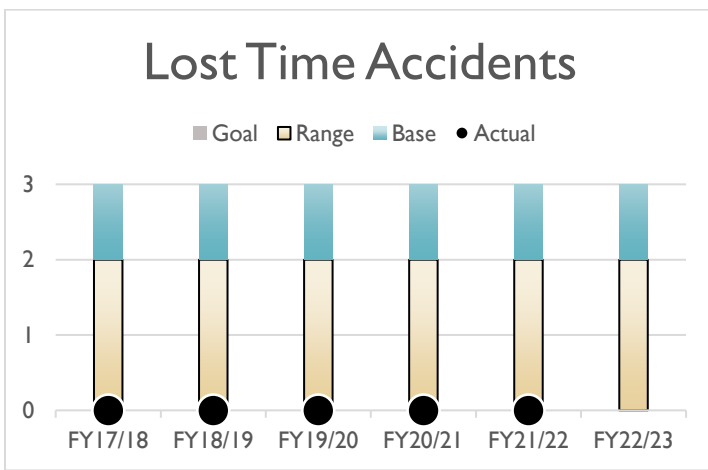
FOG Pickups - Monthly Totals



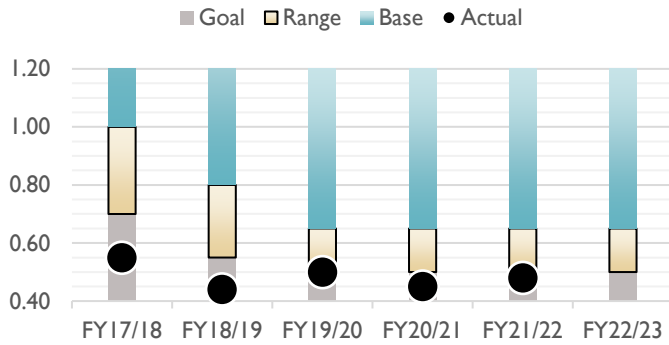
FOG Compliance History



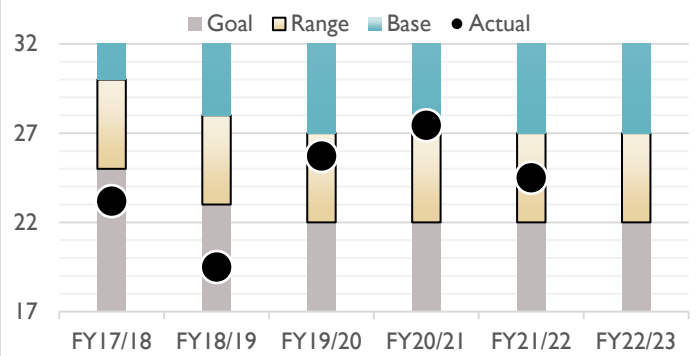
Finally, the District has a performance merit pay program that tracks performance measures and provides an award for meeting or exceeding performance goals. The program year runs from October 1st through September 30th and is presented to the Board of Directors in November. The performance data ending September 30, 2022 and goals for the program year ending September 30, 2023 are shown below.



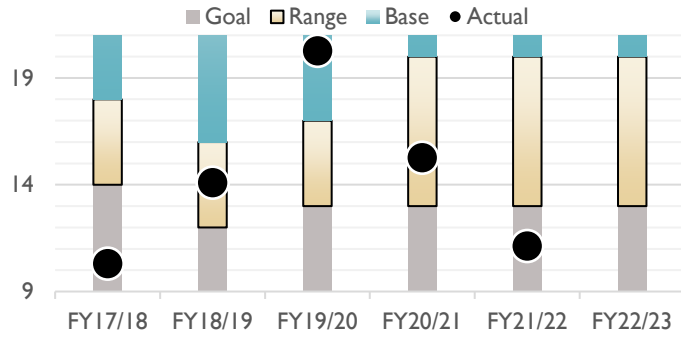
Hours / Lateral Assessment



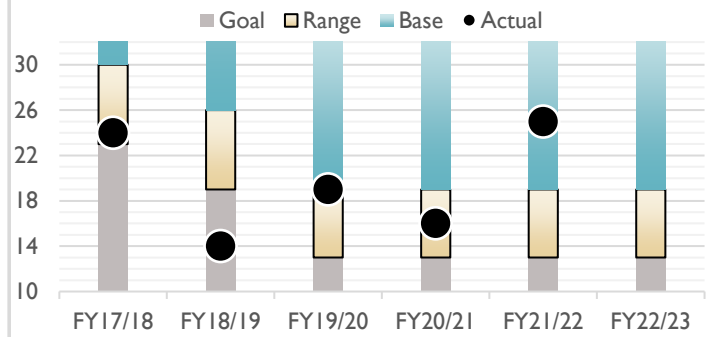
Hours / Pipe Repair



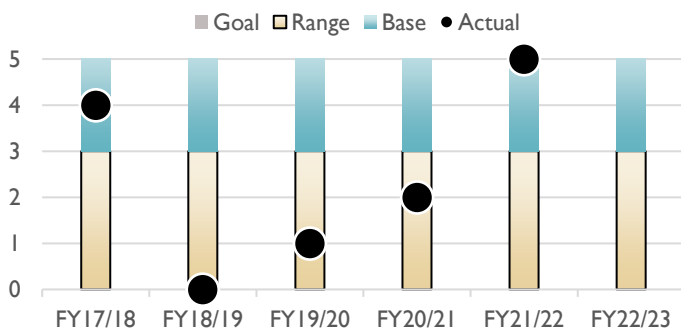
Hours / Property Line Cleanout Installation



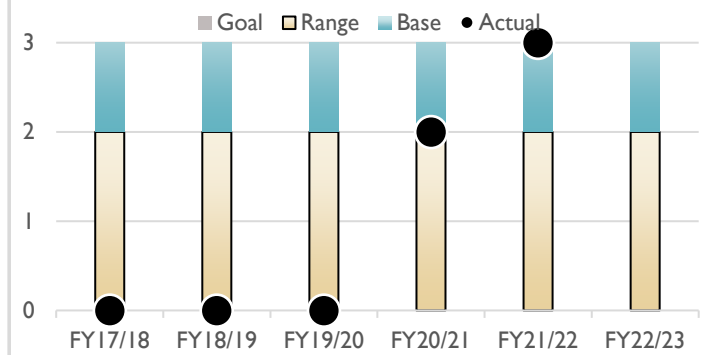
Sanitary Sewer Overflows (Laterals, Property Line Cleanouts)



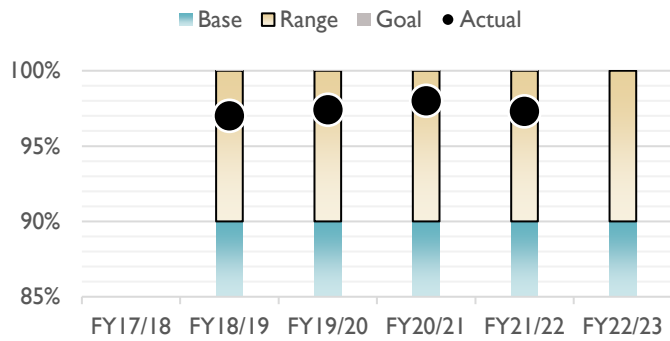
Sanitary Sewer Overflows (Mains, Manholes, Lift Stations)



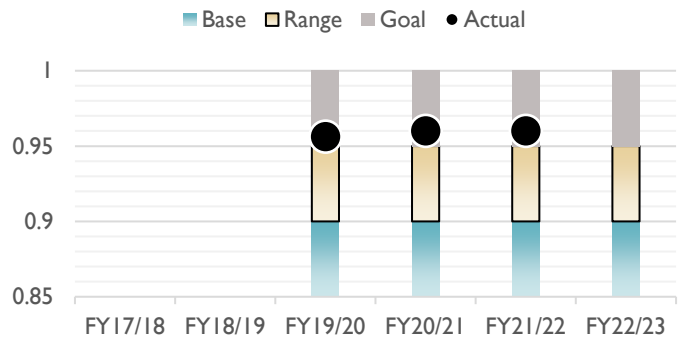
Repeat Callouts



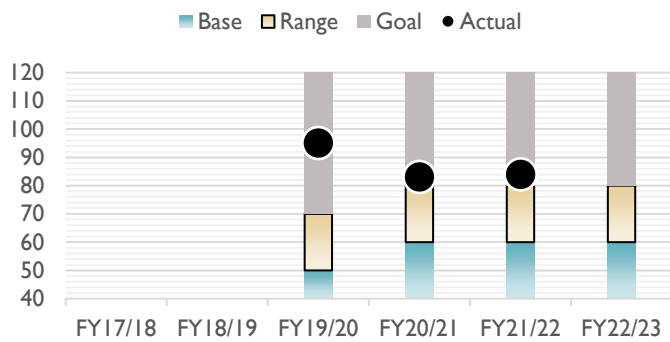
Timely Map Updates



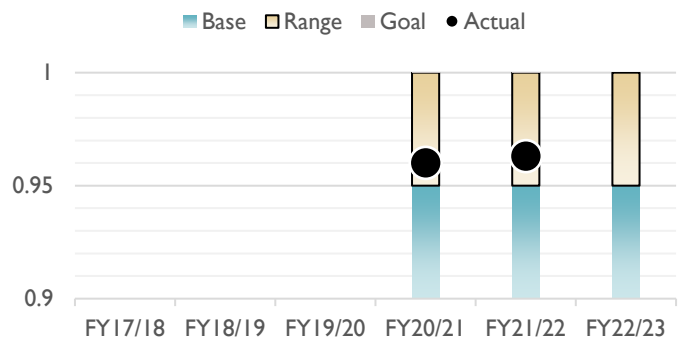
Response Time Success



GCD Inspections



Plan Check Success



Digital Documents Uploaded



BUDGET PROCESS

The South Placer Municipal Utility District adopted its annual budget for Fiscal Year 2024 at the regularly scheduled meeting of the Board of Directors on July 6, 2023.

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. For each fiscal year, the South Placer Municipal Utility District adopts an annual budget that provides the Board of Directors with the upcoming fiscal year revenues and expenses for the Operating and Capital Funds. The Budget’s primary use is as a financial planning tool to accomplish the District’s strategic goals and objectives.

The annual budget conforms to all policies previously adopted by the Board of Directors. District staff work with the Board of Directors Fee & Finance Committee to develop the annual budget. Staff presents the budget at a public workshop before adoption.

TABLE 2 – 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
April	Administrative Services Manager/Department Managers	Prepare Budget Projections / Review Prior Year
May	Fee & Finance Committee	Review Proposed Expenditures
June	Administrative Services Manager/General Manager	Present Budget Workshop to the Board of Directors
July	Board of Directors	Considers and Adopts the Budget

BUDGET OVERVIEW

The South Placer Municipal Utility District budget is prepared on an accrual basis whereby revenues and expenses are reported as they are earned and incurred, respectively. 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 of the District’s major areas of service; although, additional detail is included throughout for reference.

The South Placer Municipal Utility District is a stand-alone 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 (100), a Capital Improvement Project & Expansion Fund (300), and a Replacement & Rehabilitation Fund (400).

The Operating Fund is used to support the general maintenance and operations of the District. The Capital Improvement Project (CIP) & Expansion Fund is used to fund construction projects for new infrastructure or infrastructure improvements and enlargements, and the Replacement & Rehabilitation (R&R) Fund is funded through a transfer of the calculated depreciation expense and is used to finance the rehabilitation and replacement of existing infrastructure.

The District does not have any outstanding debt and does not anticipate 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 discussed in more detail in the section of this report titled Regional Wastewater Treatment Plant Funding, Debt & Rate Stabilization Reserve Fund.

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.

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

- Fully funding all Operations, Maintenance, and Regulatory Obligations.

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

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. 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 – DISTRICT 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 adoption of the Cost of Service and Rate Study covering fiscal years 2023/24 through 2027/28. The new policy eliminated the Rate Stabilization Reserve and reduced the Emergency Reserve from \$3 million to \$1 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 3 months of Operation and Maintenance expenses.

EMERGENCY RESERVES

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 improvement 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 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 – DISTRICT 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 – DISTRICT 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 – DISTRICT POLICY #3251

The Recordation of Assets for Depreciation Purposes Policy specifies that an amount equal to 115% of the annual calculated depreciation shall be accumulated in the Capital Replacement and Rehabilitation Fund (400). 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 – DISTRICT 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, and FiveStar Bank.

FUNDING OF CALPERS OTHER POST-EMPLOYMENT BENEFITS (OPEB) – DISTRICT 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 (ARCs). The District is invested in CERBT Strategy 2 with an expected long-term return on trust assets of 5.5% per year.

FUNDING OF CALPERS UNFUNDED ACCRUED LIABILITY (UAL) – DISTRICT 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 (ARCs). The District is invested in CEPPT Strategy 1 with an expected long-term return on trust assets of 4.5% 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– DISTRICT 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 – DISTRICT 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.

ACCOUNTING SYSTEM AND CONTROLS

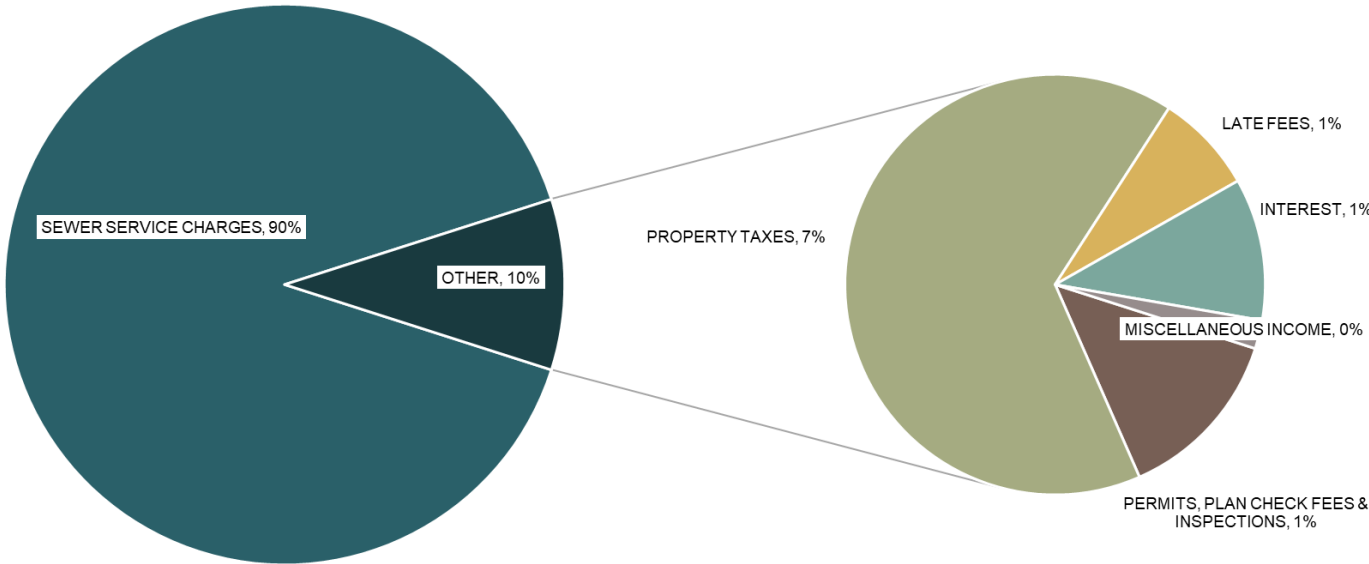
The District utilizes program and project cost accounting to record financial transactions throughout the year. At the end of each fiscal year, ended June 30, the District prepares an Annual Comprehensive Financial Report (ACFR) containing a management discussion and analysis, financial statements and 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 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, and 2021.

BUDGET SUMMARY

OPERATING REVENUES

The District’s Operating Fund Revenues are projected to be \$18.64 million. Operating Fund Revenues are comprised of monthly service charges, fees for services such as plan review, permitting, and inspection, property taxes, and interest revenues. The District has one of the lowest monthly residential customer service fees in the region, \$37.44 a month for Fiscal Year 2023/24.

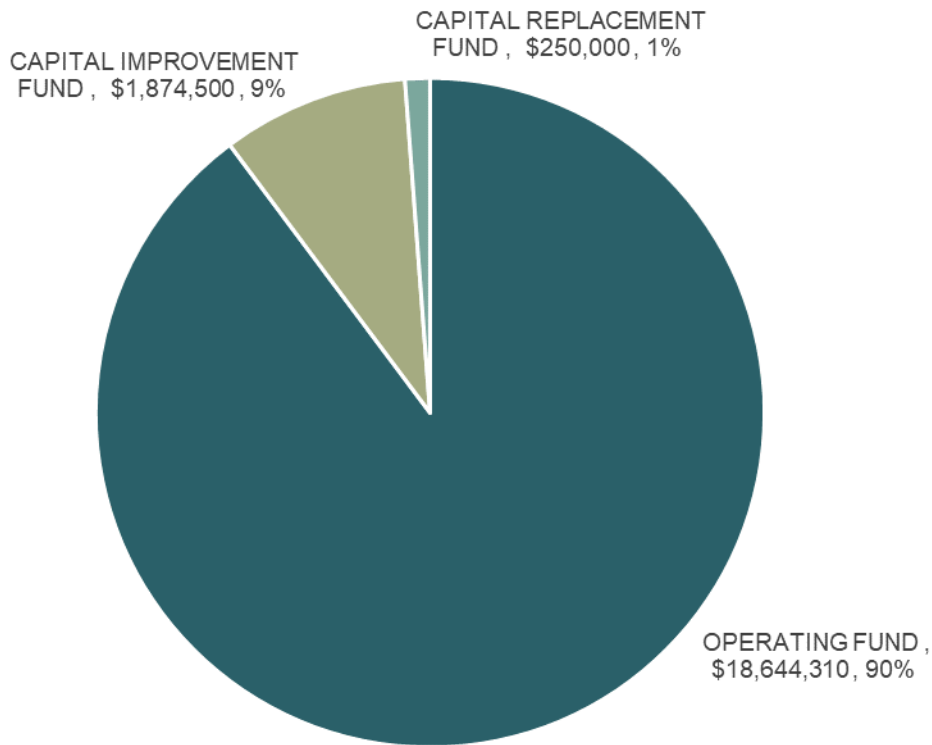
FIGURE 3 – OPERATING FUND REVENUES CHART



NON-OPERATING REVENUES

Non-operating Capital Outlay funds revenues are made up of sewer participation charges, and investment interest income. The sewer participation fees for Fiscal Year 2023/24 are \$14,767 per EDU which is comprised of a \$4,915 Local Participation Fee and a \$9,852 Regional Participation Fee. Capital non-operating revenue is projected to be \$2.12 million, based upon a three hundred additional EDU projection for the year.

FIGURE 4 – OPERATING REVENUES BY FUND CHART



OPERATING EXPENSES

Operating Fund expenses are projected to be \$21.61 million, or \$19.05 million before Depreciation. 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 capital projects that are less than \$5,000.

This year's expense budget allocates 48% of the total operating fund expenses to pay for Regional Wastewater Treatment operated by the City of Roseville and financed through the South Placer Wastewater Authority. The District's Local Collection System operations and maintenance expenses make up 40% of the spending plan with an additional 12% allocated to rehabilitation and replacement of the Local Collection System.

FIGURE 5 – OPERATING FUND EXPENDITURES CHART

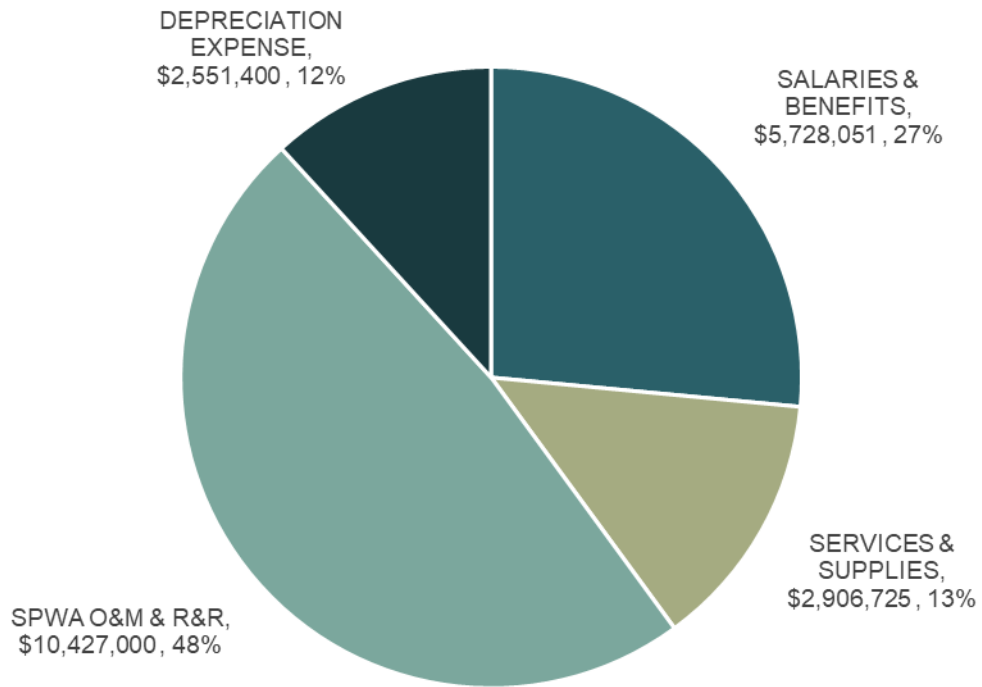


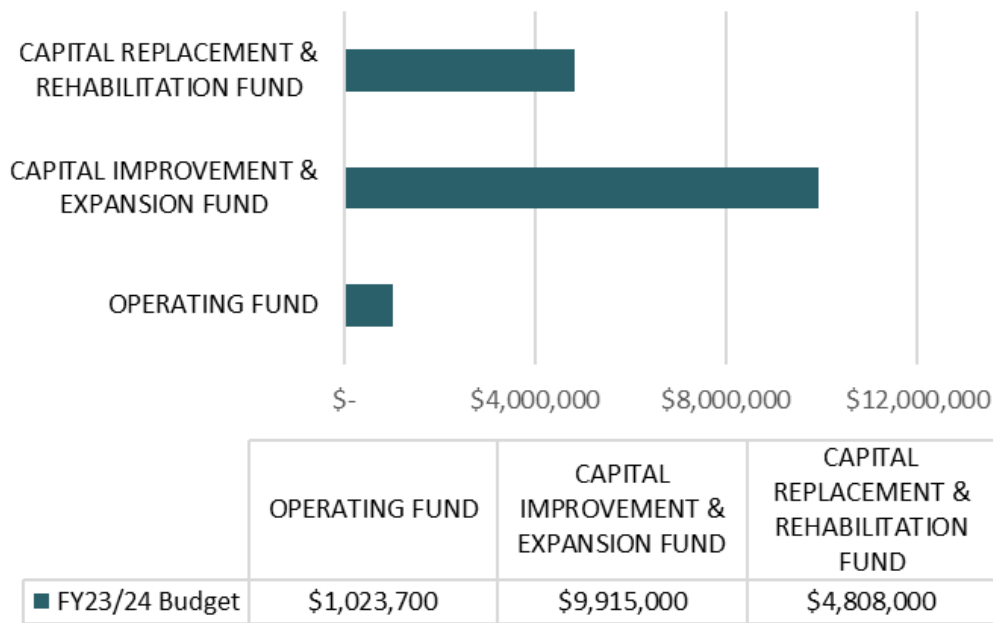
TABLE 3 – FISCAL YEAR 2023/24 OPERATING REVENUE & EXPENDITURE SUMMARY

REVENUES	\$ 18,644,310
SEWER SERVICE CHARGES	\$ 16,717,810
PERMITS, PLAN CHECK FEES & INSPECTIONS	\$ 246,500
PROPERTY TAXES	\$ 1,200,000
LATE FEES	\$ 140,000
INTEREST	\$ 200,000
MISCELLANEOUS INCOME	\$ 40,000
Interest Income from CEPPT (Restricted)	\$ 100,000
EXPENSES	\$ 21,613,176
SALARIES/WAGES	\$ 3,273,000
FICA - SOCIAL SECURITY	\$ 250,385
CALPERS RETIREMENT	\$ 805,196
457 & 401A RETIREMENT	\$ 144,130
INSURANCE BENEFITS	\$ 885,340
PERS OPEB	\$ 370,000
ASPHALT PAVING/ ROOT CONTROL	\$ 146,000
BUILDING & GROUNDS MAINTENANCE	\$ 54,000
GAS & OIL EXPENSE	\$ 66,000
GENERAL OPERATING SUPPLIES & MAINTENANCE	\$ 226,275
LEGAL SERVICES	\$ 180,000
LIFT STATION & FLOW RECORDER PROGRAMS	\$ 76,000
PROFESSIONAL DEVELOPMENT/ EMPLOYEE ENGAGEMENT	\$ 72,375
PROFESSIONAL SERVICES	\$ 843,000
PROPERTY & LIABILITY INSURANCE	\$ 415,000
REGULATORY COMPLIANCE/GOVERNMENT FEES	\$ 86,600
REPAIR/MAINTENANCE AGREEMENTS	\$ 156,150
SAFETY GEAR/UNIFORMS	\$ 28,825
UTILITIES	\$ 186,000
UTILITY BILLING/BANKING EXPENSE/PRINTING	\$ 290,500
VEHICLE REPAIR & MAINTENANCE	\$ 80,000
RWWTP MAINTENANCE & OPERATIONS	\$ 8,181,000
RWWTP REPLACEMENT & REHABILITATION	\$ 2,246,000
TOTAL OPERATIONS EXPENSE LESS DEPRECIATION	\$ 19,061,776
DEPRECIATION EXPENSE	\$ 2,551,400

CAPITAL EXPENSES

Fiscal Year 2023/24 Capital Projects are projected to be \$15.75 million. Major Capital expenses for Fiscal Year 2023/24 include the Taylor Road Lift Station, design of the Placer County Water Agency Old State Highway Construction Project, design and construction of the Taylor Road Crossing Project, preliminary engineering for the Sierra College Trunk, abandonment of the Cameo Court Lift Station, developer reimbursements for trunk line extensions at Del Rio & Del Mar, Boyington Road, and College Park South, preliminary engineering and environmental review of the Johnson Springview/Sunset Whitney Creek Crossing Project, completion of the Corporation Yard Addition and Tenant Improvement Project, the SCADA Master Plan Design, Cured in Place Pipe, participation in several regional projects, and easement maintenance.

FIGURE 6 – CAPITAL EXPENDITURES BY FUND CHART



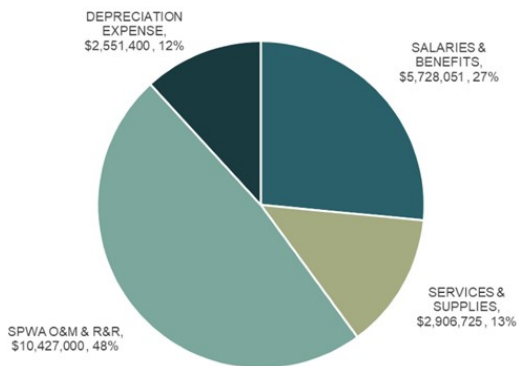
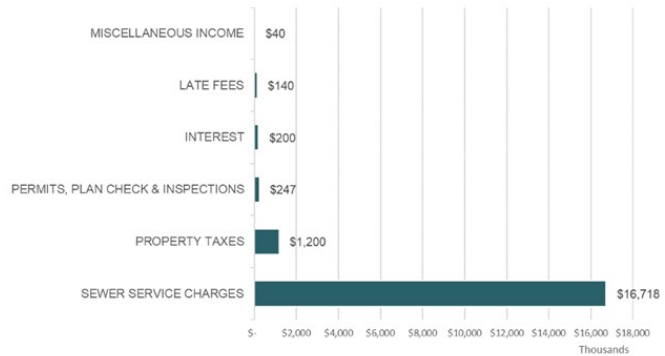
South Placer Municipal Utility District

Budget-at-a-Glance Fiscal Year 2023/24



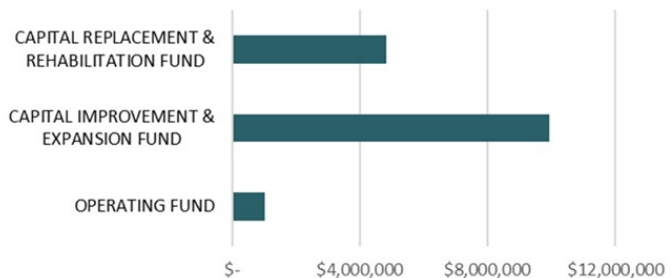
The Fiscal Year 2023/24 Budget supports the District's Vision to be a reliable, innovative, sustainable, efficient, and cost-effective sewer service provider.

Fiscal Year 2023/24 Operating Fund revenues are projected to be \$18.64 Million. Operating Fund revenues are comprised of monthly service fees, other service fees, property taxes, and interest revenues. The District has one of the lowest monthly residential customer service fees in the region at \$37.44 a month.



This year's budget allocates 48% of the operating fund expenses to Regional Wastewater Treatment operated by the City of Roseville and financed through the South Placer Wastewater Authority. Local Collection System operations and maintenances expenses make up 40% of the spending plan with an additional 12% allocated to repair & rehabilitation of the Local Collection System.

Major Fiscal Year 2023/24 Capital Expenses include completion of the Corporation Yard Addition & Tenant Improvement Project, Newcastle Improvements, Participation in Regional Projects, Trunk Extension Reimbursements, SCADA Design, Cured-in-Place Pipe, and System Rehabilitation Projects.



	OPERATING FUND	CAPITAL IMPROVEMENT & EXPANSION FUND	CAPITAL REPLACEMENT & REHABILITATION FUND
■ FY23/24 Budget	\$1,023,700	\$9,915,000	\$4,808,000

REVENUE BUDGET

The Revenue Budget is made up of Operating Revenues and Capital Outlay Revenues. Revenue projections are based on trend analysis and include projected growth within the District’s service area.

OPERATING REVENUES

Operating Fund revenues are projected to be \$18.64 million. Operating Fund revenues are comprised of monthly service charges, service fees collected during the year, property taxes, and interest revenues. In accordance with District Ordinance 23-01, monthly service charges for Fiscal Year 2023/24 are \$37.44 per EDU. The District remains one of the lowest monthly customer service fees in the region, see *Figure S2 Monthly Sewer Rate Comparison for Placer County*.

	FISCAL YEAR 2023/24
OPERATING FUND	
SEWER SERVICE CHARGES	\$ 16,717,810
PERMITS, PLAN CHECK & INSPECTIONS	\$ 246,500
PROPERTY TAXES	\$ 1,200,000
LATE FEES	\$ 140,000
INTEREST	\$ 200,000
GAIN/LOSS ON SALE FIXED ASSET DISPOSAL	\$ -
MISCELLANEOUS INCOME	\$ 40,000
OPERATING FUND less CEPPT Interest Earnings	\$ 18,544,310
Interest Income from CEPPT (Restricted)	\$ 100,000
OPERATING FUND	\$ 18,644,310

NON-OPERATING REVENUES

Non-operating Capital Outlay funds are made up of sewer participation charges and investment interest income. The sewer participation fees for Fiscal Year 2023/24 are \$14,767 per EDU which is comprised of a \$9,852 Regional Participation Fee used to fund treatment plant expansion and enlargement and a \$4,915 Local Participation Fee adopted by Ordinance 23-02 and used to fund collection system expansion and enlargement. The local participation fee for Fiscal Year 2023/24 was determined by the Capacity Fee Study conducted by IB Consulting. Capital non-operating revenue is projected to be \$2.12 million, based upon an estimated three hundred additional EDU projection for the year.

	<u>FISCAL YEAR 2023/24</u>
CAPITAL IMPROVEMENT FUND	
SEWER PARTICIPATION FEES	\$ 1,474,500
INTEREST	400,000
CAPITAL IMPROVEMENT FUND	<u>\$ 1,874,500</u>
CAPITAL REPLACEMENT FUND	
INTEREST	\$ 250,000
CAPITAL REPLACEMENT FUND	<u>\$ 250,000</u>
TOTAL SPMUD REVENUE	<u>\$ 20,768,810</u>

TOTAL REVENUES

The District's total revenues for Fiscal Year 2023/24 are projected to be approximately \$20.77 million. Revenues are expected to increase slightly due to a moderate increase in the monthly service charge and the local participation fee. The District is adopting a revenue budget with conservative interest earnings due to continued year-to-year volatility in the financial markets.

TABLE 4 – FISCAL YEAR 2023/24 REVENUE BUDGET

	<u>AUDITED FINANCIALS</u>		<u>PROJECTED</u>	<u>PROPOSED</u>
	<u>FISCAL YEAR 2020/21</u>	<u>FISCAL YEAR 2021/22</u>	<u>FISCAL YEAR 2022/23</u>	<u>FISCAL YEAR 2023/24</u>
OPERATING FUND				
SEWER SERVICE CHARGES	\$ 15,503,728	\$ 15,825,794	\$ 15,951,600	\$ 16,717,810
PERMITS, PLAN CHECK & INSPECTIONS	458,220	255,155	244,740	\$ 246,500
PROPERTY TAXES	1,173,961	1,190,070	1,200,000	\$ 1,200,000
LATE FEES	102,066	130,032	133,840	\$ 140,000
INTEREST	46,631	48,944	350,000	\$ 200,000
GAIN/LOSS ON SALE FIXED ASSET DISPOSAL	(36,147)	21,993	-	\$ -
MISCELLANEOUS INCOME	88,053	478,946	150,000	\$ 40,000
OPERATING FUND less CEPPT Interest Earnings	<u>\$ 17,336,512</u>	<u>\$ 17,950,934</u>	<u>\$ 18,030,180</u>	<u>\$ 18,544,310</u>
Interest Income from CEPPT (Restricted)	\$ 440,903	\$ (434,002)	\$ 150,000	\$ 100,000
OPERATING FUND	<u>\$ 17,777,415</u>	<u>\$ 17,516,932</u>	<u>\$ 18,180,180</u>	<u>\$ 18,644,310</u>
CAPITAL IMPROVEMENT FUND				
SEWER PARTICIPATION FEES	\$ 2,933,779	\$ 3,476,886	\$ 1,449,000	\$ 1,474,500
INTEREST	91,326	100,826	550,000	400,000
CAPITAL IMPROVEMENT FUND	<u>\$ 3,025,105</u>	<u>\$ 3,577,712</u>	<u>\$ 1,999,000</u>	<u>\$ 1,874,500</u>
CAPITAL REPLACEMENT FUND				
INTEREST	\$ 640,815	\$ 100,826	\$ 400,000	\$ 250,000
CAPITAL REPLACEMENT FUND	<u>\$ 91,325</u>	<u>\$ 100,826</u>	<u>\$ 400,000</u>	<u>\$ 250,000</u>
TOTAL SPMUD REVENUE	<u>\$ 20,893,845</u>	<u>\$ 21,195,470</u>	<u>\$ 20,579,180</u>	<u>\$ 20,768,810</u>

OPERATIONS EXPENSE BUDGET

The following discussion details the Fiscal Year 2023/24 operational expenses. Operating expenses are the Districtwide costs to operate the sewer collection system. They are comprised of personnel, administrative and operational costs, and capital projects that are less than \$5,000.

SALARY & BENEFITS

District salary and benefit expenses are projected to be \$5,728,051. The District’s last adopted Memorandum of Understandings (MOUs) with the Employees and Managers covered the Fiscal Years 2021 through 2023. A cost-of-living addendum was approved by the Board on June 2, 2022, and required that the District undergo a Compensation Study conducted by a third-party consultant prior to entering into new MOUs. In February 2023, the District engaged Ralph Andersen & Associates to conduct a Compensation and Classification Study. Due to the timing of the ongoing labor negotiations the budget includes a 3% cost-of-living increase. Adjustments to align the budget with the adopted Employee and Manager MOUs will occur at mid-year.

Paying off the District’s Unfunded Accrued Liability (UAL) is a Strategic Work Plan item; this budget includes an accelerated payment of \$62,056 to the Tier I (2.7% at 55 Plan) UAL per the CalPERS ten-year payment schedule. This is in addition to the required minimum payment of \$457,782. As of the most recent CalPERS actuarial report dated June 30, 2021, the District’s Tier I UAL balance is \$4.15 million. The accelerated payment will reduce the interest owed on the outstanding UAL. Other Post-Employment Benefits (OPEB) payments for retiree medical benefits are decreasing as an Actuarial Determined Contribution (ADC) to the CalPERS CERB Trust is not required in Fiscal Year 2023/24. Total Salary and Benefits are programmed to increase by \$369,470 (6%) over the prior year.

	FISCAL YEAR 2023/24
SALARIES/WAGES	\$ 3,273,000
FICA - SOCIAL SECURITY	\$ 250,385
CALPERS RETIREMENT	\$ 285,358
CALPERS UNFUNDED ACCRUED LIABILITY	\$ 457,782
ADDITIONAL UAL CONTRIBUTION	\$ 62,056
457 & 401A RETIREMENT	\$ 144,130
INSURANCE BENEFITS	\$ 885,340
RETIREE HEALTH/OPEB	\$ 370,000
SALARIES & BENEFITS	\$ 5,728,051

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-eight funded positions comprised of twenty-five full-time, two part-time, five elected, two contracted, and four management. The Fiscal Year 2023/24 budget includes the reclassification of an Engineering Technician position to a GIS Technician/Analyst as identified in the Classification Study completed by Ralph Andersen & Associates in Fiscal Year 2022/23.

TABLE 5 – FISCAL YEAR 2023/24 PERSONNEL CLASSIFICATIONS

	<u>AUDITED FINANCIALS</u>		<u>PROJECTED</u>	<u>PROPOSED</u>
	<u>FISCAL YEAR 2020/21</u>	<u>FISCAL YEAR 2021/22</u>	<u>FISCAL YEAR 2022/23</u>	<u>FISCAL YEAR 2023/24</u>
GENERAL MANAGER	1	1	1	1
ADMINISTRATIVE SERVICES MANAGER	1	1	1	1
ADMINISTRATIVE SERVICES ASSISTANT I/II/III (a)	3	3	3	3
ADMINISTRATIVE SERVICES TOTAL	5	5	5	5
DISTRICT ENGINEER	1	1	1	1
ASSOCIATE ENGINEER (b)	0	0	0	0
GIS TECH/ANALYST	0	0	0	1
ENGINEERING TECHNICIAN I/II (a)	2	2	2	1
LEAD INSPECTOR	0	1	1	1
INSPECTOR I/II (a)	3	2	2	2
STUDENT INTERN I/II/III (a) (b) (c)	1	0	0	0
TECHNICAL SERVICES TOTAL	7	6	6	6
SUPERINTENDENT	1	1	1	1
REGULATORY COMPLIANCE TECH/SPEC (a)	1	1	1	1
FIELD SUPERVISOR	2	2	1	1
LEADWORKER	3	3	2	2
MAINTENANCE WORKER/INSPECTOR	1	1	1	1
MAINTENANCE WORKER/ELECTRO-MECHANICAL TECH	0	0	2	2
MAINTENANCE WORKER I/II (a)	9	9	10	10
TEMPORARY LABORER I/II/III (a) (c)	0	1	2	2
FIELD SERVICES TOTAL	17	18	20	20
TOTAL REGULAR POSITIONS	29	29	31	31
BOARD OF DIRECTORS	5	5	5	5
DISTRICT LEGAL COUNSEL	1	1	1	1
CONTRACT AUDITOR	1	1	1	1
MISCELLANEOUS TOTAL	7	7	7	7
TOTAL AUTHORIZED POSITIONS	36	36	38	38

***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).

FIGURE 7 – POSITIONS BY DEPARTMENT

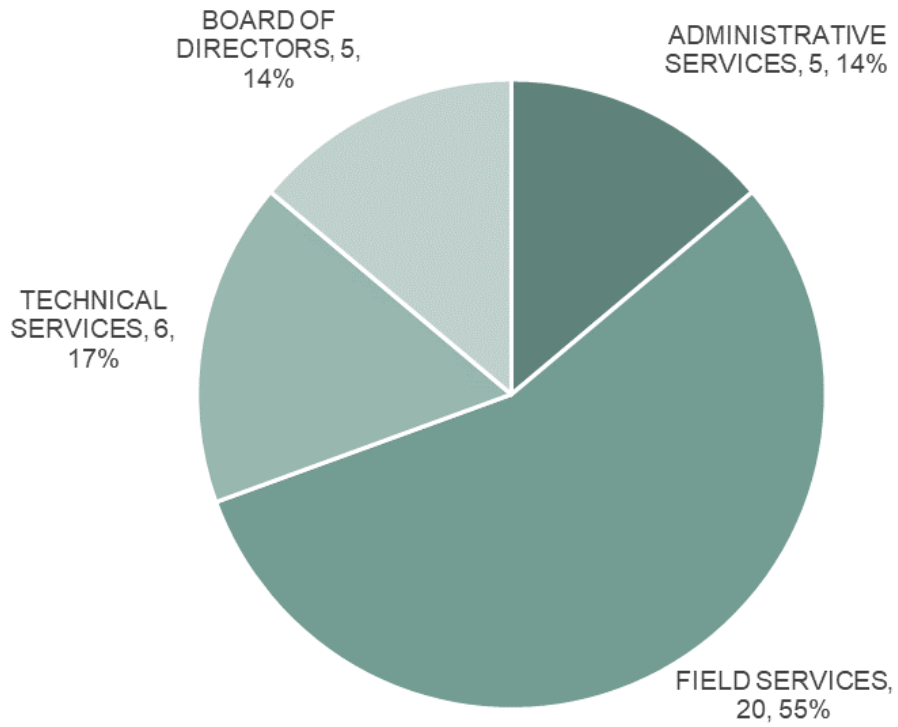


FIGURE 8 – SALARIES BY DEPARTMENT

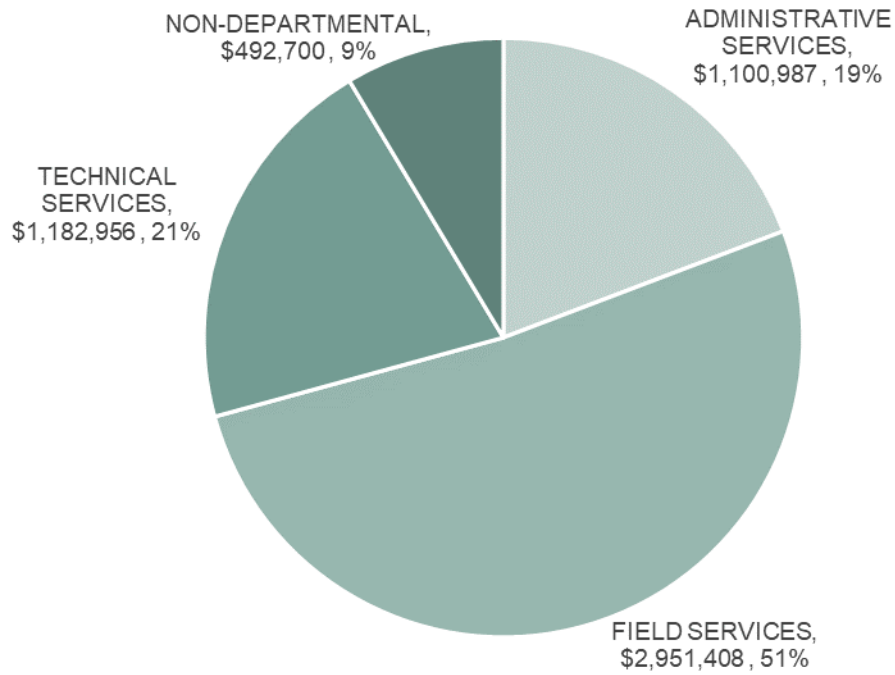


TABLE 6 – FISCAL YEAR 2023/24 SALARY SCHEDULE

SALARY SCHEDULE - HOURLY RATES		STEPS (\$/HR)				
RANGE	POSITION	A	B	C	D	E
9	Student Intern I	18.01	18.91	19.85		
15	Student Intern II	20.88	21.93	23.02		
21	Student Intern III	24.22	25.43	26.70		
17	Temporary Laborer I	21.94	23.04	24.19		
23	Temporary Laborer II	25.44	26.71	28.05		
29	Temporary Laborer III	29.51	30.98	32.53		
22	Admin Services Asst I	24.82	26.06	27.37	28.73	30.17
29	Maintenance Worker I	29.51	30.98	32.53	34.16	35.86
33	Admin Services Asst II	32.57	34.20	35.91	37.70	39.59
34	GIS Tech	33.38	35.05	36.80	38.65	40.58
35	Maintenance Worker II / Engineering Tech I	34.22	35.93	37.73	39.61	41.59
36	MW/Inspector	35.07	36.83	38.67	40.60	42.63
37	MW/Elec-Mech Tech	35.95	37.75	39.63	41.62	43.70
38	Inspector I	36.85	38.69	40.63	42.66	44.79
41	Inspector II	39.68	41.67	43.75	45.94	48.23
42	Admin Services Asst III	40.67	42.71	44.84	47.09	49.44
43	Reg Compliance Tech / Leadworker	41.69	43.78	45.96	48.26	50.68
44	Engineering Tech II / Lead Inspector	42.73	44.87	47.11	49.47	51.94
45	GIS Analyst	43.80	45.99	48.29	50.71	53.24
49	Reg Compliance Spec	48.35	50.77	53.30	55.97	58.77
50	Field Supervisor	49.56	53.34	54.64	57.37	60.24
53	Associate Engineer	53.37	56.04	58.84	61.78	64.87
61	Admin Services Mgr	65.02	68.27	71.69	75.27	79.04
64	Superintendent / District Engineer	70.02	73.52	77.20	81.06	85.11
	General Manager	Contract Salary \$225,925				

SERVICES AND SUPPLIES

Operating Fund Expenses for Service and Supplies are projected to be \$2,906,725. These expenses are anticipated to increase due to continued inflationary pressures as well as continued increases in construction and project activity by District staff. Expenses such as gas and utilities have been most notably impacted by inflationary pressures.

The service and supply budget includes spending for professional services for regional participation in the Placer County Water Agency Old State Highway Construction Project, the Taylor Road Crossing Project, and the Newcastle Main Street Project, updated lift station and bypass specifications, on-call services for engineering, surveying, and plan review, a ground penetrating radar (GPR) locator, out-of-area service agreement annexations, easement acquisitions, easement maintenance including paving, and employee engagement.

The service and supply budget also includes an increase of \$90,000 for property and liability insurance. General liability insurance premiums continue to increase rapidly as a result of wildfire losses and increases in liability judgments in California which has caused insurance companies to refuse to insure in California, increase their rates, or limit the coverage they offer. Total Services and Supplies are programmed to increase by \$720,994 (25%) over the prior year.

	FISCAL YEAR
	2023/24
ASPHALT PAVING	\$ 75,000
BUILDING & GROUNDS MAINTENANCE	\$ 54,000
ELECTION EXPENSE	\$ -
EMPLOYEE ENGAGEMENT	\$ 2,500
GAS & OIL EXPENSE	\$ 66,000
GENERAL OPERATING SUPPLIES & MAINTENANCE	\$ 225,275
LEGAL SERVICES	\$ 180,000
LIFT STATION & FLOW RECORDER PROGRAMS	\$ 76,000
OTHER OPERATING EXPENSE	\$ 1,000
PROFESSIONAL DEVELOPMENT	\$ 69,875
PROFESSIONAL SERVICES	\$ 843,000
PROPERTY & LIABILITY INSURANCE	\$ 415,000
REGULATORY COMPLIANCE/GOVERNMENT FEES	\$ 86,600
REPAIR/MAINTENANCE AGREEMENTS	\$ 156,150
ROOT CONTROL PROGRAM	\$ 71,000
SAFETY GEAR/UNIFORMS	\$ 28,825
UTILITIES	\$ 186,000
UTILITY BILLING/BANKING EXPENSE/PRINTING	\$ 290,500
VEHICLE REPAIR & MAINTENANCE	\$ 80,000
SERVICES & SUPPLIES	\$ 2,906,725

OPERATIONS & MAINTENANCE INCLUDING REGIONAL WASTEWATER TREATMENT

South Placer Wastewater Authority (SPWA) expenses for Operations and Maintenance (O&M) costs and the annual Replacement and Rehabilitation (R&R) projects are projected to be \$10,427,000.

Wastewater treatment expenses are paid to the City of Roseville, which owns and operates the two Regional Wastewater Treatment Plants (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 District pays for its share of the Regional Wastewater Treatment Plant Operation & Maintenance (O&M) and Replacement & Rehabilitation (R&R) costs based on the District's proportional share of total flows (currently around 26%). For Fiscal Year 2023/24, the Regional Wastewater Treatment Plant costs are budgeted to be \$10.43 million. The \$10.43 million wastewater treatment expense is comprised of O&M costs of \$8.18 million and R&R costs of \$2.25 million, an increase of \$0.61 million or 6% from Fiscal Year 2022/23.

Fiscal Year 2023/24 O&M treatment costs are continuing to experience an increase due to several factors including salary and benefit increases, equipment costs, information technology expenses, and an increase in the indirect costs from the City of Roseville's cost allocation plan. Fiscal Year 2023/24 R&R costs include carryover expenses on projects that were budgeted for the last fiscal year but have been delayed due to supply chain issues and changes to project management personnel and consulting staff.

	FISCAL YEAR 2023/24
RWWTP MAINTENANCE & OPERATIONS	\$ 8,181,000
RWWTP REPLACEMENT & REHABILITATION	\$ 2,246,000
SPWA O&M & R&R	\$ 10,427,000

TABLE 7 – REGIONAL WASTEWATER TREATMENT FLOWS & EXPENSES

	2018/19	2019/20	2020/21	2021/22	2022/23
O&M ESTIMATED PAYMENT	\$ 4,571,232	\$ 5,152,756	\$ 4,965,123	\$ 4,942,000	\$ 7,204,000
R&R ESTIMATED PAYMENT	\$ 2,157,937	\$ 790,725	\$ 576,156	\$ 1,659,750	\$ 2,611,000
DISTRICT FLOWS	1,740	1,635	1,632	1,705	1,857
SPWA FLOWS	6,845	6,262	6,226	6,473	7,056
DISTRICT PERCENTAGE	25.43%	26.11%	26.21%	26.34%	26.32%
O&M AUDITED PAYMENT	\$ 4,849,205	\$ 4,941,969	\$ 5,517,195	\$ 6,040,879	TBD
R&R AUDITED PAYMENT	\$ 3,675,986	949,044	113,329	\$ 226,637	TBD

Estimated

The Fiscal Year 2023/24 Operating Fund Expense Budget of \$21.61 million is comprised of the following: \$5.73 million for salaries and benefits, \$2.91 million for services and supplies, \$10.43 million for Regional Wastewater Treatment Plant expenses, and \$2.55 million for depreciation expense. This represents an increase of \$1.87 million (9%) over the projected expenses for Fiscal Year 2022/23, primarily due to inflationary changes and professional services for capital projects that are being carried over from the prior year's budget.

TABLE 8 – FISCAL YEAR 2023/24 OPERATING EXPENSE BUDGET

	FISCAL YEAR 2020/21	FISCAL YEAR 2021/22	FISCAL YEAR 2022/23	FISCAL YEAR 2023/24
SALARIES/WAGES	\$ 2,701,984	\$ 2,699,905	\$ 2,779,300	\$ 3,273,000
FICA - SOCIAL SECURITY	\$ 179,702	\$ 201,418	\$ 212,630	\$ 250,385
CALPERS RETIREMENT	\$ 277,625	\$ 236,219	\$ 230,141	\$ 285,358
CALPERS UNFUNDED ACCRUED LIABILITY	\$ 350,350	\$ 410,507	\$ 470,864	\$ 457,782
ADDITIONAL UAL CONTRIBUTION	\$ -	\$ -	\$ 467,739	\$ 62,056
457 & 401A RETIREMENT	\$ 112,343	\$ 117,263	\$ 105,790	\$ 144,130
INSURANCE BENEFITS	\$ 705,209	\$ 656,252	\$ 722,117	\$ 885,340
RETIREE HEALTH/OPEB	\$ 287,718	\$ 446,369	\$ 370,000	\$ 370,000
SALARIES & BENEFITS	\$ 4,614,931	\$ 4,767,933	\$ 5,358,581	\$ 5,728,051
ASPHALT PAVING	\$ -	\$ 12,500	\$ 50,000	\$ 75,000
BUILDING & GROUNDS MAINTENANCE	\$ 37,954	\$ 49,812	\$ 35,000	\$ 54,000
ELECTION EXPENSE	\$ -	\$ -	\$ 49,906	\$ -
EMPLOYEE ENGAGEMENT	\$ -	\$ -	\$ -	\$ 2,500
GAS & OIL EXPENSE	\$ 42,472	\$ 60,225	\$ 61,000	\$ 66,000
GENERAL OPERATING SUPPLIES & MAINTENANCE	\$ 108,445	\$ 124,094	\$ 183,550	\$ 225,275
LEGAL SERVICES	\$ 64,964	\$ 92,460	\$ 285,000	\$ 180,000
LIFT STATION & FLOW RECORDER PROGRAMS	\$ 62,281	\$ 38,685	\$ 65,000	\$ 76,000
OTHER OPERATING EXPENSE	\$ (406)	\$ 150	\$ 150	\$ 1,000
PROFESSIONAL DEVELOPMENT	\$ 20,770	\$ 32,095	\$ 30,700	\$ 69,875
PROFESSIONAL SERVICES	\$ 80,243	\$ 168,149	\$ 333,500	\$ 843,000
PROPERTY & LIABILITY INSURANCE	\$ 215,827	\$ 255,095	\$ 322,425	\$ 415,000
REGULATORY COMPLIANCE/GOVERNMENT FEES	\$ 46,960	\$ 56,824	\$ 73,500	\$ 86,600
REPAIR/MAINTENANCE AGREEMENTS	\$ 108,609	\$ 113,144	\$ 114,500	\$ 156,150
ROOT CONTROL PROGRAM	\$ 54,501	\$ 55,310	\$ 65,000	\$ 71,000
SAFETY GEAR/UNIFORMS	\$ 19,281	\$ 21,468	\$ 26,000	\$ 28,825
UTILITIES	\$ 156,342	\$ 167,970	\$ 170,000	\$ 186,000
UTILITY BILLING/BANKING EXPENSE/PRINTING	\$ 235,471	\$ 237,369	\$ 255,500	\$ 290,500
VEHICLE REPAIR & MAINTENANCE	\$ 46,792	\$ 69,169	\$ 65,000	\$ 80,000
SERVICES & SUPPLIES	\$ 1,300,506	\$ 1,554,519	\$ 2,185,731	\$ 2,906,725
RWWTP MAINTENANCE & OPERATIONS	\$ 5,025,013	\$ 5,007,939	\$ 7,204,000	\$ 8,181,000
RWWTP REPLACEMENT & REHABILITATION	\$ 576,156	\$ 1,659,750	\$ 2,611,000	\$ 2,246,000
SPWA O&M & R&R	\$ 5,601,169	\$ 6,667,689	\$ 9,815,000	\$ 10,427,000
OPERATING EXPENSE LESS DEPRECIATION	\$ 11,516,606	\$ 12,990,141	\$ 17,359,312	\$ 19,061,776
DEPRECIATION EXPENSE	\$ 1,889,287	\$ 2,065,934	\$ 2,375,825	\$ 2,551,400
ONE-TIME CEPPT FUNDING	\$ 3,000,000	\$ -	\$ -	\$ -
OPERATING FUND EXPENSES	\$ 16,405,893	\$ 15,056,075	\$ 19,735,137	\$ 21,613,176

CAPITAL OUTLAY BUDGET

Fiscal Year 2023/24 Capital Projects are projected to be approximately \$15.75 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. Completion of the identified projects 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.

OPERATING FUND CAPITAL OUTLAY SUMMARY

\$1,023,700

Fund 100 capital projects include property acquisition for the Taylor Road Lift Station, design of the Old State Highway and Buena Vista Sewer Replacement project in coordination with Placer County Water Agency in Newcastle, design and construction of the Taylor Road Crossing Project, the Keller Court Project, and easement maintenance including tree removal.

CAPITAL IMPROVEMENT & EXPANSION OUTLAY SUMMARY

\$9,915,000

Fund 300 capital projects include Foothill Trunk access road repairs, preliminary engineering for the Sierra College Trunk, preliminary engineering and environmental for the abandonment of the Cameo Court Lift Station, final engineering, environmental and construction of the Del Rio and Delmar Sewer Trunk Extension and developer reimbursements for trunk line extensions at Boyington Road and College Park South.

CAPITAL REPLACEMENT & REHABILITATION OUTLAY SUMMARY

\$4,808,000

Fund 400 capital projects include design and construction of the Jack in the Box Line, preliminary engineering for the abandonment of the Cameo Court Lift Station, preliminary engineering and environmental review of the Johnson Springview/Sunset Whitney Creek Crossing Project, completion of the Corporation Yard Addition and Tenant Improvement Project, the SCADA Master Plan Design, Cured in Place Pipe, easement repair work, new vehicle purchases, payment for the Rocklin Roundabout Project, and participation in several regional projects.

OPERATING FUND CAPITAL OUTLAY DETAILS

\$1,023,700

COMPUTERS/OFFICE FURNITURE **\$51,700**

For the purchase of various computers and office furniture components.

EASEMENT INSPECTION PROGRAM **\$15,000**

The District will pursue a professional services agreement with a drone service to collect and process data collected through inspections of the District's easements. The data from these inspections will document the condition of easements, demonstrate the change in condition of easements over time, and be used to evaluate the potential encroachment of other improvements in easements.

EASEMENT/ACCESS ROAD REPLACEMENTS/UPGRADES **\$200,000**

The District has an ongoing easement maintenance and upgrade program. This maintenance work is generally performed by District crews. Some of the work involves new improvements while other work involves replacements or reconstructions. The replacements/reconstructions are charged to Fund 400 (see Fund 400 Capital Outlay Justifications.) In addition to work performed by the District, \$170,000 is committed to paving new access roads with asphalt through contracted services.

EASEMENT/PROPERTY ACQUISITION **\$87,000**

The District plans to acquire property where the Taylor Road Lift Station is located as well as additional easement along Taylor Road for the Taylor Road Crossing Project.

LATERAL CAMERA **\$15,000**

The District plans to purchase miscellaneous accessories for its lateral cameras and perform necessary repairs and maintenance to continue to support the critical functions they play in effectively operating the District's lower laterals.

NEWCASTLE MASTER PLAN IMPROVEMENTS **\$300,000**

The Newcastle Master Plan was completed in March 2017 and identifies system upgrade projects. This Main Street Project involves: (1) upsizing an existing mainline; (2) abandoning a 4" sewer main that runs through backyards and under two homes; and (3) installing new laterals for five homes and re-connecting the laterals to the newly upsized

mainline in the public right-of-way. The Board has authorized \$200,000 per year for these Master Plan upgrades. Carry-over funds are also available from prior fiscal years.

PARTICIPATION IN REGIONAL PROJECTS **\$50,000**

The District coordinates with regional agencies to protect District assets during the construction of other agency improvements. The cost of CCTV inspection before and after the agency's project to ensure damage caused by construction is repaired and debris does not enter the sewer system and the cost to adjust District assets to conform to newly finished grades is borne by the District.

PIPE TRAILER IMPROVEMENTS **\$15,000**

The District's goal is to replace a trailer for the storage and transport of emergency bypass piping and equipment. The trailer was purchased and the necessary improvements were fabricated, but the protective cover has not yet been constructed. This item is to complete the project started in the previous budget.

SYSTEM IMPROVEMENTS **\$290,000**

The District plans to design and reconstruct a substandard sewer crossing on Taylor Road in Newcastle to improve access and to meet State minimum separation standards. In addition, improvements to Keller Court remain in the budget and will be completed once the homeowner provides easements and a Bill of Sale for the existing improvements.

CAPITAL IMPROVEMENT & EXPANSION CAPITAL DETAILS

\$9,915,000

EXPANSION PROJECTS **\$4,490,000**

The District plans to complete the design, environmental, and construction of the Del Rio Court and Delmar Sewer Extension, the preliminary engineering and environmental of the Cameo Court Lift Station Abandonment, and the preliminary engineering for the Sierra College Trunk.

FOOTHILL TRUNK PROJECT – CONSTRUCTION **\$125,000**

The Foothill Trunk Sewer Replacement Project was identified for construction in the 2015 System Evaluation and Capacity Assurance Plan (SECAP). While construction of the Foothill Trunk Sewer Replacement Project is complete, repairs are required to the access road behind Corona Circle.

TRUNK EXTENSION REIMBURSEMENT **\$5,300,000**

The District is currently aware of two projects that would be eligible for reimbursement agreements and may be approved and constructed in the upcoming year: the Boyington Road Extension (Hidden Grove), and College Park South. This line item will be used only if reimbursement agreements are approved by the Board.

REPLACEMENT & REHABILITATION CAPITAL OUTLAY DETAILS

\$4,808,000

CORPORATION YARD MASTER PLAN CAPITAL IMPROVEMENTS **\$663,000**

The District has started construction on the 2022 Corporation Yard Addition and Tenant Improvement Project. The project includes the reconfiguration of the customer lobby area, the addition of a large training/multipurpose room, and the reconfiguration of the locker rooms and Field Service Department offices. The project will finish at the beginning of Fiscal Year 2023/24. This budgeted amount is for the costs to close out this construction project.

CURED IN PLACE PIPE **\$750,000**

This budgeted amount is for the rehabilitation of pipes by installing Cured-In-Place-Pipe (CIPP) liners into sewer mainlines, lateral pipes, and installing lateral seals.

DISTRICT PARTICIPATION IN REGIONAL PROJECTS **\$1,230,000**

The District continues to coordinate with its stakeholders and other regional agencies. These municipalities and agencies plan projects in areas where existing District facilities are located. The District enters into construction cooperation agreements with these partners in the region to rehabilitate or replace some or all of the existing sewer facilities as part of the project. This line item pays for this work. This is advantageous to the stakeholders because it decreases the likelihood that the District will need to do work soon after they finish their projects. It is advantageous to the District because the rehabilitation or replacement of the sewer facilities is less impactful to customers when combined with other improvements. The anticipated projects are Pavement Rehabilitation (City of Rocklin), the Rocklin Road and Pacific Street Roundabout (City of Rocklin), Aguilar Road Reconstruction (City of Rocklin), and the Sierra College and Taylor Road Intersection Improvements (Town of Loomis).

EASEMENT/ACCESS ROAD REPLACEMENT/UPGRADES **\$220,000**

The District has an ongoing easement upgrade program. Some of the work involves new improvements while other work involves replacements or reconstructions. The new

improvements are charged to Fund 100 (see Fund 100 Capital Outlay Justifications). In addition to work performed by the District, the District is committed to paving select access roads with asphalt through contracted services. This budgeted amount is to replace existing easement access roads with paved access roads.

SCADA DESIGN & IMPLEMENTATION **\$490,000**

The District's Supervisory Control and Data Acquisition (SCADA) system's hardware and software are proprietary and are supported by only one service provider on the west coast. Staff has concerns about the service provider's ability to support the system into the future. The District retained a consultant to prepare a Master Plan to outline phased improvements to the SCADA system to increase reliability and harden security. The design of the improvements commenced last year. The budgeted amount is for the final design and preparation of bid packages to construct the improvements.

SYSTEM REHABILITATION **\$1,225,000**

Four system rehabilitation projects are anticipated to begin in Fiscal Year 2023/24: preliminary engineering and environmental for the High-Risk Facility Creek Crossing at Johnson Springview Park and Sunset Whitney, the Jack in the Box sewer main line replacement adjacent to Rocklin Road, preliminary engineering for the Cameo Court Lift Station Abandonment, and replacement of the pond liner in the emergency overflow pond for the Irish Lane Lift Station in Newcastle.

TAYLOR ROAD LIFT STATION REPLACEMENT **\$160,000**

The existing components of the Taylor Road Lift Station were inherited with the annexation of the Newcastle Sanitary District. The current lift station was not built to any standard and is difficult to access. The budgeted amount is for the purchase and installation of a package lift station to replace the series of concrete tanks currently in service, improving the effectiveness and safety of the site.

VEHICLE PURCHASES **\$70,000**

This item includes the purchase of one replacement vehicle and one replacement trailer-mounted generator.

TABLE 9 – FISCAL YEAR 2023/24 PROGRAMMED CAPITAL OUTLAY SUMMARY

	AUDITED FINANCIALS		PROJECTED	PROPOSED
	FISCAL YEAR 2020/21	FISCAL YEAR 2021/22	FISCAL YEAR 2022/23	FISCAL YEAR 2023/24
OPERATING FUND	\$ 293,219	\$ 405,380	\$ 3,635,140	\$ 1,023,700
CIP & EXPANSION	\$ 2,087,054	\$ 124,732	\$ -	\$ 9,915,000
REPLACEMENT & REHABILITATION	\$ 1,389,357	\$ 958,034	\$ 1,141,511	\$ 4,808,000
TOTAL CAPITAL INVESTMENT	\$ 3,769,630	\$ 1,488,146	\$ 4,776,651	\$ 15,746,700

TABLE 10 – FISCAL YEAR 2023/24 PROGRAMMED CAPITAL OUTLAY DETAIL

CAPITAL IMPROVEMENTS				
		OPERATING	CIP & EXPANSION	REPLACEMENT & REHABILITATION
COMPUTERS/OFFICE FURNITURE	\$ 51,700	\$ 51,700	\$ -	\$ -
EASEMENT INSPECTION PROGRAM	\$ 15,000	\$ 15,000	\$ -	\$ -
EASEMENT/ACCESS ROADS	\$ 420,000	\$ 200,000	\$ -	\$ 220,000
EASEMENT ACQUISITION	\$ 87,000	\$ 87,000	\$ -	\$ -
LATERAL CAMERA	\$ 15,000	\$ 15,000	\$ -	\$ -
NEWCASTLE MASTER PLAN IMPROVEMENTS	\$ 300,000	\$ 300,000	\$ -	\$ -
PARTICIPATION IN REGIONAL PROJECTS	\$ 1,280,000	\$ 50,000	\$ -	\$ 1,230,000
PIPE TRAILER IMPROVEMENTS	\$ 15,000	\$ 15,000	\$ -	\$ -
SYSTEM IMPROVEMENTS	\$ 290,000	\$ 290,000	\$ -	\$ -
EXPANSION PROJECTS	\$ 4,490,000	\$ -	\$ 4,490,000	\$ -
FOOTHILL TRUNK PROJECT	\$ 125,000	\$ -	\$ 125,000	\$ -
TRUNK EXTENSION REIMBURSEMENT	\$ 5,300,000	\$ -	\$ 5,300,000	\$ -
CY MASTER PLAN CAPITAL IMPROVEMENTS	\$ 663,000	\$ -	\$ -	\$ 663,000
CURED IN PLACE PIPE	\$ 750,000	\$ -	\$ -	\$ 750,000
SCADA DESIGN	\$ 490,000	\$ -	\$ -	\$ 490,000
SYSTEM REHABILITATION	\$ 1,225,000	\$ -	\$ -	\$ 1,225,000
TAYLOR ROAD LIFT STATION REPLACEMENT	\$ 160,000	\$ -	\$ -	\$ 160,000
VEHICLE PURCHASES	\$ 70,000	\$ -	\$ -	\$ 70,000
TOTAL CAPITAL IMPROVEMENTS	\$ 15,746,700	\$ 1,023,700	\$ 9,915,000	\$ 4,808,000

FUND BALANCES AND RESERVES

CASH AND INVESTMENT BALANCES

Cash balances are invested in accordance with the District’s Investment Policy 3120 in the Local Agency Investment Fund (LAIF); the Placer County Treasury; CalTRUST, California CLASS, and Five Star Bank Money Market. The breakdown of these investments is shown in Table 12 – Investment Account Balances as of March 31, 2023.

As of March 31, 2023, District investment balances were \$17.39 million in Fund 100, \$31.27 million in Fund 300, and \$23.66 million in Fund 400. Additionally, the balance of the CalPERS CEPP Trust which is restricted for pension expenses was \$3.10 million. The District’s investment portfolio balance as of March 31, 2023, decreased \$1.93 million or 3% from the Fiscal Year 2021/22 audited numbers. The Fund 100 balance will be adjusted at year-end to account for fund balance transfers with Funds 300 & 400 that occurred throughout Fiscal Year 2022/23.

TABLE 11 – FUND BALANCE BREAKDOWN

CASH & INVESTMENTS	AUDITED FUNDS FISCAL YEAR 2020/21	AUDITED FUNDS FISCAL YEAR 2021/22	FUNDS AS OF 03/31/2023
FUND 100 OPERATING	\$ 16,786,025	\$ 25,250,688	\$ 17,391,423
FUND 300 CIP & EXPANSION	\$ 26,878,885	\$ 27,140,321	\$ 31,273,751
FUND 400 CAPITAL REPLACEMENT & REHABILITATION	\$ 21,712,239	\$ 21,959,738	\$ 23,657,769
CALPERS CEPP TRUST - RESTRICTED	\$ 3,440,903	\$ 3,006,902	\$ 3,102,584
TOTALS	\$ 68,818,052	\$ 77,357,649	\$ 75,425,527

FIGURE 9 – ALLOCATION BY FUND AS OF MARCH 31, 2023

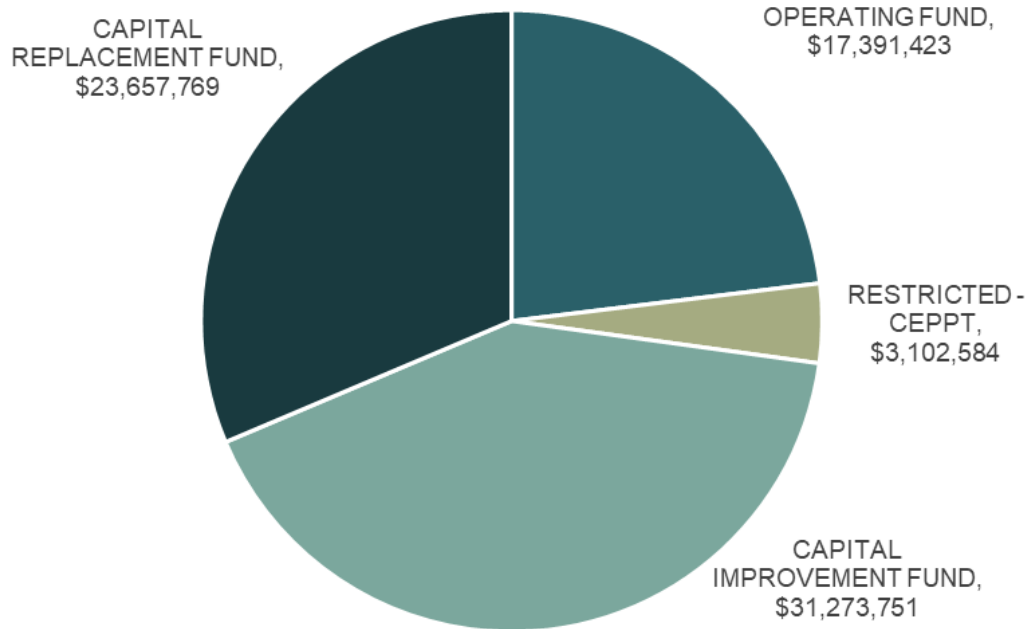


TABLE 12 INVESTMENT ACCOUNT BALANCES AS OF MARCH 31, 2023

INVESTMENT	PRIOR YEAR Jan 22 - Mar 22	PRIOR QUARTER Oct 22 - Dec 22	MARKET VALUE Jan 23 - Mar 23	QUARTERLY RETURN	% OF PORTFOLIO
CALTRUST	\$ 23,287,970	\$ 11,211,628	\$ 6,365,411	0.76%	8%
LAIF	\$ 19,937,087	\$ 25,194,869	\$ 25,364,678	0.65%	34%
PLACER COUNTY TREASURY	\$ 19,976,455	\$ 25,145,937	\$ 25,290,891	0.58%	34%
FIVE STAR MONEY MARKET	\$ -	\$ 5,022,410	\$ 6,054,558	0.65%	8%
CASH	\$ 6,775,989	\$ 4,629,379	\$ 9,247,405	0.13%	12%
RESTRICTED - CEPPT	\$ 3,345,795	\$ 2,976,402	\$ 3,102,584	1.04%	4%
TOTAL/AVERAGE	\$ 73,323,296	\$ 74,180,626	\$ 75,425,527	0.59%	100%

TABLE 13 – FUND BALANCE SOURCES AND USES

Fund 100 Operating Fund

PROJECTED BALANCE AS OF JULY 1, 2023	\$ 15,065,800
Proposed Revenues	
<i>Fund 100 Revenues</i>	\$ 18,344,310
<i>Interest</i>	\$ 300,000
<i>Total Fund 100 Revenues</i>	\$ 18,644,310
Proposed Expenditures	
<i>Local Operations & Maintenance Expenses</i>	\$ (8,634,776)
<i>Regional Operations & Maintenance Expenses</i>	\$ (10,427,000)
<i>Depreciation</i>	\$ (2,551,400)
<i>SubTotal Fund 100 Expenses</i>	\$ (21,613,176)
 <i>Capital Projects</i>	 \$ (1,023,700)
<i>Total Fund 100 Expenditures</i>	\$ (22,636,876)
 100 ENDING FUND BALANCE	 \$ 11,073,234
 <i>Minimum Operating Fund Reserve Requirement per Policy #3130</i>	 \$ 5,765,444
100 FUND BALANCE (LESS RESERVE REQUIREMENT) AVAILABLE FOR USE	\$ 5,307,790

Fund 300 CIP & Expansion

PROJECTED BALANCE AS OF JULY 1, 2023	\$ 32,872,751
Proposed Revenues	
<i>Sewer Participation Charges</i>	\$ 1,474,500
<i>Interest</i>	\$ 400,000
<i>Total Fund 300 Revenues</i>	\$ 1,874,500
Proposed Expenditures	
<i>Capital Projects</i>	\$ (9,915,000)
<i>Total Fund 300 Expenditures</i>	\$ (9,915,000)
 300 ENDING FUND BALANCE	 \$ 24,832,251

Fund 400 Replacement & Rehab

PROJECTED BALANCE AS OF JULY 1, 2023	\$ 25,042,083
Proposed Revenues	
<i>Depreciation</i>	\$ 2,551,400
<i>Interest</i>	\$ 250,000
<i>Total Fund 400 Revenues</i>	\$ 2,801,400
Proposed Expenditures	
<i>Capital Projects</i>	\$ (4,808,000)
<i>Total Fund 400 Expenditures</i>	\$ (4,808,000)
400 ENDING FUND BALANCE	<u>\$ 23,035,483</u>

COMPLIANCE WITH DISTRICT RESERVE POLICY 3130

As indicated in *Table 13 Fund Balance Sources and Uses*, the District is projecting an Operating Fund Reserve balance of \$11.08 million by year-end which exceeds the minimum requirement of \$5.76 million. This budget allows the District to have demonstrated continued compliance with Reserve Policy #3130.

TABLE 14 – OPERATING FUND RESERVE REQUIREMENTS

<u>RESERVE FUND</u>	<u>REQUIREMENT</u>	<u>CALCULATION</u>	<u>AMOUNT</u>
EMERGENCY RESERVE	\$1 million	\$1 million	\$ 1,000,000
OPERATIONS & MAINTENANCE RESERVE	3 months of operating expense (before depreciation)	25% of \$19,061,776	\$ 4,765,444
		TOTAL	<u>\$ 5,765,444</u>

REGIONAL WASTEWATER TREATMENT PLANT 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 District pays its share of annual Operations and Maintenance and Rehabilitation and Replacement costs for the Regional Wastewater Treatment Plants based on its proportional flows which are approximately 26% of total flows into the plants. The City of Roseville provides the District with the annual estimated treatment expenses. 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 a credit towards future payments. The District is anticipating a credit from Fiscal Year 2022/23 trued-up expenses that is not included in this year's budget. These treatment expenses are the largest operational expense of the District and comprise over 56% of the District's operating revenues. The District is working with the City of Roseville on ways to more accurately collect estimated treatment payments and control future costs.

An SPWA Funding Agreement establishes a Rate Stabilization Account to be used for the payment of debt service on the Bonds and other costs of the Authority. Monthly contributions of regional connection fees are deposited into the Authority's Rate Stabilization Account and SPWA pays the debt service and other costs from the account, based on each member's proportionate share. As of December 31, 2022, the SPWA had outstanding debt of \$151.61 million. Per the June 31, 2022, SPWA Audited Financial Statements, the District maintained a balance of \$56.10 million in the SPWA Rate Stabilization Account. The annual SPWA Debt assigned to the District was \$2.49 million. At the current debt service, the District has approximately 22 years' worth of debt service on account with SPWA. The adoption of this budget allows the District to have demonstrated 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 Net Revenues deposited in the SPWA Rate Stabilization Fund, collected as the Regional Participation Fee. 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.

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. The District has completed an asset management replacement program for its collection system and lift stations. 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 the fiscal year 2033. The rehabilitation and replacement capital spending in the fiscal year 2033 is expected to be funded through debt issuance.

The financial plan developed by the consultant utilizes a fifteen-year project model to establish rates for the next five years. The plan modifies the reserve requirement by eliminating the rate stabilization reserve and reducing the emergency reserve from \$3 million to \$1 million. The financial plan provides for modest rate increases and a long-term strategy to implement cost-containing strategies and issue debt to fund necessary capital replacements in the fiscal year 2033.

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 (\$/EDU)	\$ 37.44	\$ 38.94	\$ 40.50	\$42.53	\$44.66

The consultant also completed a Capacity Fee 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 or participation fee was adopted by Ordinance 23-02 at the June 2023 District Board Meeting. The fee for Fiscal Year 2023/24 is \$4,915 and will adjust 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 Records for the preceding 12-month period ending the prior May.

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 trend analysis and the following assumptions from the Cost of Service and Rate Study:

SEWER SERVICE CHARGES	Adopted rates plus additional EDU growth
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 this analysis period.

TABLE 15 – FIVE YEAR REVENUE PROJECTIONS

	<u>PROPOSED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>
	<u>FISCAL YEAR</u> <u>2023/24</u>	<u>FISCAL YEAR</u> <u>2024/25</u>	<u>FISCAL YEAR</u> <u>2025/26</u>	<u>FISCAL YEAR</u> <u>2026/27</u>	<u>FISCAL YEAR</u> <u>2027/28</u>	<u>FISCAL YEAR</u> <u>2028/29</u>
OPERATING FUND						
MONTHLY SEWER SERVICE CHARGE PER EDU	\$ 37.44	\$ 38.94	\$ 40.50	\$ 42.53	\$ 44.66	\$ 44.66
SEWER SERVICE CHARGES REVENUES	\$ 16,717,810	\$ 17,195,904	\$ 18,006,300	\$ 19,010,910	\$ 20,070,204	\$ 20,177,388
PERMITS, PLAN CHECK FEES & INSPECTIONS	\$ 246,500	205,416	205,416	164,333	164,333	\$ 164,333
PROPERTY TAXES	\$ 1,200,000	1,229,760	1,260,258	1,291,512	1,323,542	\$ 1,356,366
LATE FEES SEWER SERVICE CHARGES	\$ 140,000	143,472	147,030	150,676	154,413	\$ 158,243
INTEREST	\$ 200,000	75,000	76,860	78,766	80,720	\$ 82,721
MISCELLANEOUS INCOME	\$ 40,000	40,992	42,009	43,050	44,118	\$ 45,212
OPERATING FUND less CEPPT Interest Earnings	\$ 18,544,310	\$ 18,890,544	\$ 19,737,873	\$ 20,739,248	\$ 21,837,330	\$ 21,984,263
Interest Income from CEPPT (Restricted)	\$ 100,000	\$ 102,480	\$ 105,022	\$ 107,626	\$ 110,295	\$ 113,030
TOTAL OPERATING FUND	\$ 18,644,310	\$ 18,993,024	\$ 19,842,894	\$ 20,846,874	\$ 21,947,625	\$ 22,097,294
CAPITAL IMPROVEMENT FUND						
EDU GROWTH	300	250	250	200	200	200
SEWER PARTICIPATION FEES	\$ 1,474,500	\$ 1,269,299	\$ 1,311,394	\$ 1,083,824	\$ 1,119,565	\$ 1,156,547
INTEREST	400,000	\$ 300,000	\$ 307,440	\$ 322,197	\$ 330,188	\$ 338,376
TOTAL CAPITAL IMPROVEMENT FUND	\$ 1,874,500	\$ 1,569,299	\$ 1,618,834	\$ 1,406,021	\$ 1,449,753	\$ 1,494,923
CAPITAL REPLACEMENT FUND						
INTEREST	\$ 250,000	\$ 230,000	\$ 235,704	\$ 241,549	\$ 247,540	\$ 247,539
TOTAL CAPITAL REPLACEMENT FUND	\$ 250,000	\$ 230,000	\$ 235,704	\$ 241,549	\$ 247,540	\$ 247,539
TOTAL SPMUD REVENUE	\$ 20,668,810	\$ 20,689,843	\$ 21,592,410	\$ 22,386,819	\$ 23,534,623	\$ 23,726,725

TABLE 16 – FIVE YEAR OPERATING FUND PROJECTIONS

	<u>PROPOSED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>
	<u>FISCAL YR</u>	<u>FISCAL YR</u>	<u>FISCAL YR</u>	<u>FISCAL YR</u>	<u>FISCAL YR</u>	<u>FISCAL YR</u>
	<u>23/24</u>	<u>24/25</u>	<u>25/26</u>	<u>26/27</u>	<u>27/28</u>	<u>28/29</u>
SALARIES/WAGES	\$ 3,273,000	\$ 3,469,380	\$ 3,677,543	\$ 3,861,420	\$ 3,977,263	\$ 4,096,580
FICA - SOCIAL SECURITY	\$ 250,385	\$ 265,408	\$ 281,332	\$ 295,399	\$ 304,261	\$ 313,388
CALPERS RETIREMENT	\$ 285,358	\$ 285,357	\$ 299,625	\$ 314,606	\$ 330,336	\$ 346,853
CALPERS UNFUNDED ACCRUED LIABILITY	\$ 519,838	\$ 519,838	\$ 519,838	\$ 519,838	\$ 519,838	\$ 519,838
457 & 401A RETIREMENT	\$ 144,130	\$ 125,000	\$ 130,000	\$ 135,000	\$ 140,000	\$ 145,000
INSURANCE BENEFITS	\$ 885,340	\$ 929,607	\$ 976,087	\$ 1,024,892	\$ 1,076,136	\$ 1,129,943
RETIREE HEALTH/ OPEB	\$ 370,000	\$ 438,500	\$ 460,425	\$ 483,446	\$ 507,619	\$ 532,999
SALARIES & BENEFITS	\$ 5,728,051	\$ 6,033,090	\$ 6,344,850	\$ 6,634,601	\$ 6,855,452	\$ 7,084,603
ASPHALT PAVING	\$ 75,000	\$ 76,860	\$ 78,766	\$ 80,720	\$ 82,721	\$ 84,773
BUILDING & GROUNDS MAINTENANCE	\$ 54,000	\$ 55,339	\$ 56,712	\$ 58,118	\$ 59,559	\$ 61,036
ELECTION EXPENSE	\$ -	\$ 80,000	\$ -	\$ 80,000	\$ -	\$ 80,000
GAS & OIL EXPENSE	\$ 66,000	\$ 69,300	\$ 72,765	\$ 76,403	\$ 80,223	\$ 84,235
GENERAL OPERATING SUPPLIES & MAINTENANCE	\$ 226,275	\$ 234,387	\$ 242,699	\$ 251,218	\$ 259,949	\$ 268,895
LEGAL SERVICES	\$ 180,000	\$ 184,464	\$ 189,039	\$ 193,727	\$ 198,531	\$ 203,455
LIFT STATION & FLOW RECORDER PROGRAMS	\$ 76,000	\$ 77,885	\$ 79,816	\$ 81,796	\$ 83,824	\$ 85,903
PROFESSIONAL DEVELOPMENT	\$ 72,375	\$ 76,732	\$ 81,197	\$ 85,773	\$ 90,462	\$ 95,267
PROFESSIONAL SERVICES	\$ 843,000	\$ 550,000	\$ 358,859	\$ 358,859	\$ 550,000	\$ 563,640
PROPERTY & LIABILITY INSURANCE	\$ 415,000	\$ 435,750	\$ 457,538	\$ 480,414	\$ 504,435	\$ 529,657
REGULATORY COMPLIANCE/GOVERNMENT FEES	\$ 86,600	\$ 88,748	\$ 90,949	\$ 93,204	\$ 95,516	\$ 97,884
REPAIR/MAINTENANCE AGREEMENTS	\$ 156,150	\$ 160,023	\$ 163,991	\$ 168,058	\$ 172,226	\$ 176,497
ROOT CONTROL PROGRAM	\$ 71,000	\$ 72,761	\$ 74,565	\$ 76,414	\$ 78,310	\$ 80,252
SAFETY GEAR/UNIFORMS	\$ 28,825	\$ 29,540	\$ 30,272	\$ 31,023	\$ 31,793	\$ 32,581
UTILITIES	\$ 186,000	\$ 195,300	\$ 205,065	\$ 215,318	\$ 226,084	\$ 237,388
UTILITY BILLING/BANKING EXPENSE/PRINTING	\$ 290,500	\$ 297,704	\$ 305,087	\$ 312,654	\$ 320,407	\$ 328,354
VEHICLE REPAIR & MAINTENANCE	\$ 80,000	\$ 81,984	\$ 84,017	\$ 86,101	\$ 88,236	\$ 90,424
SERVICES & SUPPLIES	\$ 2,906,725	\$ 2,766,776	\$ 2,571,338	\$ 2,729,801	\$ 2,922,277	\$ 3,100,241
RWWTP MAINTENANCE & OPERATIONS	\$ 8,181,000	\$ 6,590,050	\$ 6,919,553	\$ 7,265,530	\$ 7,628,807	\$ 8,010,247
RWWTP REPLACEMENT & REHABILITATION	\$ 2,246,000	\$ 1,858,300	\$ 1,895,466	\$ 1,933,375	\$ 1,972,043	\$ 2,011,484
SPWA O&M & R&R	\$ 10,427,000	\$ 8,448,350	\$ 8,815,019	\$ 9,198,905	\$ 9,600,849	\$ 10,021,731
OPERATIONS EXPENSE LESS DEPRECIATION	\$ 19,061,776	\$ 17,248,216	\$ 17,731,206	\$ 18,563,307	\$ 19,378,579	\$ 20,206,575
DEPRECIATION EXPENSE	\$ 2,551,400	\$ 2,678,970	\$ 2,812,919	\$ 2,953,564	\$ 3,101,243	\$ 3,256,305
OPERATING FUND EXPENSES	\$ 21,613,176	\$ 19,927,186	\$ 20,544,125	\$ 21,516,871	\$ 22,479,822	\$ 23,462,879

TABLE 17 – FIVE YEAR CAPITAL EXPENSE PROJECTIONS

	<u>PROPOSED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>
	<u>FISCAL YR 23/24</u>	<u>FISCAL YR 24/25</u>	<u>FISCAL YR 25/26</u>	<u>FISCAL YR 26/27</u>	<u>FISCAL YR 27/28</u>	<u>FISCAL YR 28/29</u>
OPERATING FUND						
COMPUTERS/OFFICE FURNITURE	\$ 51,700	\$ 52,982	\$ 54,296	\$ 55,643	\$ 57,023	\$ 58,437
EASEMENTS/ACCESS ROADS	\$ 302,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000
EQUIPMENT UPGRADES/REPLACEMENT	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
NEWCASTLE MASTER PLAN IMPROVEMENTS	\$ 300,000	\$ 1,900,000	\$ 200,000	\$ 200,000	\$ -	\$ -
PARTICIPATION IN REGIONAL PROJECTS	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
SOFTWARE/DATA ACQUISITION	\$ -	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
SYSTEM IMPROVEMENTS	\$ 290,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
TOTAL FUND 100 CAPITAL IMPROVEMENTS	\$ 1,023,700	\$ 2,487,982	\$ 789,296	\$ 790,643	\$ 592,023	\$ 593,437
CIP & EXPANSION FUND						
EXPANSION PROJECTS	\$ 4,490,000	\$ 250,000	\$ 2,000,000	\$ 500,000	\$ 500,000	\$ 500,000
FOOTHILL TRUNK PROJECT	\$ 125,000	\$ -	\$ -	\$ -	\$ -	\$ -
TRUNK EXTENSION REIMBURSEMENT	\$ 5,300,000	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL FUND 300 CAPITAL IMPROVEMENTS	\$ 9,915,000	\$ 250,000	\$ 2,000,000	\$ 500,000	\$ 500,000	\$ 500,000
REPLACEMENT & REHAB FUND						
CY MASTER PLAN CAPITAL IMPROVEMENTS	\$ 663,000	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ -
CURED IN PLACE PIPE	\$ 750,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000
EASEMENTS/ACCESS ROADS	\$ 220,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
EQUIPMENT	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
PARTICIPATION IN REGIONAL PROJECTS	\$ 1,230,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
SCADA DESIGN & IMPLEMENTATION	\$ 490,000	\$ 3,600,000	\$ 2,500,000	\$ -	\$ -	\$ -
SYSTEM REHABILITATION	\$ 1,225,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
TAYLOR ROAD LIFT STATION REPLACEMENT	\$ 160,000	\$ -	\$ 750,000	\$ -	\$ -	\$ -
VEHICLE PURCHASES	\$ 70,000	\$ 326,000	\$ 555,000	\$ 525,000	\$ 411,000	\$ 328,000
TOTAL FUND 400 CAPITAL IMPROVEMENTS	\$ 4,808,000	\$ 5,626,000	\$ 5,505,000	\$ 2,125,000	\$ 2,011,000	\$ 1,928,000
TOTAL CAPITAL IMPROVEMENTS	\$ 15,746,700	\$ 8,363,982	\$ 8,294,296	\$ 3,415,643	\$ 3,103,023	\$ 3,021,437

TABLE 18 – FIVE YEAR NET POSITION PROJECTIONS

	<u>PROPOSED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>
	<u>FISCAL YEAR</u>	<u>FISCAL YEAR</u>	<u>FISCAL YEAR</u>	<u>FISCAL YEAR</u>	<u>FISCAL YEAR</u>	<u>FISCAL YEAR</u>
	<u>2023/24</u>	<u>2024/25</u>	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>
OPERATING FUND						
TOTAL REVENUES	\$ 18,644,310	\$ 18,993,024	\$ 19,842,894	\$ 20,846,874	\$ 21,947,625	\$ 22,097,294
TOTAL O&M EXPENSES	\$ 21,613,176	\$ 19,927,186	\$ 20,544,125	\$ 21,516,871	\$ 22,479,822	\$ 23,462,879
TOTAL CAPITAL EXPENSES	\$ 1,023,700	\$ 2,487,982	\$ 789,296	\$ 790,643	\$ 592,023	\$ 593,437
ENDING FUND BALANCE	\$ 11,073,234	\$ 7,651,090	\$ 6,160,564	\$ 4,699,924	\$ 3,575,705	\$ 1,616,682
CAPITAL IMPROVEMENT FUND						
TOTAL REVENUES	\$ 1,874,500	\$ 1,569,299	\$ 1,618,834	\$ 1,406,021	\$ 1,449,753	\$ 1,494,923
TOTAL EXPENSES	\$ 9,915,000	\$ 250,000	\$ 2,000,000	\$ 500,000	\$ 500,000	\$ 500,000
ENDING FUND BALANCE	\$ 24,832,251	\$ 26,151,550	\$ 25,770,383	\$ 26,676,404	\$ 27,626,157	\$ 28,621,080
CAPITAL REPLACEMENT FUND						
TOTAL REVENUES	\$ 250,000	\$ 230,000	\$ 235,704	\$ 241,549	\$ 247,540	\$ 247,539
TOTAL EXPENSES	\$ 4,808,000	\$ 5,626,000	\$ 5,505,000	\$ 2,125,000	\$ 2,011,000	\$ 1,928,000
ENDING FUND BALANCE	\$ 23,035,483	\$ 20,318,453	\$ 17,862,076	\$ 18,932,189	\$ 20,269,972	\$ 21,845,816

STATISTICAL AND SUPPLEMENTAL INFORMATION

Statistical and Supplemental Information is based on audited numbers from Fiscal Year 2021/22 and does not include projected numbers for Fiscal Year 2022/23. This section presents detailed information as a context for understanding the District’s economic condition and overall health.

TABLE S1 – EQUIVALENT DWELLING UNITS

For the Fiscal Year Ending	Total EDU'S	Increase	% Increase
June 30,			
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%
2015	31,241	341	1.09%
2014	30,900	230	0.74%
2013	30,670	315	1.03%

FIGURE S1 – HISTORICAL GROWTH

Figure S1 - Historical Growth shows how growth in the District has varied year over year. The District is forecasting growth of 300 EDUs in Fiscal Year 2023/24, a drop to 250 EDUs for the following two fiscal years, and then dropping again to 200 EDUs in Fiscal Years 2026/27, 2027/28, and 2028/29. This drop is due to a decrease in greenfield development projects as the City of Rocklin continues to have less land available for traditional subdivision development.

SPMUD Annual EDUs Added FY81/82 through FY21/22

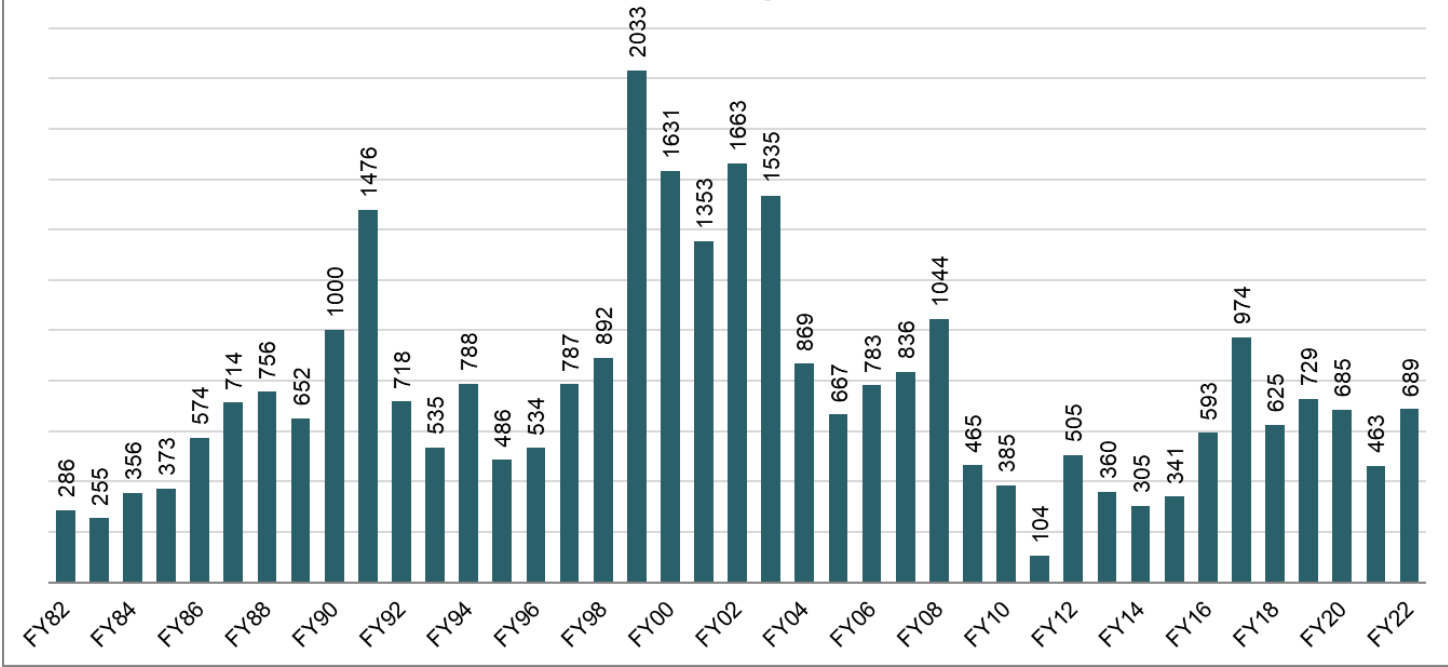


TABLE S2 – RATES & PARTICIPATION FEES

For the Fiscal Year Ending June 30,	Sewer Service Rates per Month	Local Sewer Participation Fees
2022	\$ 36	\$ 4,330
2021	\$ 36	\$ 4,129
2020	\$ 36	\$ 4,014
2019	\$ 34	\$ 3,923
2018	\$ 31	\$ 3,750
2017	\$ 28	\$ 3,750
2016	\$ 28	\$ 3,000
2015	\$ 28	\$ 3,000
2014	\$ 28	\$ 2,100
2013	\$ 28	\$ 2,500

FIGURE S2 - MONTHLY SEWER RATE COMPARISON FOR PLACER COUNTY (COLLECTION & TREATMENT)

Figure S2 -Monthly Sewer Rate Comparison for Placer County shows a comparison of other local agencies' service fees; the District is one of the lowest-cost sewer service providers in Placer County (as well as the major Sacramento Metropolitan area).

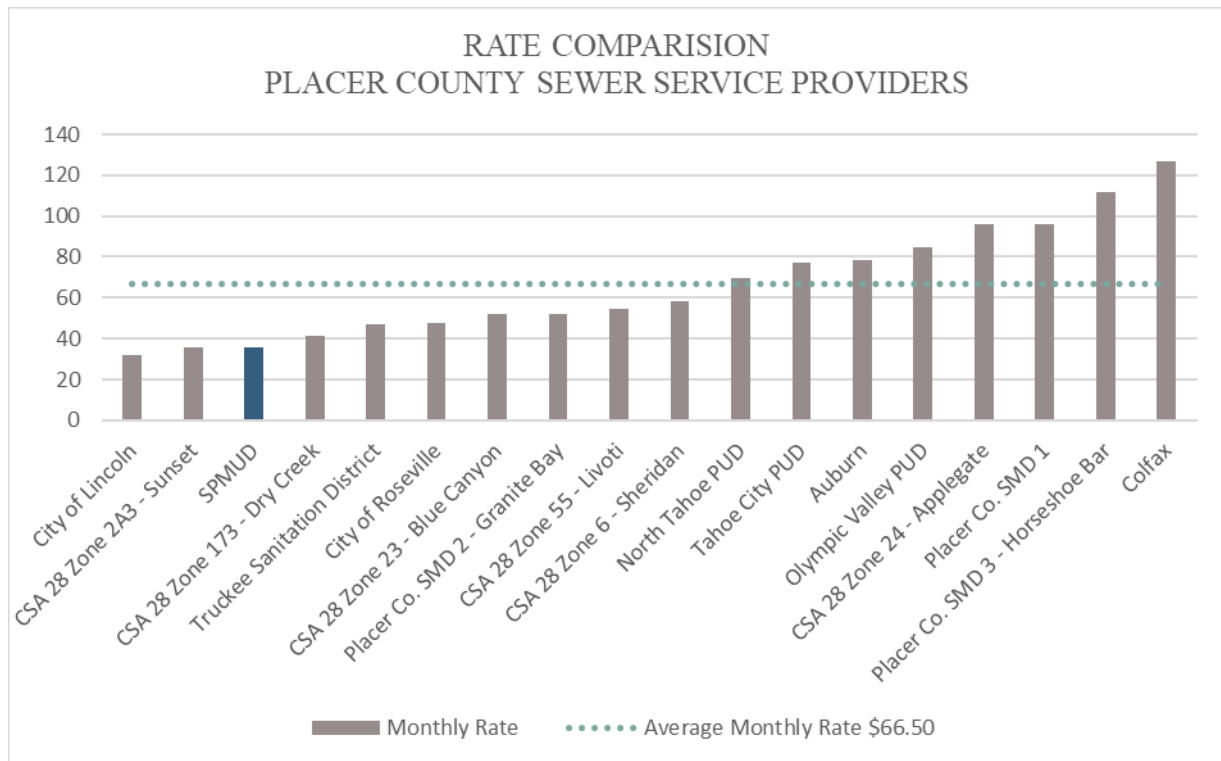


TABLE S3 – DISTRICT HISTORICAL BENCHMARKS

	2016/2017	2017/2018	2018/19	2019/20	2020/21	2021/2022
Personnel Costs	\$ 3,956,942	\$ 3,901,736	\$ 4,306,176	\$ 4,870,744	\$ 4,789,242	\$ 4,221,548
Sewer Service Revenue	\$ 11,196,600	\$ 12,694,346	\$ 14,336,548	\$ 15,383,211	\$ 15,605,794	\$ 15,955,824
Personnel Cost/ Sewer Service	35%	31%	30%	32%	31%	26%
Equivalent Dwelling Units	32,825	33,445	34,174	34,859	35,322	36,011
Personnel Costs/ Per EDU	\$ 120.55	\$ 116.66	\$ 126.01	\$ 139.73	\$ 135.59	\$ 117.23
FSD Employees	16	16	16	17	17	18
Miles of Pipe	400	410	388	396	404	412
Miles of Pipe/ FSD Employees	25.00	25.63	24.25	23.29	23.76	22.89

TABLE S4 – DISTRICT HISTORICAL STATISTICS

Item	Unit	2022	2021	2020	2019	2018
District Employees	Each	26	27	28	27	26
Service Charges	Dollars (M)	\$15.95	\$15.58	\$15.38	\$14.33	\$12.34
Customer Accounts	Each	25,091	24,402	23,888	23,430	22,775
Equal Dwelling Units	EDU	36,011	35,322	34,859	34,174	33,445
Service Fee per EDU	Monthly	\$36	\$36	\$36	\$34	\$34
Annual Flow to WWTP	Gallons (M)	1,705	1,632	1,642	1,533	1,570
Sewer Mains	Miles	290	287	285	280.32	276.9
Lower Service Laterals	Miles	122	117	111	108.5	133
Manhole/Flushing Branch	Each	6,843	6,791	6,706	6,619	6,399
Lift Stations	Each	13	15	13	13	13
Force Mains	Miles	7	7	7	6.8	6.8

Item	Unit	2017	2016	2015	2014	2013
District Employees	Each	25	24	24	23	23
Service Charges	Dollars (M)	\$10.98	\$10.91	\$10.75	\$10.20	\$10.26
Customer Accounts	Each	22,175	21,658	21,108	20,930	20,600
Equal Dwelling Units	EDU	32,825	31,676	31,241	30,900	30,670
Service Fee per EDU	Monthly	\$28	\$28	\$28	\$28	\$28
Annual Flow to WWTP	Gallons (M)	1,675	1,411	1,500	1,495	1,570
Sewer Mains	Miles	273.5	266.9	257.3	256	254
Lower Service Laterals	Miles	127	123	139	135	115
Manhole/Flushing Branch	Each	6,365	6,083	6,050	5,900	5,900
Lift Stations	Each	13	13	13	13	13
Force Mains	Miles	6.8	6.8	6.8	6.7	6.7

TABLE S5 – CONNECTION FEE REPORT

Per Government Code Section 66013 (d) and (e)

Fiscal Year Ended June 30, 2022

Beginning Balance July 1, 2021	\$	26,878,885
July 27, 2021 Revenue & Expense True-up Transfer	\$	476,948
Cash flow from investing activities		100,826
Unrealized Investment Gain/Loss		-316,339
	\$	261,436
Ending Balance June 30, 2022	\$	27,140,321
FY 2021/22 Revenue		
Local Participation Fees Collected	\$	3,476,886
Total Revenue	\$	3,476,886
FY 2021/22 Expenditures		
Foothill Trunk, Construction	\$	119,357
Lower Clover Valley Trunk Design		5,375
Total Expenditures	\$	124,732
October 28, 2022 Revenue & Expense True-up Transfer	\$	3,352,154

TABLE S6 – TEN LARGEST CUSTOMERS

2022	2021	2020	2019
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
Garnet Creek Apts	Garnet Creek Apts	Garnet Creek Apts	Garnet Creek Apts
Rocklin Elem.Schools	Rocklin High Schools	Rocklin High Schools	Rocklin High Schools
Rocklin High Schools	Villa Serena Apts	Villa Serena Apts	Senior Living
Villa Serena Apts	Sierra Lakes MH Park	Rocklin Elem.Schools	Sierra Lakes MH Park
Sierra Lakes MH Park	Rocklin Elem.Schools	Sierra Lakes MH Park	Broadstone Apts
Winstead Apts	Broadstone Apts	Broadstone Apts	Sagora Senior Living
Sierra Gateway Apts	Ansel Park Sr Living	Sagora Senior Living	William Jessup
2018	2017	2016	2015
MW Investment	Sunset West Apts	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
Studio Movie Grill	Blue Oaks Marketplace	Blue Oaks Marketplace	Blue Oaks Marketplace
2014	2013	2012	2011
William Jessup Univ	William Jessup Univ	Sierra College	Sierra College
Rocklin High Schools	Rocklin High Schools	Whitney High School	Whitney High School
Rocklin Elem.Schools	Rocklin Elem.Schools	Rocklin High School	Rocklin High School
Del Oro High School	Del Oro High School	Del Oro High School	Del Oro High School
Sierra College	Sierra College	William Jessup Univ	William Jessup Univ
Walmart Rocklin	Walmart Rocklin	Loomis RV Park	Loomis RV Park
Loomis RV Park	Loomis RV Park	Howard Johnson	Howard Johnson
Howard Johnson	Howard Johnson	RC Willey	Rocklin Lodging Grp
Blue Oaks Marketplace	Blue Oaks Marketplace	Rocklin Lodging Grp	Destiny Christian
RC Willey	RC Willey	Five Star Plaza	Rocklin Park Hotel

TABLE S7 – PLACER COUNTY DEMOGRAPHIC & ECONOMICAL STATISTICS

Fiscal Year Ending June 30,	Placer County Workforce	Number of Employed	Number on Unemployed	Unemployment Rate %	District Population	Median Household Income
2022	191,800	185,500	6,300	3.3%	84,591	95,371
2021	186,900	176,900	10,000	5.3%	76,672	89,691
2020	181,000	167,000	14,000	7.7%	76,136	84,357
2019	186,600	180,400	6,200	3.3%	68,415	80,728
2018	183,900	177,800	6,100	3.3%	68,325	76,600
2017	179,800	171,800	8,000	4.5%	66,525	71,435
2016	176,800	167,900	8,900	5.0%	64,974	70,490
2015	175,800	164,800	11,000	6.3%	63,324	70,100
2014	175,800	162,300	13,500	7.7%	62,790	69,800
2013	174,900	158,500	16,400	9.4%	61,800	68,800

TABLE S8 – TEN LARGEST EMPLOYERS IN PLACER COUNTY

2022		2012	
Business or Organization	No. of Employees	Business or Organization	No. of Employees
Sutter Health	7,320	Kaiser Permanente	3,702
Kaiser Permanente	6,367	Hewlett-Packard	3,200
Palisades Tahoe	2,600	Sutter Health	2,205
Placer County	2,530	Placer County	2,150
Sierra Joint Community College	2,100	Union Pacific Railroad	2,000
Thunder Valley Casino Resort	1,712	Thunder Valley Casino Resort	2,000
Safeway	1,288	Northstar CA	1,950
City of Roseville	1,260	Roseville City School District	1,140
Roseville City School District	1,260	PRIDE Industries	1,021
Pacific Gas & Electric	1,151	City of Roseville	982

Source: *Sacramento Business Journal*, June 2022

TABLE S9 – TEN LARGEST TAXPAYERS IN PLACER COUNTY

<u>Taxpayer Name</u>	<u>Total Tax</u>	<u>Net Taxable Value</u>
Pacific Gas and Electric Company	\$ 16,488,849	\$ 919,734,288
Roseville Shoppingtown LLC	\$ 5,013,628	\$ 470,572,519
Cellco Partnership	\$ 3,460,264	\$ 193,105,872
Liberty Utilities (Calpeco Electric), LLC	\$ 1,963,835	\$ 109,595,105
Briet Wave MF SC Owner LLC	\$ 1,691,780	\$ 159,896,419
John Mourier Construction INC	\$ 1,667,435	\$ 55,826,964
Union Pacific Railroad Comp.	\$ 1,617,698	\$ 103,768,289
Harvest-USIV LLC & Harvest-USHII LLC	\$ 1,613,081	\$ 113,567,789
Roseville Fountains LP	\$ 1,612,678	\$ 76,059,101
Taylor Morrison Of California LLC	\$ 1,568,315	\$ 44,094,687

Source: *Placer County*

SUMMARY

The total Fiscal Year 2023/24 revenues from all sources are projected to be \$20.77 million with Operating Fund revenues projected to be \$18.64 million (91% of the total), and Capital Fund Revenues projected to be \$1.87 million (9% of the total). Fiscal Year 2022/23 Operating Fund expenses are projected to be \$21.61 million (\$19.06 million before depreciation). Capital Projects are projected to be approximately \$15.75 million. This can be broken down into the following categories: Operating Fund Capital Projects (Fund 100) - \$1.02 million; Capital Improvement & Enlargement Projects (Fund 300) – \$9.92 million; and Capital Replacement & Rehabilitation Projects (Fund 400) - \$4.81 million.

The total adopted budget for Fiscal Year 2023/24 is \$37.36 million.

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. The budget provides for the service needs of both present and future customers in the South Placer Municipal Utility District service area.

ACRONYMS & ABBREVIATIONS

Closed Caption Television (CCTV): video surveillance technology.

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 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 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.

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

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.

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

Governmental Accounting Standards Board (GASB): 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 Offer 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.

Ground Penetrating Radar (GPR): a geophysical locating method that uses radio waves to capture images below the surface of the ground in a minimally invasive way.

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

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 the employee and/or manager 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.

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.

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.

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

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

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 assure capacity for existing customers and prepare and plan for future development.

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.

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.

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 Fee: (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 is 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.

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.

Grease Interceptor: a large device designed to intercept most grease and solids before they enter a wastewater disposal system.

Hydro Cleaning: the process of cleaning sanitary sewer lines using high-pressure water jets that dislodge accumulated materials via the mechanical action of the water spray.

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

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.

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

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 use 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.

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 which 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.