



**SPMUD BOARD OF DIRECTORS
REGULAR MEETING: 4:30 PM
August 2, 2018
SPMUD Board Room
5807 Springview Drive, Rocklin, CA 95677**

The District's regular Board meeting is held on the first Thursday of every month. This notice and agenda is posted on the District's web site (www.spmud.ca.gov) and posted in the District's outdoor bulletin board at the SPMUD Headquarters at the above address. Meeting facilities are accessible to persons with disabilities. Requests for other considerations should be made through the District Headquarters at (916)786-8555.

AGENDA

I. CALL MEETING TO ORDER

II. ROLL CALL OF DIRECTORS

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

III. PLEDGE OF ALLEGIANCE

IV. CONSENT ITEMS

[pg 4 to 11]

Consent items should be considered together as one motion. Any item(s) requested to be removed will be considered after the motion to approve the Consent Items.

ACTION: (Voice vote)

Motion to approve the consent items for the August 2, 2018 meeting

1. MINUTES from the June 28, 2018 Meeting. [pg 3 to 5]
2. ACCOUNTS PAYABLE in the amount of \$2,686,649.22 through July 26, 2018. [pg 6 to 10]
3. MONTHLY INVESTMENT REPORT in the total amount of \$51,370,252 through July 26, 2018. [pg 11]

V. PUBLIC COMMENTS

Items not on the Agenda may be presented to the Board at this time; however, the Board can take no action.

VI. BOARD BUSINESS

Board action may occur on any identified agenda item. Any member of the public may directly address the Board on any identified agenda item of interest, either before or during the Board's consideration of that item.

1. ACTUARIAL VALUATION REPORT FOR OTHER POST-EMPLOYMENT BENEFITS (OPEB) PROGRAMS

[pg 12 to 47]

The Districts Actuary, MacLeod Watts (formerly Bickmore) has completed the report for the July 1, 2018 actuarial valuation of OPEB (retiree medical insurance) liabilities for the District. The report satisfies the filing requirements for the California Employers' Retiree Benefit Trust fund (CERBT) managed by CalPERS. The District has participated in the fund since 2008, funding future liabilities through contributions and investment earnings.

Action Requested: (Voice Vote)

Staff Recommends that the Board of Directors:

- 1. Receive the July 3, 2018 Actuarial Report for other post-employment benefit (OPEB) liabilities.**

VII. REPORTS

[pg 48 to 55]

The purpose of these reports is to provide information on projects, programs, staff actions and committee meetings that are of general interest to the Board and public. No decisions are to be made on these issues.

1. Legal Counsel (A. Brown)
2. General Manager (H. Niederberger)
 - 1) FSD, ASD & TSD Reports
 - 2) Informational items
3. Director's Comments: Directors may make brief announcements or brief reports on their own activities. They may ask questions for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda.

VIII. ADJOURNMENT

If there is no other Board business the President will adjourn the meeting to its next regular meeting on September 6, 2018 at 4:30 p.m.

**BOARD MINUTES
SOUTH PLACER MUNICIPAL UTILITY DISTRICT**

Meeting	Location	Date	Time
Regular	District Office	June 28, 2018	4:30 p.m.

I. CALL MEETING TO ORDER: The Regular Meeting of the South Placer Municipal Utility District Board of Directors was called to order with President Mitchell presiding at 4:30 p.m.

II. ROLL CALL OF DIRECTORS:

Present: Jerry Mitchell, Will Dickinson, Vic Markey, John Murdock, Jim Williams

Absent: None

Vacant: None

Staff: Herb Niederberger, General Manager
Adam Brown, Legal Counsel
Eric Nielsen, District Engineer
Joanna Belanger, Administrative Services Manager

Others: Anna Nakashoji, Resident 3899 Martin Ln, Loomis

III. PLEDGE OF ALLEGIANCE: President Mitchell led the Pledge of Allegiance.

IV. CONSENT ITEMS:

1. MINUTES from the June 7, 2018 Board meeting.
2. ACCOUNTS PAYABLE in the amount of \$3,848,378.70 through June 21, 2018.
3. RESOLUTION #18-20 – ADOPTION OF QUITCLAIM EASEMENT FOR 3334 SWETZER ROAD ALLOWING ACCESS TO A MANHOLE AT THE REAR OF THE PROPERTY.
4. RESOLUTION #18-21 ESTABLISHING A FEE SCHEDULE FOR FISCAL YEAR 2018/19.
5. RESOLUTION #18-22 ESTABLISHING A SCHEDULE OF VALUES FOR FISCAL YEAR 2018/19 THAT REPRESENTS THE COST OF NEW CONSTRUCTION OF VARIOUS SEWER SYSTEM ASSETS.
6. RESOLUTION #18-23 ADOPTION & EXECUTION OF TEMPORARY USE AGREEMENT WITH EQUITY SMART INVESTMENTS LP ALLOWING A TEMPORARY SEWER CONNECTION AND USE FOR RACETRACK ROAD IN ROCKLIN.

Director Markey made a motion to approve all items from the consent calendar; a second was made by Director Williams. A roll call vote was taken, the motion carried 5-0.

V. PUBLIC COMMENTS:

President Mitchell opened the Public comments. Hearing no comments, public comments were closed.

VI. BOARD BUSINESS

1. CONSIDERATION OF CLAIM FROM MS. NAKASHOJI LOCATED AT 3899 MARTIN LANE, LOOMIS FOR VETERINARY FEES UNDER THE DISTRICT DAMAGE CLAIM PROCESS

GM Niederberger introduced the claim for reimbursement of veterinary costs submitted by Ms. Anna Nakashoji who lives at 3899 Martin Lane in Loomis.

DE Nielsen described the details of the claim filed by Ms. Nakashoji, requesting damages relating to the Loomis Diversion Project. Her claim stated that the District should reimburse her \$4,325 for veterinary fees related to her horse. She claimed the horse has suffered health issues from continued exposure to construction noise from the Loomis Diversion Project. DE Nielsen provided a history of email complaints received from the claimant, as well as information related to a prior claim for outages of untreated water on Ms. Nakashoji's property.

Claimant Nakashoji presented her case and make a statement to the Board regarding her claim. She stated that her horse had always been healthy, and that her health problems started when the construction project for the Lower Loomis Diversion project began. Board Directors asked the claimant questions and clarifications before beginning their deliberation.

Further discussion followed between Board Directors with input from Legal Counsel Brown. Director Dickinson suggested that Legal Counsel should work with the General Manager to draft an Agreement providing a provision to reimburse Ms. Nakashoji for her horse's medical costs. He suggested that the agreement also include a release of the District from any further claim. Director Williams stated that the Loomis Diversion project provides important sewer services to customers of Loomis, Newcastle, Penryn and surrounding areas and that the District desires to maintain good relations with rate payers and neighbors who have experienced disruption during the construction phase of this project.

President Mitchell made a motion to direct staff to work with Legal Counsel and the Claimant, Ms. Nakashoji, to prepare an Agreement for reimbursement of veterinary costs; a second was made by Director Markey, the motion carried 5-0.

2. CONSIDERATION & APPROVAL OF RESOLUTION #18-24 ADOPTING THE FISCAL YEAR 18/19 BUDGET AND PROPOSED SPENDING PLAN.

GM Niederberger introduced Resolution #18-24 adopting the Fiscal Year 18/19 Budget and spending plan. He reported that ahead of the meeting Director Dickinson had requested additional information from staff related to two items in the proposed Capital Outlay Budget. He explained that the two items were Master Plans totaling \$300,000, which as in past practice have typically been capitalized by the District. GM Niederberger suggested that an alternative would be to move the Master Plans to the General Fund, by increasing the Professional Services line item. After a short discussion between Board Directors and staff, it was decided that the appropriate schedules and spending plan would be revised within the Budget Workbook.

President Mitchell asked that staff include an additional item in the statistical table, identifying the number of Creek Crossings within the District.

Director Dickinson made a motion to adopt Resolution #18-24 adopting the Fiscal Year 2018/19 Budget with the proposed revisions; a second was made Director Williams, the motion carried 5-0.

3. SOUTH PLACER WASTEWATER AUTHORITY (SPWA) BOARD MEETING REPORT – BOARD PRESIDENT JERRY MITCHELL

President Mitchell reported that he had attended the SPWA Board meeting on June 28, 2018. He reported that SPWA currently has \$148 Million in debt; bonds were recently updated for construction of the expansion at the Pleasant Grove facilities. This will increase capacity and add the energy recovery project for Natural Gas and the addition of a Digester at the plant.

VII. REPORTS:

1. Directors Comments: President Mitchell reported that he has set up a meeting with Assemblyman Kiley to discuss property taxes and utility payments, in the context of what can be applied to personal taxes. He will report his findings to the Board at a later date.

VIII. ADJOURNMENT

The President adjourned the meeting at 5:40 pm. to its next regular meeting to be held on August 2, 2018 at 4:30 p.m.

A handwritten signature in black ink that reads "Joanna Belanger". The signature is written in a cursive style with a large initial 'J' and 'B'.

Joanna Belanger, Board Secretary



South Placer Municipal Utility District, CA

Check Report

By Check Number

Date Range: 06/22/2018 - 07/26/2018

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: AP Bank-AP Bank						
1077	County of Placer	06/22/2018	Regular	0.00	47,844.19	10111
1591	Eric Orlando	06/22/2018	Regular	0.00	250.00	10112
1662	Insituform Technologies	06/22/2018	Regular	0.00	348,448.00	10113
1306	Superior Equipment Repair	06/22/2018	Regular	0.00	99.14	10114
1240	Placer County Personnel	06/25/2018	Regular	0.00	2,822.84	10115
1327	US Bank Corporate Payment	06/28/2018	Regular	0.00	10,689.22	10116
	Void	06/28/2018	Regular	0.00	0.00	10117
	Void	06/28/2018	Regular	0.00	0.00	10118
1066	City of Rocklin	06/28/2018	Regular	0.00	101,310.00	10119
1357	Infrastructure Technologies, LLC	06/28/2018	Regular	0.00	1,500.00	10120
1221	PG&E (Current Accounts)	06/28/2018	Regular	0.00	806.35	10121
1575	Wrap Concepts	07/02/2018	Regular	0.00	1,741.20	10122
1652	Cintas Corporation	07/05/2018	Regular	0.00	3,822.57	10123
1509	Crystal Communications	07/05/2018	Regular	0.00	311.64	10124
1086	Dataprose	07/05/2018	Regular	0.00	1,719.90	10125
1087	Dawson Oil Co.	07/05/2018	Regular	0.00	3,412.28	10126
1118	Frank Laguna	07/05/2018	Regular	0.00	171.59	10127
1564	Jensen Landscape Services, LLC	07/05/2018	Regular	0.00	861.00	10128
1599	Mann, Urrutia, Nelson CPA's	07/05/2018	Regular	0.00	6,000.00	10129
1218	PCWA	07/05/2018	Regular	0.00	84.91	10130
1221	PG&E (Current Accounts)	07/05/2018	Regular	0.00	4,169.91	10131
1650	Precision Earthworks, Inc.	07/05/2018	Regular	0.00	52,182.05	10132
1269	Rodney Pierce	07/05/2018	Regular	0.00	250.00	10133
1307	Sutter Medical Foundation-Corporate	07/05/2018	Regular	0.00	532.00	10134
1492	Wave Broadband - Rocklin	07/05/2018	Regular	0.00	209.85	10135
1292	SPMUD Petty Cash	07/05/2018	Regular	0.00	41.73	10136
1022	AT&T (9391035571)& (9391053973)	07/12/2018	Regular	0.00	297.70	10137
1026	AUS West Lockbox (Aramark Uniforms)	07/12/2018	Regular	0.00	421.65	10138
1068	City of Roseville	07/12/2018	Regular	0.00	441,626.90	10139
1480	Herb Niederberger	07/12/2018	Regular	0.00	403.86	10140
1159	Jensen Precast	07/12/2018	Regular	0.00	41.14	10141
1664	MacLeod Watts, Inc	07/12/2018	Regular	0.00	6,750.00	10142
1211	Noble Image, Inc.	07/12/2018	Regular	0.00	132.00	10143
1218	PCWA	07/12/2018	Regular	0.00	613.41	10144
1473	Pitney Bowes Purchase Power	07/12/2018	Regular	0.00	208.99	10145
1306	Superior Equipment Repair	07/12/2018	Regular	0.00	5,260.38	10146
1499	TechRoe.com LLC	07/12/2018	Regular	0.00	900.00	10147
1325	Tyler Technologies, Inc.	07/12/2018	Regular	0.00	3,731.25	10148
1338	Verizon Wireless	07/12/2018	Regular	0.00	537.15	10149
1343	Water Works Engineers, LLC	07/12/2018	Regular	0.00	24,319.73	10150
1345	WECO	07/12/2018	Regular	0.00	225.00	10151
1021	ARC	07/12/2018	Regular	0.00	96.53	10152
1521	Aries Industries, Inc.	07/12/2018	Regular	0.00	1,194.00	10153
248	AT&T (916.663.1652) & (248.134.5438.608.80)	07/12/2018	Regular	0.00	168.91	10154
1080	CWEA (Main)	07/12/2018	Regular	0.00	92.00	10155
1113	Ferguson Enterprises, Inc. 1423	07/12/2018	Regular	0.00	705.03	10156
1564	Jensen Landscape Services, LLC	07/12/2018	Regular	0.00	861.00	10157
1174	KBA Docusys, Inc. (Copier Contracts)	07/12/2018	Regular	0.00	441.13	10158
1612	Loomis Basin Chamber of Commerce	07/12/2018	Regular	0.00	225.00	10159
1554	Service Master	07/12/2018	Regular	0.00	675.28	10160
1291	Special District Risk Management Authority (SDRN)	07/12/2018	Regular	0.00	195,710.15	10161
1333	SPOK, Inc.	07/12/2018	Regular	0.00	26.23	10162
1305	Sunbelt Rentals, Inc.	07/12/2018	Regular	0.00	390.01	10163
1306	Superior Equipment Repair	07/12/2018	Regular	0.00	239.99	10164

Check Report

Date Range: 06/22/2018 - 07/26/2018

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
1325	Tyler Technologies, Inc.	07/12/2018	Regular	0.00	400.00	10165
1007	Advanced Integrated Pest	07/19/2018	Regular	0.00	106.00	10166
1073	Consolidated Communications	07/19/2018	Regular	0.00	517.44	10167
1564	Jensen Landscape Services, LLC	07/19/2018	Regular	0.00	1,200.00	10168
1173	KBA Docusys (Copies)	07/19/2018	Regular	0.00	246.61	10169
1568	Minuteman Press	07/19/2018	Regular	0.00	62.69	10170
1518	Sonitrol of Sacramento	07/19/2018	Regular	0.00	802.03	10171
1325	Tyler Technologies, Inc.	07/19/2018	Regular	0.00	400.00	10172
1509	Crystal Communications	07/19/2018	Regular	0.00	20.00	10173
1218	PCWA	07/19/2018	Regular	0.00	2,155.87	10174
1244	Preferred Alliance Inc	07/19/2018	Regular	0.00	147.60	10175
1253	Recology Auburn Placer	07/19/2018	Regular	0.00	339.74	10176
1338	Verizon Wireless	07/19/2018	Regular	0.00	510.61	10177
1343	Water Works Engineers, LLC	07/19/2018	Regular	0.00	14,416.00	10178
1044	Cal Pers	07/20/2018	Regular	0.00	13,580.16	10203
1139	Hill Rivkins Brown & Associates	07/20/2018	Regular	0.00	11,560.00	10204
1218	PCWA	07/25/2018	Regular	0.00	679.70	10206
1487	RJA Heating & Air, Inc.	07/25/2018	Regular	0.00	253.25	10207
1625	T & S Construction	07/25/2018	Regular	0.00	881,774.80	10208
1628	T & S Construction Co., Inc./ Escrow #02-700697	07/25/2018	Regular	0.00	46,409.20	10209
1504	Donahue Schriber Realty Group	07/25/2018	Regular	0.00	112,644.00	10210
1251	Railroad Management Company, LLC	07/25/2018	Regular	0.00	75.00	10211
1635	Taylor Morrison Services, Inc.	07/25/2018	Regular	0.00	170,580.29	10212
1489	Travelers Casualty and Surety Company of Americ	07/25/2018	Regular	0.00	7,162.05	10213
1015	American Fidelity Assurance	06/25/2018	Bank Draft	0.00	999.24	DFT0003692
1230	Pers (EFT)	06/25/2018	Bank Draft	0.00	40,764.34	DFT0003693
1586	Principal Life Insurance Company	06/25/2018	Bank Draft	0.00	316.21	DFT0003694
1580	TASC	06/25/2018	Bank Draft	0.00	230.64	DFT0003695
1045	Cal Pers 457 Plan (EFT)	06/29/2018	Bank Draft	0.00	375.00	DFT0003697
1135	Mass Mutual (EFT)	06/29/2018	Bank Draft	0.00	6,173.00	DFT0003698
1135	Mass Mutual (EFT)	06/29/2018	Bank Draft	0.00	685.02	DFT0003699
1580	TASC	06/29/2018	Bank Draft	0.00	196.14	DFT0003700
1580	TASC	06/29/2018	Bank Draft	0.00	330.75	DFT0003701
1229	Pers (EFT)	06/29/2018	Bank Draft	0.00	147.25	DFT0003702
1229	Pers (EFT)	06/29/2018	Bank Draft	0.00	262.48	DFT0003703
1229	Pers (EFT)	06/29/2018	Bank Draft	0.00	383.03	DFT0003704
1229	Pers (EFT)	06/29/2018	Bank Draft	0.00	3,281.08	DFT0003705
1229	Pers (EFT)	06/29/2018	Bank Draft	0.00	4,788.34	DFT0003706
1229	Pers (EFT)	06/29/2018	Bank Draft	0.00	91.51	DFT0003707
1229	Pers (EFT)	06/29/2018	Bank Draft	0.00	110.03	DFT0003708
1229	Pers (EFT)	06/29/2018	Bank Draft	0.00	1,307.32	DFT0003709
1229	Pers (EFT)	06/29/2018	Bank Draft	0.00	1,572.14	DFT0003710
1229	Pers (EFT)	06/29/2018	Bank Draft	0.00	1,688.15	DFT0003711
1229	Pers (EFT)	06/29/2018	Bank Draft	0.00	1,764.61	DFT0003712
1149	Internal Revenue Service	06/29/2018	Bank Draft	0.00	10,915.82	DFT0003713
1098	EDD (EFT)	06/29/2018	Bank Draft	0.00	3,128.61	DFT0003714
1098	EDD (EFT)	06/29/2018	Bank Draft	0.00	880.31	DFT0003715
1149	Internal Revenue Service	06/29/2018	Bank Draft	0.00	2,552.96	DFT0003716
1149	Internal Revenue Service	06/29/2018	Bank Draft	0.00	7,468.75	DFT0003717
1229	Pers (EFT)	07/13/2018	Bank Draft	0.00	22.20	DFT0003719
1229	Pers (EFT)	07/13/2018	Bank Draft	0.00	23.19	DFT0003720
1149	Internal Revenue Service	07/13/2018	Bank Draft	0.00	44.60	DFT0003721
1098	EDD (EFT)	07/13/2018	Bank Draft	0.00	31.96	DFT0003722
1098	EDD (EFT)	07/13/2018	Bank Draft	0.00	3.61	DFT0003723
1149	Internal Revenue Service	07/13/2018	Bank Draft	0.00	10.44	DFT0003724
1149	Internal Revenue Service	07/13/2018	Bank Draft	0.00	74.24	DFT0003725
1045	Cal Pers 457 Plan (EFT)	07/13/2018	Bank Draft	0.00	375.00	DFT0003727
1135	Mass Mutual (EFT)	07/13/2018	Bank Draft	0.00	6,266.00	DFT0003728
1135	Mass Mutual (EFT)	07/13/2018	Bank Draft	0.00	685.02	DFT0003729
1580	TASC	07/13/2018	Bank Draft	0.00	196.14	DFT0003730
1580	TASC	07/13/2018	Bank Draft	0.00	330.75	DFT0003731

Check Report

Date Range: 06/22/2018 - 07/26/2018

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
1229	Pers (EFT)	07/13/2018	Bank Draft	0.00	147.25	DFT0003732
1229	Pers (EFT)	07/13/2018	Bank Draft	0.00	274.47	DFT0003733
1229	Pers (EFT)	07/13/2018	Bank Draft	0.00	419.02	DFT0003734
1229	Pers (EFT)	07/13/2018	Bank Draft	0.00	3,430.96	DFT0003735
1229	Pers (EFT)	07/13/2018	Bank Draft	0.00	5,237.40	DFT0003736
1229	Pers (EFT)	07/13/2018	Bank Draft	0.00	97.05	DFT0003737
1229	Pers (EFT)	07/13/2018	Bank Draft	0.00	123.26	DFT0003738
1229	Pers (EFT)	07/13/2018	Bank Draft	0.00	1,386.28	DFT0003739
1229	Pers (EFT)	07/13/2018	Bank Draft	0.00	1,760.97	DFT0003740
1229	Pers (EFT)	07/13/2018	Bank Draft	0.00	1,799.25	DFT0003741
1229	Pers (EFT)	07/13/2018	Bank Draft	0.00	1,969.67	DFT0003742
1149	Internal Revenue Service	07/13/2018	Bank Draft	0.00	11,960.84	DFT0003743
1098	EDD (EFT)	07/13/2018	Bank Draft	0.00	3,599.92	DFT0003744
1098	EDD (EFT)	07/13/2018	Bank Draft	0.00	931.58	DFT0003745
1149	Internal Revenue Service	07/13/2018	Bank Draft	0.00	2,797.30	DFT0003746
1149	Internal Revenue Service	07/13/2018	Bank Draft	0.00	8,395.60	DFT0003747

Bank Code AP Bank Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	103	76	0.00	2,541,617.83
Manual Checks	0	0	0.00	0.00
Voided Checks	0	2	0.00	0.00
Bank Drafts	53	53	0.00	142,806.70
EFT's	0	0	0.00	0.00
	156	131	0.00	2,684,424.53

All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	103	76	0.00	2,541,617.83
Manual Checks	0	0	0.00	0.00
Voided Checks	0	2	0.00	0.00
Bank Drafts	53	53	0.00	142,806.70
EFT's	0	0	0.00	0.00
	156	131	0.00	2,684,424.53

Fund Summary

Fund	Name	Period	Amount
100	GENERAL FUND	6/2018	604,182.47
100	GENERAL FUND	7/2018	2,080,242.06
			2,684,424.53

Account Number	Name	Date	Type	Amount	Reference	Packet
102-0000966-01	Christensen, Kenneth A	7/19/2018	Refund	\$ 18.40	Check #: 10179	UBPKT05550
102-0001062-01	Heckelman, Frances	7/19/2018	Refund	\$ 93.64	Check #: 10180	UBPKT05550
102-0002103-02	Becker, Zachary and Morgar	7/19/2018	Refund	\$ 83.57	Check #: 10181	UBPKT05550
102-0002291-02	Zinn, Jeremy and Tiffany	7/19/2018	Refund	\$ 80.26	Check #: 10182	UBPKT05550
102-0005204-01	Zingone, Gennaro	7/19/2018	Refund	\$ 374.00	Check #: 10183	UBPKT05550
102-0005842-01	Miyasaki, Daniel	7/19/2018	Refund	\$ 13.72	Check #: 10184	UBPKT05550
102-0006844-01	Wingfield, Michael T	7/19/2018	Refund	\$ 100.01	Check #: 10185	UBPKT05550
102-0007720-01	Sarcadi, Gavril and Maria	7/19/2018	Refund	\$ 93.09	Check #: 10186	UBPKT05550
102-0009212-01	Palumbo, Shelley	7/19/2018	Refund	\$ 93.00	Check #: 10187	UBPKT05550
102-0009558-01	Bryan, Donnetta F	7/19/2018	Refund	\$ 97.83	Check #: 10188	UBPKT05550
102-0011863-01	KENNETH CHAPMAN	7/19/2018	Refund	\$ 93.00	Check #: 10189	UBPKT05550
106-0013363-01	O'Brien, Brian	7/19/2018	Refund	\$ 101.17	Check #: 10190	UBPKT05550
106-0013565-02	Peshkoff, Jennifer	7/19/2018	Refund	\$ 103.90	Check #: 10191	UBPKT05550
106-0015896-02	Lewis, Timothy & Dominica	7/19/2018	Refund	\$ 93.00	Check #: 10192	UBPKT05550
106-0016316-01	Barnard, Curtis	7/19/2018	Refund	\$ 97.93	Check #: 10193	UBPKT05550
106-0016739-01	Metzler, Dan	7/19/2018	Refund	\$ 24.72	Check #: 10194	UBPKT05550
112-1026314-02	Johal, Narinderpal and Lukhl	7/19/2018	Refund	\$ 91.92	Check #: 10195	UBPKT05550
112-1028156-00	Lennar Corp/ CalAtlantic	7/19/2018	Refund	\$ 93.67	Check #: 10196	UBPKT05550
112-1028279-00	KB Home Sacramento Inc	7/19/2018	Refund	\$ 30.66	Check #: 10197	UBPKT05550
113-1026499-00	Selective Ventures Inc	7/19/2018	Refund	\$ 93.40	Check #: 10198	UBPKT05550
203-0008560-01	Blair Leasing Co Inc	7/19/2018	Refund	\$ 6.20	Check #: 10199	UBPKT05550
203-0008644-01	Blair Leasing Co Inc	7/19/2018	Refund	\$ 6.20	Check #: 10200	UBPKT05550
203-0008646-01	Blair Leasing Co Inc	7/19/2018	Refund	\$ 6.20	Check #: 10201	UBPKT05550
203-0008648-01	Blair Leasing Co Inc	7/19/2018	Refund	\$ 6.20	Check #: 10202	UBPKT05550
102-0009792-01	Pellow, Autumn	7/23/2018	Refund	\$ 329.00	Check #: 10205	UBPKT05776
Total Refunds				\$ 2,224.69		

SPMUD BOARD INVESTMENT REPORT
MEETING DATE: August 2, 2018

INVESTMENT		TOTAL FUNDS	Fund 100	Fund 300	Fund 400
			General	CIP & Expansion	Capital Replacement & Rehabilitation
Allocation to Fund Type			22.10%	39.34%	38.56%
CALTRUST	Annual Rate of Return				
Balance at inception		\$ 19,000,000	\$ 4,199,789	\$ 7,474,188	\$ 7,326,023
Cumulative Income	3.17%	\$ 601,583	\$ 132,975	\$ 236,650	\$ 231,958
Cumulative Unrealized Gain/Loss	-1.80%	\$ (341,102)	\$ (75,398)	\$ (134,182)	\$ (131,522)
Cumulative Realized Gain/Loss	0.00%	\$ -	\$ -	\$ -	\$ -
Cumulative Balance at beginning of month		\$ 19,260,481	\$ 4,257,366	\$ 7,576,656	\$ 7,426,460
Current month income	0.16%	\$ 30,167	\$ 6,668	\$ 11,867	\$ 11,632
Current month Unrealized Gain/Loss	-0.08%	\$ (15,306)	\$ (3,383)	\$ (6,021)	\$ (5,902)
Current month Realized Gain/Loss	0.00%	\$ -	\$ -	\$ -	\$ -
TOTALS		\$ 19,275,342	\$ 4,260,651	\$ 7,582,501	\$ 7,432,189
WELLS FARGO - Fixed Income Securities	Actual Rate of Return				
Balance at inception		\$ 18,000,000	\$ 3,978,747	\$ 7,080,810	\$ 6,940,443
Transfers		\$ 4,000,000	\$ 884,166	\$ 1,573,513	\$ 1,542,321
Cumulative Income	3.26%	\$ 586,348	\$ 129,607	\$ 230,657	\$ 226,084
Cumulative Unrealized Gain/Loss	-3.53%	\$ (635,027)	\$ (140,367)	\$ (249,806)	\$ (244,854)
Cumulative Realized Gain/Loss	0.00%	\$ -	\$ -	\$ -	\$ -
Cumulative Balance at beginning of month		\$ 21,951,321	\$ 4,852,153	\$ 8,635,174	\$ 8,463,994
Current month income	0.07%	\$ 15,192	\$ 3,358	\$ 5,976	\$ 5,858
Current month Unrealized Gain/Loss	0.00%	\$ 327	\$ 72	\$ 129	\$ 126
Current month Realized Gain/Loss	0.00%	\$ -	\$ -	\$ -	\$ -
Market Average/Yield to Worst	1.16%				
TOTALS		\$ 21,966,840	\$ 4,855,584	\$ 8,641,278	\$ 8,469,978
LAIF (Local Agency Investment Fund)	Annual Rate of Return				
Balance		\$ 5,090,099	\$ 1,125,123	\$ 2,002,335	\$ 1,962,641
Quarterly Interest	1.90%	\$ 24,153	\$ 5,339	\$ 9,501	\$ 9,313
Withdrawal	7/26/2018	\$ (1,000,000)	\$ (221,042)	\$ (393,378)	\$ (385,580)
TOTALS		\$ 4,114,252	\$ 909,421	\$ 1,618,457	\$ 1,586,374
PLACER COUNTY TREASURY	Annual Rate of Return				
Balance		\$ 5,169,322	\$ 1,142,635	\$ 2,033,499	\$ 1,993,188
Monthly Interest	1.85%	\$ 7,857	\$ 1,737	\$ 3,091	\$ 3,029
TOTALS		\$ 5,177,179	\$ 1,144,372	\$ 2,036,590	\$ 1,996,218
SUB-TOTALS		\$ 50,533,612	\$ 11,170,027	\$ 19,878,827	\$ 19,484,759
CHECKING ACCOUNT BALANCE		\$ 836,640	\$ 184,932	\$ 329,116	\$ 322,592
GRAND TOTALS		\$ 51,370,252	\$ 11,354,959	\$ 20,207,943	\$ 19,807,351

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

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

SOUTH PLACER MUNICIPAL UTILITY DISTRICT
STAFF REPORT

To: Board of Directors

From: Joanna Belanger, Administrative Services Manager

Cc: Herb Niederberger, General Manager

Subject: Actuarial Valuation Report for (OPEB) Programs 07/03/18

Meeting Date: August 2, 2018

Recommendation

Staff recommends the Board receive the July 3, 2018, Actuarial Report for other post-employment benefit (OPEB) liabilities.

Discussion & Information

The Districts Actuary, MacLeod Watts, (formerly Bickmore) has completed the report for the July 1, 2018 actuarial valuation of OPEB (i.e. retiree medical insurance) liabilities for the District. The report contains calculations regarding the value of future benefits provided by the District; and the current OPEB liability and annual OPEB expenses to be reported in the District's financial statements for the fiscal years ending June 30, 2018, June 30, 2019 & June 30, 2020. This report is submitted to the California Employers' Retiree Benefit Trust (CERBT) to satisfy the filing requirements for the trust. The report includes the assessment of liabilities and provides disclosures as required under GASB 45.

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

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

Over the past year staff held discussions with the District's Actuary and CERBT representatives that resulted in the District's redistribution of funds into the CERBT Strategy 2 Asset Allocation. The objective for this portfolio consists of moderate allocations in equities, bonds and other asset investments which are complimentary to the Districts moderate approach to investment strategies specified in Policy #3120. The actuarial valuation report assesses the OPEB liabilities for the District and develops the level of contributions to the CERBT over the next three years. With the change to

Asset Allocation Strategy 2, it is projected that the funds will yield 6.73% per year over the long term, slightly lower than the 7.25% rate in the previous valuation when the District's funds were placed in Asset Allocation Strategy 1. The valuation is based upon employee census data and forecasts, the District's OPEB liability varies, based on the medical plan selected, the level of coverage and whether a retiree is currently covered by Medicare.

Fiscal Impact

The Actuarial Report estimates the expenses paid by the District directly to retirees and the added contributions to the CERBT for 2018, 2019 & 2020.

Strategic Plan Goals

This action is consistent with SPMUD Strategic Plan Goals:

V. Financial Stability – Manage the District's finances to support district needs and maintain reasonable wastewater rates.

Goal 5.2: Explore and evaluate investment and business practice alternatives

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

Attachment A: Actuarial Valuation Report for OPEB Programs

MacLeod Watts

July 3, 2018

Mr. Herb Niederberger
General Manager
South Placer Municipal Utility District
5807 Springview Drive
Rocklin, CA 95677

Re: June 30, 2017 Actuarial Report of Retiree Benefit Valuation for Funding Purposes

Dear Mr. Niederberger:

We are pleased to enclose our report providing the results of the June 30, 2017 actuarial funding valuation of other post-employment benefit (OPEB) liabilities for the South Placer Municipal Utility District (the District). The report's text describes our analysis and assumptions in detail.

The primary purposes of the report are to develop the value of future OPEB expected to be provided by the District and to develop annual amounts to be contributed by the District for the fiscal years ending June 30, 2018, June 30, 2019 and June 30, 2020 toward prefunding the OPEB plan liability. This report may be required to be submitted to the California Employers' Retiree Benefit Trust (CERBT) to satisfy filing requirements for the trust.

Items of note in this valuation are:

- The Actuarially Determined Contribution (ADC) is developed on the same basis as the Annual Required Contribution previously developed under GASB 45. It is our understanding that the District's OPEB Funding Policy is to contribute 100% or more of the ADC each year.
- OPEB trust assets are assumed to transfer from CERBT Asset Allocation Strategy 1 to Strategy 2. The assumed future long term rate of return on trust assets was decreased to 6.73%.
- This report does not provide the information needed for financial reporting requirements under GASB 75. That information will be developed and presented in separate report(s).

We have based our valuation on employee data and plan information provided by the District, including the most recent bargaining agreements and PEMHCA resolutions on file with CalPERS. Please review the overview of benefits described in Table 3A to be comfortable that we have summarized these provisions correctly.

We appreciate the opportunity to work on this analysis and acknowledge the efforts of District employees who provided valuable information and assistance to enable us to perform this valuation. Please let us know if we can be of further assistance.

Sincerely,



Catherine L. MacLeod, FSA, FCA, EA, MAAA
Principal & Consulting Actuary



South Placer Municipal Utilities District

Actuarial Valuation of Other
Post- Employment Benefit Programs
As of June 30, 2017

Submitted July 2018

MacLeod Watts

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A. Executive Summary

This report presents the results of the June 30, 2017 actuarial valuation of the South Placer Municipal Utility District (the District) other post-employment benefit (OPEB) programs. The primary purpose of this valuation is to assess the OPEB liabilities of the District and develop contribution levels for the funding of these benefits. OPEB information relevant to reporting in the District’s financial statements pursuant to GASB 75 will be provided in a separate report.

This report reflects the valuation of two distinct types of OPEB liability:

- An “explicit subsidy” exists when the employer contributes directly toward retiree healthcare premiums. In this program, benefits include a monthly subsidy toward medical insurance premiums for eligible retirees. Future excise taxes expected to be paid for “high cost” retiree coverage are also explicit costs and are included with explicit liabilities.
- An “implicit subsidy” exists when the premiums charged for retiree coverage are lower than the expected retiree claims for that coverage. The District’s OPEB program includes implicit subsidy liabilities for retiree life insurance coverage and for medical coverage for retirees prior to coverage under Medicare.

Trust assets invested in the CERBT are assumed to be reallocated to Asset Allocation Strategy 2 and the District expects these funds to yield 6.73% per year over the long term. The District’s current OPEB funding policy is to contribute 100% of the Actuarial Determined Contributions (ADC) each year, with the ADC developed in the same manner as the Annual Required Contribution (ARC) was developed under GASB 45. Accordingly, with the District’s approval, this valuation was prepared using a 6.73% discount rate, lower than the 7.25% rate assumed in the prior valuation. Please note that use of this rate is an assumption and not a guarantee of future investment performance.

Exhibits presented in this report reflect our understanding that the results of this June 30, 2017 valuation will be applied in developing the Actuarially Determined Contributions for the District’s fiscal years ending June 30, 2018, 2019 and 2020. The ADC is calculated as the sum of the current year’s Normal Cost plus amortization of the current Unfunded Actuarial Accrued Liability over a remaining fixed period, adjusted with interest to fiscal year end.

The Actuarial Accrued Liability and Plan Assets as of June 30, 2017 are shown below:

Subsidy	Explicit	Implicit	Total
Discount Rate	6.73%	6.73%	6.73%
Actuarial Accrued Liability	\$ 4,683,765	\$ 1,027,051	\$ 5,710,816
Actuarial Value of Assets			4,272,867
Unfunded Actuarial Accrued Liability			1,437,949
Funded Ratio			74.8%

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



Executive Summary

(Concluded)

The Actuarially Determined Contributions for the fiscal years ending June 30, 2018, 2019 and 2020 are shown below. Detailed results are shown in Table 1A on page 12. Some historical information is provided in the Appendix.

Subsidy	6/30/2018	6/30/2019	6/30/2020
Actuarially Determined Contribution (ADC)	\$ 292,275	\$ 301,216	\$ 312,164
Expected employer paid benefits for retirees	206,000	235,115	246,357
Current year's implicit subsidy credit	68,870	73,873	78,430
Expected contribution to OPEB trust	17,405	(7,772)	(12,623)
Total Expected District Contribution	292,275	301,216	312,164

Current valuation results are compared to prior valuation results on page 6, followed by a discussion of changes. An actuarial valuation is a complex, long term projection and to the extent that actual experience is not what we assumed, future results will be different. Future differences may arise for many reasons, including but not limited to the following:

- A significant change in the number of covered or eligible plan members;
- A significant increase or decrease in the future medical premium rates;
- A change in the subsidy provided by the District toward retiree medical premiums;
- Longer life expectancies of retirees;
- Significant changes in expected retiree healthcare claims by age, relative to healthcare claims for active employees and their dependents; and
- Higher or lower returns on plan assets or contribution levels other than were assumed.

Details of our valuation process are provided on the succeeding pages.

The next actuarial valuation is scheduled to be prepared as of June 30, 2019. If there are any significant changes in the employee data, benefits provided or the funding policy, please contact us to discuss whether an earlier valuation is appropriate.

Important Notices

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



B. Sources of OPEB Liabilities

General Types of OPEB

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

A direct employer payment toward the cost of OPEB benefits is referred to as an “explicit subsidy”. Upcoming excise tax exposure under the Affordable Care Act for retirees covered by high cost plans is another potential source of OPEB liability for the District.

In addition, if claims experience of employees and retirees are pooled when determining premiums, the retirees pay a premium based on a pool of members that, on average, are younger and healthier. For certain types of coverage, such as medical insurance, this results in an “implicit subsidy” of retiree premiums by active employee premiums since the retiree premiums are lower than they would have been if retirees were insured separately. Actuarial Standards of Practice generally require an implicit subsidy of retiree premium rates be valued as an OPEB liability.

Expected retiree claims		
Premium charged for retiree coverage		<i>Covered by higher active premiums</i>
Retiree portion of premium	Agency portion of premium Explicit subsidy	Implicit subsidy

This chart shows the sources of funds needed to cover expected medical claims for pre-Medicare retirees. The implicit subsidy is not affected by how much or little of the premium is paid by the District.

OPEB Obligations of the District

The District provides continuation of medical coverage to its retiring employees, which may create one or more of the following types of OPEB liabilities:

- **Explicit subsidy liabilities:** The District contributes directly toward the retiree medical premiums, as described in Table 3A. Liabilities for these benefits are included in this valuation.
- **Implicit subsidy liabilities:** Employees are covered by the CalPERS medical program, where the same monthly premiums are charged for active employees and for pre- Medicare retirees. In addition to whatever portion of retiree premiums are paid directly by the District, we valued the difference between projected retiree claims and the premiums projected to be charged for retiree coverage. To develop this difference with respect to medical (and prescription drug) coverage, we followed the methodology outlined in Table 4 and described further in Addendum 1: MacLeod Watts Age Rating Methodology.

Different monthly premiums are charged for Medicare-eligible members and CalPERS has confirmed that only the claims experience of these Medicare eligible members is considered in setting these premium rates. We have assumed that this premium structure is adequate to cover the expected claims of these retirees and believe that there is no implicit subsidy of premiums for these members by active employees.



Sources of OPEB Liability

(Concluded)

- **Excise tax liability for retirees in “high cost” plans:** The Patient Protection and Affordable Care Act (ACA) includes a 40% excise tax on high-cost employer-sponsored health coverage. The tax was to be effective in 2018, however, implementation has been delayed by subsequent legislation until 2020. The tax applies to the aggregate cost of an employee’s applicable coverage that exceeds a dollar limit. While there are discussions in Congress of eliminating or again delaying this tax, this report assumes that it will take effect as current law provides.

For those current and future retirees assumed to retain coverage in the District’s medical program, we determined the excess, if any, of projected annual plan premiums for the retiree and his or her covered dependents over the projected applicable excise tax threshold beginning in 2022. The practicalities of how the tax will be recovered by insurers (from District retirees or a combination) will likely affect the eventual cost-sharing result. *This report assumes that 100% of any excise tax liability for high cost retiree coverage will be borne by the District.* No legal obligation as to the District’s current or future liability to absorb this potential tax is to be construed from this assumption. The estimate long term liability is only \$14,000; see the footnote below the chart in Section D.



C. Valuation Process

The valuation has been based on employee census data and benefits initially submitted to us by the District in March 2018 and clarified in various related communications. A summary of the employee data is provided in Table 2 and a summary of the benefits provided under the Plan is provided in Table 3A. While individual employee records have been reviewed to verify that they are reasonable in various respects, the data has not been audited and we have otherwise relied on the District as to its accuracy. The valuation described below has been performed in accordance with the actuarial methods and assumptions described in Table 4.

In projecting benefit values and liabilities, we first determine an expected premium or benefit stream over the employee’s future retirement. Benefits may include both direct employer payments (explicit subsidies) and/or an implicit subsidy, arising when retiree premiums are expected to be subsidized by active employee premiums. The projected benefit streams reflect assumed trends in the cost of those benefits and assumptions as to the expected date(s) when benefits will end. We then apply assumptions regarding:

- The probability that each individual employee will or will not continue in service with the District to receive benefits.
- To the extent assumed to retire from the District, the probability of various possible retirement dates for each retiree, based on current age, service and employee type; and
- The likelihood that future retirees will or will not elect retiree coverage (and benefits) for themselves and/or their dependents.

We then calculate a present value of these benefits by discounting the value of each future expected benefit payment, multiplied by the assumed expectation that it will be paid, back to the valuation date using the discount rate. These benefit projections and liabilities have a very long time horizon. Final payments for currently active employees may not be made for 60 years or more.

The resulting *present value of projected benefits* for each employee is allocated as a level percent of payroll each year over the employee’s career using the entry age normal cost method and the amounts for each individual are then summed to get the results for the entire plan. This creates a cost expected to increase each year as payroll increases. Amounts attributed to prior fiscal years form the *actuarial accrued liability (AAL)*. The amount of future OPEB cost allocated for active employees in the current year is referred to as the *normal cost*. The remaining active cost to be assigned to future years is called the *present value of future normal costs*.

In summary:

Actuarial Accrued Liability	Past Years’ Cost Allocations	Actives and Retirees
<i>plus</i> Normal Cost	Current Year’s Cost Allocation	Actives only
<u>plus Present Value of Future Normal Costs</u>	<u>Future Years’ Cost Allocations</u>	<u>Actives only</u>
<i>equals</i> Present Value of Projected Benefits	Total Benefit Costs	Actives and Retirees

Where contributions have been made to an irrevocable OPEB trust, the accumulated value of trust assets is applied to offset the AAL. We set the Actuarial Value of Assets equal to the (audited) June 30, 2017 market value of assets invested in the District’s CERBT account, reported to be \$4,272,867. The portion of the AAL not covered by assets is referred to as the *unfunded actuarial accrued liability (UAAL)*.



D. Basic Valuation Results

The following chart compares the results of the June 30, 2017 valuation of OPEB liabilities to the results of the July 1, 2015 valuation.

Funding Policy	Prefunding Basis					
	7/1/2015			6/30/2017		
Valuation date						
Subsidy	Explicit	Implicit	Total	Explicit	Implicit	Total
Discount rate	7.28%	7.28%	7.28%	6.73%	6.73%	6.73%
Number of Covered Employees						
Actives	24	24	24	27	27	27
Retirees	15	9	15	16	9	16
Total Participants	39	33	39	43	36	43
Actuarial Present Value of Projected Benefits						
Actives	\$ 2,670,181	\$ 881,014	\$ 3,551,195	\$ 3,250,393	\$ 951,012	\$ 4,201,405
Retirees	2,833,984	488,548	3,322,532	2,666,242	411,074	3,077,316
Total APVPB	5,504,165	1,369,562	6,873,727	5,916,635	1,362,086	7,278,721
Actuarial Accrued Liability (AAL)						
Actives	1,699,685	574,409	2,274,094	2,017,523	615,977	2,633,500
Retirees	2,833,984	488,548	3,322,532	2,666,242	411,074	3,077,316
Total AAL	4,533,669	1,062,957	5,596,626	4,683,765	1,027,051	5,710,816
Actuarial Value of Assets			3,825,896			4,272,867
Unfunded AAL (UAAL)			1,770,730			1,437,949
Normal Cost	121,799	40,025	161,824	155,720	44,024	199,744
Percent funded			68.4%			74.8%
Reported covered payroll			1,671,388			2,332,507
UAAL as percent of payroll			105.9%			61.6%

Note: The Explicit Subsidy AAL as of June 30, 2017 includes about \$14,000 in projected excise tax liability for retirees expected to be covered by "high cost" plans under the Affordable Care Act.



Basic Valuation Results

(Concluded)

Changes Since the Prior Valuation

Even if all of our previous assumptions were met exactly as projected, liabilities generally increase over time as active employees get closer to the date their benefits are expected to begin. Given the uncertainties involved and the long term nature of these projections, our prior assumptions are not likely ever to be exactly realized. This is particularly true when the program covers fewer than 100 members. Nonetheless, it is helpful to review why results are different than we anticipated.

In comparing results shown in the exhibit on the preceding page, we can see that the Unfunded Actuarial Accrued Liability (UAAL) decreased by about \$333,000 between July 1, 2015 and June 30, 2017, from about \$1,771,000 to \$1,438,000. Some of this difference was expected based on the assumptions made in the prior valuation. Some of the difference was not anticipated, such as premium changes or employee decisions affecting coverage that were different than previously assumed (referred to as “plan experience”). The balance of the difference is due to changes in actuarial methodology or assumptions.

The chart below summarizes the primary sources of the difference between the actual and the expected UAAL.

Source of Change	Increase (decrease) in UAAL
Decreased discount rate from 7.28% to 6.73%	349,000
Updated healthcare trend	242,000
Updated mortality improvement scale	(94,000)
Expected change in UAAL due to the passage of time	12,000
Other favorable plan experience	(842,000)
Change in UAAL from July 2015 to June 2017	(333,000)

Passage of time refers to expected changes in the UAAL between valuation dates as additional cost accruals are ‘absorbed’ into the AAL, additional trust contributions are made, some liabilities are released as benefits are paid to retirees and remaining benefit values are increased by the reversal of discounting since they are two years closer to their eventual payment dates.

Plan experience includes differences between what was assumed would occur and what actually occurred during the prior two years. This often includes differences between actual and expected employee behavior, such as ending employment prior to retirement, the timing of new retirements, plan selection and/or coverage of dependents. In this case, the primary cause of this favorable plan experience is lower than expected medical plan premiums.



E. Funding Policy

Actuarially Determined Contributions and District Funding Policy

The Actuarially Determined Contribution (ADC) consists of two basic components, which have been adjusted with interest to the District’s fiscal year end:

- The amounts attributed to service performed in the current fiscal year (the normal cost) and
- Amortization of the unfunded actuarial accrued liability (UAAL).

The ADC developed in this report includes amortization of the unfunded AAL over a closed 30-year period initially effective July 1, 2009. The remaining period applicable in determining the ADC for the fiscal year ending June 30, 2018 is 22 years. Amortization payments are determined on a level percent of pay basis.¹

The District’s Funding Policy is to contribute 100% or more of the ADC each year. The amounts calculated for the fiscal years ending June 30, 2018, 2019 and 2020 are shown in Table 1A.

Paying Down the UAAL

Once an entity decides to prefund, a decision must be made about how to pay for benefits related to service to date that have not yet been funded (the UAAL). This is most often, though not always, handled through structured amortization payments. The period and method chosen for amortizing this unfunded liability can significantly affect the Actuarially Determined Contribution.

Much like paying off a mortgage, choosing a longer amortization period to pay off the UAAL means initial payments will be smaller, but the payments will be required for a longer period. In general, the longer the amortization period, the less time investments will work toward helping reduce required contribution levels.

There are several ways the amortization payment can be determined. The most common methods are calculating the amortization payment as a level dollar amount or as a level percentage of payroll.

Funding of the Implicit Subsidy

The implicit subsidy liability created when expected retiree medical claims exceed the retiree premiums was described earlier in Section B. In practical terms, when the District pays the premiums for active employees each year, their premiums include an amount expected to be transferred to cover the portion of the retirees’ claims not covered by their premiums. This transfer represents the current year’s implicit subsidy and is illustrated in the example below.

Hypothetical Illustration Of Implicit Subsidy Recognition	For Active Employees	For Retired Employees	Total
Annual Agency Contribution Toward Premiums	\$ 484,000	\$ 191,000	\$ 675,000
Current Year's Implicit Subsidy Adjustment	\$ (69,000)	\$ 69,000	\$ -
Adjusted contributions reported in Financial Stmt	\$ 415,000	\$ 260,000	\$ 675,000

Please see the Expected Employer Contributions Section in Table 1A for the implicit subsidy amounts which should be applied to offset against the ADC for the years shown.

¹ Where the UAAL is amortized on a level percent of pay basis, if all assumptions are met, the UAAL may increase, rather than decrease, in the earlier years of the amortization period.



F. Choice of Actuarial Funding Method and Assumptions

The ultimate real cost of an employee benefit plan is the value of all benefits and other expenses of the plan over its lifetime. These expenditures are dependent only on the terms of the plan and the administrative arrangements adopted, and as such are not affected by the actuarial funding method. The actuarial funding method attempts to spread recognition of these expected costs on a level basis over the life of the plan, and as such sets the “incidence of cost”. Methods that produce higher initial annual (prefunding) costs will produce lower annual costs later. Conversely, methods that produce lower initial costs will produce higher annual costs later relative to the other methods.

Factors Impacting the Selection of Funding Method

While the goal is to match recognition of retiree medical expense with the periods during which the benefit is earned, cost allocation methods differ because they focus on different financial measures in attempting to level the incidence of cost. Appropriate selection of a cost allocation method for funding purposes contributes to creating intergenerational equity between generations of taxpayers.

We believe it is most appropriate for the plan sponsor to adopt a theory of funding and consistently apply the best cost allocation method representing that theory. This valuation was prepared using the entry age normal cost method with normal cost determined on a level percent of pay basis. The entry age normal cost method was one of the most commonly used of the cost allocation methods permitted by GASB 45 and was the method applied in prior District valuations. It is the only cost allocation method permitted for financial reporting purposes under GASB 75.

Factors Affecting the Selection of Assumptions

Special considerations apply to the selection of actuarial funding methods and assumptions for the District. The “demographic” actuarial assumptions used in this report were chosen, for the most part, to be the same as the actuarial assumptions used for the most recent actuarial valuations of the retirement plans covering District employees. Other assumptions, such as healthcare trend, age related healthcare claims, retiree participation rates and spouse/dependent coverage, were selected based on demonstrated plan experience and/or our best estimate of expected future experience. We will continue to gather information and monitor these assumptions for future valuations, as more experience develops.

In selecting an appropriate discount rate for funding purposes, it is most common to use the expected long-term yield on investments expected to be deployed to pay the benefits. Other strategies could include using a long term debt rate to calculate contribution levels, even if the District hopes their long term investment strategy will yield higher returns. In this way, required contributions may be reduced if those higher returns are actually realized, but only *as* they are actually realized. If actual returns are not realized as expected, then the difference between the debt rate and actual earnings rate acts as a safety margin so that larger contributions than planned are less likely to occur.

The District has chosen to fund the total OPEB liability (including implicit subsidy) based on an expected long term return of trust assets of 6.73% per year. Our analysis shows that prefunding the explicit subsidy liability *only* using an assumed 5.5% discount rate produces similar projected liability and contribution targets. Conceptually, the District may consider that prefunding the total OPEB liability (implicit plus explicit) determined at 6.73% is roughly equivalent to prefunding the explicit subsidy benefits only at this more conservative 5.5% discount rate.




G. Certification

This report presents the results of our actuarial valuation of the other post-employment benefits provided by the South Placer Municipal Utility District. The purpose of this valuation was to determine the plan's funded status as of the valuation date and to develop actuarially determined contribution levels to be used by the District toward funding plan benefits.

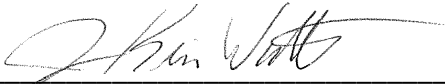
We certify that, to the best of our knowledge, the report is complete and accurate, based upon the data and plan provisions provided to us by the District. We believe the assumptions and method used are reasonable and appropriate for purposes of this report. The results may not be appropriate for other purposes.

Each of the undersigned individuals is a Fellow in the Society of Actuaries and Member of the American Academy of Actuaries who satisfies the Academy Qualification Standards for rendering this opinion.

Signed: July 3, 2018



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



J. Kevin Watts, FSA, FCA, MAAA



Table 1

Actuarially Determined Contributions for fiscal years 2018, 2019 and 2020: The basic results of our June 30, 2017 valuation of OPEB liabilities for the District were summarized in Section D. Those results are applied to develop the actuarially determined contribution (ADC) for the fiscal years ending June 30, 2018, June 30, 2019 and June 30, 2020.

As noted earlier in this report, the development of the ADC reflects the assumption that the District will contribute at least 100% of this amount each year, with contributions comprised of:

- Direct payments to insurers toward retiree premiums,
- Each current year's implicit subsidy, and
- Contributions to the OPEB trust.

GASB 75 Calculations: Calculations and exhibits for presentation in CADA's financial statements will be provided in separate reports each year.

Employees reflected in future years' costs: The counts of active employees and retirees shown in the report reflect the status of plan members reported to us for the valuation. While we do not adjust these counts for future years shown in this report, the liabilities and costs developed for those years do anticipate the likelihood that some active employees may leave employment forfeiting benefits, some may retire and elect benefits and coverage for some of the retired employees may cease. We will reflect employment status changes in the next valuation. In addition, because this valuation has been prepared on a closed group basis, no potential future employees are included. We will incorporate any new employees in the next valuation, in the same way we included new employees hired after July 2015 in this June 2017 valuation.

Note that the number of retired employees expected to create an implicit subsidy OPEB liability are lower than the number of those which create an explicit subsidy liability. CalPERS medical premiums for retirees over age 65 and covered by Supplemental Medicare plans are not subsidized by active employee medical premiums, so do not create an implicit subsidy liability.



Table 1A
Actuarially Determined Contributions for Fiscal Year Ends 2018, 2019 & 2020

This table develops the valuation results applicable to the District's fiscal year ending June 30, 2018, 2019 and 2020, based on the June 30, 2017 valuation results and the District's current funding policy.

Funding Policy	Prefunding Basis		
Valuation date	6/30/2017		
Subsidy	Explicit	Implicit	Total
For fiscal year ending	6/30/2018	6/30/2019	6/30/2020
Expected long-term return on assets	6.73%	6.73%	6.73%
Discount rate	6.73%	6.73%	6.73%
Number of Covered Employees			
Actives	27	27	27
Retirees	16	16	16
Total Participants	43	43	43
Actuarial Present Value of Projected Benefits			
Actives	\$ 4,201,405	\$ 4,468,789	\$ 4,735,054
Retirees	3,077,316	3,000,276	2,927,691
Total APVPB	7,278,721	7,469,065	7,662,745
Actuarial Accrued Liability (AAL)			
Actives	2,633,500	3,008,551	3,396,658
Retirees	3,077,316	3,000,276	2,927,691
Total AAL	5,710,816	6,008,827	6,324,349
Actuarial Value of Assets	4,272,867	4,577,836	4,878,152
Unfunded AAL (UAAL)	1,437,949	1,430,991	1,446,197
UAAL Amortization method	Level % of Pay	Level % of Pay	Level % of Pay
Remaining amortization period (years)	22	21	20
Amortization Factor	15.5314	15.0576	14.5667
Actuarially Determined Contribution (ADC)			
Normal Cost	\$ 199,744	\$ 206,236	\$ 212,938
Amortization of UAAL	92,583	95,034	99,281
Interest to fiscal year end	(52)	(54)	(55)
Total ADC	292,275	301,216	312,164
Projected covered payroll	\$ 2,332,507	\$ 2,408,313	\$ 2,486,584
Normal Cost as a percent of payroll	8.6%	8.6%	8.6%
ADC as a percent of payroll	12.5%	12.5%	12.6%
Expected Employer OPEB Contributions			
Estimated payments on behalf of retirees	\$ 206,000	\$ 235,115	\$ 246,357
Estimated current year's implicit subsidy	68,870	73,873	78,430
Estimated contribution to OPEB trust	17,405	(7,772)	(12,623)
Total Expected Employer Contribution	292,275	301,216	312,164

Estimated District contributions to the trust (net of disbursements) were determined as the total ADC minus (a) expected retiree premiums paid by the District and (b) the implicit subsidy amount.



Table 2
Summary of Employee Data

The District reported 27 active employees in the data provided to us for the June 2017 valuation. Of these, 26 are currently enrolled in the District’s medical program and 1 is waiving coverage.

Distribution of Benefits-Eligible Active Employees								
Current Age	Years of Service						Total	Percent
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 & Up		
Under 25	1						1	4%
25 to 29	2	2					4	15%
30 to 34			1				1	4%
35 to 39		2		1			3	11%
40 to 44		3			1		4	15%
45 to 49			1		1	1	3	11%
50 to 54		1	1	2	2		6	22%
55 to 59		1	1			1	3	11%
60 to 64		1	1				2	7%
65 to 69							0	0%
70 & Up							0	0%
Total	3	10	5	3	4	2	27	100%
Percent	11%	37%	19%	11%	15%	7%	100%	

<u>Valuation</u>	<u>July 2015</u>	<u>June 2017</u>
Annual Covered Payroll	\$1,671,388	\$2,244,656
Average Attained Age for Actives	44.8	44.8
Average Years of District Service	9.0	8.5

There are also 14 retirees and 2 surviving spouses currently receiving benefits under this program. The following chart summarizes the ages of current retirees and beneficiaries included in this valuation.

Retirees by Age		
Current Age	Number	Percent
Below 50	0	0%
50 to 54	1	6%
55 to 59	1	6%
60 to 64	7	44%
65 to 69	4	25%
70 to 74	1	6%
75 to 79	1	6%
80 & up	1	6%
Total	16	100%
Average Age:		
On 6/30/2017	66.3	
At retirement	58.8	



Table 2- Summary of Employee Data
(Concluded)

The chart below reconciles the number of actives and retirees included in the July 1, 2015 valuation of the District plan with those included in the June 30, 2017 valuation:

Reconciliation of District Plan Members Between Valuation Dates					
Status	Covered Actives	Waiving Actives	Covered Retirees	Covered Surviving Spouses	Total
Number reported as of July 1, 2015	20	4	15	0	39
New employees	5	1			6
Separated employees		(2)			(2)
New retiree, elected coverage					0
New retiree, waiving coverage					0
Previously waiving, now covered	2	(2)			0
Deceased	(1)		(1)	2	0
Number reported as of June 30, 2017	26	1	14	2	43

The number of active employees increased by 3 (about 12%). There were no new retirements.

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

Participants by Medical Plan			
Medical Plan	Active	Retired	Total
Anthem Select Sac	1		1
Blue Shield Access+ Sac	5		5
Kaiser Sacramento	17	3	20
PERS Choice NoCal		1	1
PERS Choice SoCal		3	3
PERS Choice Sac		1	1
PERSCare OOS		1	1
PERSCare Sacramento	1	3	4
UnitedHealthcare Sac	1	4	5
Western Health Advantage Sac	1		1
Waived	1		1
Total	27	16	43

Similarly, this chart shows the counts of actives and retirees who are covered by the different benefit levels.

Participants Counts by Benefit Level			
Benefit Level	Active	Retired	Total
1: Hired before 7/1/11; retired before 7/1/12	-	8	8
2: Hired before 7/1/11; retired after 7/1/12	12	8	20
3: Hired after 7/1/11 & before 1/1/13	2	-	2
4: Hired on/after 1/1/13	13	-	13
Total	27	16	43



Table 3A
Summary of Retiree Benefit Provisions

OPEB provided: The District reported that the following OPEB are provided: retiree medical coverage.

Access to retiree medical coverage: Medical coverage is currently provided through CalPERS as permitted under the Public Employees’ Medical and Hospital Care Act (PEMHCA). This coverage requires the employee to satisfy the requirements for retirement under CalPERS: either (a) attainment of age 50 (age 52, if a miscellaneous employee new to PERS on or after January 1, 2013) with 5 years of State or public agency service or (b) an approved disability retirement.

The employee must begin his or her retirement (pension) benefit within 120 days of terminating employment with the District to be eligible to continue medical coverage through the agency and be entitled to the benefits described below. If an eligible employee is not already enrolled in the medical plan, he or she may enroll within 60 days of retirement, during any future open enrollment period or with a qualifying life event. *In other words, it is the timing of initiating retirement benefits and not timing of enrollment in the medical program which determines whether or not a District retiree qualifies for lifetime medical coverage and any benefits defined in the PEMHCA resolution.* Once eligible, coverage may be continued at the retiree’s option for his or her lifetime. A surviving spouse and other eligible dependents may also continue coverage and may be eligible for a District benefits.

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

Eligibility Category	Pre-65 Cap	Post-65 Cap	Benefit Level
1: Hired before 7/1/11; retired before 7/1/12	\$ 2,742	\$ 2,742	United Healthcare HMO Sac Family rate
2: Hired before 7/1/11; retired after 7/1/12	1,830	1,055	Kaiser Sacramento Family rate
3: Hired after 7/1/11 & before 1/1/13	1,830	1,055	Kaiser Sac Family rate times vesting %
4: Hired on/after 1/1/13	1,408	633	Kaiser Sac Empl +1 rate times vesting %

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

Current premium rates: The 2018 CalPERS monthly medical plan rates in the Sacramento rate group are shown in the table below. The CalPERS administration fee is assumed to be expensed each year and has not been projected as an OPEB liability in this valuation:

Sacramento 2018 Health Plan Rates						
Plan	Actives and Pre-Med Retirees			Medicare Eligible Retirees		
	Ee Only	Ee & 1	Ee & 2+	Ee Only	Ee & 1	Ee & 2+
Anthem Select HMO	\$ 942.29	\$ 1,884.58	\$ 2,449.95	<i>Not Available</i>		
Blue Shield Access+ HMO	806.71	1,613.42	2,097.45	<i>Not Available</i>		
Kaiser HMO	703.96	1,407.92	1,830.30	\$ 316.34	\$ 632.68	\$ 1,055.06
PERS Choice PPO	735.38	1,470.76	1,911.99	345.97	691.94	1,133.17
PERSCare PPO	797.61	1,595.22	2,073.79	382.30	764.60	1,243.17
UnitedHealthcare HMO	831.42	1,662.84	2,161.69	330.76	661.52	1,160.37
Western Health Advantage HMO	744.79	1,489.58	1,936.45	<i>Not Available</i>		



Table 3A – Summary of Retiree Benefit Provisions
(Concluded)

Summary of Benefits	Hired	Retired	Age & Service Requirements	General Description	Maximum Monthly Benefit	Vesting Percent	Length of Benefits
PEMHCA Resolution Benefits	All	All	Age 50*, 5 years CalPERS membership or approved disability retirement	100% of the monthly medical plan premium for the retiree and any eligible covered dependents, not to exceed the applicable maximum monthly benefit	PEMHCA Minimum Employer Contribution (MEC); \$122 per month in 2015.	100%	Lifetime of retiree & surviving spouse**
Enhanced District Benefits (includes PEMHCA benefits)	Prior to July 1, 2011	Prior to July 1, 2012	Age 50 and 5 years CalPERS membership or approved disability retirement		Highest HMO pre-Medicare family premium for the Sacramento area	100%	Payable for the lifetime of the retiree & spouse; dependent children while eligible for coverage
	Prior to July 1, 2011	On or after July 1, 2012			Kaiser family premium*** for the Sacramento area		
	On or after July 1, 2011 and before January 1, 2013	On or after July 1, 2011	Age 50* (or approved disability retirement) and 10 years of CalPERS membership (5 of which are District service)		Kaiser family premium*** for the Sacramento area, multiplied by the vesting percent	50% after 10 years of PERS service, plus 5% for each additional year; 100% with 20 or more years of PERS service	
On or after January 1, 2013	On or after January 1, 2013	Kaiser Employee + 1 premium*** for the Sacramento area, multiplied by the vesting percent					

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

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

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

Retiree life insurance eligibility and benefits: The District also provides a life insurance benefit for each employee who retires from the District at age 55 or older with at least ten years of District service. The amount of the life insurance benefit is \$15,000 (\$25,000 in the case of former District management employees). We have not included a liability for this benefit in this valuation, since we believe this is a “fully insured” benefit funded during the period of active employment.



Table 3B
General CalPERS Annuitant Eligibility Provisions

The content of this section has been drawn from Section C, Summary of Plan Provisions, of the State of California OPEB Valuation as of June 30, 2016, issued February 2017, to the State Controller from Gabriel Roeder & Smith. It is provided here as a brief summary of general annuitant and survivor coverage.

Health Care Coverage

Retired Employees

A member is eligible to enroll in a CalPERS health plan if he or she retires within 120 days of separation from employment and receives a monthly retirement allowance. If the member meets this requirement, he or she may continue his or her enrollment at retirement, enroll within 60 days of retirement, or enroll during any Open Enrollment period. If a member is currently enrolled in a CalPERS health plan and wants to continue enrollment into retirement, the employee will notify CalPERS and the member's coverage will continue into retirement.

Eligibility Exceptions: Certain family members are not eligible for CalPERS health benefits:

- Children age 26 or older
- Children's spouses
- Former spouses
- Disabled children over age 26 who were never enrolled or were deleted from coverage
- Grandparents
- Parents
- Children of former spouses
- Other relatives

Coordination with Medicare

CalPERS retired members who qualify for premium-free Part A, either on their own or through a spouse (current, former, or deceased), must sign up for Part B as soon as they qualify for Part A. A member must then enroll in a CalPERS sponsored Medicare plan. The CalPERS-sponsored Medicare plan will pay for costs not paid by Medicare, by coordinating benefits.

Survivors of an Annuitant

If a CalPERS annuitant satisfied the requirement to retire within 120 days of separation, the survivor may be eligible to enroll within 60 days of the annuitant's death or during any future Open Enrollment period. Note: A survivor cannot add any new dependents; only dependents that were enrolled or eligible to enroll at the time of the member's death qualify for benefits.

Surviving registered domestic partners who are receiving a monthly annuity as a surviving beneficiary of a deceased employee or annuitant on or after January 1, 2002, are eligible to continue coverage if currently enrolled, enroll within 60 days of the domestic partner's death, or enroll during any future Open Enrollment period.

Surviving enrolled family members who do not qualify to continue their current coverage are eligible for continuation coverage under COBRA.



Table 4
Actuarial Methods and Assumptions

Valuation Date	June 30, 2017
Funding Method	Entry Age Normal Cost, level percent of pay ²
Asset Valuation Method	Market value of assets
Long Term Return on Assets	6.73%
Discount Rate	6.73%
Participants Valued	Only current active employees and retired participants and covered dependents are valued. No future entrants are considered in this valuation.
Salary Increase	3.25% per year, used only to allocate the cost of benefits between service years
Assumed Wage Inflation	3.0% per year; used to determine amortization payments if developed on a level percent of pay basis
General Inflation Rate	2.75% per year

Demographic actuarial assumptions used in this valuation are those used in the June 30, 2016 valuations of the retirement plans covering District employees, as based on the 2014 experience study of the California Public Employees Retirement System using data from 1997 to 2011, except for a different basis used to project future mortality improvements. Rates for selected age and service are shown below and on the following pages. The representative mortality rates were those published by CalPERS in their 2014 study, adjusted to back out 20 years of Scale BB to central year 2008.

Mortality Improvement MacLeod Watts Scale 2017 applied generationally.

Mortality Before Retirement
(before improvement applied)

CalPERS Public Agency Miscellaneous Non-Industrial		
Age	Male	Female
20	0.00033	0.00021
30	0.00052	0.00027
40	0.00080	0.00053
50	0.00165	0.00106
60	0.00354	0.00223
70	0.00709	0.00467
80	0.01339	0.01036

² The level percent of pay aspect of the funding method refers to how the normal cost is determined. Use of level percent of pay cost allocations in the funding method is separate from and has no effect on a decision regarding use of a level percent of pay or level dollar basis for determining amortization payments.



Table 4 - Actuarial Methods and Assumptions
(Continued)

Mortality After Retirement
(before improvement applied)

CalPERS Public Agency Healthy Miscellaneous, Police & Fire			CalPERS Public Agency Disabled Miscellaneous		
Age	Male	Female	Age	Male	Female
40	0.00117	0.00097	20	0.00641	0.00395
50	0.00532	0.00495	30	0.00736	0.00455
60	0.00817	0.00533	40	0.01008	0.00642
70	0.01766	0.01264	50	0.01784	0.01230
80	0.05275	0.03695	60	0.02634	0.01510
90	0.16186	0.12335	70	0.03890	0.02815
100	0.34551	0.31876	80	0.08230	0.06015
110	1.00000	1.00000	90	0.18469	0.16082

Termination Rates

Miscellaneous Employees: Sum of Vested Terminated & Refund Rates From CalPERS Experience Study Report Issued January 2014						
Attained Age	Years of Service					
	0	3	5	10	15	20
15	0.1812	0.0000	0.0000	0.0000	0.0000	0.0000
20	0.1742	0.1193	0.0946	0.0000	0.0000	0.0000
25	0.1674	0.1125	0.0868	0.0749	0.0000	0.0000
30	0.1606	0.1055	0.0790	0.0668	0.0581	0.0000
35	0.1537	0.0987	0.0711	0.0587	0.0503	0.0450
40	0.1468	0.0919	0.0632	0.0507	0.0424	0.0370
45	0.1400	0.0849	0.0554	0.0427	0.0347	0.0290

Service Retirement Rates

The following miscellaneous retirement formulas apply:

Hired before 4/19/2012 2.7% @ 55
 Hired on/after 4/19/2012 2% @ 55
 PEPRAs Hired on/after 1/1/2013 2% @ 62

Sample rates of assumed future retirements applicable to each of these retirement benefit formulas are shown in tables below and on the following page.

Miscellaneous Employees: 2.7% at 55 formula From CalPERS Experience Study Report Issued January 2014						
Current Age	Years of Service					
	5	10	15	20	25	30
50	0.0040	0.0090	0.0140	0.0350	0.0550	0.0950
55	0.0760	0.1010	0.1250	0.1650	0.2050	0.2650
60	0.0690	0.0930	0.1160	0.1540	0.1920	0.2500
65	0.1340	0.1740	0.2150	0.2700	0.3260	0.4010
70	0.1410	0.1830	0.2260	0.2830	0.3410	0.4180
75 & over	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000



Table 4 - Actuarial Methods and Assumptions
(Continued)

Service Retirement Rates

Miscellaneous Employees: 2% at 55 formula From CalPERS Experience Study Report Issued January 2014						
Current Age	Years of Service					
	5	10	15	20	25	30
50	0.0140	0.0180	0.0210	0.0250	0.0270	0.0310
55	0.0480	0.0610	0.0740	0.0880	0.1000	0.1170
60	0.0670	0.0860	0.1030	0.1230	0.1390	0.1640
65	0.1550	0.1970	0.2380	0.2850	0.3250	0.3860
70	0.1300	0.1650	0.2000	0.2400	0.2720	0.3230
75 & over	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

Miscellaneous "PEPRA" Employees: 2% at 62 formula From CalPERS Experience Study Report Issued January 2014						
Current Age	Years of Service					
	5	10	15	20	25	30
52	0.0103	0.0132	0.0160	0.0188	0.0216	0.0244
55	0.0440	0.0560	0.0680	0.0800	0.0920	0.1040
60	0.0616	0.0784	0.0952	0.1120	0.1288	0.1456
65	0.1287	0.1638	0.1989	0.2340	0.2691	0.3042
70	0.1254	0.1596	0.1938	0.2280	0.2622	0.2964
75 & over	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

Disability Retirement Rates

CalPERS Public Agency Miscellaneous Disability From Jan 2014 Experience Study Report		
Age	Male	Female
20	0.00017	0.00010
25	0.00017	0.00010
30	0.00019	0.00024
35	0.00049	0.00081
40	0.00122	0.00155
45	0.00191	0.00218
50	0.00213	0.00229
55	0.00221	0.00179
60	0.00222	0.00135

Medicare Eligibility

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



Table 4 - Actuarial Methods and Assumptions
(Continued)

Healthcare Trend

Medical plan premiums and claims costs by age are assumed to increase once each year. The increases over the prior year’s levels are assumed to be effective on the dates shown below:

Effective January 1	Premium Increase	Effective January 1	Premium Increase
2018	Actual	2022	6.00%
2019	7.50%	2023	5.50%
2020	7.00%	2024	5.00%
2021	6.50%	2025 & later	5.00%

The required PEMHCA minimum employer contribution (MEC) is assumed to increase annually by 4.5%.

Participation Rate

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

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

Spouse Coverage

Active employees: 85% are assumed to be married and elect coverage for their spouse in retirement. Surviving spouses are assumed to continue coverage until their death. Husbands are assumed to be 3 years older than their wives.

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

Spouse gender is assumed to be the opposite of the employee.

Dependent Coverage

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

Excise tax on high-cost plans

The expected value of excise taxes for high cost plan coverage for retirees, now expected to be effective in the year 2020, was included in this valuation. Annual threshold amounts for 2018 under the Affordable Care Act (ACA) are shown on the following page. A 40% excise tax rate was applied to the portion of premiums projected to exceed the threshold.



Table 4 - Actuarial Methods and Assumptions
(Continued)

Excise tax on high-cost plans - continued

2018 Thresholds	Ages 55-64	All Other Ages
Single	11,850	10,200
Other than Single	30,950	27,500

Note: Thresholds for disability retirements are assumed to be set at a level high enough to prevent taxation on disabled retiree benefits.

Actual limits may be higher, depending on cost increases prior to the effective date. The actual thresholds are scheduled to increase by CPI plus 1% in 2019 and by CPI annually thereafter.

Development of Age-related
Medical Premiums

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

Representative claims costs derived from the dataset provided by CalPERS for retirees not currently covered or not expected to be eligible for Medicare are shown in the chart below:

Expected Monthly Claims by Medical Plan for Selected Ages					
	Male				
Medical Plan	50	53	56	59	62
Blue Shield Access+: Sacramento	\$ 781	\$ 921	\$ 1,069	\$ 1,226	\$ 1,393
HMO: Sacramento	824	972	1,129	1,294	1,471
Kaiser: Sacramento	699	824	957	1,097	1,247
PERS Choice: Other Northern California	770	908	1,054	1,208	1,374
PERS Choice: Out of State	419	494	574	658	748
PERS Choice: Sacramento	652	769	893	1,024	1,164
PERSCare: Out of State	409	482	560	642	730
PERSCare: Sacramento	665	784	910	1,043	1,186
	Female				
Medical Plan	50	53	56	59	62
Blue Shield Access+: Sacramento	968	1,063	1,143	1,236	1,362
HMO: Sacramento	1,021	1,122	1,207	1,304	1,438
Kaiser: Sacramento	866	951	1,023	1,106	1,219
PERS Choice: Other Northern California	954	1,048	1,127	1,218	1,343
PERS Choice: Out of State	519	570	613	663	731
PERS Choice: Sacramento	808	887	955	1,032	1,138
PERSCare: Out of State	507	557	599	647	713
PERSCare: Sacramento	824	905	973	1,052	1,159



Table 4 - Actuarial Methods and Assumptions

(Concluded)

Age-related Medical Premiums - continued

All current and future Medicare-eligible retirees are assumed to be covered by plans that are rated based solely on the experience of Medicare retirees. Therefore, no implicit subsidy is calculated for Medicare-eligible retirees.

Changes Since the Prior Valuation:

Discount Rate Change

From 7.28% to 6.73%

Mortality improvement

Future rates of mortality were projected to improve on a generational basis using MacLeod Watts Scale 2017, rather than Bickmore Scale 2014; this new scale generally results in lower improvement (i.e. shorter life expectancy).

Healthcare trend

Medical plan premiums are assumed to increase at somewhat higher rates than assumed in the prior valuation, with the ultimate trend of 5.0% per year, rather than 4.5% per year assumed in the prior valuation.

Excise tax on High-cost Coverage

We reflected the two-year delay in the effective date of the excise tax attributable to retirees for high cost healthcare plans under the Affordable Care Act. We also recognized a change in the law, reducing the effective tax rate to 40% for all plans.



Table 5
Projected Benefit Payments

The following is an estimate of other post-employment benefits to be paid on behalf of current retirees and current employees expected to retire from the District. Expected annual benefits have been projected on the basis of the actuarial assumptions outlined in Table 4.

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

Projected Annual Benefit Payments							
Fiscal Year Ending June 30	Explicit Subsidy			Implicit Subsidy			Total
	Current Retirees	Future Retirees	Total	Current Retirees	Future Retirees	Total	
2018	\$ 206,000	\$ -	\$ 206,000	\$ 68,870	\$ -	\$ 68,870	\$ 274,870
2019	210,578	24,537	235,115	63,926	9,947	73,873	308,988
2020	204,991	41,366	246,357	60,475	17,955	78,430	324,787
2021	204,285	57,224	261,509	56,865	24,655	81,520	343,029
2022	196,836	79,387	276,223	53,698	37,741	91,439	367,662
2023	194,000	102,730	296,730	48,650	53,835	102,485	399,215
2024	187,579	128,754	316,333	37,205	73,726	110,931	427,264
2025	184,751	153,588	338,339	27,803	86,630	114,433	452,772
2026	190,071	171,875	361,946	32,027	97,566	129,593	491,539
2027	195,322	195,435	390,757	36,678	122,844	159,522	550,279
2028	191,005	212,105	403,110	23,894	123,638	147,532	550,642
2029	186,121	209,789	395,910	13,401	107,039	120,440	516,350
2030	190,114	236,964	427,078	15,323	129,908	145,231	572,309
2031	193,829	248,636	442,465	17,444	128,465	145,909	588,374
2032	197,187	246,756	443,943	19,778	97,412	117,190	561,133

The amounts shown in the Explicit Subsidy section reflect the expected payment by the District toward retiree medical premiums in each of the years shown. The amounts are shown separately, and in total, for those retired on the valuation date (“current retirees”) and those expected to retire after the valuation date (“future retirees”).

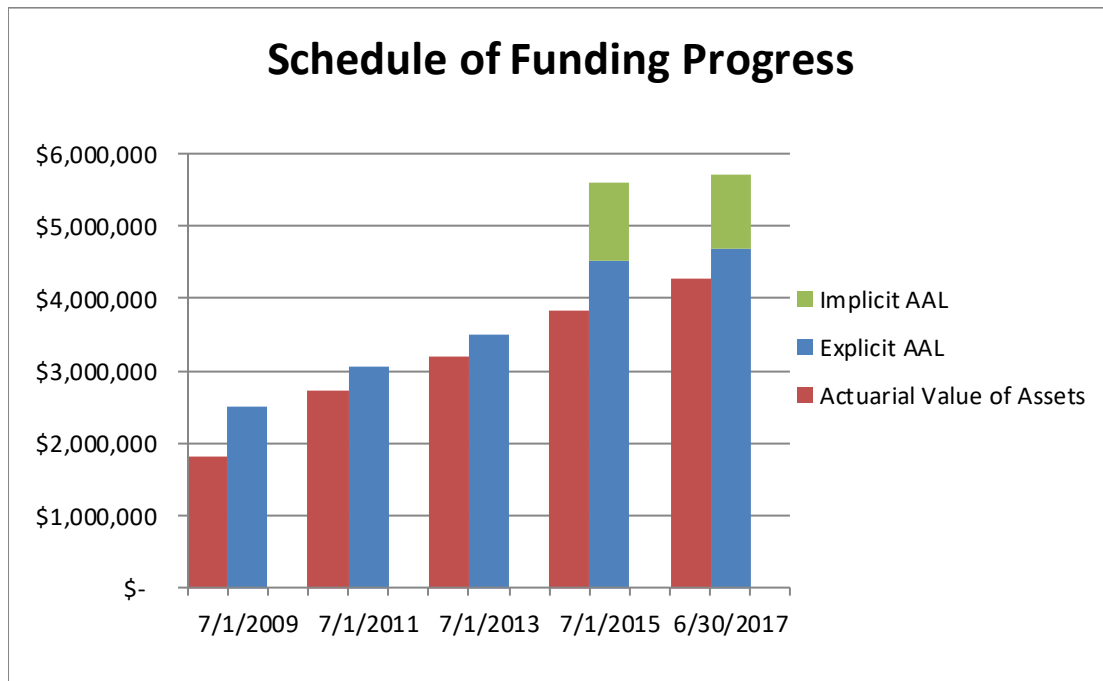
The amounts shown in the Implicit Subsidy section reflect the expected excess of retiree medical (and prescription drug) claims over the premiums expected to be charged during the year for retirees’ coverage. These amounts are also shown separately and in total for those currently retired on the valuation date and for those expected to retire in the future.



Appendix 1 Historical Information

In this section, we provide a review of valuation results from 2008 through 2017.

Schedule of Funding Progress							
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)	Discount Rate
7/1/2009	\$ 1,800,053	\$ 2,505,691	\$ 705,638	71.8%	\$ 1,346,985	52.4%	7.75%
7/1/2011	\$ 2,729,321	\$ 3,062,219	\$ 332,898	89.1%	\$ 1,387,068	24.0%	7.75%
7/1/2013	\$ 3,181,069	\$ 3,496,648	\$ 315,579	91.0%	\$ 1,425,554	22.1%	7.61%
7/1/2015	\$ 3,825,896	\$ 5,596,626	\$ 1,770,730	68.4%	\$ 1,671,388	105.9%	7.28%
6/30/2017	\$ 4,272,867	\$ 5,710,816	\$ 1,437,949	74.8%	\$ 2,332,507	61.6%	6.73%



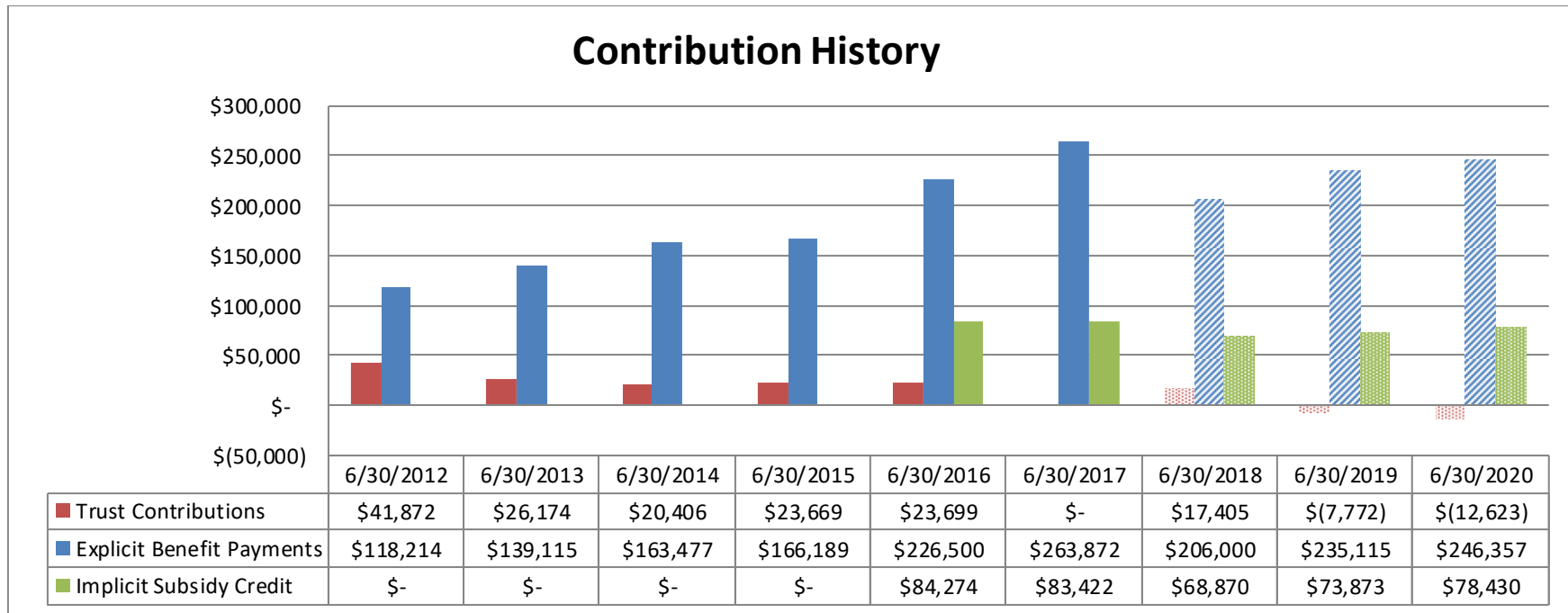
Significant changes during this period include:

- **July 1, 2013:** Discount rate decreased from 7.75% to 7.61%; recognition of new medical benefit limits and eligibility requirements; updated mortality projection scale
- **July 1, 2015:** First time recognition of the implicit subsidy liability; discount rate decreased from 7.61% to 7.28%; revised assumptions for retirement and termination; increase in number of active members from 21 to 24 and retirees from 10 to 15.
- **June 30, 2017:** Discount rate decreased from 7.25% to 6.73% reflecting planned change in asset allocation strategy; increase in assumed long term healthcare trend and number of active members valued from 24 to 27; offset by very favorable plan experience



**Appendix 1 - Historical Information
(Continued)**

This history of the District’s OPEB contributions was compiled from a combination of prior audited financial statements, the July 2013 and July 2015 actuarial valuation reports and from OPEB contribution information provided directly to us by the District. If any of these contributions do not appear to be accurate, please let us know. *Amounts shown for the fiscal years ending June 30, 2018 June 30, 2018 and June 30, 2019 are estimates.*



Addendum 1: MacLeod Watts Age Rating Methodology

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

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

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

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

1. *Obtain or Develop Relative Medical Claims Costs by Age, Gender, or other categories that are deemed significant.* For example, a claims cost curve might show that, if a 50 year old male has \$1 in claims, then on average a 50 year old female has claims of \$1.25, a 30 year male has claims of \$0.40, and an 8 year old female has claims of \$0.20. The claims cost curve provides such relative costs for each age, gender, or any other significant factor the curve might have been developed to reflect. Table 4 provides the source of information used to develop such a curve and shows sample relative claims costs developed for the plan under consideration.
2. *Obtain a census of participants, their chosen medical coverage, and the premium charged for their coverage.* An attempt is made to find the group of participants that the insurer considered in setting the premiums they charge for coverage. That group includes the participant and any covered spouses and children. When information about dependents is unavailable, assumptions must be made about spouse age and the number and age of children represented in the population. These assumptions are provided in Table 4.
3. *Spread the total premium paid by the group to each covered participant or dependent based on expected claims.* The medical claims cost curve is used to spread the total premium dollars paid by the group to each participant reflecting their age, gender, or other relevant category. After this step, the actuary has a schedule of expected claims costs for each age and gender for the current premium year. It is these claims costs that are projected into the future by medical cost inflation assumptions when valuing expected future retiree claims.

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



Addendum 2: MacLeod Watts Mortality Projection Methodology

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

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

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

The **MacLeod Watts Scale 2017** was developed from a blending of data and methodologies found in two published sources: (1) the Society of Actuaries Mortality Improvement Scale MP-2016 Report, published in October 2016 and (2) the demographic assumptions used in the 2016 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, published June 2016.

MacLeod Watts Scale 2017 is a two-dimensional mortality improvement scale reflecting both age and year of mortality improvement. The underlying base scale is Scale MP-2016 which has two segments – (1) historical improvement rates for the period 1951-2012 and (2) an estimate of future mortality improvement for years 2013-2015 using the Scale MP-2016 methodology but utilizing the assumptions obtained from Scale MP-2015. The MacLeod Watts scale then transitions from the 2015 improvement rate to the Social Security Administration (SSA) Intermediate Scale linearly over the 10 year period 2016-2025. After this transition period, the MacLeod Watts Scale uses the constant mortality improvement rate from the SSA Intermediate Scale from 2025-2039. The SSA's Intermediate Scale has a final step down in 2040 which is reflected in the MacLeod Watts scale for years 2040 and thereafter. Over the ages 100 to 115, the SSA improvement rate is graded to zero.

Scale MP-2016 can be found at the SOA website and the projection scales used in the 2016 Social Security Administrations Trustees Report at the Social Security Administration website.



Glossary

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

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

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

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

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

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

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

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

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

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

Excise Tax – The Affordable Care Act created a 40% excise tax on the value of “employer sponsored coverage” that exceeds certain thresholds. The tax is first effective is 2022.



Glossary **(Continued)**

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

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

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

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

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

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

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

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

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

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



Glossary
(Concluded)

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

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

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

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

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



ITEM VII.2 GENERAL MANAGER REPORT

To: Board of Directors

From: Herb Niederberger, GM

Date: August 2, 2018

Subject: General Manager Monthly Staff Report – June & July 2018

1) DEPARTMENT REPORTS

Attached are the monthly status reports for the Boards information:

- A. Facility Services Department
- B. Administrative Service Department, and
- C. Technical Services Department

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

2) INFORMATION ITEMS

- A. On June 5, 2018, the General Manager, District General Counsel Adam Brown, District Engineer, Eric Nielsen, and Inspector II, Henry Lorton appeared in Department 40 of the Santucci Justice Center for a hearing of the Temporary Restraining Order against Mr. Dean Dickson of Loomis. The District prevailed in the matter and a Restraining Order was issued.
- B. On June 13, 2018, the General Manager, along with President Mitchell, attended the Rocklin Chamber of Commerce Government Relations Committee to hear presentations from Steve Rudolph, the new Rocklin City Manager, and Senior Librarian, Sophie Bruno.
- C. On June 20 and July 18, 2018, the General Manager met with the District General Counsel to discuss the following:
 - June 20 - 1) Resolution of the Southern Pacific Transportation Company (railroad or SPRR) permits and District facilities located within SPRR R/W; 2) City of Rocklin SSE acceptance and draft resolution transferring SSEs to the District; 3) Sierra College Estates temporary sewer connection and use agreement; and 4) Loomis Diversion Line/ Nakashoji Claim – Forwarded to the Board meeting on June 28, 2018, for Board consideration.
 - July 18 – 1) Nakashoji release and claim payment; 2) Status on the Dickson Eminent Domain proceeding, the October Court date and the pending Notice to Compel; 3) District response to SPRR and recent Court cases; 4) Del Mar Sewer Trunk reimbursement and credit agreement, bidding options; 5) Martin Lane right-of entry required for the Loomis Diversion work in Brace Road; and 6) Loomis Streetscape reimbursement

- D. On June 21, 2018, the General Manager, Associate Engineer, Carie Huff, along with District inspectors met with the developer and contractor of Sierra College Estates to resolve construction punch list items necessary for the acceptance of improvements.
- E. The General Manager was out of the office on June 25 and 26, 2018, attending the Annual CSDA General Manager Leadership Summit. Items of immediate concern to the District include new regulations concerning website requirements as well as the need for development of a Social Media policy for the District
- F. On June 28, 2018, the General Manager accompanied President Mitchell to the meeting of the Board of Directors for the South Placer Wastewater Authority to hear an overview of Swap Performance & Annual Reporting Requirements as well as information reports on the Investments Report, Rate Stabilization Fund Balances & Connection Fee Revenues and Reimbursement Agreement between Roseville and SPWA for State Revolving Fund; and to approve resolutions pertaining to the approval of FY2019 Investment Policy and Swap Policy, CEQA Review for Pleasant Grove WWTP Expansion Project Capital Improvement Projects Budget and Project Update FY18-19 and the Annual Operating Budget for FY2018-19. Director Mitchell presented this information to the Board during its meeting on June 28, 2018.
- G. On July 11, the General Manager participated in a Webinar: “Social Media Meets the First Amendment.”
- H. On July 12, 2018, the General Manager and Engineering Technician II, Curtis Little, met with Rocklin resident, Roger Peterson, to discuss the possibility of using existing District easements for possible City of Rocklin walking paths in accordance with District Policy 3225 – Joint Use of District Easements and Access Roads.
- I. On July 17, 2018 the General Manager attended a meeting of Assemblyperson Kevin Kiley’s Civic Advisory Council focusing on legislation related to utilities, code enforcement, wildfire, and transportation. There was nothing of immediate concern for the District.
- J. The District Manager was on vacation from July 20 through 31, 2018.
- K. Advisory Committee Meetings:

There were no advisory meetings during June or July 2018.

3) **LONG RANGE AGENDA**

September 2018

Strategic Plan Annual Report/Update

November 2018

Annual Audit Report FY 2017/18

To: Board of Directors
From: Sam Rose, Superintendent
Cc: Herb Niederberger, General Manager
Subject: Field Services Department Monthly Report
Meeting Date: August 2, 2018

Overview

This report provides the Board with an overview of Field Services operations and maintenance activities from 5/29/2018 through 7/23/2018. The work listed is not all inclusive.

1. Recordable Accidents/Injuries (OSHA 300)

- a. Zero (0)
 - i. 628 days without a Recordable Injury

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

- a. Service Calls
 - i. Sixteen (16)
 - A. 9 - Customer's Responsibility
 - B. 5 - SPMUD Responsibility
 - C. 2 - Other
- b. Sanitary Sewer Overflows (SSOs)
 - i. Two (2)
 - A. Forty-three (43) Days since last SSO
- c. Lift Station Calls
 - i. Three (3)

3. Safety/Training/Professional Development

- a. All Field employees participated in:
 - i. Nine (9) "Tailgate" safety sessions.
 - ii. First Aid/CPR
 - iii. Chemical & Asbestos Safety
 - iv. Traffic Safety
 - v. Lockout/Tagout Electrical Safety

4. Maintenance

a. CCTV Mainline Segments	269 Segments
b. CCTV Service Laterals	648 Laterals
c. Hydro-Clean Mainline Segments	105 Segments
d. Hydro-Clean Service Laterals	51 Laterals
e. Manhole Inspections	343 Manholes
f. Manhole Cleaning	08 Manholes
g. Rodded/Cleaned Service Laterals	05 Laterals
h. Creek-Crossing Inspections	00 Crossings
i. Chemical Root Treatment (Mainline)	00 Segments
j. Chemical Root Treatment (Lateral)	16 Laterals
k. Easement Maintenance	36 Easement(s)
l. Easement Reconstruction	00 Easement
m. Vector Control (Cockroaches)	22 Manholes

5. Construction

a. Service Taps	00 Taps
b. Lateral Installs	00 Laterals
c. Property Line Cleanout Work	
i. Repaired	45 Cleanouts
ii. Installed	08 Cleanout
d. Mainline Repair	01 Mainline
e. Service Lateral Repair	00 Lateral
f. Service Cap-Off	00 Services
g. Manhole Rehabilitation	33 Manholes

6. Facilities

a. Lift Station Operations Checks	105 Operation Checks
b. Lift Station Repair	02 Repairs Performed
c. Lift Station Wet Well Cleaning	26 Wet Wells
d. Lift Station Site Maintenance	00 Sites
e. Flow Recorder Inspection	21 Sites
f. Portable Flow Rec. Installations	03 Installations
g. Corp Yard Water Facility	09 Operational Checks
h. Vehicle/Equip Maintenance	13 Work Orders
i. Vehicle/Equip Inspections	35 Work Orders
j. Corp Yard Maint./Improvements	07 Work Orders

7. Miscellaneous

- a. Mason Gray and Josh Pirhofer, Maintenance Worker I, achieved his CWEA Grade I Certificate

ITEM VII. ASD REPORT

To: Board of Directors
From: Joanna Belanger, Administrative Services Manager
cc: Herb Niederberger, General Manager
Subject: Administrative Services Department Monthly Report
Board Mtg. Date: August 2, 2018

Delinquent Service Charge - Assignment File submitted to Placer County

The Board adopted the Assignment file for delinquent accounts at the June 7, 2018 Board meeting. Staff prepared the Assignment file and submitted it to Placer County for processing with the Property Tax bills. The final file totaled \$296,445.70 which is approximately \$40,000 less than last years Assigned accounts.

FY 17/18 Audit work

The Auditors team from Munn, Urrutia & Nelson visited the District on the week of June 18, 2018. Preliminary sampling and testing work was completed in preparation for the FY 17/18 Audit. Staff and the District Accountant are finalizing the year end documentation in preparation for the final visit from the Auditor in mid-August. The final Audit document is calendared for presentation and acceptance by the Board at the November 2018 Board meeting.

Effective Performance Management Training

On June 26, 2018 staff participated in a SHRM (Sacramento Human Resource Management) training session for Effective Performance Management.

Student Intern Position

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

Commercial Account Review

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

ITEM VII. TSD REPORT

To: Board of Directors
From: Eric Nielsen, District Engineer
Cc: Herb Niederberger, General Manager
Subject: Technical Services Department Monthly Report
Board Date: August 2, 2018

Loomis Diversion Trunkline Project

The installation of sewer pipe in Dias Lane has concluded. A crew continues to install sewer pipe on the property north of Horseshoe Bar Road. The installation of pipeline in this area is scheduled to finish in early August. The contractor has begun drilling operations in Brace Road in advance of the planned controlled blasting. The contractor's traffic control has been implemented during drilling operations, which limits traffic to one lane controlled by flaggers. Controlled blasting operations are scheduled to start in early/mid-August. Brace Road will be closed to through-traffic 24-hours a day for the duration of the blasting and pipe installation operations. Only local residents will be allowed through the closed portion of Brace Road to access their properties.

Foothill Trunk Sewer Replacement Project

The District's consultants completed the collection and analysis of geofraction surveys to determine the potential presence of hard rock along the entire pipeline alignment. The information is being incorporated into the construction contract documents to allow for improved planning by potential contractors and better defining the methods of payment.

The U.S. Army Corps of Engineers (Corps) is currently reviewing the Historic Properties Treatment Plan the project team submitted previously. The Corps is preparing a memorandum of agreement for the project, which outlines the requirements for dealing with sensitive cultural resources. Staff plan to put the project out to bid in late 2018 and awarding the construction project in early 2019 for construction in 2019.

FOG Program

Staff has met its goal to permit the Phase 1 and Phase 2 food service establishments (FSEs) in the District. The next stage of the initial implementation of the FOG program is to develop frequencies for inspections of facilities and grease removal devices (GRDs). Equipment to perform these inspections has been purchased and regular inspections of FSEs and GRDs will begin according to a prioritized listing developed by staff.

The conditions of the FOG-related Notice of Violation for 4800 Granite Drive have been met.

Corporation Yard Perimeter Wall Replacement

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

Lucity

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

Two District employees have been invited to present at Lucity’s Annual Conference & Training in September on the District’s use of Lucity Web, Lucity Mobile, and the District’s integration of Lucity with its mapping/GIS data.

Department Performance Indicators

The following charts depict the efforts and performance of the department in four areas of work as of July 25th. Additional charts may be added in the future for other areas of work in the department.



