



**SPMUD BOARD OF DIRECTORS
SPECIAL MEETING: 4:30 PM
January 12, 2023**

SPMUD Boardroom
5807 Springview Drive, Rocklin, CA 95677

Zoom Meeting: 1 (669) 900-9128
Meeting ID: 849 1218 7198

The District's regular Board meeting is held on the first Thursday of every month. This notice and agenda are posted on the District's website (www.spmud.ca.gov) and 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.

The January 12, 2023 meeting of the SPMUD Board of Directors will be held in the District Board Room at 5807 Springview Drive in Rocklin, CA 95677 with the option for the public to join via teleconference using Zoom Meeting 1 (669) 900-9128, <https://us02web.zoom.us/j/84912187198>. Public comments can be emailed to ecostan@spmud.ca.gov from the time the agenda is posted until the matter is heard at the meeting. Comments should be kept to 250 words or less.

AGENDA

I. CALL MEETING TO ORDER

II. ROLL CALL OF DIRECTORS

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

III. PLEDGE OF ALLEGIANCE

IV. PUBLIC COMMENTS

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

Public comments can be emailed to ecostan@spmud.ca.gov from the time the agenda is posted until the matter is heard at the meeting. Comments should be kept to 250 words or less.

V. CONSENT ITEMS

[pg 6 to 24]

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

ACTION: (Roll Call Vote)

Motion to approve the consent items for the January 12, 2023 meeting.

1. MINUTES from the December 1, 2022 Regular Meeting. [pg 6 to 9]
2. ACCOUNTS PAYABLE in the amount of \$1,044,023 through December 26, 2022. [pg 10 to 14]
3. BILL OF SALE Acceptance of the Bill of Sale for onsite Sewer Improvements at Newcastle Fire Station #41 with an estimated value of \$309,685. [pg 15 to 18]
4. ACCEPTANCE OF THE PARTICIPATION CHARGE REPORT FOR FISCAL YEAR 21/22 [pg 19 to 22]
5. RESOLUTION 23-01 AUTHORIZING THE GENERAL MANAGER TO SURPLUS PROPERTY AND/OR EQUIPMENT [pg 23 to 24]

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. ISSUANCE OF OATH OF OFFICE Verbal
DIRECTOR WILLIAM DICKINSON – WARD #2
DIRECTOR CHRISTY JEWELL – WARD #3
Declaration of the oath of office to the Directors from Wards #2 and #3, pursuant to the Placer County Clerk-Recorder certified election results from the November 8, 2022 General Election.
2. SELECTION OF OFFICERS AND APPOINTMENTS TO THE TEMPORARY ADVISORY COMMITTEES AND SPWA BOARD [pg 25]
Selection of Officers for the 2023 calendar year and appointment to various temporary advisory committees and a District representative to SPWA.

Action Requested: (Voice Vote)

1. **The current President, Gerald Mitchell, dissolve the existing Advisory Committees;**
2. **The current Vice-President, James Williams, succeed as the new President for 2023;**
3. **The Board of Directors consider nominations for a new Vice-President, entertain a motion for a nominee, and vote on said motion; and**
4. **The President creates and make appointments to any new temporary Advisory Committees; and**
5. **The President appoints a District representative to the South Placer Wastewater Authority Board of Directors.**

3. **FISCAL YEAR 21/22 AUDIT REPORT ACCEPTANCE** [pg 26 to 121]
Representatives from Certified Public Accountants Munn, Urrutia & Nelson LLP will present the Audit report for the Fiscal Year ending June 30, 2022.

Action Requested: (Voice Vote)

Receive and file the Fiscal Year 21/22 Audit Report

4. **RATE AND COST OF SERVICE PRESENTATION** Verbal
The District's Rate and Cost of Service Consultant will present rate scenarios and other findings from their Rate and Cost of Service Study.

Action Requested: (Voice Vote)

Staff recommends that the Board of Directors:

1. **Conduct a workshop to receive board and public testimony, and consider said testimony; and**
2. **After consideration of the testimony, direct staff to return on February 2, 2023, with a Final Cost of Service and Five-Year Financial Plan.**

5. **PUBLIC HEARING: ADOPTION OF ORDINANCE 22-03 REVISING DISTRICT SEWER CODE CHAPTERS TWO AND THREE** [pg 122 to 192]

The District is revising Chapters 2 and 3 of the District Sewer Code. The proposed changes are primarily to conform with recent legislation, acknowledge the District's Adaptive Management Program, codify the District's transition from gravity grease interceptors to other grease control devices, and implement Best Management Practices to minimize the discharge of Fats, Oils, and Greases.

Action Requested: (Roll Call Vote)

Staff recommends that the Board of Directors:

1. **Waive the second reading of the proposed Ordinance #22-03.**
2. **Adopt Ordinance No. 22-03 –An Ordinance Revising District Sewer Code Chapters 2 and 3 which will become effective on February 13, 2023.**

6. **RESOLUTION 23-02 AUTHORIZATION TO ENTER INTO A SEWER EASEMENT AND CONVEYANCE AGREEMENT WITH ROCKLIN SIERRA APARTMENTS II, LLC, AND BOARDWALK APARTMENTS 193, LLC** [pg 193 to 203]

Staff will present the proposed sewer easement and conveyance agreement with Rocklin Sierra Apartments II and Boardwalk Apartments 193 for the Sierra Gateway Apartment Complex Project.

Action Requested: (Roll Call Vote)

Staff recommends that the Board of Directors adopt Resolution 23-02, authorizing the General Manager to enter into a Sewer Easement and Conveyance Agreement with Rocklin- Sierra Apartments II LLC and Boardwalk Apartments 193, LLC, subject to final review and approval by the District's legal counsel.

7. **RESOLUTION 23-03 AUTHORIZING THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT FOR HUMAN RESOURCES ADMINISTRATION** [pg 204 to 222]

Staff will present the proposed Professional Services Agreement with CPS HR Consulting for Human Resources Administration.

Action Requested: (Roll Call Vote)

Staff recommends that the Board of Directors adopt Resolution 23-03, authorizing the General Manager to award the attached contract for professional services with CPS HR Consulting.

8. **RESOLUTION 23-04 AUTHORIZING THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT FOR A CLASSIFICATION AND COMPENSATION STUDY** [pg 223 to 248]

Staff will present the proposed Professional Services Agreement with Ralph Anderson and Associates for a Classification and Compensation Study in the amount of \$34,800.

Action Requested: (Roll Call Vote)

Staff recommends that the Board of Directors adopt Resolution 23-04, authorizing the General Manager to award the attached contract for professional services with Ralph Anderson and Associates.

9. **GENERAL MANAGER GOALS FOR 2023** [pg 249 to 251]

The Board has requested that the General Manager present goals for the upcoming year to be reviewed. These items were reviewed by the President's Committee on November 30, 2022 and are being forwarded for the Board's discussion and approval.

Action Requested: (Voice Vote)

Approve the General Managers Goals for Calendar Year 2023.

VII. REPORTS [pg 252 to 264]

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

1. Legal Counsel (A. Brown)
2. General Manager (H. Niederberger)
 - 1) ASD, FSD & TSD Reports
 - 2) Informational items
3. Director's Comments: Directors may make brief announcements or brief reports on their 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. CLOSED SESSION

PUBLIC EMPLOYMENT – General Manager Performance Evaluation
(Per Subdivision (a) of Government Code Section 54957)

IX. CLOSED SESSION READOUT

X. ADJOURNMENT

If there is no other Board business the President will adjourn the meeting to the next regular meeting to be held on **February 2, 2023, at 4:30 p.m.**

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

Meeting	Location	Date	Time
Regular	Zoom Meeting	December 1, 2022	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. using Zoom Meeting.

II. ROLL CALL OF DIRECTORS:

Present: President Jerry Mitchell, Director John Murdock, Director James Durfee, Director Will Dickinson, Vice President Jim Williams

Absent: None

Vacant: None

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

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

IV. PUBLIC COMMENTS:

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

V. CONSENT ITEMS:

1. MINUTES from the November 3, 2022 Regular Meeting.
2. MINUTES from the November 17, 2022 Special Meeting.
3. ACCOUNTS PAYABLE in the amount of \$1,092,522 through November 21, 2022.
4. BILL OF SALE Acceptance of the Bill of Sale for onsite Sewer Improvements at 3240 Taylor Road with an estimated value of \$45,496.

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

VI. BOARD BUSINESS

1. PUBLIC HEARING: INTRODUCTION OF ORDINANCE 22-03 REVISING DISTRICT SEWER CODE CHAPTERS TWO AND THREE

DE Huff gave an overview of the proposed revisions to chapters two and three of the District Sewer Code. She shared that chapter two of the Sewer Code outlines the District’s sewer use parameters. The

proposed revisions provide conformance with newly adopted legislation pertaining to accessory dwelling units and expand the District's ability to correct public nuisances and impose civil and criminal penalties. Chapter three of the Sewer Code establishes the rules and regulations for the prevention of sewer line blockages resulting from Fats, Oils, and Greases (FOG) and establishes discharge requirements for food service establishments. DE Huff shared that the proposed revisions are primarily to codify the Adaptive FOG Management Program and address best practice management.

Director Dickinson asked if staff has conducted outreach to any of the business organizations regarding these proposed changes. DE Huff shared that the revisions were circulated to the City of Rocklin and the Town of Loomis. She commented that staff can circulate the changes to the restaurant community. GM Niederberger shared that the modifications to chapter 3 perfect more flexible adaptive management practices for restaurants versus the "one-size fits all" approach in the current code language. Director Dickinson commented that there is still value in engaging the community in updates to our standards and sharing knowledge with each other. Vice President Williams commented that he reviewed the changes and received input from a restaurant owner and the proposed revisions appear to provide clarity and increase compliance options. President Mitchell asked which organizations the code revisions should be circulated to. Vice President Williams commented that there is a California Restaurant Association. Director Dickinson stated that he believes that the District should regularly engage the chamber associations. GM Niederberger commented that staff will reach out to the California Restaurant Association and the local chambers. He added that the Ordinance was circulated for two consecutive weeks in the public newspaper.

The Public Hearing was opened to receive comments from the public on this item. No public comments were received.

Vice President Williams made a motion to (1) Waive the full reading of the proposed Ordinance #22-03, (2) Introduce Ordinance No. 22-03 – An Ordinance Revising District Sewer Code Chapters 2 and 3, (3) Conduct a Public Hearing for the proposed Ordinance, and (4) Schedule the 2nd reading and adoption for the next regularly scheduled meeting of the Board of Directors on January 12, 2023; a second was made by Director Durfee; a roll call vote was taken, and the motion carried 5-0.

2. RESOLUTION 22-45 REVISING POLICIES #2030, #3120 AND #4041

GM Niederberger provided an overview of the proposed revisions to the Substance Abuse Policy, the Policy on the Investment of District Funds, and the Policy on Delegation to the General Manager. He shared that the Substance Abuse Policy was revised to clarify pre-employment testing requirements, and the Investment Policy was revised as a result of a peer review by the California Special District Association (CSDA) Fiscal and Administration Director who recommended that instead of listing specific investment criteria in the policy that the District simply reference California Government Code §53601. The policy on Delegation to the General Manager was revised to add the authority to enter into Temporary Sewer Connection and Use Agreements and cast ballots for the Placer County Local Agency Formation Commission (LAFCO) and CSDA representatives. GM Niederberger shared that the proposed revisions were reviewed by the District's Policy and Ordinance Advisory Committee who recommended forwarding them to the Board for review and approval.

Vice President Williams asked that the General Manager still share the list of candidates for LAFCO and CSDA representatives to allow for Board comment and input. Vice President Williams asked if the changes to the substance abuse policy will impact current employees and if so if they have had a chance to review the policy changes and provide comments. ASM Costan commented that the proposed revisions only pertain to clarifying testing requirements for new hires.

Director Dickinson made a motion to adopt Resolution 22-45 revising Board Policies #2030, #3120, and #4041; a second was made by Director Murdock; a roll call vote was taken, and the motion carried 5-0.

3. RESOLUTION 22-46 COMMENDING JOHN MURDOCK, WARD 3 BOARD DIRECTOR FOR HIS YEARS OF SERVICE TO THE DISTRICT

President Mitchell read the Ceremonial Resolution commending Director Murdock for his years of service to the District.

Director-Elect Christy Jewell gave heartfelt thanks to Director Murdock for his service to the District and commented that she looks forward to continuing his great tradition.

Vice President Williams commented that he will greatly miss his longest board companion. He shared that he has always appreciated Director Murdock's insight and perspective and has truly enjoyed serving with him. Director Dickinson commented that he enjoyed working with Director Murdock on the Personnel Advisory Committee, sharing that the Board will miss his perspective.

President Mitchell commented that Director Murdock was instrumental in the implementation of Tyler Incode and the adoption of other technology advancement initiatives at the District. Director Durfee also thanked Director Murdock. GC Brown shared that he recalls Director Murdock's first day on the Board and commented that it has been a pleasure working with him all these years.

Director Murdock shared that he would miss everyone. He commented that through the good times and the bad times, he learned to listen and analyze options to find the best solutions and thanked staff for their work in laying out options for the Board. He commented that it has been an honor to serve with the other members of the Board.

Field Services Supervisor Chad Stites provided an eComment thanking Director Murdock from him and the staff for his service to the District.

Vice President Williams made a motion to adopt Resolution 22-46 commending John Murdock, Ward 3 Board Director for his years of service to the District; a second was made by Director Durfee; a roll call vote was taken, and the motion carried 5-0.

VII. REPORTS

1. District General Counsel (A. Brown):

General Counsel Brown had no report for this meeting.

2. General Manager (H. Niederberger):

A. ASD, FSD & TSD Reports:

GM Niederberger commented that the January board meeting will be held on the 12th and will include a virtual presentation from the Rate and Cost of Service Study Consultant.

B. Information Items: No additional items.

3. Director's Comments:

The Directors had no additional comments for this meeting.

VIII. CLOSED SESSION READOUT

The Board met in Closed Session at 5:05 p.m. separately and then together with the General Manager for the purpose of performing an employee evaluation. No formal action was taken.

The Board adjourned the closed session at 6:41 p.m.

GM Niederberger thanked Director Murdock for his support and all the work that he has done for the District.

IX. ADJOURNMENT

The President adjourned the meeting at 6:44 p.m. to a special meeting to be held on January 12, 2023, at 4:30 p.m.



Emilie Costan, Board Secretary

Item 5.2



South Placer Municipal Utility District, CA

Check Report

By Check Number

Date Range: 11/22/2022 - 12/26/2022

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: AP Bank-AP Bank						
1020	Aqua Sierra Controls, Inc.	12/01/2022	Regular	0.00	289.58	15551
1663	Buckmaster Office Solutions	12/01/2022	Regular	0.00	166.00	15552
1652	Cintas Corporation	12/01/2022	Regular	0.00	1,020.01	15553
1824	Corning Ford Inc	12/01/2022	Regular	0.00	58,452.39	15554
1139	Hill Rivkins Brown & Associates	12/01/2022	Regular	0.00	13,885.00	15555
1812	IB Consulting LLC	12/01/2022	Regular	0.00	7,680.00	15556
1631	Instrument Technology Corporation	12/01/2022	Regular	0.00	2,091.72	15557
1564	Jensen Landscape Services, LLC	12/01/2022	Regular	0.00	931.00	15558
1764	Network Design Associates, Inc.	12/01/2022	Regular	0.00	816.00	15559
1825	Newcastle Fire Protection District	12/01/2022	Regular	0.00	78,192.00	15560
1793	NEXGEN Asset Management, Inc.	12/01/2022	Regular	0.00	12,330.00	15561
1253	Recology Auburn Placer	12/01/2022	Regular	0.00	354.27	15562
1306	Superior Equipment Repair	12/01/2022	Regular	0.00	1,352.50	15563
1308	Syneco Systems, Inc.	12/01/2022	Regular	0.00	3,477.00	15564
1823	Ultra Truckworks, Inc	12/01/2022	Regular	0.00	6,075.44	15565
1718	U-Rock Utility Equipment Inc	12/01/2022	Regular	0.00	5,062.55	15566
1346	WEF Membership (Water Environment Federator	12/01/2022	Regular	0.00	609.00	15567
1240	Placer County Personnel	11/30/2022	Regular	0.00	3,361.22	15568
248	AT&T	12/08/2022	Regular	0.00	323.35	15569
1759	Bender Rosenthal Inc.	12/08/2022	Regular	0.00	821.25	15570
1813	Best Best & Krieger LLP	12/08/2022	Regular	0.00	480.00	15571
1652	Cintas Corporation	12/08/2022	Regular	0.00	514.12	15572
1068	City of Roseville	12/08/2022	Regular	0.00	80,404.48	15573
1751	Comprehensive Medical Inc.	12/08/2022	Regular	0.00	324.00	15574
1509	Crystal Communications	12/08/2022	Regular	0.00	311.64	15575
1080	CWEA (Main)	12/08/2022	Regular	0.00	105.00	15576
1086	Dataprose	12/08/2022	Regular	0.00	8,374.96	15577
1087	Dawson Oil Co.	12/08/2022	Regular	0.00	4,618.12	15578
1115	Fidelity National Title Company	12/08/2022	Regular	0.00	36,923.57	15579
1812	IB Consulting LLC	12/08/2022	Regular	0.00	6,922.67	15580
1686	Jan Pro	12/08/2022	Regular	0.00	887.00	15581
1785	Landmark Construction	12/08/2022	Regular	0.00	338,178.46	15582
1599	MUN CPA's	12/08/2022	Regular	0.00	5,000.00	15583
1224	Paramount Awards	12/08/2022	Regular	0.00	18.23	15584
1218	PCWA	12/08/2022	Regular	0.00	48.53	15585
1221	PG&E	12/08/2022	Regular	0.00	1,456.37	15586
1797	Red Dog Shredz	12/08/2022	Regular	0.00	110.00	15587
1292	SPMUD Petty Cash	12/08/2022	Regular	0.00	83.00	15588
1090	State of CA-Department of Justice	12/08/2022	Regular	0.00	64.00	15589
1685	Streamline	12/08/2022	Regular	0.00	400.00	15590
1698	SwiftComply US Opco, Inc	12/08/2022	Regular	0.00	5,843.00	15591
1327	US Bank Corporate Payment	12/14/2022	Regular	0.00	18,411.09	15592
	Void	12/14/2022	Regular	0.00	0.00	15593
	Void	12/14/2022	Regular	0.00	0.00	15594
	Void	12/14/2022	Regular	0.00	0.00	15595
	Void	12/14/2022	Regular	0.00	0.00	15596
1561	19six Architects	12/21/2022	Regular	0.00	2,739.50	15625
1021	ARC	12/21/2022	Regular	0.00	96.53	15626
248	AT&T	12/21/2022	Regular	0.00	9.53	15627
1022	AT&T CalNet	12/21/2022	Regular	0.00	347.75	15628
1768	Capital Program Management Inc.	12/21/2022	Regular	0.00	11,174.50	15629
1652	Cintas Corporation	12/21/2022	Regular	0.00	1,106.55	15630
1073	Consolidated Communications	12/21/2022	Regular	0.00	2,091.94	15631
1112 (Current)	FedEx	12/21/2022	Regular	0.00	43.40	15632

Check Report

Date Range: 11/22/2022 - 12/26/2022

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
1666	Great America Financial Services	12/21/2022	Regular	0.00	452.99	15633
1139	Hill Rivkins Brown & Associates	12/21/2022	Regular	0.00	29,685.25	15634
1764	Network Design Associates, Inc.	12/21/2022	Regular	0.00	300.00	15635
1218	PCWA	12/21/2022	Regular	0.00	2,185.28	15636
1475	Petersen & Mapes, LLP	12/21/2022	Regular	0.00	1,248.00	15637
1221	PG&E	12/21/2022	Regular	0.00	3,623.42	15638
1473	Pitney Bowes Purchase Power	12/21/2022	Regular	0.00	872.23	15639
1333	SPOK, Inc.	12/21/2022	Regular	0.00	27.75	15640
1303	State Water Resources Control Board	12/21/2022	Regular	0.00	18,512.00	15641
1306	Superior Equipment Repair	12/21/2022	Regular	0.00	315.00	15642
1338	Verizon Wireless	12/21/2022	Regular	0.00	1,098.83	15643
1339	Vulcan Materials Co.	12/21/2022	Regular	0.00	393.86	15644
1045	Cal Pers 457 Plan (EFT)	11/25/2022	Bank Draft	0.00	750.00	DFT0007780
1135	Empower (EFT)	11/25/2022	Bank Draft	0.00	250.00	DFT0007781
1135	Empower (EFT)	11/25/2022	Bank Draft	0.00	8,017.52	DFT0007782
1135	Empower (EFT)	11/25/2022	Bank Draft	0.00	483.29	DFT0007783
1042	CA State Disbursement (EF	11/25/2022	Bank Draft	0.00	187.83	DFT0007784
1015	American Fidelity Assurance	11/25/2022	Bank Draft	0.00	333.33	DFT0007785
1015	American Fidelity Assurance	11/25/2022	Bank Draft	0.00	260.40	DFT0007786
1229	Pers (EFT)	11/25/2022	Bank Draft	0.00	49.13	DFT0007787
1229	Pers (EFT)	11/25/2022	Bank Draft	0.00	971.48	DFT0007788
1229	Pers (EFT)	11/25/2022	Bank Draft	0.00	1,703.73	DFT0007789
1229	Pers (EFT)	11/25/2022	Bank Draft	0.00	1,986.26	DFT0007790
1229	Pers (EFT)	11/25/2022	Bank Draft	0.00	2,928.32	DFT0007791
1229	Pers (EFT)	11/25/2022	Bank Draft	0.00	3,574.21	DFT0007792
1229	Pers (EFT)	11/25/2022	Bank Draft	0.00	3,955.47	DFT0007793
1149	Internal Revenue Service	11/25/2022	Bank Draft	0.00	16,056.36	DFT0007794
1098	EDD (EFT)	11/25/2022	Bank Draft	0.00	4,960.04	DFT0007795
1098	EDD (EFT)	11/25/2022	Bank Draft	0.00	1,408.89	DFT0007796
1149	Internal Revenue Service	11/25/2022	Bank Draft	0.00	4,289.13	DFT0007797
1149	Internal Revenue Service	11/25/2022	Bank Draft	0.00	11,816.16	DFT0007798
1229	Pers (EFT)	11/23/2022	Bank Draft	0.00	34.62	DFT0007800
1229	Pers (EFT)	11/23/2022	Bank Draft	0.00	38.31	DFT0007801
1098	EDD (EFT)	11/23/2022	Bank Draft	0.00	-3.54	DFT0007803
1149	Internal Revenue Service	11/23/2022	Bank Draft	0.00	-7.61	DFT0007806
1015	American Fidelity Assurance	11/30/2022	Bank Draft	0.00	499.56	DFT0007807
1230	Pers (EFT)	11/30/2022	Bank Draft	0.00	5,983.04	DFT0007808
1230	Pers (EFT)	11/30/2022	Bank Draft	0.00	34,111.03	DFT0007809
1230	Pers (EFT)	11/30/2022	Bank Draft	0.00	8,658.16	DFT0007810
1230	Pers (EFT)	11/30/2022	Bank Draft	0.00	160.88	DFT0007811
1230	Pers (EFT)	11/30/2022	Bank Draft	0.00	3,874.00	DFT0007812
1230	Pers (EFT)	11/30/2022	Bank Draft	0.00	101.70	DFT0007813
1586	Principal Life Insurance Company	11/30/2022	Bank Draft	0.00	347.03	DFT0007814
1149	Internal Revenue Service	12/07/2022	Bank Draft	0.00	2,876.80	DFT0007815
1098	EDD (EFT)	12/07/2022	Bank Draft	0.00	20.41	DFT0007816
1149	Internal Revenue Service	12/07/2022	Bank Draft	0.00	165.30	DFT0007817
1149	Internal Revenue Service	12/07/2022	Bank Draft	0.00	60.95	DFT0007818
1045	Cal Pers 457 Plan (EFT)	12/09/2022	Bank Draft	0.00	750.00	DFT0007819
1135	Empower (EFT)	12/09/2022	Bank Draft	0.00	250.00	DFT0007820
1135	Empower (EFT)	12/09/2022	Bank Draft	0.00	8,267.52	DFT0007821
1135	Empower (EFT)	12/09/2022	Bank Draft	0.00	571.30	DFT0007822
1042	CA State Disbursement (EF	12/09/2022	Bank Draft	0.00	187.83	DFT0007823
1015	American Fidelity Assurance	12/09/2022	Bank Draft	0.00	333.33	DFT0007824
1015	American Fidelity Assurance	12/09/2022	Bank Draft	0.00	260.40	DFT0007825
1229	Pers (EFT)	12/09/2022	Bank Draft	0.00	49.13	DFT0007826
1229	Pers (EFT)	12/09/2022	Bank Draft	0.00	971.48	DFT0007827
1229	Pers (EFT)	12/09/2022	Bank Draft	0.00	1,703.72	DFT0007828
1229	Pers (EFT)	12/09/2022	Bank Draft	0.00	1,986.26	DFT0007829
1229	Pers (EFT)	12/09/2022	Bank Draft	0.00	2,928.32	DFT0007830
1229	Pers (EFT)	12/09/2022	Bank Draft	0.00	3,666.45	DFT0007831
1229	Pers (EFT)	12/09/2022	Bank Draft	0.00	4,057.54	DFT0007832

Check Report

Date Range: 11/22/2022 - 12/26/2022

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
1149	Internal Revenue Service	12/09/2022	Bank Draft	0.00	10,975.16	DFT0007833
1098	EDD (EFT)	12/09/2022	Bank Draft	0.00	4,076.92	DFT0007834
1098	EDD (EFT)	12/09/2022	Bank Draft	0.00	915.14	DFT0007835
1149	Internal Revenue Service	12/09/2022	Bank Draft	0.00	3,277.57	DFT0007836
1149	Internal Revenue Service	12/09/2022	Bank Draft	0.00	9,344.17	DFT0007837
1015	American Fidelity Assurance	12/09/2022	Bank Draft	0.00	26,582.95	DFT0007838
1015	American Fidelity Assurance	12/09/2022	Bank Draft	0.00	624.00	DFT0007839
1149	Internal Revenue Service	12/13/2022	Bank Draft	0.00	-0.70	DFT0007845
1098	EDD (EFT)	12/13/2022	Bank Draft	0.00	-0.59	DFT0007846
1098	EDD (EFT)	12/13/2022	Bank Draft	0.00	-0.06	DFT0007847
1149	Internal Revenue Service	12/13/2022	Bank Draft	0.00	-0.16	DFT0007848
1149	Internal Revenue Service	12/13/2022	Bank Draft	0.00	-0.69	DFT0007849
1045	Cal Pers 457 Plan (EFT)	12/23/2022	Bank Draft	0.00	750.00	DFT0007863
1135	Empower (EFT)	12/23/2022	Bank Draft	0.00	250.00	DFT0007864
1135	Empower (EFT)	12/23/2022	Bank Draft	0.00	8,267.52	DFT0007865
1135	Empower (EFT)	12/23/2022	Bank Draft	0.00	571.30	DFT0007866
1042	CA State Disbursement (EF	12/23/2022	Bank Draft	0.00	187.83	DFT0007867
1015	American Fidelity Assurance	12/23/2022	Bank Draft	0.00	333.33	DFT0007868
1015	American Fidelity Assurance	12/23/2022	Bank Draft	0.00	260.40	DFT0007869
1229	Pers (EFT)	12/23/2022	Bank Draft	0.00	49.13	DFT0007870
1229	Pers (EFT)	12/23/2022	Bank Draft	0.00	971.48	DFT0007871
1229	Pers (EFT)	12/23/2022	Bank Draft	0.00	1,703.73	DFT0007872
1229	Pers (EFT)	12/23/2022	Bank Draft	0.00	1,986.26	DFT0007873
1229	Pers (EFT)	12/23/2022	Bank Draft	0.00	2,928.32	DFT0007874
1229	Pers (EFT)	12/23/2022	Bank Draft	0.00	3,779.59	DFT0007875
1229	Pers (EFT)	12/23/2022	Bank Draft	0.00	4,182.72	DFT0007876
1149	Internal Revenue Service	12/23/2022	Bank Draft	0.00	9,780.22	DFT0007877
1098	EDD (EFT)	12/23/2022	Bank Draft	0.00	4,069.29	DFT0007878
1098	EDD (EFT)	12/23/2022	Bank Draft	0.00	878.89	DFT0007879
1149	Internal Revenue Service	12/23/2022	Bank Draft	0.00	3,281.76	DFT0007880
1149	Internal Revenue Service	12/23/2022	Bank Draft	0.00	9,381.88	DFT0007881

Bank Code AP Bank Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	94	62	0.00	783,092.83
Manual Checks	0	0	0.00	0.00
Voided Checks	0	4	0.00	0.00
Bank Drafts	80	80	0.00	256,292.83
EFT's	0	0	0.00	0.00
	174	146	0.00	1,039,385.66

All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	94	62	0.00	783,092.83
Manual Checks	0	0	0.00	0.00
Voided Checks	0	4	0.00	0.00
Bank Drafts	80	80	0.00	256,292.83
EFT's	0	0	0.00	0.00
	174	146	0.00	1,039,385.66

Fund Summary

Fund	Name	Period	Amount
100	GENERAL FUND	11/2022	121,139.95
100	GENERAL FUND	12/2022	918,245.71
			1,039,385.66

Account Number	Name	Date	Type	Amount	Reference	Packet
102-0000721-03	Stanley, Theodore	12/19/2022	Refund	\$122.27	Check #: 15597	UBPKT16039
102-0005325-03	Opendoor Property Trust	12/19/2022	Refund	\$117.13	Check #: 15598	UBPKT16039
102-0005341-03	Opendoor Property LLC	12/19/2022	Refund	\$61.04	Check #: 15599	UBPKT16039
102-0006533-02	Peterson, Adam and Jennifer	12/19/2022	Refund	\$30.00	Check #: 15600	UBPKT16039
102-0006545-01	Peruch, John J	12/19/2022	Refund	\$14.92	Check #: 15601	UBPKT16039
102-0009510-01	Lewis, Dianna	12/19/2022	Refund	\$66.91	Check #: 15602	UBPKT16039
102-0012495-02	Cowan, Kim	12/19/2022	Refund	\$72.00	Check #: 15603	UBPKT16039
103-0004019-02	La Buena Vida Realty	12/19/2022	Refund	\$73.91	Check #: 15604	UBPKT16039
103-0004222-01	Mutoza, Michele	12/19/2022	Refund	\$40.16	Check #: 15605	UBPKT16039
103-0004597-01	Ghotra, Rawail S	12/19/2022	Refund	\$108.36	Check #: 15606	UBPKT16039
103-0009350-02	Smith, Mary E	12/19/2022	Refund	\$108.00	Check #: 15607	UBPKT16039
103-0012044-02	Reese, Richard and Ruth	12/19/2022	Refund	\$108.78	Check #: 15608	UBPKT16039
106-0012717-02	Arredondo, Louis and Dorothy	12/19/2022	Refund	\$110.22	Check #: 15609	UBPKT16039
106-0012893-01	Brooking, Susan	12/19/2022	Refund	\$168.00	Check #: 15610	UBPKT16039
106-0017482-01	Brown, Merle	12/19/2022	Refund	\$108.00	Check #: 15611	UBPKT16039
106-1025481-01	Doria, Linda	12/19/2022	Refund	\$108.00	Check #: 15612	UBPKT16039
112-1016502-01	Horner, Atlee	12/19/2022	Refund	\$108.00	Check #: 15613	UBPKT16039
112-1021489-01	Grigsby, Guy and Melody	12/19/2022	Refund	\$108.00	Check #: 15614	UBPKT16039
112-1029404-00	Homes, Tri Pointe	12/19/2022	Refund	\$562.80	Check #: 15615	UBPKT16039
112-1029498-00	Homes, Tri Pointe	12/19/2022	Refund	\$512.40	Check #: 15616	UBPKT16039
112-1029499-00	Homes, Tri Pointe	12/19/2022	Refund	\$504.00	Check #: 15617	UBPKT16039
112-1029520-00	Homes, Tri Pointe	12/19/2022	Refund	\$446.40	Check #: 15618	UBPKT16039
112-1029659-00	Homes, Tri Pointe	12/19/2022	Refund	\$360.00	Check #: 15619	UBPKT16039
112-1029786-00	Homes, Tri Pointe	12/19/2022	Refund	\$186.00	Check #: 15620	UBPKT16039
112-1029940-00	KB Home Sacramento Inc	12/19/2022	Refund	\$108.00	Check #: 15621	UBPKT16039
113-1026540-00	KB Home Sacramento Inc	12/19/2022	Refund	\$85.10	Check #: 15622	UBPKT16039
102-0000721-03	Stanley, Theodore	12/20/2022	Refund	\$122.27	Check #: 15623	UBPKT16124
102-0005325-03	Opendoor Property Trust	12/20/2022	Refund	\$117.13	Check #: 15624	UBPKT16124
TOTAL REFUNDS				\$4,637.80		

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

STAFF REPORT

To: Board of Directors
From: Carie Huff, District Engineer
Cc: Josh Lelko, Engineering Technician
Subject: Acceptance of the Bill of Sale for the Newcastle Fire Station #41 Sewer Improvements
Meeting Date: January 12, 2023

Overview

The Newcastle Fire Station #41 improvements are located within Newcastle, approximately two hundred feet northeast of the intersection of Old State Highway and Newcastle Road. The Newcastle Fire Station #41 project consists of public sewer improvements to serve a fire station for a total of 2.31 EDU. The Newcastle Fire Station improvements include the following infrastructure:

- Installation of three hundred and eighty-five (385) linear feet of sanitary sewer pipe;
- Installation of two (2) manholes; and
- Installation of ninety-six (96) linear feet of lower laterals.

Recommendation

Staff recommends that the Board of Directors accept the attached Bill of Sale for the Newcastle Fire Station Sewer improvements.

Strategic Plan Goal

This action is consistent with the following Strategic Plan Priorities:

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

Fiscal Impact

The estimated value of the contributed capital is \$309,685.

Attachments:

1. Bill of Sale
2. Map – Newcastle Fire Station #41

BILL OF SALE

Newcastle Fire Protection District does hereby grant, bargain, sell and convey to SOUTH PLACER MUNICIPAL UTILITY DISTRICT all of its rights, title and interest in and to all public sewer pipes, lines, mains, manholes, and appurtenances installed by its contractor in that subdivision/project commonly known as Newcastle Fire Station #41, 9350 Old State Highway, Newcastle, CA 95658

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

Dated this twenty-second day of November, 2022

By:



Ian Gow, Fire Chief

CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

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

State of California }

County of Placer }

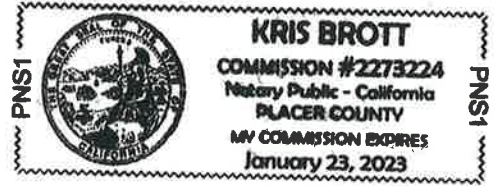
On 11-22-2022 before me, Kris Broth - Notary Public
(Here insert name and title of the officer)

personally appeared Ian Gow
 who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Kris Broth
 Notary Public Signature (Notary Public Seal)



ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT
Bill of Sale
(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages _____ Document Date _____

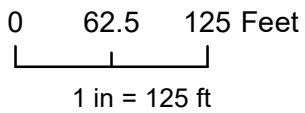
CAPACITY CLAIMED BY THE SIGNER

- Individual (s)
- Corporate Officer
(Title)
- Partner(s)
- Attorney-in-Fact
- Trustee(s)
- Other _____

INSTRUCTIONS FOR COMPLETING THIS FORM

This form complies with current California statutes regarding notary wording and, if needed, should be completed and attached to the document. Acknowledgments from other states may be completed for documents being sent to that state so long as the wording does not require the California notary to violate California notary law.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. ~~he/she/they~~ - is/are) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits; otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
 - ❖ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
 - ❖ Indicate title or type of attached document, number of pages and date.
 - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document with a staple.



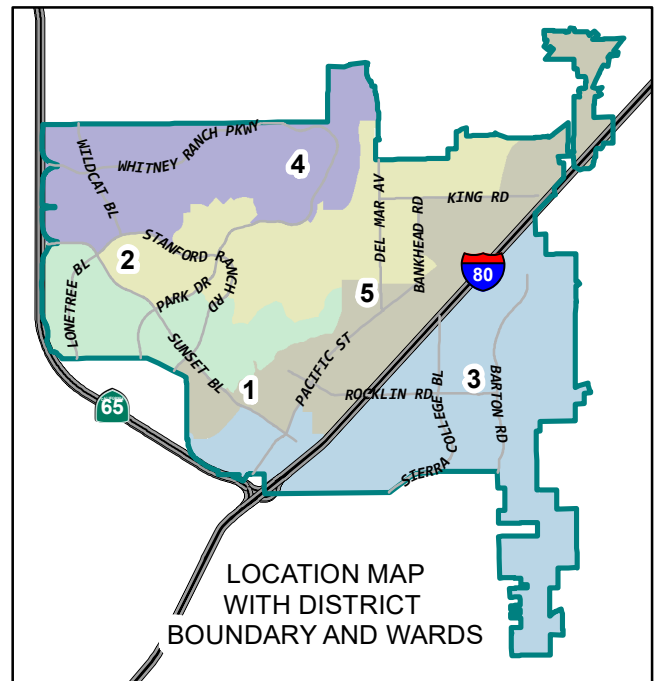
Newcastle
Fire Station #41
2.31 EDU

Date: 12/19/2022

Author: Curtis Little

Document Path:

G:\spmud_gis\mxd\Bill of Sale\2022\PDFs\NewcastleFire2.mxd



**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
STAFF REPORT**

To: Board of Directors

From: Emilie Costan, Administrative Services Manager

Cc: Herb Niederberger, General Manager
Carie Huff, District Engineer

Subject: Participation Charge Report for Fiscal Year 2021/22

Meeting Date: January 12, 2023

Overview

As outlined in California Government Code §66013 (CGC 66013), the District is required to report expenditures of capacity charges to the public. The public reporting must provide detail on the Local Participation Charges collected by the South Placer Municipal Utility District and the Capital Projects funded by the charge.

Recommendation

Staff requests the Board of Directors receive and file this annual report.

Strategic Plan Goals

This action is consistent with SPMUD Strategic Plan Priorities:

- Maintain an excellent regulatory compliance record
 - Reduce SSOs • Maintain a compliant Sewer System Management
 - Comply with Statewide Sanitary Sewer Systems General Order
- Prepare for the future and foreseeable emergencies
- Provide exceptional value for the cost of sewer service
 - Maintain low service charges while meeting established service levels

Fiscal Impact

There is no direct fiscal impact associated with the preparation of this report. All items listed for construction were identified in the FY 2022/23 Budget Report.

Attachments

1. Participation Charge Report for Fiscal Year 2021/22

**South Placer Municipal Utility District
Participation Charge Report for Fiscal Year 2021/22**

Purpose of the Report

This report is prepared in compliance with California Government Code §66013 and details the Local Participation Charges collected by the South Placer Municipal Utility District (District or SPMUD) and the Capital Projects funded by the charge.

Participation Charge Defined

In accordance with Chapter 2.01.110 of the District's adopted Sewer Code, the Participation Charge, also known as a connection fee or development impact fee, is the sum paid to the District by any person, for the privilege of connecting to the District's facilities whether such connection is voluntary or mandatory. The District's facilities shall include local collection systems, trunk lines, and capacity.

The District levies the Participation Charge on all new development and all expansions or changes of existing development to pay for current and future capital improvement projects in the wastewater collection system that are designed to accommodate growth or expanded use. Revenue from Participation Charges and investment returns on the fund balance are collected in the District's Capital Improvement and Enlargement Fund. In 2015, The District's Capital Improvement and Enlargement Fund was designated as Fund 300 for accounting purposes.

During Fiscal Year 2021/22, the Participation Charge was \$4,330 per Equivalent Dwelling Unit.

Reporting Requirements

The District is required to report expenditures of capacity charges to the public. As outlined in California Government Code §66013 and must include the following information for that fiscal year:

1. A description of the capacity charges deposited into the fund.
2. The beginning and ending balance of the fund and the interest earned from the investment of money into the fund.
3. The capacity charges collected in that fiscal year.
4. An identification of all the following:
 - a. Each public improvement on which charges were expended and the amount of the expenditures for each improvement, including the percentage of the total cost of the public improvement that was funded with those capacity charges if more than one source of funding was used.
 - b. Each public improvement on which charges were expended that was completed during that fiscal year.

- c. Each public improvement anticipated to be undertaken in the following fiscal year.
5. A description of each interfund transfer or loan made from the capital facilities fund. The information provided, in the case of an interfund transfer, shall identify the public improvements on which the transferred money is, or will be, expended. The information, in the case of an interfund loan, shall include the date on which the loan will be repaid, and the rate of interest that the fund will receive on the loan.

Activity Prior to Reporting Period

On February 6, 2020, the District adopted Resolution No. 20-06 accepting a System Evaluation and Capacity Assurance Plan (SECAP). The purpose of the SECAP is to provide the District guidance in its efforts to assure capacity for existing customers and information on how to prepare and plan for future development. This document summarizes the District's compliance with provision D.13.viii – System Evaluation and Capacity Assurance Plan of the California State Water Resources Control Board (SWRCB) Order No. 2006-0003-DWQ, the Statewide General Waste Discharge Requirements for Sanitary Sewer Systems (SSS WDR). It is included by reference to the District's Sewer System Management Plan (SSMP); is reviewed annually and is updated as deemed necessary by District staff (at minimum every five years) to account for conditions affecting collection system capacity. The District implemented a development impact fee program for these sewer projects and collects fee revenues as development occurs to pay for the system expansion.

In accordance with Resolution #20-07 adopted February 6, 2020, the District accepted a Nexus Study for the establishment of the Local Sewer Participation Fee Program. The Fee Program is compliant with the regulations set forth in Section 66000 and ensures that a rational nexus exists between future development areas, and: 1) the use and need of the proposed infrastructure; and 2) the amount of the fee assigned to future development. This Nexus Study demonstrates that a reasonable relationship exists between the fee to be levied on each type of land use and the cost of the facilities attributable to that land use.

Fund 300 Activity for Current Reporting Period (FY 2021/22)¹

Beginning Balance July 1, 2021	\$ 26,878,885
Revenue	
Local Participation Fees Collected	\$ 3,476,886
Cash flow from investing activities ²	\$ 100,826
Changes in advances from other funds ³	\$ (3,191,544)
Total Revenue	\$ 386,168
Expenditures	
Foothill Trunk, Construction	\$ 119,357
Lower Clover Valley Trunk Design	5,375
Total Expenditures	\$ 124,732
Ending Balance June 30, 2022	\$ 27,140,321 ⁴

Budgeted Fund 300 Activity for Next Reporting Period (FY 2022/23)

Foothill Trunk, Construction	\$ 125,000
Trunk Extension Reimbursement	\$ 3,300,000
Total	\$ 3,425,000

Additional information on capital expenditures can be found in the South Placer Municipal Utility District Adopted Budget Report and Comprehensive Annual Financial Report at www.spmud.ca.gov.

¹ Source of Information SPMUD Comprehensive Annual Financial Report FY2021/22

² The District had unrealized investment losses of \$316,339 or a net investment loss of \$215,513.

³ Funds are transferred from/to Fund 100 to true-up revenues and expenses in the next fiscal year, the FY 20/21 transfer of \$476,948 occurred on July 27, 2021. The FY 21/22 transfer occurred on October 28, 2022 and will be reported in the FY22/23 financial reports.

⁴ The June 30, 2022 Fund Balance is the difference between the FY 20/21 transfer of \$476,948 and the net investment loss of \$215,513.

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

STAFF REPORT

To: Board of Directors

From: Eric Nielsen, Superintendent

Cc: Herb Niederberger, General Manager

Subject: Resolution 23-01 – Resolution to Dispose of District Surplus

Meeting Date: January 12, 2023

Overview

The District has a vehicle that has met or exceeded its useful life and has been replaced by a newer, more reliable, updated version. The item to be designated as surplus is listed in the table below.

Item	Qty	Year	Make	Model	VIN / Serial No.
Unit 024-2009	1	2009	Chevrolet	1500	1GCEC19099E147343

In accordance with Policy No. 3300 – Disposal of Surplus Property, District property with a unit value greater than \$500 shall be declared surplus by the Board of Directors. These items will be disposed of in accordance with policy. The District plans to use GovDeals.com, an online government auction site and partner of the California Special Districts Association, to sell these items.

Recommendation

Staff recommends that the Board of Directors adopt Resolution 23-01 to declare the item listed therein as surplus and authorize the General Manager or designated appointee to sign the transfer of title (when required) on behalf of the District.

Strategic Plan Goals

This action is consistent with SPMUD Strategic Plan Goals:
Goal 1.3: Maintain Transparency with all District Activities

Related District Ordinances and Policies

This action complies with the following District Policy:
Policy No. 3300 – Disposal of Surplus Property or Equipment

Fiscal Impact

The items will be removed from the District’s Fixed Assets and whatever salvage value is realized will be deposited into Fund 400 – Capital Replacement and Rehabilitation.

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

RESOLUTION NO. 23-01

RESOLUTION TO DISPOSE OF DISTRICT SURPLUS

WHEREAS, the South Placer Utility District owns certain items generally described below:

Make	Year	Model	Unit #	Vehicle Identification Number
Chevrolet	2009	1500	24	1GCEC19099E147343

WHEREAS, Policy 3300 – Disposal of Surplus Property or Equipment provides guidance on the proper disposition of surplus District Property.

WHEREAS, the Board hereby finds that these items have outlived their useful life or are surplus and no longer necessary, useful to, or is it in the best interest of the District to retain ownership of the above-referenced items;

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

The General Manager, or his designee, is hereby authorized to:

- (i) cause the vehicle to be auctioned "as is," individually or in one or more lots, to the highest bidder, or
- (ii) transfer to another agency, or
- (iii) discard, recycle, salvage, or scrap any vehicles for which no suitable bids are received.

PASSED AND ADOPTED at a Regular Meeting of the South Placer Municipal Utility District Board of Directors at Rocklin, CA this 12th day of January, 2023.

Signed: _____
James T. Williams, President of the Board of Directors

Attest: _____
Emilie Costan, Board Secretary

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
STAFF REPORT**

To: Board of Directors
From: Herb Niederberger, General Manager
Cc: Emilie Costan, Administrative Services Manager
Subject: **Selection of Officers and Appointments to the Temporary Advisory Committees and SPWA Board**
Meeting Date: January 12, 2023

Overview

Every January, the Board of Directors chooses a President and Vice-President, as well as considers appointments to the temporary Advisory Committees. In accordance with Policy 4055, the Vice President shall become President, and a new Vice-President shall be chosen by a majority vote of the Board of Directors. The three (3) remaining Directors will serve At-Large.

Recommendation

Staff recommends that:

1. The current President, Gerald Mitchell, dissolve the existing Advisory Committees;
2. The current Vice-President, James Williams, succeed as the new President for 2023;
3. The Board of Directors consider nominations for a new Vice-President, entertain a motion for a nominee, and vote on said motion;
4. The President creates and make appointments to any new temporary Advisory Committees; and
5. The President appoints a District representative and alternate to the South Placer Wastewater Authority Board of Directors.

Strategic Plan Goals

The annual appointment of the Board President, Vice-President, and Temporary Advisory Committees are not governed by the Strategic Plan.

Related District Ordinances or Policies

Policy 4055- Selection of Officers.

Fiscal Impact

There is no direct fiscal impact associated with these actions.

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

STAFF REPORT

To: Board of Directors
From: Herb Niederberger, General Manager
Cc: Emilie Costan, Administrative Services Manager
Subject: Fiscal Year 21/22 District Financial Audit Report
Meeting Date: January 12, 2023

Overview

An independent audit of the District’s Financial Statements for the fiscal year ended June 30, 2022, was completed by the certified public accounting firm Mann, Urrutia & Nelson CPAs & Associates, LLP. In accordance with Government Code section 12410.6(b), the lead auditor assigned to the District was new for Fiscal Year 21/22.

The Comprehensive Financial Statements provide information about the finances of the District. The Management’s Discussion and Analysis (MD&A) precedes the financial section of the report and serves as an executive summary to the statements. As a part of the annual audit, the auditors are required to provide reasonable assurance that the financial statements of the District for fiscal year ended June 30, 2022, are free from material misstatement.

The report concludes that the District’s financial statements are fairly presented in all material respects. The Auditor’s report states that there are no material weaknesses, no compliance exceptions, and no significant deficiencies that are required to be reported under Government Auditing Standards.

Recommendation

Staff recommends that:

1. The Board of Directors receive and file the FY 21/22 Audited Financial Statements.

Strategic Plan Goals

This action is consistent with SPMUD Strategic Plan Priorities:

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

Related District Ordinances and Policies

Policy # 4048 – District General Counsel & Auditor

Policy # 3115 – Fixed Asset Capitalization & Accounting Control

Fiscal Impact

The Audit report concludes that District funds are being spent appropriately and as intended by the Board.

Attachments

1. Independent Auditor's Report on Internal Control
2. Management Report
3. Comprehensive Annual Financial Statements for the Fiscal Year Ending June 30, 2022
4. Auditor's Conclusion Letter



SOUTH PLACER MUNICIPAL UTILITY DISTRICT

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDING JUNE 30, 2022



**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
ANNUAL COMPREHENSIVE FINANCIAL REPORT**

FISCAL YEAR ENDED JUNE 30, 2022

P **ROTECT public health and the water environment.**

P **ROVIDE efficient and effective sanitary sewer service.**

P **REPARE for the future.**

PREPARED BY THE ADMINISTRATIVE SERVICES DEPARTMENT

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2022**

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INTRODUCTORY SECTION



SOUTH PLACER MUNICIPAL UTILITY DISTRICT

5807 Springview Drive, Rocklin, California 95677

Phone: (916) 786-8555

Fax: (916) 786-8553

TRANSMITTAL LETTER

December 13, 2022

To the Honorable South Placer Municipal Utility District Board Directors:

In accordance with the requirements of the Municipal Utility District Act of the State of California, (California Public Utilities Code Section 11501, et.al.), the South Placer Municipal Utility District (the District or SPMUD) staff submits to you the Annual Comprehensive Financial Report for the year ended June 30, 2022. The Annual Comprehensive Financial Report provides an assessment of the District's financial condition, informs readers about District services, provides details on infrastructure improvement and replacement projects, discusses current issues, and provides financial and demographic trend information. District Management is responsible for the preparation of this Annual Comprehensive Financial Report. This letter of transmittal is designed to complement the Management's Discussion and Analysis and should be read in conjunction with it.

FINANCIAL STATEMENTS AND INTERNAL CONTROLS

The District's financial statements were audited by Mann, Urrutia, Nelson, Certified Public Accountants. In accordance with Government Code section 12410.6(b), the lead auditor assigned to the District was new for Fiscal Year 21/22 with no repeat staff assigned to work on the Financial Audit. Management believes the Annual Comprehensive Financial Report is complete and accurate in all material respects. Management has established a comprehensive framework of internal controls that provide a reasonable basis to assert that these financial statements are fairly represented and are free from any material misstatements. Internal controls have inherent limitations but have been established such that the cost of the controls does not exceed the benefits derived from their implementation. The District has established these internal controls, implemented policies and procedures, and retained the services of an outside accountant to safeguard assets and assure proper recording and reporting of transactions using Generally Accepted Accounting Principles.

DISTRICT OVERVIEW

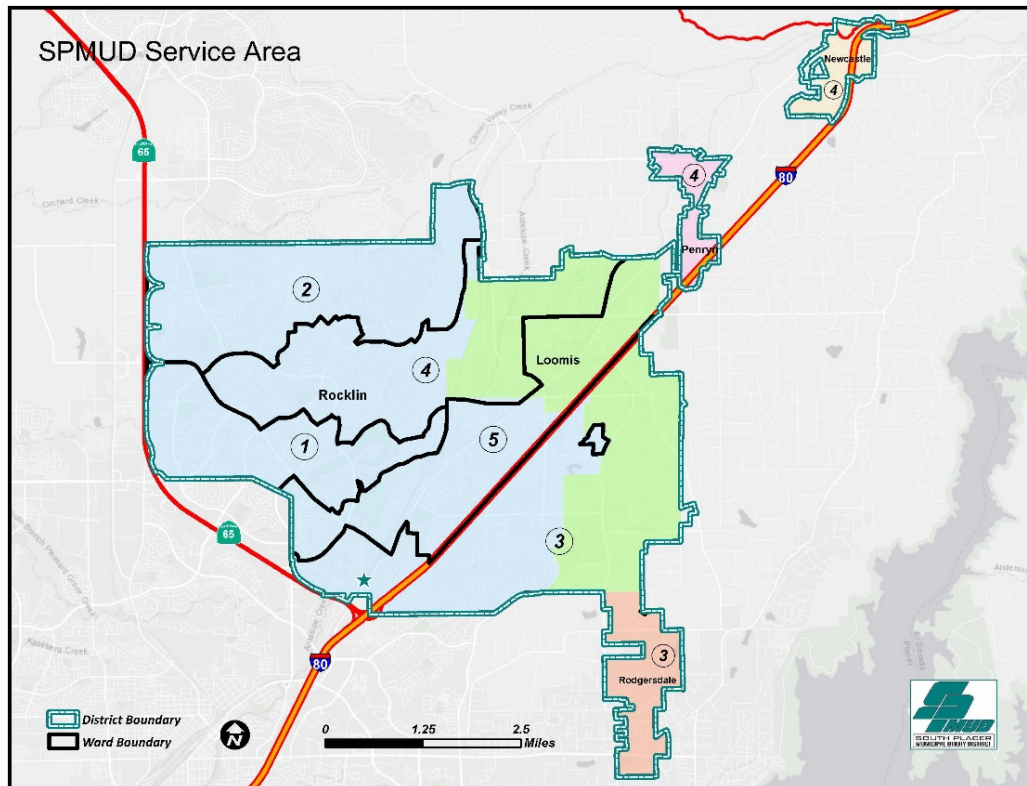
The District, originally called the Rocklin-Loomis Municipal Utility District, was created in 1956 to provide sanitary sewer service to Rocklin and Loomis. While the service area has expanded, this remains the District's core service. The District service area is divided into five wards and is governed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

In the 1980s, the name of the District was changed to the South Placer Municipal Utility District (SPMUD) to reflect its expanding service area. In 2000, the District, the City of Roseville, and Placer County created the South Placer Wastewater Authority (SPWA) under a Joint Powers Agreement to finance the construction of a second wastewater treatment plant, the Pleasant Grove Wastewater Treatment Plant.

In 2010, SPMUD annexed the Newcastle Sanitary District (NSD) area. The District currently provides sewer collection services in southwestern Placer County, California, and currently serves residents and businesses in the City of Rocklin, the Town of Loomis, and the unincorporated communities of Penryn, Newcastle, and the Rogersdale area of Granite Bay. Sewage is collected by the District and conveyed to the two regional wastewater treatment plants, Dry Creek and Pleasant Grove, which are operated by the City of Roseville.

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

FIGURE 1 – SPMUD BOUNDARIES



The SPMUD service area covers 31 square miles. The District provides service to 25,091 account holders (approximately 80% residential and 20% commercial); this equates to 36,011 Equivalent Dwelling Units (EDU). The results of the 2020 Census indicate that the District currently provides service to a population of approximately 84,591 people. An Equivalent Dwelling Unit or EDU is the typical volume and strength of wastewater generated by a single-family home. District customers discharge an average sewer flow of about four and a half million gallons per day. The District collects the sewage and transports it via 290 miles of district-owned and operated sewer mains (from 4" to 42" diameter). The District maintains an additional 122 miles of lower laterals within the public right-of-way and easements. Other assets include our headquarters, maintenance, and corporation yard facilities, 6,843 manholes/flushing branches, 13 lift stations, 11 metering sites, and related buildings, facilities, and equipment.

The SPMUD monthly service charge is a fixed amount that is billed quarterly in arrears. Bills are due two months after the billing date. Quarterly bills not paid by the due date are assessed a late fee. The monthly service charge for fiscal year 21/22 was \$36.00 per equivalent dwelling unit (EDU). The monthly late fee was \$2.50 per EDU, and the Local Sewer Participation Fee to "connect" a home or business to the sewer system was \$4,330 per EDU. In accordance with the Mitigation Fee Act, California Government Code §66000 et seq, the Sewer Participation Fee Nexus Study was last adopted by the Board of Directors in February 2020.

INVESTING IN INFRASTRUCTURE

The District's customers have high expectations from the Board of Directors. They expect sewage to be collected and conveyed continuously, be treated efficiently and be disposed of effectively. The District has developed a High-Risk Facilities Program that meets the requirements of provision D.13.vi.c of the Statewide General Waste Discharge Requirements for Sanitary Sewer Systems, Water Quality Order No. 2006-003 (SSS WDRs), which requires sewer systems to develop a rehabilitation



and replacement plan to identify and prioritize system deficiencies and implement short-term and long-term rehabilitation actions to address each deficiency. The program includes regular visual and TV inspections of manholes and sewer pipes, and a system for ranking the condition of sewer pipes and scheduling rehabilitation. Rehabilitation and replacement focus on sewer pipes that are at risk of collapse or prone to more frequent blockages due to pipe defects. Finally, the rehabilitation and replacement plan includes a capital improvement plan that addresses the proper management and protection of sewer infrastructure assets.

Above-grade creek crossings represent a unique and special risk to the District. By default, above-grade creek crossings are potential High-Risk Facilities due to their immediate proximity to a waterway. Any failure of an above-grade creek crossing results in the potential for serious consequences to public health and the environment, and litigation and fines for the District. For these reasons, a separate and more detailed risk assessment was conducted on this subset of the District's assets.

The District has been engaged in a multi-year plan to address projects identified in the Wastewater Collection System Evaluation and Capacity Assurance Plan (SECAP). The purpose of the SECAP is to provide the District guidance in its efforts to assure capacity for existing customers and information on how to prepare and plan for future development. This document summarizes the District's compliance with provision D.13.viii of the SSS WDRs. It is included by reference in the District's Sewer System Management Plan (SSMP); is reviewed regularly and is updated as deemed necessary by District staff (at minimum every five years) to account for conditions affecting collection system capacity. An updated SECAP was adopted by the District Board of Directors in February 2020.

LOCAL ECONOMIC CONDITIONS

The District boundaries are located in South Placer County. Placer County is in the northern portion of the Sacramento Valley and has an eastern border that touches the Nevada state line. Placer County is one of the top five fastest-growing counties in the State. Placer County has a population of 408,490¹ people and a labor force of 191,787. The median household income in Placer County is \$104,226. The unemployment rate is 3.30% compared with 5.28%¹ in California as a whole. Low employment rates have made it difficult to recruit new employees.

Inflation was a major economic concern in Fiscal Year 2021/22. Based on the Bureau of Labor Statistics Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W): West Region Size Class A, inflation grew 8.2%². Interest rates have increased to combat rising inflation, ending with an average thirty-year fixed rate of 5.83%.

Population

County: Placer

408,490 Persons

State: California 39,725,146 Persons

Percent Population Change: 2010 to 2022

County: Placer

17.24%

State: California 6.63%

Median Household Income

County: Placer

\$104,226

State: California \$89,481

Population 16+: Unemployed

County: Placer

3.30%

State: California 5.28%

ENTERPRISE OPERATIONS

The District finances sewer operations through user charges, property tax receipts, and other miscellaneous income. All charges are based upon an Equivalent Dwelling Unit (EDU) and the cost of providing the sewer service is allocated to each customer proportionate to the strength and flow of the wastewater generated in EDUs. An EDU is intended to represent the wastewater generated by a single residential consumer. Based upon previous strength and flow monitoring studies, one EDU is equivalent to 190 gallons of wastewater daily with a wastewater strength of less than 200 mg/1 B.O.D. and/or suspended solids. EDUs are calculated in accordance



¹ Placer Dashboard <https://www.placerdashboard.org/demographicdata>

² Bureau of Labor Statistics

SPMUD Mission

PROTECT public health and the water environment.

PROVIDE efficient and effective sanitary sewer service.

PREPARE for the future.

operations, with minimal sewage spills that have the capacity to impact the environment. Furthermore, District customers have become accustomed to excellent customer service and response at a low cost. The District currently has one of the lowest monthly service charges for sewer service in the region.

In January 2017, the District's Lifeline Low-income Rate Assistance Program began. This program offers a monthly discount of \$5.00 to those owner-occupied residences that qualify for the PG&E CARE Program. Funding for this program is generated through the collection of late fees, charged to customers with delinquent utility accounts.

In June of 2022, the District began participating in the California Department of Community Services and Development Low Income Household Water Assistance Program (LIHWAP). The LIHWAP program offers one-time payments to help low-income households pay past-due water and wastewater bills.

SPMUD Values

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

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

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

QUALITY: We will be dedicated to continuous improvement.

with Chapter 2 of the District Sewer Code. Service Charge revenues are derived from flat rates charged for sewer service, based on the EDUs assigned to each account.

The top priority of the District is to provide a level of service that meets state and federal regulatory requirements, and the demands and expectations of its customers. Customers of the District expect cost-effective reliable sewer

SPMUD Vision

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

The District has been working to develop an updated and innovative Strategic Plan. With the 2018/2022 Strategic Plan substantially complete, the District is planning to adopt a new and updated blueprint that will guide the District for the next five years. The 2023/2027 Strategic Plan will continue to confirm the District's Mission, Vision, and Core Values as a customer-driven utility dedicated to protecting public health by providing quality sanitary sewer collection service while protecting and preserving our water environment and resources for future generations. The new plan will consist of two parts. The first part is comprised of five Strategic Priorities with twelve

associated work plans and action steps. The second part is comprised of seventy Performance Measures established using the Effective Utility Management (EUM) framework created by WEF (Water Environment Federation), the AWWA (American Water Works Association), and other professional organizations in the water and wastewater industry. The Strategic Plan will continue to be used to guide the annual budget process, District programs, and ensure the District remains focused on its mission to Protect, Provide, and Prepare.

Careful stewardship of financial resources, along with a focus on long-term financial planning, provides the District with a firm financial base. The District has shown its financial abilities in capably responding to the operational requirements of the sewer system while responsibly investing in infrastructure replacement. The Board of Directors' policies carefully coordinate reasonable rate increases to meet the District's mission.

PUBLIC OUTREACH

The District conducts regular Board Meetings that are open to the public. The Boardroom audio and visual equipment was updated in Fiscal Year 20/21 to allow hybrid, both remote and in-person, meetings of the South Placer Municipal Utility District Board of Directors. Meetings are normally held on the first Thursday of the month. Dates and meeting instructions can be found on the District website. The District's website continues to be updated to be more informative and easier to use and provides information about District activities. The website can be found at www.spmud.ca.gov.

District staff provides presentations to civic groups, service organizations, and local schools. The District also engages the public through newsletters, door hangars, and written notices. The District publishes two newsletters per year that are transmitted as bill inserts typically in the fall and spring. The primary focus of these newsletters is to inform customers of District activities and achievements and to share with customers ways that they can help prevent sanitary sewer overflows.

BUDGETARY CONTROLS

The Annual Budget is a blueprint of planned operating, public goods, and debt service expenses, capital expenditures, and multi-year projects for each fiscal year beginning on July 1st and ending on June 30th. For each fiscal year, the South Placer Municipal Utility District adopts an annual budget that provides the Board of Directors with the upcoming fiscal year revenues and expenses for the Operating and Capital Funds. The Budget's primary use is as a financial planning tool to accomplish the District's strategic goals and objectives.

The District's primary funding goals are:

- Maintaining minimum Reserve Fund Balances.
- Providing adequate funding for Capital Investments.
- Fully funding all Operations, Maintenance, and Regulatory Obligations.
- Fully funding the District's obligations to CalPERS.
- Fully funding the District's annual required contribution for Other Post-Employment Benefits (OPEB).

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

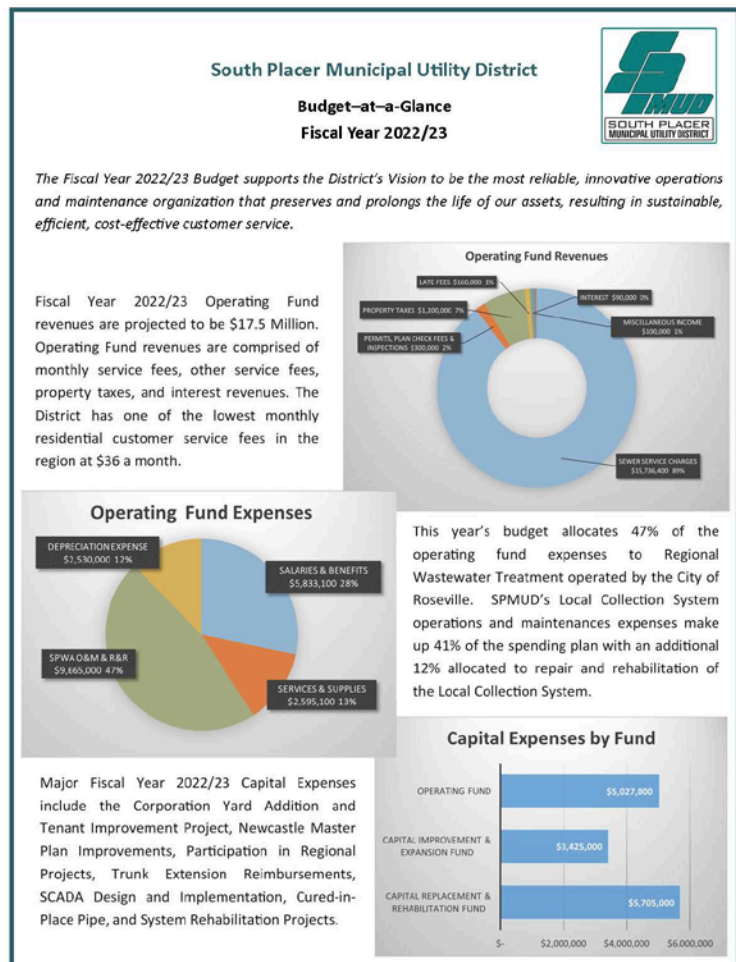
COVID-19 IMPACTS

The COVID-19 Pandemic continued to impact the State and the operations and finances of the District in fiscal year 21/22.

On March 4, 2020, the Governor of the State of California declared a State of Emergency to exist in California due to the threat of Novel Coronavirus 2019 (COVID-19). On March 12, 2020, the Governor issued Executive Order N-25-20 in further response to the spread of COVID-19, mandating compliance with state and local public health

officials as it pertains to measures to control the spread of COVID-19. On April 2, 2020, the Board of Directors declared an emergency to exist in the District as a result of the threat of COVID-19. In declaring the State of Emergency, the Board directed that the General Manager may take all actions necessary, proper, and appropriate in his reasonable discretion to ensure the continuous operation of the District, the safety of employees, and the safety of the public, including, but not limited to, reasonable deviations from Ordinances, Resolutions, Policies, and Procedures adopted by the Board of Directors. In December 2020, in accordance with the Cal OSHA emergency regulations adopted on November 30, 2020, the District adopted a COVID-19 Prevention Plan (CPP). The plan was presented to the Board of Directors at the January Board Meeting.

In January 2022, the District received COVID-19 Special District Relief Funds from the State of California to reimburse the District for expenses incurred as a result of the COVID-19 Pandemic. Some of the additional expenses incurred included equipment to conduct hybrid meetings, facilitate employees working from home, and personal, protective equipment (PPE); however, the majority of the costs incurred were related to leaves of absence due to positive cases and exposures to the virus.



LOOKING TO THE FUTURE

The top priority of the District is to provide a level of service that meets state and federal regulatory requirements, and the demands and expectations of its customers. The District is in the process of conducting a rate and cost of service study. The findings will be incorporated into a 5-Year Financial Plan, projecting expenses through the year 2027. The long-term goal of the 5-year Financial Plan is to develop a stable utility system, requiring limited increases in the cost of services, minimizing those increases that are required, and providing sufficient revenues to cover necessary operations and maintenance programs, capital investment, and reserves to meet the utility's stated needs.

Because the District's customers bear the ultimate cost of service, there exists a need to have a financial plan that will permit the utility to meet its priorities at an affordable and stable cost for the long term. To this end, the District operates under the State of California Municipal Utility District Act and is set up as an enterprise fund to operate very much like a business. Sewer customers are not subsidized by General Fund taxpayers of any local government and must be individually self-sustaining.

One of the major components affecting salary and benefits is the District's objective of fully funding its obligations to CalPERS and the District's annual required contribution (ARC) for Other Post-Employment Benefits (OPEB). CalPERS reported a net return on investments of 21.3% in Fiscal Year 20/21. These returns have reduced the District's unfunded liabilities for Fiscal Year 22/23; however, market volatility in Fiscal Year 21/22 will mean that some of these gains will be lost. CalPERS reported a net return on investments of -6.1% in Fiscal Year 21/22. The District's CalPERS unfunded liability obligation is expected to continue to grow through 2035. The District anticipates that total charges from SPWA will continue to rise and will eventually constitute over half of the expenses incurred by the District annually.

The District's 5-year financial plan and cost of service study includes a Capital Improvement Plan and contains the District planned construction of Capital Replacement & Rehabilitation Projects (R&R), Capital Improvement and Expansion Projects (CIP), and Operating Fund Projects.

Capital Outlays are categorized into their respective fund centers. Those projects designated as Capital Replacement & Rehabilitation (R&R) projects (Fund 400) will be funded by accumulated depreciation. Projects designated as Capital Improvement Projects (CIP) and Expansion projects (Fund 300) are funded through the accumulation of the Local Sewer Participation Fee. The remainder of the District's projects will be pay-as-you-go through the Operating Fund (Fund 100). It is only those projects covered by the Operating Fund that are directly funded as pay-as-you-go by customers through the monthly service charge.

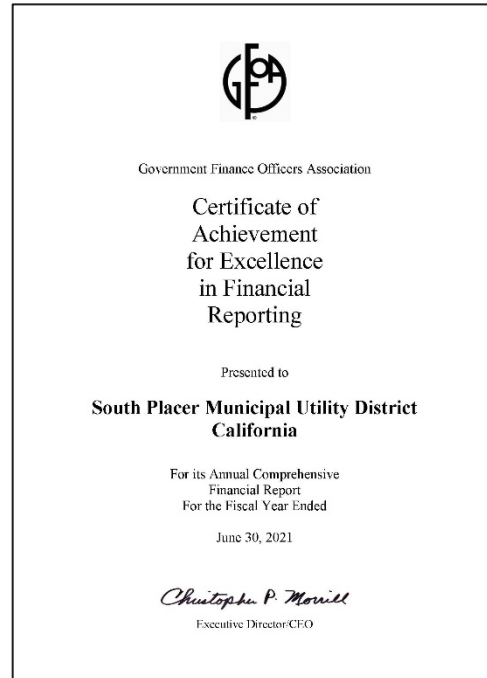
DISTRICT HONORS

In 2016, 2019, and 2022 the South Placer Municipal Utility District was awarded the District Transparency Certificate of Excellence by the Special District Leadership Foundation for outstanding efforts to promote transparency and good governance. To receive the award, which

is granted for 3 years, SPMUD demonstrated the completion of eight essential governance transparency requirements, including conducting ethics training for all District Board members; properly conducting open and public meetings; and filing financial transactions and compensation reports with the State Controller in a timely manner.

The District also fulfilled 15 website requirements, including providing readily available information to the public, such as board agendas, past minutes, current budget, and the most recent financial audit.

More recently, the Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the South Placer Municipal Utility District for its comprehensive annual financial report for the fiscal year ended June 30, 2021. This was the third year that the District has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement is the highest form of recognition for governmental accounting and financial reporting, and its attainment represents a significant accomplishment by the District.



ANNUAL FINANCIAL REPORT CONTRIBUTING STAFF

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

Sincerely,

Herb Niederberger
General Manager

SOUTH PLACER MUNICIPAL UTILITY DISTRICT BOARD OF DIRECTORS



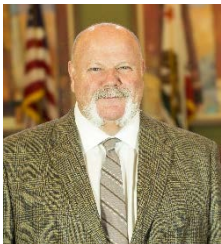
GERALD MITCHELL

WARD 1: West Central area of the City of Rocklin lying East of Highway 65; including the Blue Oaks Town Center, the Sunset Whitney Recreation Area, the West Oaks, portions of Stanford Ranch, Fairway Heights (north of Sunset), Parker Whitney, and Mission Hills neighborhoods.



WILLIAM DICKINSON

WARD 2: Northwest area of the City of Rocklin, East of Highway 65, directly South of the Town of Lincoln; including William Jessup University, Whitney High School, Whitney Ranch, and portions of the Whitney Oaks neighborhood.



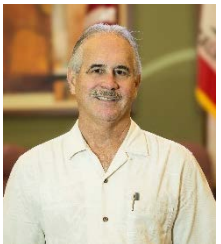
JOHN MURDOCK

WARD 3: Southeast area of the City of Rocklin, South area of the Town of Loomis (east of I-80), and the Rodgersdale area of Granite Bay; including Sierra College, the Crossings Shopping Center, Southside Ranch, Sierra de Montserrat, and the Woodside neighborhoods.



JAMES DURFEE

WARD 4: Central area of the City of Rocklin and a portion of the Western area of the Town of Loomis; including Rocklin High School, Twin Oaks Park, Sunrise Loomis Park, Clover Valley, and portions of the Stanford Ranch neighborhoods.



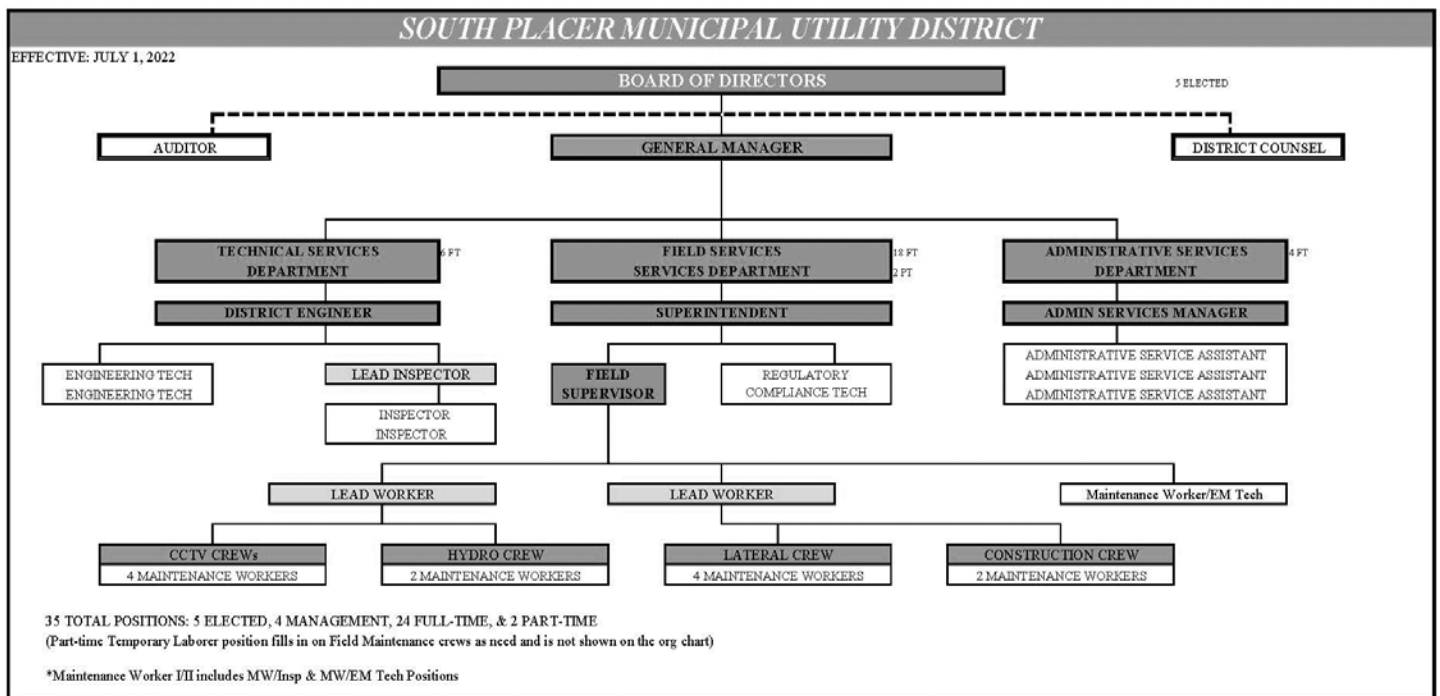
JAMES WILLIAMS

WARD 5: Central area of the City of Rocklin, Central area of the Town of Loomis, the community of Penryn, and the community of Newcastle along the Interstate 80 corridor; including the downtown areas of Rocklin and Loomis, the Quarry District, Johnson-Springview Park, Del Oro High School, Fairway Heights (south of Sunset), Yankee Hill, and Lemos Ranch neighborhoods.

ORGANIZATION

The District is organized into three departments: Field Services, Technical Services, and Administrative Services. In general, all operation and maintenance functions are performed by Field Services staff; all engineering, development improvements, construction activity, and inspections are overseen by Technical Services staff; and, all office, billing, accounting, customer service, financial, and administrative functions are performed by Administrative Service staff. District Audit and Legal Services are performed under contract. Employee and Management salaries are governed by a Memorandum of Understanding (MOU) between each of the two employee groups and the Board of Directors.

Figure 2 – DISTRICT ORGANIZATIONAL CHART



SOUTH PLACER MUNICIPAL UTILITY DISTRICT

STRATEGIC PRIORITIES

MAINTAIN AN EXCELLENT REGULATORY COMPLIANCE RECORD

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

PREPARE FOR THE FUTURE AND FORESEEABLE EMERGENCIES

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

LEVERAGE EXISTING AND APPLICABLE TECHNOLOGIES TO IMPROVE EFFICIENCIES

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

PROVIDE EXCEPTIONAL VALUE FOR THE COST OF SEWER SERVICE

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

MAKE SPMUD A GREAT PLACE TO WORK

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

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
South Placer Municipal Utility District
Rocklin, California

Opinions

We have audited the accompanying financial statements of the business-type activities and each major fund of South Placer Municipal Utility District (the "District") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of South Placer Municipal Utility District, as of June 30, 2022, and the respective changes in financial position and, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of South Placer Municipal Utility District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules related to the District's net pension liability, and the schedules related to the District's net OPEB liability as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The introductory section, statistical section and schedule of operating expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of operating expenses is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of operating expenses is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2022, on our consideration of the South Placer Municipal Utility District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the South Placer Municipal Utility District's internal control over financial reporting and compliance.

A handwritten signature in blue ink, appearing to read "M. H. N. G. P. S.", is positioned below the text.

Sacramento, California
December 13, 2022

MANAGEMENT DISCUSSION AND ANALYSIS

For the Fiscal Year Ending June 30, 2022 (FY 21/22)

The purpose of this Management's Discussion and Analysis (MDA) is to provide a fact-based summary of the financial status of the South Placer Municipal Utility District (the District or SPMUD) from a management perspective. This report provides information on the District's financial performance for the fiscal year beginning on July 1, 2021 and ending June 30, 2022 (FY 21/22) and should be reviewed in conjunction with the audited financial statements, which follow this MDA.

FINANCIAL HIGHLIGHTS

In the Spring of 2022, the District began preparing to update the Strategic and Five-Year Financial Plans. The Strategic Plan will be an updated blueprint, adopting new performance measures using the Effective Utility Management (EUM) framework. A consultant has been hired to prepare a comprehensive cost of service and rate study, that will result in long-term stability while providing sufficient revenues to cover necessary operations and maintenance programs, as well as capital investment and reserves to meet the utility's stated needs.

The District's currently stated funding goals include:

1. Provide sufficient revenues to cover necessary operations and maintenance programs
2. Fully funding the District's obligations to CalPERS.
3. Fully funding the District's Annual Required Contribution (ARC) for Other Post-Employment Benefits (OPEB).
4. Maintaining minimum reserve fund balances.
5. Meeting the Debt Coverage Ratio mandated by the South Placer Wastewater Authority (SPWA) debt indenture.
6. Providing adequate funding for Capital Investments.

Table 1 compares major District growth metrics for the last two fiscal years. The District added 689 new customer accounts in FY 21/22. Revenues from Sewer Service Charges increased by 2.2% due to the addition of customer accounts and corresponding increases to Equivalent Dwelling Units.

The District's growth remained steady over the reporting period but was lower than the projections contained in the 5-year Financial Plan due to a slowdown in the overall economy as a result of the COVID-19 pandemic. The District has continued to invest in infrastructure as well as maintain a relatively stable amount of investment in the rehabilitation and replacement of aging facilities.

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS – CONTINUED**

TABLE 1 – ANNUAL DISTRICT GROWTH

Item	Unit	FY 21/22	FY 20/21	% Change
Service Charges	Dollars	\$ 15,955,824	\$ 15,580,601	2.4%
Customer Accounts	Each	25,091	24,402	2.8%
Equal Dwelling Units	EDU	36,011	35,322	2.0%
Service Fee per EDU	Monthly	36	36	0.0%
Annual Flow to WWTP	Million Gallons	1,705	1,632	4.5%
Sewer Mains	Miles	290	287	1.0%
Lower Service Laterals	Miles	122	117	4.3%
Manhole/Flushing Branch	Each	6,843	6,791	0.8%
Lift Stations	Each	13	15	-13.3%
Force Mains	Miles	7	7	0.0%

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The District’s basic financial statements are the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows. An important part of the basic financial statements is the accompanying notes, which provide the users with additional information required by generally accepted accounting principles (GAAP). The Management Discussion and Analysis is required supplementary information to the basic financial statements.

The Statement of Net Position includes the District’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The difference between the assets and deferred outflows and the liabilities and deferred inflows is reported as net position. The Statement of Revenues, Expenses, and Changes in Net Position accounts for revenue, expenses, and capital contributions and calculates the change in net position. Over time, increases or decreases in net position serve as a key indicator of the District’s financial position. The Statement of Cash Flows provides a detail of the changes in cash and cash equivalents during the year. By contrast, the Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net Position are prepared on an accrual basis, meaning revenues are recorded when earned and expenses are recorded when incurred regardless of the timing of cash receipts and payments.

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED**

FINANCIAL ANALYSIS OF THE DISTRICT

Net Position

The Condensed Statement of Net Position as shown below in Table 2 shows the District is investing in capital assets and has no long-term debt³.

TABLE 2 – STATEMENT OF NET POSITION

ASSETS	FY 21/22	FY 20/21	\$Difference	% Change
Current and Other Assets	\$ 78,570,257	\$ 69,360,740	\$ 9,209,517	13%
Capital and Other Non-Current Assets	116,812,445	108,364,977	\$ 8,447,468	8%
Total Assets	195,382,702	177,725,717	17,656,985	10%
Deferred Outflow of Resources	3,476,583	1,855,883	1,620,700	87%
LIABILITIES				
Current Liabilities	3,843,826	1,198,931	2,644,895	221%
Long Term Liabilities	4,910,991	6,874,124	(1,963,133)	-29%
Total Liabilities	8,754,817	8,073,055	681,762	8%
Deferred Inflow of Resources	3,850,848	813,401	3,037,447	373%
Net Position				
Net Investment in Capital Assets	113,805,543	104,924,074	8,881,469	8%
Restricted	3,006,902	3,440,903	(434,001)	100%
Unrestricted	69,441,175	62,330,167	7,111,008	11%
Total Net Position	186,253,620	170,695,144	15,558,476	9%
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 198,859,285	\$ 179,581,600	\$ 19,277,685	11%

When comparing FY 21/22 to FY 20/21, Total Assets and Deferred Outflows increased by \$19.28 Million. Total Liabilities increased by \$0.68 Million while Deferred Inflows increased by \$3.04 Million. This resulted in an overall increase of \$15.56 Million in Net Position.

Key components in the increase are as follows:

- Current and Other Assets reflect a net increase of \$9.21 Million, which is the net effect of an increase in EDUs from development-related activities and delayed operations and maintenance and capital expenses.
- Capital assets net the accumulated depreciation increased by \$8.45 Million in FY 21/22. A total of \$1.52 Million in capital projects were completed for needed upgrades, replacements, and installation of new District facilities and equipment as well as \$9.92

³ For more information see the section titled Debt Administration.

SOUTH PLACER MUNICIPAL UTILITY DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED

Million in sewer asset contributions from new development. The annual depreciation transfer (based on the prior year's depreciation expense) was \$2.07 Million.

- Deferred outflows increased by \$1.62 Million (-8%) reflecting the differences between the actuarial assumptions and actual results along with the net differences between projected and actual earnings on investments in the Retirement Plan offset by the change in assumptions in the OPEB Plan.
- Current liabilities from accounts payable and accrued payroll, benefits, and leave time increased by \$2.64 Million while long-term liabilities from net pension and OPEB liability decreased by \$1.96 Million in FY 21/22.
- The increase in deferred inflows of \$3.04 Million also reflects changes in actuarial assumptions for pension and OPEB in FY 21/22.

Net Position Related to Pensions

Since 2015, the District has been required to implement GASB 68, Accounting and Financial Reporting for Pensions. Under the new GASB standards, each participating cost-sharing employer is required to report its actuarially determined proportionate share of the collective net pension liability, pension expense, and deferred outflows/deferred inflows of resources in their financial statements determined in conformity with GASB 68. Prior to GASB 68, the District was only required to report the actual payments submitted to the pension plan as an expense and no liability or deferred inflows/deferred outflows.

An Actuarial Valuation report required by GASB 68, *Cost Sharing Multiple Employer Pension Plan* was completed by the District's Actuary, MacLeod Watts. The District's Total Pension Liability increased from \$21,372,526 (reported June 30, 2021, measured June 30, 2020) to \$22,959,283 (reported June 30, 2022, measured June 30, 2021). Over the same time period, the Fiduciary Net Position increased from \$15,885,901 to \$19,830,819, yielding a fiscal year 2022 Net Pension liability of \$3,128,464. This increase was primarily due to CalPERS investment returns. Overall, the pension expense for fiscal year 2022 decreased by \$741,920 from the prior year.

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

By joining the CEPPT fund, California public agencies can help finance pension contributions in part from investment earnings provided by CalPERS. The District is invested in Strategy 1 with an expected long-term return on trust assets of 5.0% per year. While these funds are not shown in the GASB 68 report, they are reflected as restricted funds in the Statement of Net Position. The net pension liability for the year ended June 30, 2022, is summarized below in Tables 3 and 4. For more information on the District's pension plan, see Note 5 to the Financial Statements.

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED**

TABLE 3 – SUMMARY OF PENSION LIABILITY

	For the Fiscal Year Ending June 30, 2022
Total Pension Liability	\$ 22,959,283
Fiduciary Net Position	19,830,819
Net Pension Liability (Asset)	3,128,464
Deferred (Outflows) of Resources	(1,804,557)
Deferred Inflows of Resources	2,931,155
Impact on Statement of Net Position	4,255,062
Pension Expense FYE 2022	\$ 243,456

TABLE 4 – NET POSITIONS RELATED TO PENSIONS

For Reporting Period at Fiscal Year End	6/30/2022	6/30/2021	Change (\$)
Total Pension Liability	\$ 22,959,283	\$ 21,372,526	\$ 1,586,757
Fiduciary Net Position	19,830,819	15,885,901	3,944,918
Net Pension Liability (Asset)	\$ 3,128,464	\$ 5,486,625	\$ (2,358,161)
<i>Deferred (Outflows) Inflows Due to:</i>			
Assumption Changes	\$ -	\$ 39,133	\$ (39,133)
Plan Experience	(350,824)	(282,743)	(68,081)
Investment Experience	2,730,985	(162,989)	2,893,974
Changes in Proportions	(852,381)	(17,656)	(834,725)
Differences between actual contributions and proportionate share of contributions	200,170	179,550	20,620
Deferred Contributions	(601,352)	(628,962)	27,610
Net Deferred (Outflows) Inflows	1,126,598	\$ (873,667)	\$ 2,000,265
Impact on Statement of Net Position	\$ 4,255,062	\$ 4,612,958	\$ (357,896)

Net Position related to OPEB

An Actuarial Valuation report required by GASB 75, *Accounting and Financial Reporting for Post-employment Benefits other than Pensions (Other Post Employment Benefit Programs or OPEB)* was completed by the District's Actuary, MacLeod Watts. The District's Total OPEB Liability increased from \$6,642,904 (measured June 30, 2020) to \$8,068,886 (measured June 30, 2021). Over the same time period, the Fiduciary Net Position increased from \$5,255,405 to \$6,286,359, yielding a fiscal year 2022 Net OPEB liability of \$1,782,527. Overall, the OPEB expense for fiscal year 2022 increased by \$152,188 from the prior year. The District has participated in a CalPERS OPEB trust, (CERBT) since 2008 to fund the total OPEB liability (including implicit subsidy). The District is invested in Strategy 2. The District's 2021 actuarial report reflects CalPERS' March 2022 reduction in the expected rate of return from an expected long-term return of trust assets of

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED**

6.40% per year to an expected long-term rate of return of 5.72%. The net OPEB liability reported in the Statement of Net Position for the year ended June 30, 2022, is summarized below in Tables 5 and 6. For more information on the District's OPEB, see Note 7 to the Financial Statements.

TABLE 5 – SUMMARY OF OPEB LIABILITY

	For the Fiscal Year Ending June 30, 2022	
Total OPEB Liability	\$	8,068,886
Fiduciary Net Position		6,286,359
Net OPEB Liability (Asset)		1,782,527
Deferred (Outflows) of Resources		(1,672,026)
Deferred Inflows of Net Position		919,693
Impact on Statement of Net Position	\$	1,030,194
OPEB Expense FYE 2022	\$	256,815

TABLE 6 – NET POSITION RELATED TO OPEB

For Reporting Period at Fiscal Year End	6/30/2022	6/30/2021	Change (\$)
Total OPEB Liability	\$ 8,068,886	\$ 6,642,904	\$ 1,425,982
Fiduciary Net Position	6,286,359	5,255,405	1,030,954
Net OPEB Liability (Asset)	\$ 1,782,527	\$ 1,387,499	\$ 395,028
<i>Deferred Resource (Outflows) Inflows Due to:</i>			
Assumption Changes	(896,013)	(348,255)	(547,758)
Plan Experience	114,364	572,637	(458,273)
Investment Experience	545,543	17,900	527,643
Deferred Contributions	(516,227)	(411,097)	(105,130)
Net Deferred (Outflows) Inflows	(752,333)	(168,815)	\$ (583,518)
Impact on Statement of Net Position	\$ 1,030,194	\$ 1,218,684	\$ (188,490)

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED**

REVENUES AND EXPENSES

As shown in Table 7, the total net position at year-end increased from \$170,695,144 to \$186,253,620 (\$15,558,476 or 9%). The increase in net position was primarily due to a continued recovery in the demand for plan review services, inspections, and connection of residential development. The District had two large multi-family residential projects connect to the system in FY 21/22, 194 units at the new Sierra Gateway Apartment Complex and 288 units at the new Terracina Apartments. Revenue from connection charges was \$3.48 Million up \$0.53 Million or 19% from the prior year. Permit fee and inspection revenue were correspondingly up 28% from the prior year. Collection and treatment expenses remained similar to FY 20/21. Administrative and General Expenses decreased as a result of CalPERS investments earnings having a positive impact on the District's Accrued Unfunded Liability. Technical Services expenses increased primarily due to repair and replacement projects at the Wastewater Treatment Plants. Depreciation Expense increased by 7%. This resulted in an operating income of \$5.39 Million, an increase of 9% over the prior year. Record low interest rates coupled with investment market volatility continued to reduce investment income to historic lows (reported as interest income). Developer-in-Kind capital contributions which are accepted after project completion, and therefore lag connection fee revenue, increased from \$5.14 Million to \$9.92 Million.

TABLE 7 – STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	FY 21/22	FY 20/21	\$Difference	%Change
Operating Revenues				
Sewer Charges	\$ 15,955,824	\$ 15,580,601	\$ 375,223	2%
Connection Charges	3,476,886	2,933,779	\$ 543,107	19%
Permits, Fees & Inspections	717,688	546,273	\$ 171,415	31%
Total Operating Revenues	\$ 20,150,398	\$ 19,060,653	\$ 1,089,745	6%
Operating Expenses				
Collection & Treatment	\$ 8,119,944	\$ 8,113,323	\$ 6,621	0%
Administrative & General	1,627,237	2,020,046	\$ (392,809)	-19%
Technical Services	2,790,803	1,924,508	\$ 866,295	45%
Depreciation	2,218,607	2,065,934	\$ 152,673	7%
Total Operating Expenses	\$ 14,756,591	\$ 14,123,811	\$ 632,780	4%
Operating Income (Loss)	\$ 5,393,807	\$ 4,962,035	\$ 431,772	9%
Non-Operating Revenues (Expenses)				
Tax Revenue	\$ 1,190,070	\$ 1,173,961	\$ 16,109	1%
Gain (Loss) on Sale of Asset	21,993	(36,147)	\$ 58,140	-161%
Interest Income	(967,245)	670,185	\$ (1,637,430)	-244%
Total Non-Operating Revenues	\$ 244,818	\$ 1,807,999	\$ (1,563,181)	-86%
Transfers & Capital Contributions				
Capital Contributions	\$ 9,919,851	\$ 5,143,394	\$ 4,776,457	93%
Transfers In	4,473,983	3,288,071	\$ 1,185,912	36%
Transfers Out	(4,473,983)	(3,288,071)	\$ (1,185,912)	36%
Total Transfers & Capital Contributions	\$ 9,919,851	\$ 5,143,394	\$ 4,776,457	93%
Change in Net Position	\$ 15,558,476	\$ 11,913,428	\$ 3,645,048	31%
Net Position, Beginning of Year	\$ 170,695,144	\$ 158,781,716	\$ 11,913,428	8%
Net Position, End of Year	\$ 186,253,620	\$ 170,695,144	\$ 15,558,476	9%

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS – CONTINUED**

REVENUES

Operating Fund Revenues derived from customer service charges were up 2% from the prior year as a result of unchanged monthly service charges and modest customer growth. Operating fund revenue derived from permits, plan check fees, and inspections decreased by 44% due to a return to more normal development activity post COVID with local property tax revenue remaining similar to FY20/21. Miscellaneous revenue increased substantially as a result of the District receiving one-time COVID relief funds of \$241, 932 and a reimbursement of wastewater treatment plant project-related fees from the City of Roseville. Record low interest rates coupled with investment market volatility continued to keep investment income low (reported as interest income). Total Operating Fund Revenue used to fund ongoing operations, maintenance, and administrative functions of the District decreased by \$0.26 Million from the previous year.

On March 4, 2021, the Board of Directors adopted Policy 3170 to assess a credit card transaction fee of 2.5%. The charge does not apply to the monthly service charge. The credit card transaction fee was adopted in response to an increase in development fees such as the regional and local participation fee being paid via credit card resulting in high transaction fees incurred by the District.

Statewide Community Infrastructure Program (SCIP)

The District participates in the Statewide Community Infrastructure Program (SCIP), a financing program that enables developers to pay certain impact fees and finance public improvements through an acquisition agreement that qualifies under the 1913/1915 Act via tax-exempt bond issuance proceeds. The District works with developers to finance their sewer participation fees through the SCIP Program. The District does not collect connection fees from the developer but instead requests disbursements of the participation fees owed to the District through the SCIP program. SCIP program funds are currently used exclusively to fund Capital Improvement Projects. Disbursements from the SCIP program can be collected by the District at any time after the agreement is entered into and are not dependent upon the number of actual connections made to the District’s system. In Fiscal Year 21/22 the District was not actively participating in any open SCIP agreements.

Table 8 reflects the Statement of Revenues from the Financial Statements. Interest Income for District investments is included within the balance of each investment instrument as noted under Note 2 of the Financial Statements.

Total SPMUD revenue reported for FY 21/22 showed an increase of \$0.19 Million (1%) from the previous year. The loan repayment for Newcastle Sanitary District (NSD) Project-Related Service Charges (PRSC) is included in Sewer Service Charges and reported as \$209,360 for FY 21/22.

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED**

TABLE 8 – REVENUES

Operating Fund	FY 21/22	FY 20/21	\$Difference	% Change
Sewer service charges revenues	\$ 15,771,098	\$ 15,454,356	\$ 316,742	2%
Late fees	130,032	102,066	27,966	27%
Low income (LIL) rate assistance	54,694	49,372	5,323	11%
Permits, plan check fees & inspections	255,155	458,220	(203,065)	-44%
Property taxes	1,190,070	1,173,961	16,110	1%
Miscellaneous revenue	478,946	88,053	390,893	444%
Interest income	48,944	46,631	2,313	5%
Gain/loss of sale of fixed asset disposal	21,993	(36,147)	58,141	
Operating Fund Less CEPPT Interest Earnings	\$ 17,950,934	\$ 17,336,512	\$ 614,422	4%
Interest income from CEPPT (Restricted)	\$ (434,002)	\$ 440,903	\$ -	
Total Operating Fund	\$ 17,516,932	\$ 17,777,415	\$ (260,483)	-1%
 Capital Improvement Program Fund				
Sewer participation fees	\$ 3,476,886	\$ 2,933,779	\$ 543,107	19%
Interest income	100,826	91,326	9,500	10%
Total CIP Fund	\$ 3,577,712	\$ 3,025,105	\$ 552,607	18%
 Capital Replacement Fund				
Interest income	\$ 100,826	\$ 640,815	\$ (539,989)	-84%
Total Capital Replacement Fund	\$ 100,826	\$ 640,815	\$ (539,989)	-84%
Total Revenue	\$ 21,195,470	\$ 21,002,432	\$ 193,038	1%

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS – CONTINUED**

INVESTMENTS

The District has a sizable investment portfolio that is guided by Policies 3120 *Investment of District Funds* and 3130 *District Reserve Policy*. In February 2016, the District adopted a strategy for the investment of District funds which was revised with Resolution 18-15 in June 2018. One of the ways the District managed its exposure to interest rate risk was by purchasing a combination of short and long-term investments and timing cash flows from maturities so that a portion of the portfolio was maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for District operations. Per the revised Resolution 18-15, as Fixed Income Securities being held in the Long-Term Portfolio matured, rather than reinvesting them into other Fixed Income Securities, the proceeds were distributed evenly among the Cal Trust Medium Term Holdings, the Local Agency Investing Fund, and the Placer County Treasury. On January 7, 2021, the Board adopted Resolution 21-01, Updating the Strategy for the Investment of District Funds, to allow the District to move the remaining Fixed Income Securities to CalTRUST Short Term, CalTRUST Medium Term, Placer County Treasury, and the Local Agency Investment Fund (LAIF) as they mature depending on market conditions and quarterly performance. As of June 30, 2021, all Fixed Income Securities had matured with all funds transferred to other investment vehicles by the end of October 2021.

During the year investments experienced both gains and losses, the following table shows the balance of investments over the past two years.

The overall balance of investments has increased by \$8.57 Million (12.5%) from the previous year. Table 9 indicates the balance of investment funds as of June 30, 2022, and 2021.

TABLE 9 – INVESTMENTS

Investment	Balance 06/30/22	Balance 06/30/21
Local Agency Investment Fund (LAIF)	\$ 24,978,939	15,898,496
Caltrust Investments	13,204,416	23,882,581
Placer County Treasury Investments	25,003,614	16,946,764
Money Market Mutual Funds	100	\$ 2,348,458
	<u>\$ 63,187,069</u>	<u>\$ 56,727,841</u>
Unrestricted deposits in financial institutions	\$ 11,163,678	\$ 6,300,850
	<u>\$ 74,350,747</u>	<u>\$ 63,028,691</u>
CalPERS CEPPT - Restricted	\$ 3,006,901	\$ 3,440,903
TOTAL	<u><u>\$ 77,357,649</u></u>	<u><u>\$ 66,469,594</u></u>

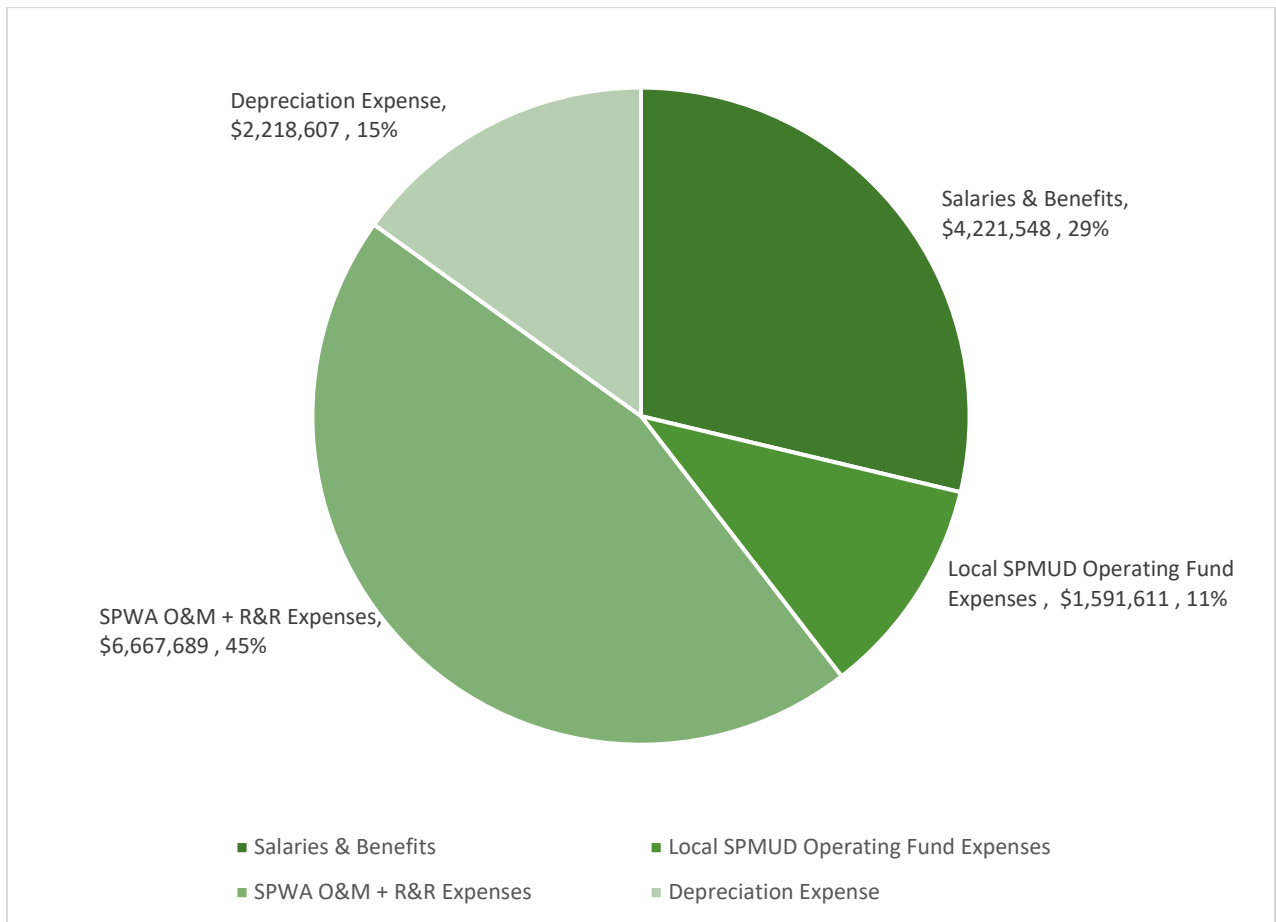
**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS – CONTINUED**

EXPENSES

Total Operating Fund Expenses increased \$1.05 Million (7.4%) from \$14.05 Million to \$15.10 Million. This increase reflects higher Regional Wastewater Treatment Plant Rehabilitation and Replacement Expenses, additional spending on professional services, and several retirements causing an increase in insurance premiums due to market conditions. Chart 1 and Table 10 show the District’s Operating Fund expenditures. Operating Fund Revenues of \$17.95 Million exceeded Operating Fund Expenses of \$15.10 Million.

SPMUD has 36 approved personnel positions that include 5 elected, 2 contracted, 4 management, 2 supervisors, 1 part-time, and 22 full-time staff positions; there are currently 27 full-time employees. The current Memorandum of Understandings (MOUs) for employees and managers were negotiated in FY 19/20, and cover the following fiscal years 20/21, 21/22, and 22/23, Cost of Living increases are tied to the Consumer Cost Index.

CHART 1 – OPERATING FUND EXPENSES FY 21/22



**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED**

TABLE 10 – OPERATING FUND EXPENDITURES

	FISCAL YR 21/22	FISCAL YR 20/21
Salaries/Wages	\$ 2,699,905	\$ 2,701,984
FICA - Social Security	201,418	179,702
CalPERS Retirement & UAL	646,726	627,975
GASB 68 UAL Adjustment	(357,896)	357,402
Retirement 457 & 401a	117,263	112,343
Insurance Benefits	656,252	705,209
PERS OPEB	446,369	287,718
GASB 75 OPEB Adjustment	(188,490)	(183,091)
Sub Total Salaries & Benefits	\$ 4,221,548	\$ 4,789,242
Asphalt Paving	\$ 12,500	\$ -
Archiving/Disaster Plan	5,140	-
Building & Grounds Maintenance	49,812	37,954
Computers/Office Furniture	5,205	-
Discount - LIL Rate Assistance	-	7,965
Easement/Access Road Repl/Upgrades	846	-
Easement Acquisition	21,207	-
Gas & Oil Expenses	60,225	42,472
General Operating Supplies & Maintenance	124,094	108,445
Legal Services	92,460	64,964
Lift Station & Flow Recorder Programs	38,685	62,281
Other Operating Expenses	150	(406)
Professional Development	32,095	20,770
Professional Services	168,149	80,243
Property & Liability Insurance	255,095	215,827
Regulatory Compliance/Government Fees	56,824	46,960
Repair/Maintenance Agreements	113,144	108,609
Root Control Program	55,310	54,501
Safety Gear/Uniforms	21,468	19,281
Software/Data Acquisition	995	-
System Improvements	3,700	-
Utilities	167,970	156,342
Utility Billing/Banking Expense/Printing	237,369	235,471
Vehicle Repair and Maintenance	69,169	46,792
Sub Total Local SPMUD Operating Fund Expenses	\$ 1,591,611	\$ 1,308,471
RWWTP Maintenance & Operations	\$ 5,007,939	\$ 5,025,013
RWWTP Rehab & Replacement	1,659,750	576,156
Sub Total SPWA O&M + R&R Expenses	\$ 6,667,689	\$ 5,601,169
Total Operations Expense before Depreciation	\$ 12,480,848	\$ 11,698,882
Depreciation expense	2,218,607	2,065,934
Total Operating Fund Expenses	\$ 14,699,454	\$ 13,764,816

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS – CONTINUED**

CAPITAL EXPENDITURES

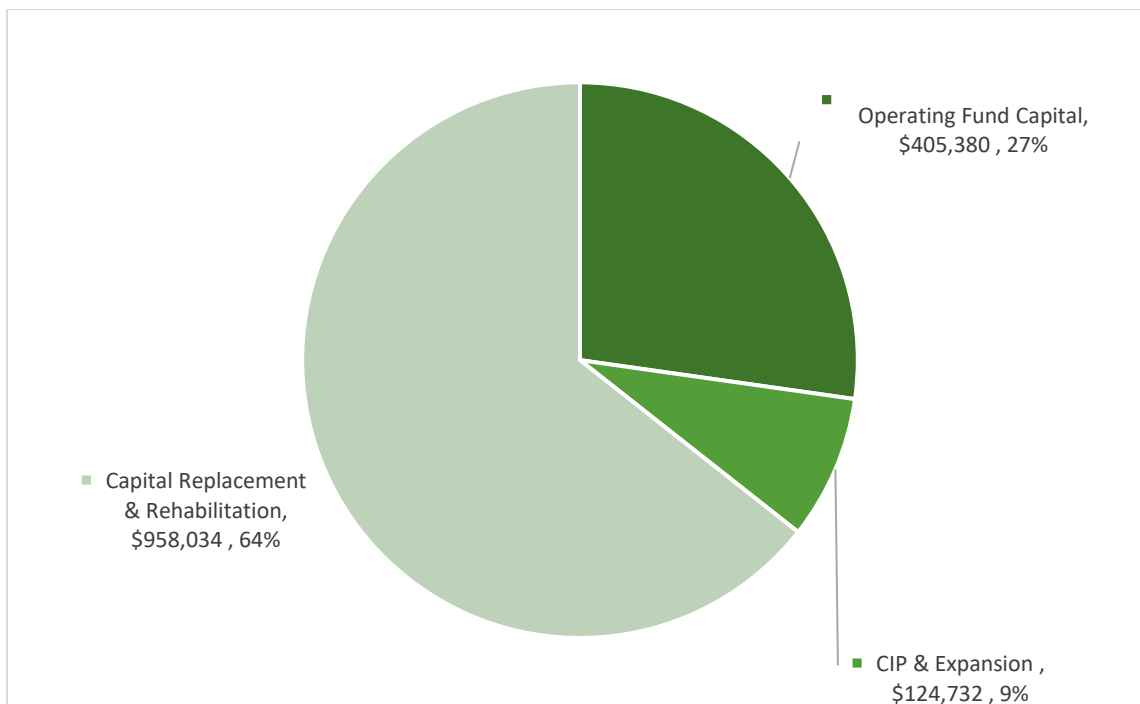
Capital Outlays are categorized into their respective fund centers. For example, those projects designated as Capital Replacement & Rehabilitation projects are funded by accumulated depreciation; those projects designated as Capital Improvement Projects (CIP) and Expansion Projects are funded through the accumulation of the Sewer Participation Fee; the remainder of the District’s projects are pay-as-you-go through the Operating Fund.

In May of 2021, the District revised Board Policies 3130 and 3251 modifying the depreciation transfer from 100% of the annual depreciation expense to 115% of the annual depreciation expense. The depreciation expense transfer occurs annually and is accumulated in the Capital Replacement Fund.

The District expended \$1.49 Million in Capital Outlay during FY 21/22. The majority of the funds expended were for the Foothill Trunk Sewer Replacement Project, participation in regional projects, vehicle purchases, and the Corporation Yard Fence Replacement Project. Material and construction delays impacted capital expenditures on several projects.

In fiscal year 21/22, the District received \$9.92 Million in sewer asset contributions from new development. This included approximately 3 miles of gravity sewer pipe and 52 manholes/flushing branches. Summaries of the District’s FY 21/22 Capital Projects are included in Chart 2, and Tables 11 and 12.

CHART 2 – CAPITAL FUND EXPENDITURES FY 21/22



**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED**

TABLE 11 – 5 YEAR CAPITAL INVESTMENT SUMMARY

	<u>FY21/22</u>	<u>FY20/21</u>	<u>FY 19/20</u>	<u>FY 18/19</u>	<u>FY 17/18</u>
Total Operating Fund Capital Improvements	\$ 405,380	\$ 293,219	\$ 118,277	\$ 162,301	\$ 449,979
Total CIP & Expansion	\$ 124,732	\$ 2,087,054	\$ 500,346	2,816,017	6,719,140
Total Replacement & Rehabilitation	\$ 958,034	\$ 1,389,357	\$ 918,263	714,504	1,940,496
Total Capital Investment	<u>\$ 1,488,146</u>	<u>\$ 3,769,630</u>	<u>\$ 1,536,886</u>	<u>\$ 3,692,822</u>	<u>\$ 9,109,615</u>

TABLE 12 – DETAIL OF CAPITAL EXPENDITURES FY 21/22

	<u>Original Budget FY 21/22</u>	<u>Budget Adjustments FY 21/22</u>	<u>FUND 100</u>	<u>FUND 300</u>	<u>FUND 400</u>
			<u>Operating Fund Capital</u>	<u>CIP & Expansion</u>	<u>Capital Replacement & Rehabilitation</u>
Capital Improvements					
CY Master Plan Capital Improvements	\$ 3,395,000	\$ (2,395,000)	\$ 352,186	\$ -	\$ -
Computers/Office Furniture	43,650	1,000	30,502	-	-
System Improvements	205,000	(100,000)	7,980	-	-
Equipment Upgrades/Replacement	26,000	-	8,247	-	164
Newcastle Master Plan Improvements	350,000	-	6,464	-	-
Foothill Trunk Project - Construction	300,000	(225,000)	-	119,357	66,048
Lower Clover Valley Design	-	-	-	5,375	-
Participation in Regional Projects	987,000	121,000	-	-	306,681
Vehicle Purchases CCTV/Insp Vehicles	220,000	102,000	-	-	228,661
Corp Yard Fence	110,000	112,220	-	-	222,217
SCADA Design & Implementation	3,275,000	-	-	-	86,064
Emergency Bypass Equipment	50,000	-	-	-	48,200
Total Capital Improvements	<u>\$ 10,640,350</u>	<u>\$ 8,283,570</u>	<u>\$ 405,380</u>	<u>\$ 124,732</u>	<u>\$ 958,034</u>

For additional information on Capital Assets, see Note 3 in the Notes to the Financial Statements.

DEBT ADMINISTRATION

The District does not currently have any debt in the sense of conventional loans or bond financing of District Improvements. The District, the City of Roseville, and Placer County are participants in the South Placer Wastewater Authority (SPWA) with the intended purpose of financing the construction of the Pleasant Grove Wastewater Treatment Plant through bonds, low-interest loans, or other types of debt. As such, the district is subject to the SPWA Funding Agreement and debt indenture.

In accordance with the SPWA debt indenture, SPMUD has covenanted to prescribe and collect rates and charges sufficient to yield net revenues at least equivalent to 110% of its share of the debt service; however, the Funding Agreement established a Rate Stabilization Account to be used for the payment of debt service on the Bonds and other costs of the Authority. Monthly contributions of regional connection fees are deposited into the Rate Stabilization Account, and

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS – CONTINUED**

SPWA pays the debt service and other costs from the account on behalf of each member of SPWA, based on each member’s proportionate share. Per the Report to South Placer Wastewater Authority Board of Directors dated June 14, 2022, *Rate Stabilization Fund Balances as of April 30, 2022*, the District maintained a balance of \$51,372,376 in the Rate Stabilization Account on deposit with the Authority. Per the same report, the annual SPWA Debt assigned to the District was \$1,580,511.

SPWA is proposing \$114 Million in Capital Improvements and Treatment Upgrades at the Pleasant Grove Wastewater Treatment Plant to prepare for regional growth, incorporate energy-related improvements, and maximize solids digestion. SPWA is proposing to finance this construction through a blend of bond financing, State Revolving Fund loans, and cash payments from the SPWA Rate Stabilization Fund.

Newcastle Sanitary District Loan Repayment

On August 25, 2010, the South Placer Municipal Utility District adopted Resolution 10-09, creating the Newcastle Special Benefit Area (NSBA), and levying a Sewer Benefit Area Project-Related Service Charge. The Newcastle Sanitary District (NSD) made a determination that it was in the best interest of the ratepayers of NSD and the general public in serving the sanitary sewer needs of the Newcastle area, providing superior sewer service and treatment, and maintaining compliance with applicable water quality control regulations, to decommission its wastewater treatment ponds and make improvements to its wastewater system so its service area could receive wastewater service through SPMUD.

The District agreed to provide financing to NSD in an amount not to exceed \$6 Million for the purpose of constructing improvements and carrying out certain projects to enable NSD to connect to the SPMUD collection system. The financing and construction of these improvements were determined by the SPMUD Board of Directors to be a condition of SPMUD’s annexation of NSD and would have to be completed before NSD’s dissolution. The project work included:

- 1) Decommissioning and/or removing from service the existing NSD wastewater treatment pond(s), spray field(s), and other facilities.
- 2) Construction of new wastewater pump station(s), force main(s), manholes, gravity pipes, access roads, and connections to existing facilities.
- 3) Rehabilitation of the NSD wastewater system, and other facility or appurtenance(s) required to connect the NSD customers to the SPMUD wastewater system.
- 4) Acquisition of easements and rights-of-way, project administration and related services and costs, and any connection charges and fees; and
- 5) Studies, reports, and designs related thereto.

To facilitate repayment of the loan, NSD/SPMUD designated a Project Related Participation Fee (PRPF) payable by new connections within the NSBA made after the effective date of the NSBA. In addition, NSD/SPMUD designated a Project Related Service Charge (PRSC) as a special area

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED**

service charge imposed on an EDU basis on the landowners/ customers in the NSBA area that are connected to the wastewater system for repayment to SPMUD of the Amount Repayable. The PRSC is a separate service charge, in addition to the normal monthly SPMUD service charge. Billing occurs quarterly on the regular SPMUD billing cycle. The PRSC is shown and included on the same bill as the normal SPMUD service charge bill. The collection and payment of the PRSC is subject to Division 6 of the Public Utilities Code of the State of California.

On September 5, 2013, SPMUD adopted Resolution 13-11, which amended Resolution 10-09, regarding the NSBA and establishing the Project Related Service Charge. SPMUD and NSD entered into agreements relating to the annexation of the NSD service area to SPMUD and the financing of the NSD project costs associated with the annexation, per the NSBA. As a result, the PRSC was fixed at \$54.00 per EDU per month on the current and future lands in the NSBA that are now or will be connected to the NSBA wastewater system. The PRSC is used exclusively to repay the principal and interest on the Amount Repayable and is the sole and exclusive obligation of the NSBA landowners/customers connected to the NSBA wastewater system. Payment of the PRSC shall remain in effect until the obligation for the Amount Repayable with interest has been satisfied. NSD adopted Resolution 2013-1 transferring all NSB property, real and personal, accounts and liabilities to SPMUD. On December 5, 2013, SPMUD adopted Resolution 13-14 accepting all the NSD property, liabilities, and accounts, thereby completing the annexation process.

The funds made available by SPMUD were originally sourced from SPMUD's Capital Improvement and Enlargement Fund, whose primary funding source is the Local Participation Fee and return on the investment of the balance of these Funds. In 2015, SPMUD's Capital Improvement and Enlargement Fund was designated as Fund 300 for accounting purposes. The use of Fund 300 is strictly regulated by the Mitigation Fee Act, Section 66000 of the State of California Government Code, and the District's Sewer Code. Loans against Capital Improvement and Enlargement Fund 300 are allowed, provided the terms and conditions of the loan instrument stipulate that the primary balance and interest accrued are redeposited into the fund. In fiscal year 19/20 an inter-fund transfer of \$4,847,725, the outstanding balance of the loan repayment including interest, was made from the Operating Fund to the Capital Replacement Fund. The transfer eliminates the need for future annual transfers of the PRSC fee collected as a sewer service charge during quarterly billing for the NSD area.

As of June 30, 2022, the current balance of the SPMUD loan under the Financing Agreement applicable to the NSBA is \$4,588,173. It is anticipated that the loan will be paid in full by 2053 (see Note 10 of the Financial Statements).

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED**

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This Financial Report is designed to provide the District's customers and other interested parties with a general overview of the District's finances and to demonstrate the District's accountability.

Questions about this report should be addressed in writing to the General Manager, Herb Niederberger:

**South Placer Municipal Utility District
5807 Springview Drive
Rocklin, CA 95677**

**Telephone: (916) 786-8555
Fax: (916) 786-8553
Web: www.spmud.ca.gov**



SOUTH PLACER MUNICIPAL UTILITY DISTRICT
STATEMENT OF NET POSITION
AS OF JUNE 30, 2022

	Operating Fund	Capital Improvement Fund	Capital Replacement Fund	Total
<u>ASSETS</u>				
CURRENT ASSETS				
Cash and cash equivalents (Note 2)	\$ 11,163,678	\$ -	\$ -	\$ 11,163,678
Investments (Note 2)	14,087,010	27,140,321	21,959,738	63,187,069
Accounts receivable	4,141,338	-	-	4,141,338
Prepaid expenses	78,172	-	-	78,172
Total Current Assets	29,470,198	27,140,321	21,959,738	78,570,257
NON-CURRENT ASSETS				
Capital assets (net of accumulated depreciation) (Note 3)	113,805,543	-	-	113,805,543
Investments - Restricted (Note 2)	3,006,902	-	-	3,006,902
Total Non-Current Assets	116,812,445	-	-	116,812,445
TOTAL ASSETS	146,282,643	27,140,321	21,959,738	195,382,702
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Net pension liability (Note 5)	1,804,557	-	-	1,804,557
Net OPEB liability (Note 7)	1,672,026	-	-	1,672,026
TOTAL DEFERRED OUTFLOWS OF RESOURCES	3,476,583	-	-	3,476,583
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 149,759,226	\$ 27,140,321	\$ 21,959,738	\$ 198,859,285
<u>LIABILITIES</u>				
CURRENT LIABILITIES				
Accounts payable	\$ 3,449,829	\$ -	\$ -	\$ 3,449,829
Other accrued liabilities	186,305	-	-	186,305
Compensated absences	207,692	-	-	207,692
Total Current Liabilities	3,843,826	-	-	3,843,826
LONG TERM LIABILITIES				
Net pension liability (Note 5)	3,128,464	-	-	3,128,464
Net OPEB liability (Note 7)	1,782,527	-	-	1,782,527
Total Long-Term Liabilities	4,910,991	-	-	4,910,991
TOTAL LIABILITIES	8,754,817	-	-	8,754,817
<u>DEFERRED INFLOW OF RESOURCES</u>				
Net pension liability (Note 5)	2,931,155	-	-	2,931,155
Net OPEB liability (Note 7)	919,693	-	-	919,693
TOTAL DEFERRED INFLOW OF RESOURCES	3,850,848	-	-	3,850,848
<u>NET POSITION</u>				
Net investment to capital assets	113,805,543	-	-	113,805,543
Restricted	3,006,902	-	-	3,006,902
Unrestricted	20,341,116	27,140,321	21,959,738	69,441,175
TOTAL NET POSITION	137,153,561	27,140,321	21,959,738	186,253,620
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 149,759,226	\$ 27,140,321	\$ 21,959,738	\$ 198,859,285

The accompanying notes are an integral part of the financial statements.

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

	<u>Operating Fund</u>	<u>Capital Improvement Fund</u>	<u>Capital Replacement Fund</u>	<u>Total</u>
<u>OPERATING REVENUE</u>				
Sewer charges	\$ 15,955,824	\$ -	\$ -	\$ 15,955,824
Connection charges	-	3,476,886	-	3,476,886
Permits, fees, and inspections	<u>717,688</u>	<u>-</u>	<u>-</u>	<u>717,688</u>
Total Operating Revenues	<u>16,673,512</u>	<u>3,476,886</u>	<u>-</u>	<u>20,150,398</u>
<u>OPERATING EXPENSES</u>				
Collection and treatment	8,117,823	-	2,121	8,119,944
Administrative and general	1,627,237	-	-	1,627,237
Technical services	2,735,787	22,216	32,800	2,790,803
Depreciation	<u>2,218,607</u>	<u>-</u>	<u>-</u>	<u>2,218,607</u>
Total Operating Expenses	<u>14,699,454</u>	<u>22,216</u>	<u>34,921</u>	<u>14,756,591</u>
Operating income (loss)	<u>1,974,058</u>	<u>3,454,670</u>	<u>(34,921)</u>	<u>5,393,807</u>
<u>NON-OPERATING REVENUE (EXPENSES)</u>				
Tax revenue	1,190,070	-	-	1,190,070
Gain on sale of asset	21,993	-	-	21,993
Investment Loss	<u>(536,220)</u>	<u>(215,513)</u>	<u>(215,512)</u>	<u>(967,245)</u>
Total Nonoperating Revenues	<u>675,843</u>	<u>(215,513)</u>	<u>(215,512)</u>	<u>244,818</u>
<u>TRANSFERS AND CAPITAL CONTRIBUTIONS</u>				
Capital Contributions	9,919,851	-	-	9,919,851
Transfers in	3,476,886	499,165	497,932	4,473,983
Transfers out	<u>(997,097)</u>	<u>(3,476,886)</u>	<u>-</u>	<u>(4,473,983)</u>
Total Transfers and Capital Contributions	<u>12,399,640</u>	<u>(2,977,721)</u>	<u>497,932</u>	<u>9,919,851</u>
CHANGE IN NET POSITION	<u>15,049,541</u>	<u>261,436</u>	<u>247,499</u>	<u>15,558,476</u>
TOTAL NET POSITION, BEGINNING OF YEAR	<u>122,104,020</u>	<u>26,878,885</u>	<u>21,712,239</u>	<u>170,695,144</u>
TOTAL NET POSITION, END OF YEAR	<u>\$ 137,153,561</u>	<u>\$ 27,140,321</u>	<u>\$ 21,959,738</u>	<u>\$ 186,253,620</u>

The accompanying notes are an integral part of the financial statements.

SOUTH PLACER MUNICIPAL UTILITY DISTRICT
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022

	Operating Fund	Capital Improvement Fund	Capital Replacement Fund	Total
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Receipts from customers	\$ 16,448,223	\$ 3,476,886	\$ -	\$ 19,925,109
Payments to suppliers	(5,466,565)	(22,216)	(34,921)	(5,523,702)
Payments to employees	(4,926,403)	-	-	(4,926,403)
Net Cash Provided by (Used for) Operating Activities	6,055,255	3,454,670	(34,921)	9,475,004
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>				
Tax revenue	1,190,070	-	-	1,190,070
Net transfers to/from capital funds	2,479,788	(3,454,670)	34,921	(939,961)
Net Cash Provided by (Used for) Noncapital Financing Activities	3,669,858	(3,454,670)	34,921	250,109
<u>CASH FLOWS FROM CAPITAL RELATED FINANCING ACTIVITIES</u>				
Acquisition and construction of capital assets	(1,180,247)	-	-	(1,180,247)
Net Cash Used for Capital Related Financing Activities	(1,180,247)	-	-	(1,180,247)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Proceeds from sale of capital assets	22,015	-	-	22,015
Purchase of Investments	(5,704,054)	-	-	(5,704,054)
Sale of investments	2,000,000	-	-	2,000,000
Net Cash Used for Investing Activities	(3,682,039)	-	-	(3,682,039)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,862,827	-	-	4,862,827
CASH AND CASH EQUIVALENTS - JULY 1, 2021	6,300,850	-	-	6,300,850
CASH AND CASH EQUIVALENTS - JUNE 30, 2022	\$ 11,163,677	\$ -	\$ -	\$ 11,163,677

The accompanying notes are an integral part of the financial statements.

SOUTH PLACER MUNICIPAL UTILITY DISTRICT
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022

	Operating Fund	Capital Improvement Fund	Capital Replacement Fund	Total
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</u>				
OPERATING INCOME (LOSS)	\$ 1,974,058	\$ 3,454,670	\$ (34,921)	\$ 5,393,807
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation expense	2,218,607	-	-	2,218,607
Changes in assets and liabilities:				
Increase in deferred inflows	3,037,447	-	-	3,037,447
Increase in deferred outflows	(1,620,700)	-	-	(1,620,700)
Increase in accounts receivable	(225,289)	-	-	(225,289)
Increase in prepaid expenses	(10,630)	-	-	(10,630)
Decrease in other accrued liabilities	(151,229)	-	-	(151,229)
Increase in accounts payable	2,803,367	-	-	2,803,367
Decrease in compensated absences	(7,243)	-	-	(7,243)
Decrease in net pension liability	(2,358,161)	-	-	(2,358,161)
Increase in net OPEB liability	<u>395,028</u>	-	-	<u>395,028</u>
Total adjustments	<u>4,081,197</u>	<u>-</u>	<u>-</u>	<u>4,081,197</u>
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>\$ 6,055,255</u>	<u>\$ 3,454,670</u>	<u>\$ (34,921)</u>	<u>\$ 9,475,004</u>
<u>NON-CASH CAPITAL ACTIVITIES</u>				
Non-cash capital contributions	<u>\$ 5,143,394</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,143,394</u>

The accompanying notes are an integral part of the financial statements.

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The South Placer Municipal Utility District (the "District" or "SPMUD") operates under the Municipal Utility District Act. The Act permits formation of multipurpose government agencies to provide public services on a regional basis. In accordance with the Act, voters approved creating the South Placer Municipal Utility District to provide sewage disposal facilities. The District's governing body is a Board of Directors comprised of 5 members with 4 year staggered terms.

Basis of Presentation

The basic financial statements of the South Placer Municipal Utility District (District) have been prepared in conformity with generally accepted accounting principles as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Basis of Accounting

The South Placer Municipal Utility District follows the enterprise method of accounting practices and reporting methods approved for waste disposal districts. An enterprise type fund is a proprietary type fund used to account for operations (a) that are financed and operated in a manner similar to private business enterprise, where the intent of the governing body is that the costs (expenses excluding depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Revenues and expenses are recognized on the accrual basis. Revenues are recognized in the accounting period in which they are earned and become measurable; expenses are recognized in the period incurred.

Operating revenues are those revenues that are generated from the primary operations of the District. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

As described below, the District maintains three major funds to run their operations:

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

Capital Improvement Fund - The purpose of the Capital Improvement Fund is to fund on a pay-as-you-go basis future capital facilities that are expansion or growth related. These capital improvements will be identified in a Wastewater Collection Master Plan, a System Evaluation and Capacity Assurance Plan or other such capital improvement plan designated by the District. These funds are accumulated in an orderly manner in conformance with State law and drawn down as required by growth related projects. The source of funding for the Capital Improvement Fund is the Sewer Participation Fee.

Capital Replacement Fund - The purpose of this fund is to accumulate the probable replacement cost of equipment each year over the life of the asset, so it can be replaced readily when it becomes obsolete, is totally depreciated or is scheduled for replacement. Annual depreciation is calculated as a function of the depreciation schedule maintained within the District's Financial Management Software. The source of funding for this reserve is in the form of an annual operating expense (transfer) to the Capital Replacement Fund. The District incurs an annual expense equivalent to the annual depreciation and accumulates this balance in the Capital Replacement Fund to fund replacements of assets that have reached their useful life or are fully depreciated.

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Budgetary Reporting

The District prepares an annual operating and capital budget which is approved and adopted by the Board of Directors. The budget serves as an approved plan to facilitate financial control and operational evaluation. California State law does not require formal adoption of appropriated budgets for enterprise funds.

Cash and Cash Equivalents

For the purpose of cash flows the District defines cash and cash equivalents as short-term, highly liquid investments that are both readily convertible to known amounts of cash or with original maturities of three months or less from the date of acquisition. This includes deposits in financial institutions, cash with Placer County, and deposits with the State of California Local Agency Investment Fund (LAIF).

Fair Value Inputs, Methodologies and Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the assets. The classification of securities within the fair value hierarchy is based upon the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

Level 1 Unadjusted price quotations in active markets/exchanges for identical assets or liabilities that are accessible to the District.

Level 2 Other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market corroborated inputs.)

Level 3 Unobservable inputs based on the best information available in the circumstance, to the extent observable inputs are not available (including each Fund's own assumptions used in determining the fair value of investments).

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Receivables and Payables

Receivables consist of all revenues earned at year-end and not yet received. Receivables are recorded in the financial statements net of any allowance for doubtful accounts if applicable, and estimated refunds due. Management believes its receivables are fully collectible and, accordingly, no allowance for doubtful accounts is required.

Prepaid Expenses

Certain payments for health insurance and liability insurance reflect costs applicable to future accounting periods and are recorded as prepaid items.

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets

Capital assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Capital assets include land, buildings, sewer system, equipment, office furniture and vehicles. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Depreciation is recorded on the straight-line basis over the useful life of the assets as follows:

Assets	Useful Life
Buildings	15 - 25 years
Sewer system	75 years
General equipment	10 - 20 years
Office furniture and vehicles	5 - 15 years

Capital Contributions

Transmission and distribution system assets contributed to the District by installers are capitalized at the installers estimated cost, which approximates the acquisition value at the date of the District's acquisition, and are recorded as capital contributions when received.

Net Position

Net position comprises the various net earnings from operating income, non-operating revenues and expenses and capital contributions. Net position is classified in the following two components:

Net investment in capital assets - This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted net position - This component of net position is restricted when constraints are imposed by third parties or by law through constitutional provisions or enabling legislation.

Unrestricted net position - This component of net position consists of net position that do not meet the definition of "restricted" or "net investment in capital assets."

Compensated Absences

Compensated absences represent the vested portion of accumulated vacation leave. The liability for accumulated leave includes all salary - related payments that are directly and incrementally connected with leave payments to employees.

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property Taxes

The District receives property taxes from Placer County, which has been assigned the responsibility for assessment, collections, and apportionment of property taxes for all taxing jurisdictions within the County. Secured property taxes are levied on January 1 for the following fiscal year and on which date it becomes a lien on real property.

Secured property taxes are due in two installments on November 1 and February 1 and are delinquent after December 10 and April 10, respectively, for the secured roll. Based on a policy by the County called the Teeter Plan, 100% of the allocated taxes are transmitted by the County to the District, eliminating the need for an allowance for uncollectible accounts. The County, in return, receives all penalties and interest. Property taxes on the unsecured roll are due on the January 1 lien date and become delinquent if unpaid by August 31. Property tax revenues are recognized in the fiscal year they are received.

Connection Charges

Connection charges are recognized in the fiscal year a customer applies for connection to the sewer system and pays the required fees. Fee revenues are presented net of cash discounts applied through the Statewide Community Infrastructure Program (SCIP). In Fiscal Year 21/22 the District was not actively participating in any open SCIP agreements.

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position, or balance sheet, will sometimes report a section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets of fund balance that applies to a future period(s) and so will be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position, or balance sheet, will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Participation Agreements

The District has extended credit to a small number of commercial customers to pay for connection fees over time in periods up to 5 years. These contracts, also known as deferred participation agreements are recorded as revenue when the contracts are approved and executed. The District collects the receivable and interest for these contracts at the current Wall Street Journal Prime rate +2% per annum, as designated in the agreement. In the event of default or non-payment of the fees the District may impose a lien on the property to collect fees through property taxes.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent Events

Subsequent events have been evaluated through December 13, 2022, which is the date the financial statements were issued.

Implementation of Government Accounting Standards Board Statements

Effective July 1, 2021, the District implemented the following accounting and financial reporting standards:

Government Accounting Standards Board Statement No. 87

In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Application of this statement has had no material impact on the District's financial statements for the fiscal year ended June 30, 2022.

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government Accounting Standards Board Statement No. 89

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This statement requires interest costs incurred before the end of a construction period to be recorded as an expenditure in the applicable period. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. Application of this statement has had no material impact on the District's financial statements for the fiscal year ended June 30, 2022.

Government Accounting Standards Board Statement No. 92

In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Application of this statement has had no material impact on the District's financial statements for the fiscal year ended June 30, 2022.

Government Accounting Standards Board Statement No. 93

In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The primary objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR). Application of this statement has had no material impact on the District's financial statements for the fiscal year ended June 30, 2022.

Government Accounting Standards Board Statement No. 97

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans and Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a partial component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other post-employment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. Application of this statement has had no material impact on the District's financial statements for the fiscal year ended June 30, 2022.

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Future Government Accounting Standards Board Statements

These statements are not effective until July 1, 2022 or later and may be applicable for the District. However, the District has not determined the effects, if any, on the financial statements.

Government Accounting Standards Board Statement No. 91

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The purpose of this statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The District has not determined what impact, if any, this pronouncement will have on the financial statements. The requirements of this statement are effective for the District's fiscal year ending June 30, 2023.

Government Accounting Standards Board Statement No. 94

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital assets (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). An APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The District has not determined what impact, if any, this pronouncement will have on the financial statements. The requirements of this statement are effective for the District's fiscal year ending June 30, 2023.

Government Accounting Standards Board Statement No. 96

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governments, defines a SBITA, establishes that a SBITA results in a right-to-use subscription asset-an intangible asset-and a corresponding liability, provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, and requires not disclosures regarding a SBITA. The District has not determined what impact, if any, this pronouncement will have on the financial statements. The requirements of this statement are effective for the District's fiscal year ending June 30, 2023.

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

NOTE 2: CASH AND INVESTMENTS

The components of the District's cash and cash equivalents and investments at June 30, 2022 are as follows:

Cash and cash equivalents:

Unrestricted deposits in financial institutions	\$ <u>11,163,678</u>
Total cash and cash equivalents	<u>11,163,678</u>

Investments:

Money market mutual funds	100
CalTRUST Investment Fund	13,204,416
Placer County Treasury's Investment Pool	25,003,614
Local Agency Investment Fund (LAIF)	<u>24,978,939</u>
Total investments	<u>63,187,069</u>
CalPERS CEPP Trust	<u>3,006,902</u>
Total investments-restricted	<u>3,006,902</u>
Total cash and investments	\$ <u>77,357,649</u>

Authorized Investments of the District

The table below identifies the investment types that are authorized for the South Placer Municipal Utility District by California Government Code 53601 (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Investment pools authorized under CA statute governed by Government Code:			
Local Agency Investment Fund (LAIF)	N/A	75%	\$40 Million
Placer County Treasurer's Investment Pool	N/A	75%	No Limit
Investment Trust of CA (CalTRUST)	N/A	75%	No Limit
CalPERS CEPP Trust	N/A	75%	No Limit
Bank Savings Account	N/A	75%	No Limit
Federal Agencies	5 years	25%	No Limit
Commercial Paper	180 days	15%	No Limit
Negotiable Certificates of Deposits	180	20%	No Limit
Repurchase Agreements	180 Days	20%	No Limit
U.S. Treasury Obligations	5 years	No Limit	No Limit
Any other allowed investments under CGC 53601	Limited	20%	No Limit
Fixed Income Securities	N/A	20%	No Limit
Money Market Mutual Funds	N/A	20%	No Limit

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

NOTE 2: CASH AND INVESTMENTS (continued)

Disclosure Relating to Interest Rate Risk

Interest rate risk is the risk in the market rate changes that could adversely affect the fair values of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for District operations.

Information about the sensitivity of the fair values of the District's investments (including investments held by bond trustees) to market rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity as of June 30, 2022:

	Remaining Maturity		
	12 months or less	1-5 years	Fair Value
Money market mutual funds	\$ 100	\$ -	\$ 100
Local Agency Investment Fund (LAIF)	24,978,939	-	24,978,939
CalTRUST Investment Fund	13,204,416	-	13,204,416
Placer County Treasury's Investment Pool	<u>25,003,614</u>	<u>-</u>	<u>25,003,614</u>
	<u>63,187,069</u>	<u>-</u>	<u>63,187,069</u>
CalPERS CEPP Trust	<u>-</u>	<u>3,006,902</u>	<u>3,006,902</u>
	<u>\$ 63,187,069</u>	<u>\$ 3,006,902</u>	<u>\$ 66,193,971</u>

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposit or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment of collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the government unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the District's deposits by pledging first deed mortgage notes having a value of 150% of the secured public deposits.

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

NOTE 2: CASH AND INVESTMENTS (continued)

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of an investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the investment policy, or debt agreements, and the actual rating as of the fiscal year for each investment type.

	Total	Rating as of Fiscal Year End		
		S&P	Moody's	N/A
Local Agency Investment Fund (LAIF)	\$ 24,978,939			Not rated
Placer County Treasury's Investment Pool	25,003,614			Not rated
CalTRUST Investment Fund	13,204,416			Not rated
Money market mutual funds	<u>100</u>	AAAm		
Total investments	<u>\$ 63,187,069</u>			
CalPERS CEPP Trust	<u>\$ 3,006,902</u>			Not rated
Total investments-restricted	<u>\$ 3,006,902</u>			
Total	<u>\$ 66,193,971</u>			

Concentration of Credit Risk

The investment policy of the District contains limitations on the amount that can be invested in any one issuer. There are no investments to one issuer exceeding those limits.

Investment in State Investment Pool and Other Investments

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California.

The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF which are recorded on an amortized cost basis.

The District is a voluntary participant in the Placer County Treasurer's Investment Portfolio that is administered by the Placer County Treasurer. Its primary objectives are to safeguard the principal of the funds under its control and to meet any liquidity needs of the depositor. Maximizing the rate of return is performed consistent with the objectives of safeguarding principal and meeting liquidity needs.

The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio under its control.

The District is a voluntary participant in the Investment Trust of California (CalTRUST). CalTRUST is a program operated by a joint powers authority to offer a high level of current income consistent with preservation of principal. It offers short and medium term bond funds. The objective of the investment policy is to obtain the best possible return commensurate with the degree of risk that participants are willing to assume in obtaining such return.

SOUTH PLACER MUNICIPAL UTILITY DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED
 JUNE 30, 2022

NOTE 2: CASH AND INVESTMENTS (continued)

The District has a trust fund account managed by California Employers' Pension Prefunding Trust (CEPPT) Fund. This fund is a Section 115 trust fund dedicated to prefunding employer contributions to defined benefit pension systems for eligible California public agencies. Even those not contracted with CalPERS are potentially eligible to participate.

Investment Valuation

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District does not have any investments that are measured using Level 3 inputs.

The following tables set forth by level, within the fair value hierarchy, the District's assets at fair value as of June 30, 2022.

	Level 1	Level 2	Level 3	Total
Money market mutual funds	\$ <u>100</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>100</u>
Total assets at fair value	\$ <u><u>100</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>100</u></u>

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

NOTE 3: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2022 was as follows:

	<u>July 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>June 30, 2022</u>
Capital assets not being depreciated					
Land	\$ 1,174,184	\$ -	\$ -	\$ -	\$ 1,174,184
Construction in Progress	<u>358,915</u>	<u>342,880</u>	<u>-</u>	<u>(83,759)</u>	<u>618,036</u>
Total capital assets not depreciated	<u>1,533,099</u>	<u>342,880</u>	<u>-</u>	<u>(83,759)</u>	<u>1,792,220</u>
Capital assets being depreciated					
Buildings	3,278,568	238,039	-	83,759	3,600,366
Sewer System	122,846,378	10,193,732	-	-	133,040,110
Equipment	1,596,212	258,201	-	-	1,854,413
Office Furniture	159,898	-	-	-	159,898
Vehicles	<u>2,246,635</u>	<u>67,246</u>	<u>(54,681)</u>	<u>-</u>	<u>2,259,200</u>
Total capital assets being depreciated	<u>130,127,691</u>	<u>10,757,218</u>	<u>(54,681)</u>	<u>83,759</u>	<u>140,913,987</u>
Less: accumulated depreciation					
Buildings	(2,272,100)	(110,931)	-	-	(2,383,031)
Sewer System	(22,194,664)	(1,731,870)	-	-	(23,926,534)
Equipment	(1,129,542)	(134,589)	-	-	(1,264,131)
Office Furniture	(129,371)	(10,540)	-	-	(139,911)
Vehicles	<u>(1,011,039)</u>	<u>(230,677)</u>	<u>54,659</u>	<u>-</u>	<u>(1,187,057)</u>
Total accumulated depreciation	<u>(26,736,716)</u>	<u>(2,218,607)</u>	<u>54,659</u>	<u>-</u>	<u>(28,900,664)</u>
Capital Assets, net	<u>\$104,924,074</u>	<u>\$ 8,881,491</u>	<u>\$ (22)</u>	<u>\$ -</u>	<u>\$113,805,543</u>

Depreciation expense for the year ended June 30, 2022 totaled \$2,218,607.

NOTE 4: INTERFUND TRANSACTIONS

Transfers between funds during the fiscal year ended June 30, 2022 were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Description of Transfer</u>	<u>Amount</u>
Capital Improvement Fund	Operating Fund	Connection Charges	\$ 3,476,886
Operating Fund	Capital Replacement Fund	Other Expenses	499,165
Operating Fund	Capital Improvement Fund	Other Expenses	<u>497,932</u>
		Total Interfund Transfers	<u>\$ 4,473,983</u>

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

NOTE 5: DEFINED BENEFIT PENSION PLAN

A. General Information about the Pension Plan

Plan Description – All qualified permanent full time and part-time District employees working at least 1,000 hours per year are eligible to participate in the District's cost-sharing multiple-employer defined benefit pension plan (Plan) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all others). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The District sponsors three rate plans (all miscellaneous). Benefit provisions under the Plan are established by State statute and Agency resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. Active plan members in the 2.7% @ 55 Tier I plan are required to contribute 8% of all earnings in excess of \$133.33 per month. As a benefit to the District employees, the District contributed the employee required contribution. For those employees hired on or after April 20th, 2012 the District had implemented a 2% @ 55 Tier II plan which reduced the amount of employee contribution paid by the District to 7%. Effective July 1st, 2017 all employees pay the CalPERS employee share. The district is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. For new employees hired after January 1, 2013 the District benefit formula changed to a 2% @ 62 Tier III where the employee contributes the full employee contribution of 6.25% of all earnings in excess of \$133.33 per month. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The contribution requirements of the plan members are established by state statute and the employer contribution rate is established and may be amended by CalPERS.

	Miscellaneous		
	Tier I	Tier II	Tier III
Hire date	Prior to April 20, 2012	April 20, 2012 to December 31, 2012	On or after January 1, 2013
Benefit formula	2.7% @ 55	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	50-55	50-55	52-67
Monthly benefits, as a % of eligible compensation	2.7%	2.0%	2.0%
Required employee contribution rates	8.000%	7.000	6.250%
Required employer contribution rates	37.241%	8.971%	6.916%

* Employer contribution rates include the employer normal cost rate and the unfunded accrued liability contribution.

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

NOTE 5: DEFINED BENEFIT PENSION PLAN (continued)

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the CalPERS actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The District's contributions to the Plan for the year ended June 30, 2022 were \$601,352.

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2022, the District reported a net pension liability of \$3,128,464 for its proportionate shares of the net pension liability of the Plan.

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2021, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2020 and 2021 measurement dates was as follows:

	Miscellaneous
Proportion - June 30, 2020	0.1301%
Proportion - June 30, 2021	0.1648%
Change - Increase (Decrease)	0.0347%

For the year ended June 30, 2022, the District recognized pension benefit of \$700,471. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 601,352	\$ -
Net difference between projected and actual earnings on plan investments	-	2,730,985
Changes in assumptions	-	-
Differences between expected and actual experience	350,824	-
Adjustment due to differences in proportions	852,381	-
Difference between actual contributions made by the employer and the employer's proportionate share of the risk pool's total contribution	-	200,170
Total	\$ 1,804,557	\$ 2,931,155

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

NOTE 5: DEFINED BENEFIT PENSION PLAN (continued)

\$601,352 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ended June 30,		
2023	\$	(274,224)
2024	\$	(285,382)
2025	\$	(413,641)
2026	\$	(754,703)

C. Actuarial Assumptions – The total pension liabilities in the June 30, 2020 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by entry age and service
Investment Rate of Return	7.00% net of pension plan investment and administrative expenses, includes inflation.
Mortality (1)	Derived Using CalPERS membership data for all funds
Post Retirement Benefit Increase	Contract COLA up to 2.50% until purchasing power protection allowance floor on purchasing power applies.

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using 90% of Scale MP 2016 published by the Society of Actuaries. For more on this table, please refer to the 2017 Experience Study Report.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the fiscal years 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

D. Discount Rate – The discount rate used to measure the total pension liability was 7.15 percent for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent will be applied to all plans in the Public Employees' Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS website under the GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

NOTE 5: DEFINED BENEFIT PENSION PLAN (continued)

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund (Public Employees' Retirement Fund) cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Public Equity	50.00%	4.80%	6.00%
Global Fixed Income	28.00%	1.00%	2.62%
Inflation Sensitive	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	(0.92%)

(a) An expected inflation of 2.00% used for this period.

(b) An expected inflation of 2.92% used for this period.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the District's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

1% Decrease	6.15%
Net Pension Liability	\$6,159,799
Current Discount Rate	7.15%
Net Pension Liability	\$3,128,464
1% Increase	8.15%
Net Pension Liability	\$622,503

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

NOTE 6: DEFERRED COMPENSATION PLAN

Employees of the South Placer Municipal Utility District may elect to participate in a deferred compensation plan, as defined in the Internal Revenue Code Section 457. The contributions to the plan are voluntary. All amounts of compensation deferred under the plan, all property and rights purchased with these amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employees or beneficiaries) solely the property and rights of the employees and their beneficiaries. No part of the principal or income of the trust shall revert to the employer or be used for or diverted for purposes other than for the exclusive benefit of participants and their beneficiaries. The District has selected CalPERS and Mass Mutual as the third party administrators of the plan assets. Due to the fact that the District does not administer these plans, the plan activities are not included in the District financial statements. The District matches up to a maximum per pay period based on the most current contract with the General Manager and the most current Memorandum of Understanding with all other employees. The District's annual pension cost for the matching contributions under the 457 deferred compensation plan was \$117,263.

NOTE 7: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Description of the Plan

South Placer Public Utility District's Post-Retirement Healthcare Plan is a single-employer defined benefit healthcare plan administered by CalPERS. CalPERS provides medical insurance benefits and life insurance benefits to eligible retirees and their eligible dependents. The District approved post retirement health insurance benefits for all of its employees effective July 1, 2007 under the Public Employees' Medical and Hospital Care Act (PEMHCA). Retirement eligibility is determined based on a minimum of reaching age 50 with at least 5 years of employment with the District. For an employee retiring with 5 or more years of service with SPMUD, the District will contribute the health benefit cost for the retiree and family members up to 100% of the greater of the CalPERS family rate for Kaiser. A retiree with less than 5 complete years of service with the District receives no benefit, unless they have previous employment qualifying them for CalPERS retirement, in which case they are eligible to receive the CalPERS minimum at the time of retirement. The CalPERS minimum is set by law. The retiree is on the same medical plan as the District's active employees, however monthly rates for coverage of covered active and retired employees are computed separately. As of June 30, 2022, there were 22 retired employees who qualified for the healthcare plan. The District also provides a life insurance benefit for each former employee with ten or more years of service who retires from the District. The amount of the life insurance benefit is \$15,000 (\$25,000 in the case of District management employees).

Employees Covered

As of the June 30, 2021 actuarial valuation, the following current and former employees were covered by the benefit terms under the Plan:

Active employees	26
Inactive employees currently receiving benefits	24
Inactive employees entitled to, but not yet receiving benefits	<u>1</u>
Total	<u><u>51</u></u>

Contributions

The District's policy is to fully fund the actuarially determined contribution. The District makes the contributions on behalf of the participants. For the fiscal year ended June 30, 2022, the District contributed \$516,227.

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

NOTE 7: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

Net OPEB Liability

The District's net OPEB liability ("NOL") was measured as of June 30, 2021 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2021 based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2021
Funding Method	Entry Age Normal Cost, level percent pay
Asset Valuation Method	Market value of assets
Long Term Return on Assets	5.72% as of June 30, 2021
Discount Rates	5.72% as of June 30, 2021
Participates Valued	Only current active employees and retired participants and covered dependents are valued. No future entrants are considered in this valuation.
Assumed Wage Inflation	3.00% per annum
Salary Increases	3.00% per annum
General Inflation Rate	2.50% per annum
Mortality Improvement	MacLeod Watts Scale 2020 applied generationally
Healthcare Trend Rate	5.70% per annum

Changes in Assumptions

For the measurement period ending June 30, 2021, the discount rate and long-term return on assets was 5.72% based on updated information from CalPERS regarding the assumed rate of return for CERBT Strategy 1 and the District's projected benefit cash flows.

Discount Rate

The discount rate used to measure the total OPEB liability was 5.72% based on an assumption that contributions would be sufficient to fully fund the obligation over a period not to exceed 30 years.

Expected Long-term Return on Trust Assets

The expected long-term rate on trust assets was derived from published information by CalPERS. CalPERS expectations are summarized in the chart below:

CERBT Strategy 1	Target Allocation	Years 1-10			Years 11+		
		General Inflation Rate Assumption	1-10 Year Expected Rate of Return*	Compound Return Yrs 1-10	General Inflation Rate Assumption	11+ Year Expected Real Rate of Return*	Compound Return Years 11+
Global Equity	34 %	2.40 %	4.40 %	6.80 %	2.30 %	4.50 %	6.80 %
Fixed Income	41 %	2.40 %	(1.00)%	1.40 %	2.30 %	2.20 %	4.50 %
Global Real Estate (REITs)	17 %	2.40 %	3.00 %	5.40 %	2.30 %	3.90 %	6.20 %
Treasury Inflation Protected Securities (TIPS)	5 %	2.40 %	(1.80)%	0.60 %	2.30 %	1.30 %	3.60 %
Commodities	3 %	2.40 %	0.80 %	3.20 %	2.30 %	1.20 %	3.50 %
Volatility	9.90 %	weighted		4.20 %	weighted		5.90 %

* Real rates of return come from a geometric representation of returns that assume a general inflation rate of 2.4%

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

NOTE 7: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

Changes in the OPEB Liability

To determine the June 30, 2021 (measurement period) net OPEB liability, the District used a roll-forward technique for the total OPEB liability. The fiduciary net position is based on the actual June 30, 2021 fiduciary net position. The following table shows the results of the rollforward.

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2020	\$ 6,642,904	\$ 5,255,405	\$ 1,387,499
Service cost	236,028	-	236,028
Interest cost	429,366	-	429,366
Expected investment income	-	336,285	(336,285)
Employer contributions	-	340,175	(340,175)
Administrative expenses	-	(1,913)	1,913
Benefit payments	(340,175)	(340,175)	-
Assumption changes	796,945	-	796,945
Plan Experience	303,818	-	303,818
Investment experience	-	696,582	(696,582)
Net change during 2020-21	<u>1,425,982</u>	<u>1,030,954</u>	<u>395,028</u>
Balance at June 30, 2021	<u>\$ 8,068,886</u>	<u>\$ 6,286,359</u>	<u>\$ 1,782,527</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following represents the Net OPEB Liability of the District if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate, for measurement period ended June 30, 2021:

	1% Decrease (4.72%)	Current Discount Rate (5.72%)	1% Increase (6.72%)
Net OPEB Liability	\$ <u>2,917,745</u>	\$ <u>1,782,527</u>	\$ <u>861,536</u>

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following represents the net OPEB liability of the District if it were calculated using health care cost trend rates that are one percentage-point lower or one percentage-point higher than the current rate, for measurement period ended June 30, 2021:

	1% Decrease (4.82%)	Current Healthcare Cost Trend Rate (5.70%)	1% Increase (6.82%)
Net OPEB Liability	\$ <u>798,714</u>	\$ <u>1,782,527</u>	\$ <u>3,013,087</u>

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

NOTE 7: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time.

Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

The recognition period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on OPEB plan investments	5 year straight-line recognition
All other amounts	Straight-line recognition over the expected average remaining service lifetime (EARSL) of all members that are provided with benefits, determined as of the beginning of the Measurement Period. In determining the EARSL, all active, retired and inactive (vested) members are counted, with the latter two groups having 0 remaining service year.

OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2022, the District recognized OPEB expense of \$257,879. As of fiscal year ended June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 516,227	\$ -
Changes of assumptions	896,013	-
Net difference between projected and actual earnings on OPEB plan investments	-	545,543
Differences between expected and actual experience	<u>259,786</u>	<u>374,150</u>
Total	<u>\$ 1,672,026</u>	<u>\$ 919,693</u>

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

NOTE 7: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB (continued)

\$516,227 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the subsequent fiscal period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as follows:

For the Fiscal Year Ending June 30,	Recognized Net Deferred Outflows (Inflows) of Resources
2023	\$ (48,835)
2024	\$ 14,659
2025	\$ (14,319)
2026	\$ (18,507)
2027	\$ 159,531
Thereafter	\$ 143,577

NOTE 8: JOINT POWERS AGREEMENT

On October 1, 2000, the South Placer Wastewater Authority (the "Authority") was created to finance and construct the new Pleasant Grove treatment plant along with expanding facilities at the Dry Creek plant and other regional facilities. The Authority is made up of the City of Roseville, Placer County, and South Placer Municipal Utility District. The composition of the Board of Directors for the Authority is two directors appointed by the City of Roseville, two directors appointed by Placer County and one director appointed by South Placer Municipal Utility District. The agreement provides that the City will own and operate the regional facilities. The Authority originally issued a total of \$179,775,000 of fixed and variable rate bonds and later refunded to obtain more favorable interest rates in a combination of fixed, SIFMA Index and variable rate bonds. The agreement was also amended effective October 1, 2012. South Placer Municipal Utility District proportionate share decreased from its original allocation of 25% to 22.43% for the shared operating costs and debt service on these bonds. Bond payments are funded by regional connection fees charged by the District and remitted to the City of Roseville. Total connection fees collected by the District and paid to the Authority under this agreement, for the fiscal year ended June 30, 2022 was \$6,960,998. The financial statements for the South Placer Wastewater Authority are available online at https://www.roseville.ca.us/government/departments/finance/general_accounting_department/south_placer_wastewater_authority.

The District is responsible for its share of maintenance and operation expenses incurred at the Regional Treatment plants based on the volume of flow from District lines as a percentage of total volume of flow into the plants. The total amount calculated for South Placer Municipal Utility District during the fiscal year ended June 30, 2022 for maintenance and operation expenses was \$5,007,939 and an additional \$1,659,750 for the District's share of rehab project costs.

The District is also a member of a joint powers authority, Special District Risk Management Authority (SDRMA), for the operation of a common risk management and insurance program. SDRMA provides limits of liability for general liability, auto, and an additional umbrella policy. The District also maintains workers compensation insurance through Special District Risk Management Authority, with the employer's liability limit of \$10,000,000 per occurrence. SDRMA is governed by a Board of Directors consisting of representatives from member agencies, which controls the operations of the SDRMA, including selection of management and approval of operating budgets.

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

NOTE 8: JOINT POWERS AGREEMENT (continued)

The following is a summary of the most current audited financial information for SDRMA as of June 30, 2021 (the most recent information available):

Total assets	\$139,860,914
Total liabilities	73,886,665
Net assets	66,343,287
Total income	83,228,109
Total expense	78,306,334

The relationships between South Placer Municipal Utility District and the joint powers authorities are such that SDRMA is not considered a component unit of the District for financial reporting purposes.

NOTE 9: COMMITMENTS AND CONTINGENCIES

The District is responsible for maintenance and operation expenses incurred at the Regional Treatment plant based on the volume of flow from District lines as a percentage of total volume of flow into the plant. The share of the District cost is subject to periodic review and recalculations. The amount paid versus recalculated amounts can vary resulting in additional costs or credits to the District.

In the normal course of business, the District is subject to various lawsuits. Defense of lawsuits is typically handled by the District's insurance carrier and losses, if any, are expected to be covered by insurance. The District's insurance carrier also covers defense costs that are not recovered from the opposing side upon successful resolution.

At June 30, 2022, the District had commitments with respect to various engineering services and construction projects.

Over the years, a number of agreements have been entered into by the District and local developers for installation of wastewater servicing facilities to the developer's projects. The developers constructed and installed the wastewater facilities at their own expense and thereafter dedicated said facilities to the District for public use. In return the Developers will receive partial reimbursement from construction fees actually collected on the properties within the project area, through the Agreement period. No contingent liability to the District is incurred for the uncollected portion of the agreed maximum amount.

<u>Project Name</u>	<u>Max Reimbursement</u>	<u>EDUs Benefited</u>
Sierra College Lift Station	\$ 1,094,218	612
Yankee Hill Estates (Middle Antelope Creek)	\$ 217,375	925
Rocklin 60 - Phase I	\$ 68,255	999
Rocklin 60 - Phase II	\$ 139,621	999
Granite Bluff	\$ 36,856	40
Massie Trust - 3264 Taylor Road	\$ 185,614	80
The Lands of Perona	\$ 25,470	5
Lugo Extension	\$ 28,110	2

The World Health Organization declared the worldwide coronavirus (COVID-19) outbreak a public health emergency on January 30, 2020 and officially declared it as a pandemic as of March 11, 2020. Management has performed an evaluation of certain financial statement line items such as investments, net pension liability, and net OPEB obligation to determine whether valuation or impairment adjustments should be made. Management has determined that the amounts reported on the financial statements are properly valued as of June 30, 2021. However, since the duration and full effects of the COVID-19 outbreak are yet unknown there could be future negative impacts to the financial condition of the District.

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

NOTE 10: FUTURE REVENUES FROM FORMER NEWCASTLE SANITARY DISTRICT CUSTOMERS

In August 2010 as part of an agreement with Newcastle Sanitary District (NSD) the District loaned NSD \$5,237,307 to make improvements to NSD's wastewater system so its service area could receive wastewater service through the District. In order to facilitate repayment of the loan NSD charged a Project Related Participation Fee (PRPF) for new connections and a Project Related Service Charge (PRSC) to existing customers within NSD's service area. On September 5, 2013 the District and NSD entered into agreements relating to the annexation of the NSD service area to the District. Since NSD no longer exists as a separate legal entity, the receivable was removed from the District's Statement of Net Position. However, the PRSC will still be collected from former NSD customers until the outstanding balance of the loan is paid off. The net present value of the amount of future revenues to be collected totaled \$4,588,173 as of June 30, 2022.

Required Supplementary Information

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AS OF JUNE 30, 2022
LAST 10 YEARS***

	Measurement Period						
	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability	0.16476 %	0.13007 %	0.12642 %	0.12327 %	0.11996 %	0.11759 %	0.11300 %
Proportionate share of the net pension liability	\$ 3,128,464	\$ 5,486,625	\$ 5,062,627	\$ 4,645,508	\$ 4,728,860	\$ 4,084,964	\$ 2,403,545
Covered payroll	\$ 2,595,337	\$ 2,473,520	\$ 2,354,398	\$ 2,217,714	\$ 1,897,932	\$ 1,772,689	\$ 1,582,401
Proportionate share of the net pension liability as a percentage of covered payroll	120.54 %	221.81 %	215.03 %	209.47 %	249.16 %	230.44 %	151.89 %
Plan fiduciary net position as a percentage of the total pension liability	86.37 %	74.33 %	74.92 %	73.31 %	73.31 %	74.06 %	78.40 %

Notes to Schedule:

For the measurement period ended June 30, 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, the discount rate remained at 7.65 percent. In 2015, amounts reported reflect an adjustment of the discount rate from 7.50 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expenses). In 2014, amounts reported were based on the 7.50 percent discount rate.

*Schedule is intended to show information for ten years. Fiscal year 2015 was the first year of implementation. The schedule above is only seven years as shown. Fiscal year 2015 numbers are available from prior year disclosure information. Additional years' information will be displayed as it becomes available.

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CONTRIBUTIONS TO THE COST SHARING DEFINED BENEFIT PENSION PLAN
AS OF JUNE 30, 2022
LAST 10 YEARS***

	Fiscal Year-End						
	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution (actuarially determined)	\$ 601,352	\$ 628,962	\$ 573,347	\$ 506,322	\$ 424,946	\$ 369,153	\$ 164,024
Contributions in relation to the actuarially determined contributions	<u>(601,352)</u>	<u>(628,962)</u>	<u>(573,347)</u>	<u>(506,322)</u>	<u>(424,946)</u>	<u>(369,153)</u>	<u>(164,024)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	2,465,037	2,595,337	2,473,520	2,354,398	2,217,714	1,897,932	1,772,689
Contributions as a percentage of covered employee payroll	24.40 %	24.23 %	23.18 %	21.51 %	19.16 %	19.45 %	9.25 %

*Schedule is intended to show information for ten years. Fiscal year 2015 was the first year of implementation. The schedule above is only seven years as shown. Fiscal year 2015 numbers are available from prior year disclosure information. Additional years' information will be displayed as it becomes available.

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN THE DISTRICT'S NET OPEB LIABILITY AND RELATED RATIOS
For the Measurement Periods Ended June 30
Last 10 Years***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability					
Service cost	\$ 236,028	\$ 229,153	\$ 223,373	\$ 199,744	\$ 167,083
Interest	429,366	409,018	405,567	388,531	424,380
Difference between expected and actual experience	303,818	-	(386,278)	-	(866,361)
Changes in assumptions	796,945	-	49,712	276,413	497,052
Benefit payments	<u>(340,175)</u>	<u>(314,030)</u>	<u>(274,244)</u>	<u>(274,870)</u>	<u>(347,294)</u>
Net change in total OPEB liability	1,425,982	324,141	18,130	589,818	(125,140)
Total OPEB liability, beginning	<u>6,642,904</u>	<u>6,318,763</u>	<u>6,300,633</u>	<u>5,710,815</u>	<u>5,835,955</u>
Total OPEB liability, ending (a)	<u>\$ 8,068,886</u>	<u>\$ 6,642,904</u>	<u>\$ 6,318,763</u>	<u>\$ 6,300,633</u>	<u>\$ 5,710,815</u>
Plan fiduciary net position					
Contributions - employer	\$ 340,175	\$ 343,943	\$ 317,737	\$ 274,870	\$ 347,294
Net investment income	1,032,867	269,753	310,791	339,972	408,278
Benefit payments	(340,175)	(314,030)	(274,244)	(274,870)	(347,294)
Administrative expenses	(1,913)	(2,460)	(996)	(2,277)	(2,072)
Other expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,651)</u>	<u>-</u>
Net change in plan fiduciary net position	1,030,954	297,206	353,288	332,044	406,206
Plan fiduciary net position, beginning	<u>5,255,405</u>	<u>4,958,199</u>	<u>4,604,911</u>	<u>4,272,867</u>	<u>3,866,661</u>
Plan fiduciary net position, ending (b)	<u>\$ 6,286,359</u>	<u>\$ 5,255,405</u>	<u>\$ 4,958,199</u>	<u>\$ 4,604,911</u>	<u>\$ 4,272,867</u>
District's net OPEB liability, ending (a) - (b)	<u>\$ 1,782,527</u>	<u>\$ 1,387,499</u>	<u>\$ 1,360,564</u>	<u>\$ 1,695,722</u>	<u>\$ 1,437,948</u>
Plan fiduciary net position as a percentage of the total OPEB liability	77.91 %	79.11 %	78.47 %	73.09 %	74.82 %
Covered-employee payroll**	<u>\$ 2,681,595</u>	<u>\$ 2,473,520</u>	<u>\$ 2,354,398</u>	<u>\$ 2,217,714</u>	<u>\$ 2,217,714</u>
District's net OPEB liability as a percentage of covered-employee payroll	66.47 %	56.09 %	57.79 %	76.46 %	64.84 %

Notes to Schedule:

Changes of assumptions: For the measurement period June 30, 2021, the discount rate and long-term return on assets was 5.72% based on information from CalPERS regarding the assumed rate of return for CERT Strategy 1 and the District's projected benefit cashflows. In 2020, the discount rate and long-term return on assets was 6.40%. In 2019, the discount rate and long-term return on assets increased from 6.35% to 6.40%. In 2018, the discount rate and long-term return on assets decreased from 6.73% to 6.35%.

* Schedule is intended to show information for ten years. Fiscal year 2018 was the first year of implementation, therefore only five years are shown. Additional years' information will be displayed as it becomes available.

** Contributions are not based on measure of pay.

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CONTRIBUTIONS TO THE OPEB PLAN
For the Fiscal Year Ended June 30
Last 10 Years***

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018**</u>
Actuarially Determined Contribution (ADC)	\$ 376,479	\$ 366,366	\$ 312,164	\$ 301,216	\$ 292,275
Contributions in relation to the ADC	<u>(516,227)</u>	<u>(340,175)</u>	<u>(343,943)</u>	<u>(317,737)</u>	<u>(274,870)</u>
Contribution deficiency (excess)	<u>\$ (139,748)</u>	<u>\$ 26,191</u>	<u>\$ (31,779)</u>	<u>\$ (16,521)</u>	<u>\$ 17,405</u>
Covered-employee payroll***	<u>\$ 2,694,000</u>	<u>\$ 2,681,595</u>	<u>\$ 2,473,520</u>	<u>\$ 2,354,398</u>	<u>\$ 2,217,714</u>
Contributions as a percentage of covered-employee payroll	19.16%	12.69%	13.91%	13.50%	12.39%

* Schedule is intended to show information for ten years. Fiscal year 2018 was the first year of implementation, therefore only five years are shown. Additional years' information will be displayed as it becomes available.

** The District has consistently contributed 100% or more of the ADC each year for at least the past 5 years. In July 2018, the District deposited an additional \$17,405. This amount, when added to the contributions shown above, fully satisfies the fiscal year end 2018 ADC shown above.

*** Contributions are not based on measure of pay.

Supplementary Information

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
SCHEDULE OF OPERATING EXPENSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Administrative and General	Collection and Treatment	Technical Services	Total
OPERATING EXPENSES				
Salaries and Benefits	\$ 1,206,949	\$ 2,087,697	\$ 874,289	\$ 4,168,935
CalPERS UAL	(333,266)	361,246	24,630	52,610
Insurance	255,095	-	-	255,095
Professional Services	81,688	16,025	70,587	168,300
Vehicle Expenses	-	129,394	-	129,394
Professional Development	7,619	22,691	1,785	32,095
Legal	92,460	-	-	92,460
Utility Billing / Banking Expenses	229,272	-	-	229,272
Operating Supplies	82,280	147,395	72,483	302,158
Capital Expenses	5,140	109,462	86,123	200,725
Uniform Expenses	-	20,313	1,156	21,469
Buildings / Utilities	-	217,782	-	217,782
RWWTP Expenses	-	5,007,939	1,659,750	6,667,689
EXPENSES BEFORE DEPRECIATION	\$ 1,627,237	\$ 8,119,944	\$ 2,790,803	12,537,984
Depreciation				2,218,607
TOTAL OPERATING EXPENSES				\$ 14,756,591

STATISTICAL SECTION

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
STATISTICAL SECTION
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

STATISTICAL SECTION

For the Fiscal Year Ending June 30, 2022 (FY 21/22)

The Statistical Section of the South Placer Municipal Utility District Comprehensive Annual Financial Report presents detailed information as a context for understanding the District's economic condition and overall health.

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These schedules contain financial trend information for the District's financial performance.

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These schedules contain information to help the reader access the District's most significant local revenue source.

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Table S7 County Demographics and Economic Statistics

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Table S10 Five Year Capital Spending

Sources: Unless otherwise noted, the information in these schedules is derived from the District's Annual Financial Reports for the relevant year.

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
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TABLE S1 – CHANGES IN NET POSITION

(Last 10 Years)

	<u>FY 21/22</u>	<u>FY 20/21</u>	<u>FY 19/20</u>	<u>FY 18/19</u>	<u>FY 17/18</u>
Operating Revenues					
Sewer Charges	\$ 15,955,824	\$ 15,605,794	\$ 15,383,211	\$ 14,336,548	\$ 12,694,346
Connection Charges	3,476,886	2,933,779	1,415,952	2,574,427	2,520,400
Permits, Fees & Inspections	717,688	546,273	253,247	533,932	338,446
Total Operating Revenues	<u>\$ 20,150,398</u>	<u>\$ 19,085,846</u>	<u>\$ 17,052,410</u>	<u>\$ 17,444,907</u>	<u>\$ 15,553,192</u>
Operating Expenses					
Collection & Treatment	\$ 8,119,944	\$ 8,113,323	\$ 8,326,375	\$ 5,462,230	\$ 7,406,709
Administrative & General	1,627,236	2,020,046	2,126,601	1,889,641	1,745,033
Technical Services	2,790,803	1,924,508	2,399,482	3,173,059	3,237,207
Depreciation	2,218,607	2,065,934	1,889,287	1,658,424	1,423,548
Total Operating Expenses	<u>\$ 14,756,591</u>	<u>\$ 14,123,811</u>	<u>\$ 14,741,745</u>	<u>\$ 12,183,354</u>	<u>\$ 13,812,497</u>
Operating Income (Loss)	<u>\$ 5,393,807</u>	<u>\$ 4,962,035</u>	<u>\$ 2,310,665</u>	<u>\$ 5,261,553</u>	<u>\$ 1,740,695</u>
Non-Operating Revenues (Expenses)					
Tax Revenue	\$ 1,190,070	\$ 1,173,961	\$ 1,083,897	\$ 993,704	\$ 929,449
Gain (Loss) on Sale of Asset	21,993	(36,147)	-	13,707	63,498
Interest Income	(967,245)	670,185	1,602,378	1,832,865	321,933
Interest Expense	-	-	-	(116,477)	(119,120)
Total Non-Operating Revenues	<u>\$ 244,818</u>	<u>\$ 1,807,999</u>	<u>\$ 2,686,275</u>	<u>\$ 2,723,799</u>	<u>\$ 1,195,760</u>
Transfers & Capital Contributions					
Capital Contributions	\$ 9,919,851	\$ 5,143,394	\$ 9,854,903	\$ 7,071,156	\$ 6,680,289
Transfers In	2,977,721	3,288,071	5,968,828	6,359,937	5,469,970
Transfers Out	(2,977,721)	(3,288,071)	(5,968,828)	(6,359,937)	(5,469,970)
Total Transfers & Capital Contributions	<u>\$ 9,919,851</u>	<u>\$ 5,143,394</u>	<u>\$ 9,854,903</u>	<u>\$ 7,071,156</u>	<u>\$ 6,680,289</u>
Change in Net Position	<u>\$ 15,558,476</u>	<u>\$ 11,913,428</u>	<u>\$ 14,851,843</u>	<u>\$ 15,056,508</u>	<u>\$ 9,616,744</u>
Net Position, Beginning of Year	<u>\$ 170,695,144</u>	<u>\$ 158,781,716</u>	<u>\$ 143,929,873</u>	<u>\$ 128,873,365</u>	<u>\$ 120,878,621</u>
Prior Period Adjustment	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,622,000)</u>
Net Position, End of Year	<u>\$ 186,253,620</u>	<u>\$ 170,695,144</u>	<u>\$ 158,781,716</u>	<u>\$ 143,929,873</u>	<u>\$ 128,873,365</u>

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
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CHANGES IN NET POSITION – continued

	<u>FY 16/17</u>	<u>FY 15/16</u>	<u>FY 14/15</u>	<u>FY 13/14</u>	<u>FY 12/13</u>
Operating Revenues					
Sewer Charges	\$ 11,196,600	\$ 10,911,091	\$ 10,758,026	\$ 10,202,898	\$ 10,260,093
Connection Charges	4,700,227	1,443,773	888,198	1,005,529	680,755
Permits, Fees & Inspections	475,524	443,885	274,971	538,220	132,774
Total Operating Revenues	<u>\$ 16,372,351</u>	<u>\$ 12,798,749</u>	<u>\$ 11,921,195</u>	<u>\$ 11,746,647</u>	<u>\$ 11,073,622</u>
Operating Expenses					
Collection & Treatment	\$ 6,756,711	\$ 6,476,122	\$ 6,403,314	\$ 6,418,108	\$ 6,080,773
Administrative & General	2,226,083	1,269,273	1,332,209	1,104,119	1,054,767
Technical Services	2,443,940	2,106,383	1,818,102	704,383	688,465
Depreciation	1,343,872	1,381,819	1,163,361	1,088,844	1,022,054
Total Operating Expenses	<u>\$ 12,770,606</u>	<u>\$ 11,233,597</u>	<u>\$ 10,716,986</u>	<u>\$ 9,315,454</u>	<u>\$ 8,846,059</u>
Operating Income (Loss)	<u>\$ 3,601,745</u>	<u>\$ 1,565,152</u>	<u>\$ 1,204,209</u>	<u>\$ 2,431,193</u>	<u>\$ 2,227,563</u>
Non-Operating Revenues (Expenses)					
Tax Revenue	\$ 874,218	\$ 790,587	\$ 686,237	\$ 893,954	\$ 610,400
Gain (Loss) on Sale of Asset	(27,186)	-	-	-	4,039
Interest Income	193,023	825,604	513,964	545,196	595,320
Interest Expense	(120,912)	(122,564)	(129,039)	14,544	12,271
Total Non-Operating Revenues	<u>\$ 919,143</u>	<u>\$ 1,493,627</u>	<u>\$ 1,071,162</u>	<u>\$ 1,453,694</u>	<u>\$ 1,222,030</u>
Transfers & Capital Contributions					
Capital Contributions	\$ 2,819,904	\$ 1,957,751	\$ 2,651,181	\$ 4,099,981	\$ 330,760
Transfers In	4,128,264	2,451,218	1,027,284	1,527,718	-
Transfers Out	(4,128,264)	(2,451,218)	(1,027,284)	(1,527,718)	-
Total Transfers & Capital Contributions	<u>\$ 2,819,904</u>	<u>\$ 1,957,751</u>	<u>\$ 2,651,181</u>	<u>\$ 4,099,981</u>	<u>\$ 330,760</u>
Change in Net Position	<u>\$ 7,340,792</u>	<u>\$ 5,016,530</u>	<u>\$ 4,926,552</u>	<u>\$ 7,984,868</u>	<u>\$ 3,780,353</u>
Net Position, Beginning of Year	<u>\$ 113,537,829</u>	<u>\$ 108,521,299</u>	<u>\$ 106,767,165</u>	<u>\$ 98,782,297</u>	<u>\$ 94,491,070</u>
Prior Period Adjustment	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,172,418)</u>	<u>\$ -</u>	<u>\$ 510,874</u>
Net Position, End of Year	<u>\$ 120,878,621</u>	<u>\$ 113,537,829</u>	<u>\$ 108,521,299</u>	<u>\$ 106,767,165</u>	<u>\$ 98,782,297</u>

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
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TABLE S2 – NET POSITION BY COMPONENT
(Last 10 Years)

For the Fiscal Year Ending June 30,	Business-Type Activities			Total Net Position
	Net Investment in Capital Assets	Restricted	Unrestricted	
2022	\$ 113,805,543	\$ 3,006,902	\$ 69,441,175	\$ 186,253,620
2021	\$ 104,924,074	\$ 3,440,903	\$ 62,330,167	\$ 170,695,144
2020	\$ 98,277,454	\$ -	\$ 60,504,262	\$ 158,781,716
2019	\$ 89,388,724	\$ -	\$ 54,541,149	\$ 143,929,873
2018	\$ 75,520,052	\$ -	\$ 53,353,313	\$ 128,873,365
2017	\$ 61,229,199	\$ -	\$ 59,649,422	\$ 120,878,621
2016	\$ 58,393,543	\$ -	\$ 55,144,286	\$ 113,537,829
2015	\$ 57,266,134	\$ -	\$ 51,255,165	\$ 108,521,299
2014	\$ 55,148,165	\$ -	\$ 51,619,000	\$ 106,767,165
2013	\$ 49,653,932	\$ -	\$ 49,128,365	\$ 98,782,297

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
 STATISTICAL SECTION
 FOR THE FISCAL YEAR ENDED
 JUNE 30, 2022**

TABLE S3 – EQUIVALENT DWELLING CONNECTIONS BY FISCAL YEAR

For the Fiscal Year Ending June 30,	Total EDU'S	Increase	% Increase
2022	36,011	689	1.91%
2021	35,322	463	1.31%
2020	34,859	685	1.97%
2019	34,174	729	2.13%
2018	33,445	620	1.85%
2017	32,825	991	3.02%
2016	31,834	593	1.86%
2015	31,241	341	1.09%
2014	30,900	230	0.74%
2013	30,670	315	1.03%
2012	30,355	106	0.35%
2011	30,249	125	0.41%
2010	30,124	505	1.68%
2009	29,619	104	0.35%
2008	29,515	385	1.30%
2007	29,130	465	1.60%
2006	28,665	1,044	3.05%
2005	27,790	836	3.01%
2004	26,954	783	2.95%
2003	26,160	667	2.55%

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
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JUNE 30, 2022**

TABLE S4 – DELINQUENT ACCOUNTS – TOTAL SEWER CHARGES

For Fiscal Year Ending June, 30,	Delinquent Receivables	Delinquent Accounts	Total Sewer Charges	% Delinquent
2022	\$ 350,989	909	\$ 15,955,824	2.20%
2021	\$ 371,323	931	\$ 15,527,905	2.39%
2020	\$ 355,843	896	\$ 15,383,211	2.31%
2019	\$ 296,622	831	\$ 14,336,548	2.07%
2018	\$ 336,459	845	\$ 12,344,700	2.73%
2017	\$ 257,783	852	\$ 11,196,600	2.30%
2016	\$ 271,300	890	\$ 10,911,100	2.49%
2015	\$ 244,165	820	\$ 10,758,000	2.27%
2014	\$ 243,315	828	\$ 10,203,000	2.38%
2013	\$ 224,416	886	\$ 10,260,000	2.19%
2012	\$ 209,925	898	\$ 9,489,000	2.21%

Note: Delinquent Accounts are assigned once each year. The delinquent account balances are collected through the Placer County Property Tax Rolls and paid throughout the year to the District.

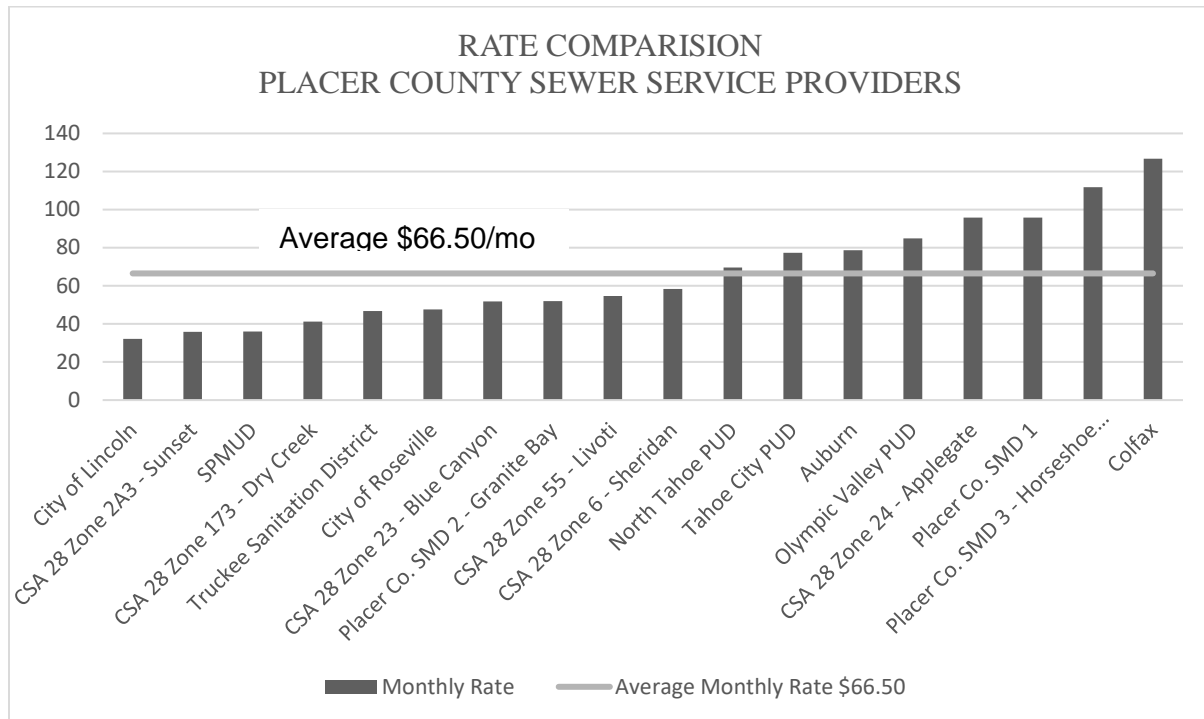
**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
STATISTICAL SECTION
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JUNE 30, 2022**

TABLE S5 – MONTHLY SEWER RATES & LOCAL PARTICIPATION FEES

For the Fiscal Year Ending June 30,	Sewer Service Rates per Month		Local Sewer Participation Fees	
2022	\$	36	\$	4,330
2021	\$	36	\$	4,129
2020	\$	36	\$	4,014
2019	\$	34	\$	3,923
2018	\$	31	\$	3,750
2017	\$	28	\$	3,750
2016	\$	28	\$	3,000
2015	\$	28	\$	3,000
2014	\$	28	\$	2,100
2013	\$	28	\$	2,500
2012	\$	28	\$	2,500

Below are the rate comparisons between average rates charges by other sanitary districts in Placer County. South Placer Municipal Utility District is among the lowest in the county. The average rate is \$67.77.

FIGURE 1 – RATE COMPARISON



**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
STATISTICAL SECTION
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TABLE S6 – TEN LARGEST DISTRICT CUSTOMERS LAST 12 YEARS

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

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
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TABLE S7 – DEMOGRAPHICS AND ECONOMIC STATISTICS

Fiscal Year Ending June 30,	Placer County Workforce	Number of Employed	Number on Unemployed	Unemployment Rate %	District Population	Median Household Income
2022	191,800	185,500	6,300	3.3%	84,591	95,371
2021	186,900	176,900	10,000	5.3%	76,672	89,691
2020	181,000	167,000	14,000	7.7%	76,136	84,357
2019	186,600	180,400	6,200	3.3%	68,415	80,728
2018	183,900	177,800	6,100	3.3%	68,325	76,600
2017	179,800	171,800	8,000	4.5%	66,525	71,435
2016	176,800	167,900	8,900	5.0%	64,974	70,490
2015	175,800	164,800	11,000	6.3%	63,324	70,100
2014	175,800	162,300	13,500	7.7%	62,790	69,800
2013	174,900	158,500	16,400	9.4%	61,800	68,800
2012	173,700	154,900	18,800	10.8%	61,200	68,200

Source: State of California, Employment Development Department

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
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TABLE S8 – PLACER COUNTY LARGEST EMPLOYERS

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

Source: *Sacramento Business Journal, June 2022*

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
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TABLE S9 – TOP TEN TAXPAYERS – PLACER COUNTY

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

Source: Placer County

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
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TABLE S10 – TEN YEAR CAPITAL SPENDING - FY 12/13 TO FY 21/22

Capital Project Review	FY21/22	FY20/21	FY 19/20	FY 18/19	FY 17/18
Archiving/Disaster Plan	\$ -	\$ 5,140	\$ 7,200	\$ 22,120	\$ -
Backhoe Replacement	-	-	-	-	-
Board Room Upgrades	-	8,945	-	-	-
Camera Replacements	-	13,860	-	-	20,677
CCTV Software & Equipment	-	13,076	-	-	-
Computers/Office Furniture	30,502	4,481	22,278	58,608	9,516
Corp Yard Improvements	574,403	145,252	58,180	42,014	13,104
Cured in Place Pipe/System Rehab	-	481,432	13	363,429	778,148
Data Acquisition	-	610	897	4,585	4,002
District Participation in Regional Projects	306,681	24,360	-	102,032	240,058
Easement Acquisitions, Repairs, and Upgrades	-	1,284	26,527	18,274	22,623
Energy Upgrades	-	-	-	24,128	-
Emergency Bypass Equipment	48,200	-	-	-	-
Five Star Outfall Recorder Replacement	-	-	-	13,022	-
Foothill Trunk Project	185,405	2,511,379	989,186	13,484	16,974
General Equipment Replacement	8,411	23,114	5,998	16,373	106,256
HRF Creek Crossings	-	-	-	-	-
Lift Station Rehab/ Pump Replacement	-	-	1,693	-	-
Lower Clover Valley Trunk Project	5,375	-	-	9,777	12,149
Lower Loomis Diversion Trunk Project	-	-	27,673	2,635,603	6,690,017
Newcastle Master Plan Improvements	6,464	123,902	400	8,105	222,695
Pipe Trailer Replacement	-	-	-	5,972	-
Rocklin 60 Reimbursement	-	314,306	-	157,153	-
Safety Equipment & Training Aids	-	-	-	4,763	-
SCADA	86,064	-	73,396	-	-
System Improvements	7,980	-	-	18,113	64,575
Telephone & Communication Replacements	-	-	-	175,267	-
Upper Antelope Creek - East Trunk Project	-	-	-	-	-
Vehicle Purchases and Upgrades	228,661	98,490	323,446	-	908,821
Whitney Ranch Recorder	-	-	-	-	-
Total Capital Improvements	\$ 1,488,146	\$ 3,769,630	\$ 1,536,886	\$ 3,692,822	\$ 9,109,615

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
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Capital Project Review	FY 16/17	FY 15/16	FY 14/15	FY 13/14	FY 12/13	FY 11/12
Archiving/Disaster Plan	\$ -	\$ -	\$ -	\$ -	\$ 7,488	\$ -
Backhoe Replacement	-	-	101,761	-	-	-
Board Room Upgrades	-	6,057	-	-	-	-
Camera Replacements	6,424	-	28,204	-	-	4,159
CCTV Software & Equipment	-	-	-	6,308	9,186	7,313
Computers/Office Furniture	17,978	4,255	81,135	169,280	22,800	49,987
Corp Yard Improvements	48,088	120,029	57,505	176,121	23,837	-
Cured in Place Pipe/System Rehab	-	220,000	495,584	259,284	45,876	273,155
Data Acquisition	8,821	20,915	33,297	409,000	82,030	19,944
District Participation in Regional Projects	-	-	-	-	-	-
Easement Acquisitions, Repairs, and Upgrades	29,091	35,000	30,740	-	52,679	64,715
Energy Upgrades	-	-	-	-	-	-
Emergency Bypass Equipment	-	-	-	-	-	-
Five Star Outfall Recorder Replacement	-	-	-	-	-	-
Foothill Trunk Project	85,535	216,414	-	-	-	-
General Equipment Replacement	75,715	35,983	24,635	8,612	9,311	4,306
HRF Creek Crossings	38,954	-	-	-	-	-
Lift Station Rehab/ Pump Replacement	-	4,415	34,817	12,533	12,420	17,339
Lower Clover Valley Trunk Project	45,330	-	-	-	-	-
Lower Loomis Diversion Trunk Project	643,627	43,119	69,998	-	-	-
Newcastle Master Plan Improvements	59,256	-	-	-	-	-
Pipe Trailer Replacement	-	40,000	-	-	-	-
Rocklin 60 Reimbursement	-	-	-	-	-	-
Safety Equipment & Training Aids	-	-	1,945	-	4,558	-
SCADA	-	-	205,867	88,557	76,812	12,511
System Improvements	6,795	-	9,982	-	-	-
Telephone & Communication Replacements	-	6,500	8,300	-	-	-
Upper Antelope Creek - East Trunk Project	-	-	-	547,456	1,817,550	-
Vehicle Purchases and Upgrades	200,609	3,366	208,623	146,644	4,853	4,306
Whitney Ranch Recorder	-	-	29,744	-	-	-
Total Capital Improvements	\$ 1,266,223	\$ 756,053	\$ 1,422,137	\$ 1,823,795	\$ 2,169,400	\$ 457,735



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
South Placer Municipal Utility District
Rocklin, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund of the South Placer Municipal Utility District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the South Placer Municipal Utility District's basic financial statements, and have issued our report thereon dated December 13, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the South Placer Municipal Utility District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the South Placer Municipal Utility District's internal control. Accordingly, we do not express an opinion on the effectiveness of the South Placer Municipal Utility District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the South Placer Municipal Utility District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sacramento, California
December 13, 2022

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

MANAGEMENT REPORT
FOR THE YEAR ENDED
JUNE 30, 2022

Mann Urrutia Nelson, CPAS & Associates, LLP
1760 Creekside Oaks Drive, Suite 160
Sacramento, CA 95833

MANAGEMENT REPORT

To Board of Directors
South Placer Municipal Utility District
Rocklin, California

In planning and performing our audit of the financial statements of the business-type activities of South Placer Municipal Utility District as of and for the year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered South Placer Municipal Utility District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of South Placer Municipal Utility District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of management, Board of Directors, and others within the South Placer Municipal Utility District, and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mann Urrutia Nelson CPAs & Associates".

Mann, Urrutia, Nelson, CPAs & Associates, LLP
Sacramento, California
December 13, 2022

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
SUMMARY OF CURRENT YEAR FINDINGS AND RECOMMENDATIONS
JUNE 30, 2022**

No current year findings or recommendations.

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
SUMMARY OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
JUNE 30, 2021**

No prior year findings or recommendations.



December 13, 2022

To the Board of Directors
South Placer Municipal Utility District

We have audited the financial statements of the business-type activities, and each major fund, of South Placer Municipal Utility District for the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 2, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by South Placer Municipal Utility District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by South Placer Municipal Utility District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District's financial statements were:

Management's estimate of the net pension liability is based on actuarial valuations. We evaluated the key factors and assumptions used to develop the net pension liability in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the depreciation is based on useful life. We evaluated the key factors and assumptions used to develop the depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimated of the other post-employment benefits is based on actuarial valuations. We evaluated the key factors and assumptions used to develop the other post-employment benefits in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The material misstatements in Attachment A summarize material misstatement detected as a result of audit procedures and were corrected by management. There were no uncorrected misstatements identified during our audit procedures.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 13, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to South Placer Municipal Utility District’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as South Placer Municipal Utility District’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management’s discussion and analysis (MD&A), the schedule of the District’s proportionate share of the net pension liability, the schedule of contributions to the cost-sharing defined benefit pension, and the schedule of changes in the District’s net OPEB liability and related ratios, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on supplementary information, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on Introductory Section of the Comprehensive Annual Financial Report, and the Statistical Section of the Comprehensive Annual Financial Report, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the information and use of Board of Directors and management of South Placer Municipal Utility District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Mann, Urrutia, Nelson CPAs & Associates, LLP

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
SUMMARY OF AUDIT ADJUSTMENTS
June 30, 2022**

<u>Description</u>	<u>Effect - Increase (Decrease)</u>				
	<u>Assets</u>	<u>Liabilities</u>	<u>Equity</u>	<u>Revenue</u>	<u>Expenses</u>
<u>Current Year Differences</u>					
To true up net position liability per actuarial report and valuation	\$ 708,026	\$ 350,130			\$ (357,896)
To adjust OPEB net liability as of June 30, 2022	\$ 912,674	\$ 724,184			\$ (188,490)
Total Income Statement Effect				<u>\$ -</u>	<u>\$ (546,386)</u>
Balance Sheet Effect	<u>\$ 1,620,700</u>	<u>\$ 1,074,314</u>	<u>\$ -</u>		

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
STAFF REPORT**

To: Board of Directors

From: Herb Niederberger, General Manager

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

Subject: Adopt Ordinance No. 22-03 – An Ordinance Revising District Sewer Code Chapters 2 and 3

Meeting Date: January 12, 2023

Overview

On December 1, 2022, the South Placer Municipal Utility District (District) Board of Directors: 1) Introduced the attached Ordinance No. 22-03 – An Ordinance Revising District Sewer Code Chapters 2 and 3, 2) Conducted a public hearing for Ordinance 22-03, and 3) Following said public hearing and board deliberation, scheduled the adoption of Ordinance 22-03 for the meeting of the Board of Directors on January 12, 2023, such that the Ordinance will become effective on February 13, 2023.

During the December 1st Board discussion of the item, the Board directed staff to reach out to the local Chambers of Commerce and the California Restaurant Association (CRA) for comments prior to the 2nd reading of the Ordinance. Staff transmitted the Ordinance and attachments to the Rocklin and Loomis Chambers and the CRA on December 6, 2022. To date no comments have been received.

Recommendation

Staff recommends that the Board of Directors:

1. Waive the second reading of Ordinance 22-03; and
2. Adopt Ordinance No. 22-03 – An Ordinance Revising District Sewer Code Chapters 2 and 3.

Strategic Plan Priorities

This action is consistent with the following Strategic Plan Priorities:

- Maintain an excellent regulatory compliance record
 - Reduce SSOs • Maintain a compliant Sewer System Management
 - Comply with Statewide Sanitary Sewer Systems General Order
- Prepare for the future and foreseeable emergencies
- Leverage existing and applicable technologies to improve efficiencies

Related District Ordinances or Policies

The District Sewer Code

Fiscal Impact

There is no direct fiscal impact associated with the adoption of this Ordinance. However, future imposition of fines and penalties will be treated as other revenue recognized in Fund 100.

Attachments

1. Ordinance 22-03 - An Ordinance Revising District Sewer Code Chapters 2 and 3
 - Exhibit A – Chapter 2
 - Exhibit B – Chapter 3

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

ORDINANCE NO. 22-03

AN ORDINANCE REVISING DISTRICT SEWER CODE CHAPTERS 2 AND 3

SECTION 1

The Board of Directors of the South Placer Municipal Utility District (the “District”) hereby finds and declares as follows:

- A. WHEREAS, the South Placer Municipal Utility District was formed and organized under the Municipal Utility District Act (the “MUD Act”) of the State of California (California Public Utilities Code Section 11501 et seq.), and is responsible for the collection and treatment of wastewater within its service area; and
- B. WHEREAS, on May 3, 2018, the District adopted Ordinance 18-01 creating the South Placer Municipal Utility District Sewer Code (the “Sewer Code”). The Sewer Code compiled the District’s ordinances into one document and reference location, making the laws of the District more accessible, readable and understandable to those persons governed by such laws, and by those persons administering such laws on behalf of the District; and
- C. WHEREAS, from time to time, the District can modify the Sewer Code and incorporate such changes by subsequent Ordinance; and
- D. WHEREAS, Chapter 2 governs the use of public and private sewers and establishes rules and regulations for services rendered by the District; and
- E. WHEREAS, the changes to Chapter 2 have the following primary goals:
 - 1) To ensure the Sewer Code is in conformity with recent legislation (specifically, SB-9, SB-897, and AB-2221), relating to the permitting of accessory dwelling units (ADUs), including the application and apportionment of District service charges and participation fees; and

2) To expand upon the District's ability to enforce its ordinances and policies to preserve and protect public health and safety, to abate public nuisances and allow for the imposition of civil and criminal penalties in appropriate circumstances. These enforcement mechanisms are intended to ensure compliance by the record owner of real property to correct violations and afford the District additional remedies authorized under the law, including the ability to recover attorneys' fees, expert witness fees, laboratory testing fees and other legally recoverable expenses incurred in such enforcement.

F. WHEREAS, Chapter 3 governs the use of public and private sewers and establishes the rules and regulations for the prevention of blockages of the sewer lines resulting from discharges of fats, oils, and grease (FOG) into the public sewer, and to specify appropriate FOG discharge requirements for food service establishments (FSEs).

G. WHEREAS, the District retained a recognized expert to propose revisions to Chapter 3 with the following goals:

- 1) To acknowledge the District's adaptive management program for FSEs and codify the District's transition from gravity grease interceptors to other grease control devices to trap, collect and treat FOG prior to its discharge to the public sewer; and
- 2) To specify the implementation of Best Management Practices to minimize the discharge of FOG.

H. WHEREAS, the Policy and Ordinance Advisory Committee met on November 3, 2022, to discuss the proposed changes to Sewer Code Chapters 2 & 3 and recommended that the revisions be incorporated into an ordinance to be brought before the Board of Directors for consideration.

F. WHEREAS, on December 1, 2022 and January 12, 2023, the Board conducted hearings on this ordinance to consider public testimony prior to its adoption.

NOW, THEREFORE, BE IT ENACTED BY THE BOARD OF DIRECTORS OF THE SOUTH PLACER MUNICIPAL UTILITY DISTRICT AS FOLLOWS:

SECTION 2

Chapters 2 and 3 of the District’s Sewer Code are hereby amended in accordance with Attachments A and B hereto.

SECTION 3

This Ordinance shall go into effect on February 13, 2023.

SECTION 4

This Ordinance was introduced at a regular meeting of the Board of Directors held on the 1st Day of December, 2022.

SECTION 5

Upon final passage, this Ordinance, or a summary of this Ordinance, shall be published once a week for two successive weeks in a newspaper of general circulation within the District, pursuant to the provisions of Sections 11534 and 11910 of the California Public Utilities Code.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the South Placer Municipal Utility District on this 12th day of January by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

Signed: _____

James T. Williams, President of the Board of Directors

ATTEST:

Emilie Costan, Board Secretary

South Placer Municipal Utility District Code

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CHAPTER 2 SEWER USE

CHAPTER 2.00 General

This Chapter in whole or in part is based on excerpts from Ordinance 09-02 adopted by the Board of Directors on July 2, 2009, and shall govern the use of public and private sewers and establish the rules and regulations for service and services rendered by the District.

CHAPTER 2.01 Definitions

As used in this Code, the following words and phrases shall have the meaning given in this chapter.

2.01.005 Accessory Dwelling Unit (ADU) and Junior Accessory Dwelling Unit (JADU)

Accessory Dwelling Unit (ADU) and Junior Accessory Dwelling Unit (JADU) shall have the meaning set forth in California Government Code Sections 65852.2 and 65852.22, as amended from time to time.

2.01.010 Board

Board of Directors of the South Placer Municipal Utility District (District).

2.01.015 Biochemical Oxygen Demand (BOD)

The quantity of Oxygen utilized in the biochemical oxidation of organic matter under standard laboratory procedure, five (5) days at twenty (20) degrees centigrade expressed in terms of weight and concentration (milligrams per liter (mg/l)).

2.01.020 Building Drain

That part of the lowest horizontal piping of a drainage system which receives the discharge from waste and other drainage pipes inside the walls of the building and conveys it to the building sewer two (2) feet outside the outer face of the building wall.

2.01.025 Building Sewer

A pipeline connecting a building drain to a public sewer, consisting of an upper lateral and a lower lateral.

2.01.030 Chemical Oxygen Demand (COD)

Chemical Oxygen Demand: Measurement of the oxygen required to oxidize soluble and particulate organic matter in water expressed in terms of weight and concentration (milligrams per liter (mg/l))

2.01.035 Collector Sewer

The public sanitary sewer main to which various building or private sewers are connected, owned and operated by the District.

2.01.040 District

The South Placer Municipal Utility District, a statutorily created district operating under the authority of and pursuant to the provisions of the California Municipal Utility District Act (Public Utility Code commencing at Section 11501 et seq).

2.01.045 District General Manager

The General Manager as appointed by the Board of Directors of the South Placer Municipal Utility District in accordance with the California Municipal Utility District Act (Public Utility Code commencing at Section 11501 et seq) or any District employee or agent of the District authorized by the General Manager to act on their behalf to enforce the provisions of this code.

2.01.050 District Specifications

The Standard Specifications and Improvement Standards for Sanitary Sewers prepared and ordered effective by the General Manager pursuant to the provisions of Section 11937(e) of the Municipal Utility District Act, Division 6, of the Public Utilities Code, and State of California. All work associated with wastewater systems shall be performed pursuant to and in compliance with this Code and the District Specifications.

2.01.055 Domestic Wastewater

Wastes originating in a residential facility or dwelling.

2.01.060 Equivalent Dwelling Unit (EDU)

The unit of measurement, used to determine design and fee requirements based on the typical average flow and strength of wastewater from a single family residential occupancy.

2.01.065 Fats, Oils, and Grease (FOG)

Non-petroleum organic polar compounds derived from animal or plant sources such as fats, non-hydrocarbons, fatty acids, soaps, waxes, and oils that contain multiple carbon chain triglyceride molecules. These substances are detectable and measurable using analytical procedures established in the 40 CFR Part 136

2.01.070 Food Service Establishment (FSE)

Any facility, including but not limited to, any commercial entity within the boundaries of the District, operating in a permanently constructed structure such as a room, building or place, or portion thereof, maintained, used or operated for the purpose of storing, preparing, serving or manufacturing, packaging or otherwise handling food for sale to other entities, or for consumption by the public, its members or employees, and which has any process or device that uses or produces FOG, or grease vapors, steam, fumes, smoke or odors that are required to be removed by an exhaust hood pursuant to California Health and Safety Code section 114149.1 or in accordance with the California Uniform Retail Food Facilities Law (CURFFL) (California Health and Safety Code sections 113700, et seq.). A limited food preparation establishment may not be considered to be an FSE when engaged only in reheating, hot holding, or assembly of ready to eat food products, provided that there is no wastewater discharge containing a significant amount of FOG. Mobile food trucks are considered an FSE and subject to the requirements of this Code.

2.01.075 Garbage

Solid wastes from the preparation, cooking and dispensing of food and from the handling, storage and sale of produce.

2.01.080 Industrial Wastewater

The liquid wastes originating from industrial processing.

2.01.085 Lower Lateral

That part of building sewer within the public right-of-way, extending from the property line or public sewer easement line, typically at the PLCO, to the public sewer, by gravity flow.

2.01.090 Multiple Dwelling

Any structure for residential occupancy consisting of more than one dwelling unit.

2.01.095 Non-Dispersible

Any item that requires more than 20 seconds to begin to disperse after contact with water. This includes "Flushable Products" that do not disperse and have structural strength and

do not tear easily, such as paper products, specifically paper towels and facial tissues, sanitary products such Baby Wipes and other cleansing products that are indestructible and advertised as flushable but are non-dispersible.

2.01.100 Non-residential Wastewater

Wastewater originating from sources other than residential discharges.

2.01.105 Owner / Applicant

The record owner of the real property being served or to be served by the District's wastewater system, or his duly authorized agent. The record owner of such real property shall be billed and liable to the District for the payment of all authorized fees, rates, tolls, rentals or other charges.

2.01.110 Participation Charge

Also known as a connection fee or development impact fee, the sum paid to the District in lawful money of the United States by any person, for the privilege of connecting to the District's facilities whether such connection is voluntary or mandatory. The District's facilities shall include local collection systems, trunk lines, treatment plants, and capacity.

2.01.115 Persons

Any individual, partnership, co-partnership, firm, company, association, society, corporation, joint stock company, trust, estate, governmental entity or any other legal entity, or their legal representatives, agents or assigns. The masculine gender shall include the feminine and the singular shall include the plural where indicated by context.

2.01.120 pH

The logarithm (base 10) of the reciprocal of the concentration of hydrogen ions expressed in grams per liter of solution.

2.01.125 Property Line Cleanout (PLCO)

The publicly-owned clean out installed on the building sewer near the public right-of-way, within the P.U.E., intended for access of the publicly owned Lower Lateral.

2.01.130 Private Sewer

Any sewer facilities which remain under private ownership by a single property owner.

2.01.135 Properly Shredded Garbage

Wastes from the preparation, cooking and dispensing of food which have been shredded to such degree that all particles will be carried freely under the flow conditions normally prevailing in public sewers, with no particle greater than 0.5 inches in any dimension.

2.01.137 Publicly Owned Treatment Works (POTW)

A wastewater treatment plant as defined by Section 212 of the Clean Water Act (33 United States Code 1291). The District's public sewer is a satellite wastewater collection system to the regional POTW located in the City of Roseville.

2.01.140 Public Sewer

A sewer in which all owners of abutting property have equal rights and is controlled by public authority.

2.01.145 Readily Accessible

Capable of being accessed quickly, and without obstruction, for maintenance, repair, or inspection without requiring the District or its agents, to uncover, remove obstacles or repair sewer facilities in order to use.

2.01.150 Service Charge

The periodic charge assessed to the real property owner by the District for the capability of conveying, treating and disposing of wastewater.

2.01.155 Sanitary Sewer

A sewer that carries wastewater or sewage and to which storm, surface, and groundwaters are not intentionally admitted.

2.01.160 Single Family Residence (SFR)

Any free-standing structure used for residential occupancy and consisting of one dwelling unit (excluding any free-standing structure which is an ADU within the meaning of California Government Code section 65852.2 and this Code).

2.01.165 Sanitary Sewer Overflow (SSO)

Any overflow, spill, release, discharge or diversion of untreated or partially treated wastewater from a sanitary sewer system.

2.01.170 Structure

A building or other constructed facility used for human occupancy, employment, recreation or other purpose.

2.01.175 Suspended Solids

The total suspended matter that floats on the surface of, or is suspended in, water, wastewater, or other liquids; and which is removable by laboratory filtering.

2.01.180 Uniform Plumbing Code (UPC)

The most current edition of the Uniform Plumbing Code published by the International Association of Plumbing and Mechanical Officials (IAPMO).

2.01.185 Upper Lateral

That part of the building sewer running from two (2) feet outside the outer face of the building wall to the public right-of-way; privately owned and maintained.

2.01.190 Wastewater

The liquid and water carrying industrial or domestic wastes from dwellings, commercial buildings, industrial facilities, FSEs and institutions, whether treated or untreated, which is discharged into or permitted to enter the public sewer and the POTW.

2.01.195 Wastewater Collection System

The pipe system and appurtenances for collecting and carrying water and water-carried wastes from domestic, non-residential and industrial sources to a wastewater treatment plant.

2.01.200 Wastewater System

All facilities for collecting, pumping, treating and disposing of wastewater.

2.01.205 Wastewater Treatment Plant (WWTP)

An arrangement of pipes, equipment, devices, tanks and structures for treating wastewater and industrial wastes.

2.01.210 Water Course

A natural or manmade channel in which a flow of water occurs, either continually or intermittently.

CHAPTER 2.02 PUBLIC SEWER

2.02.01 Permission Required

No person shall uncover, make any connections with or opening into, use, alter or disturb any public sewer or appurtenance without first obtaining permission from the District and paying all fees and charges as established under the provisions of this Code.

2.02.02 Protect from Damage

- A. No person shall maliciously, willfully, or negligently break, damage, destroy, uncover, deface, remove or tamper with any structure, appurtenance or equipment which forms any part of the District's public sewer system or any private sewer facility which may directly or indirectly affect any of the District's public sewer system.
- B. Any person violating the provisions of this Chapter shall be responsible for any and all costs, damages, repair and/or replacement of any structure, appurtenance or equipment caused to the District by such violations.

2.02.03 System Accessibility

- A. It is the customer's responsibility to ensure the Property Line Clean Out (PLCO) is readily accessible at all times. When a PLCO cannot be accessed by the District, the customer will be notified and shall correct the condition(s). If the issue is not rectified within 30 days after notification, District staff will make the correction(s) and the customer will be responsible for actual costs incurred.
- B. Representatives of the District shall have the right of ingress to the customer's premises at reasonable hours for any purpose reasonably connected with furnishing of sewer service.

2.02.04 Connection to the Public Sewer Required

- A. It is unlawful for the owner or lessee of any lot or parcel of land situated within the District, which lot or parcel has thereon a building equipped with any plumbing

fixture, to neglect or refuse to have any such buildings connected with the District wastewater collection system so that the drainage from each and every such plumbing fixture shall flow into the sewer; provided, that there is such a sewer in the street, alley or right-of-way near such lot or parcel of land and not more than 300 feet distant from such building. Domestic plumbing systems that incorporate nonpotable water reuse systems, such as gray water reuse systems, shall be exempt from this section provided that they are installed and constructed in accordance with local municipal ordinances or codes, the then current provisions of California Plumbing Code, Chapter 16 - Alternate Water Sources For Nonpotable Applications and Chapter 16A - Nonpotable Water Reuse Systems, governing the construction, alteration, discharge, use, and repair of gray water systems.

- B. When ordered by the District, or when and where the state, county, or city public health department determines a health hazard exists or is imminent, the owner of all structures, as defined within this Code, situated within the limits of the District and abutting on any street, alley or right-of-way or in proximity thereto in which there is located a public sewer of the District, is hereby required at his/her expense to connect such structures directly with the proper public sewer in accordance with the provisions of this Code, within 90 days after receipt of written, mailed notice to do so, provided said public sewer is within 300 feet of the nearest property line of the property containing such structures; unless otherwise waived by the General Manager upon exigent circumstances.
- C. In the event of a violation of this Chapter, the District may connect such structures to the public sewer and the owner or occupant of such structures shall be jointly and severally responsible to the District for the cost of such connection in addition to the regular participation charge, monthly service charge and any other reasonable and necessary charges imposed by the District and such costs shall become a lien on the real property pursuant to the applicable provisions of the Health & Safety Code of the State of California.

2.02.05 Prohibited Discharges

- A. No person shall discharge or cause to be discharged any storm water, surface water, ground water, roof run off, subsurface drainage, cooling water, refrigeration or air conditioner cooling water, swimming pool drainage from single family residences or industrial process waters to any public sewer.
- B. Except as hereinafter provided, no person shall discharge or cause to be discharged any of the following described waters, wastewaters or wastes to any public sewers:
 - 1. Any liquid or vapor having a temperature higher than 150-degrees F.

2. Any water or waste which may contain more than 100 parts per million, by weight, of FOG.
 3. Any gasoline, benzene, naphtha, fuel oil, or other flammable or explosive liquid, solid or gas.
 4. Any garbage that has not been properly shredded.
 5. Any discharge of wastes from recreational vehicles (RV) outside of permitted RV dump sites or camping sites.
 6. Any ashes, cinders, sand, mud, straw, shavings, metal, glass, rags, non-dispersible item, feather, fur, plastic, wood, paunch manure, or any other solid or viscous substances capable of causing obstruction to the flow in sewers and/or causing or with the potential to cause SSO's or other interference with the proper operation of the sewage works.
 7. Any waters or wastes having a pH lower than 5.5 or higher than 9.0 or having any corrosive property capable of causing damage or hazard to the structures, equipment, and personnel of the sewage works.
 8. Any waters or wastes containing a toxic or poisonous substance in sufficient quantity to injure or interfere with any sewage treatment process, constitute a hazard to humans or animals, or create any hazard in the receiving waters of the sewage treatment plant.
 9. Any waters or waste containing suspended solids of such character and quantity that unusual attention or expense is required to handle such materials at the sewage treatment plant.
 10. Any noxious or malodorous gas or substance capable of creating a public nuisance.
- C. The admission into the public sewers of any wastewater or wastes generated from any nonresidential type use shall conform to SPMUD Ordinance 88-3, the District's ordinance adopting Chapter 14.26 of the Municipal Code of the City of Roseville relating to industrial wastewater.
- D. Discharge from FSE's shall be in conformance with Chapter 3 of this Code, establishing requirements regarding Fats, Oils, and Grease.
- E. No provision of this Code shall be construed to prohibit any special agreement or contract between the District and any non-residential user whereby waste of unusual strength, characteristic or quantity as determined by this Code may be accepted for treatment, subject to payment therefore. Any agreement made in accordance with this section shall conform to provisions of this Code and Ordinance 88-3.

2.02.06 Preliminary Treatment:

- A. Where preliminary treatment facilities are provided for any wastewater or wastes, they shall be maintained continuously in satisfactory effective operation, by the owner at his expense.
- B. Grease, oil and sand interceptors, as required by the District, shall be provided for the proper handling of liquid wastes containing grease or any flammable wastes, sand or other harmful ingredients, except that such interceptors shall not be required for private living quarters or dwelling units.
- C. All interceptors shall be of a type and capacity approved by the District and shall be located as to be readily accessible for cleaning and inspection.
- D. All grease, oil and sand interceptors shall be maintained by the owner, at his expense, in continuously efficient operation, at all times.

CHAPTER 2.03 CHARGES AND FEES

2.03.01 Participation Charges – General

- A. No person shall connect any building sewer, alter, or change the use of any commercial structure or equivalent dwelling unit or portion thereof, or enlarge any commercial structure until a participation charge for each connection, enlargement, alteration, or change of use has been paid to the District as provided in this Code.
- B. The provisions of this Chapter are enacted pursuant to the provisions of Article IV, Chapter 6, Sections 5400 et seq. of the Health and Safety Code and Section 66000 of the Government Code. Pursuant to the provisions of Section 5474 of the Health and Safety Code all participation charges fixed herein for the privilege of connecting to the District's wastewater system shall be due and payable prior to such connection.
- C. Notwithstanding the preceding, payment of participation fees due the District from non-residential users may, at the District's discretion, be deferred and made payable over a period of time under such terms and conditions as may be imposed by the Board in accordance with District Policy 3350 – Deferred Participation Charges or any amendments thereto.

- D. In the event a structure is altered to produce more than a single EDU, an additional participation charge shall be due for each additional EDU or portion thereof produced. Payment of such fees and charges shall be the responsibility of the real property owner. Alterations of an existing residential structure to construct an ADU or JADU within the meaning of California Government Code Section 65852.2 or 65852.22, as amended, shall not be charged an additional Participation Charge, except as otherwise permitted by state statute and as provided in this Code.
- E. In the event additional participation charges become due from a structure previously connected to District's wastewater system, such charges shall become due immediately upon completion of the enlargement or alteration which results in additional participation charges and in the event such charges are not paid when due, the amount of such charges shall constitute a lien against the respective lots or parcels of land to which the facilities are connected. Prior to making such fees or charges a lien, the District shall give notice to the owners of the lots or parcels of land affected pursuant to the provisions of Section 5474 of the Health and Safety Code.
- F. In the event a connection, change in use or alteration of any commercial structure, enlargement of any commercial structure, or change in number of equivalent dwelling units within a structure has been made in violation of the provisions of this Section, the real property owner where such connection, alteration, change, or enlargement has occurred shall be responsible to the District for the payment of participation charges, and, in addition, may be required to disconnect the building sewer from the public sewer and reconnect to the public sewer under the District's supervision and shall be required to pay, in addition to such participation charge a reconnection charge in accordance with the District's Fee Schedule Resolution, together with all actual costs and expenses incurred by the District in making such reconnection. A basic participation charge for each equivalent dwelling unit shall be fixed and established by ordinance/code and may be changed from time to time by the Board of Directors in accordance with provisions of Sections 12809 and 14401 of the Public Utilities Code and Section 66000 of the Government Code.

2.03.03 Participation Charges – Commercial/Industrial:

Determination of Commercial or Industrial Equivalent Dwelling Units. For purposes of this Code, commercial or industrial EDU's shall be determined as follows:

A. General Regulations

1. Not Less than 1 EDU per building.
2. Prescribed participation charges apply only to the particular uses listed herein. Where multiple uses, and/or tenants within the meaning of this Code, are

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

3. No refunding of previously paid participation charges will be made where modifications are made to any structure which places it in a classification with a lower participation charge rate.
4. The real property owner shall be responsible for payment of any and all additional charges.

B. Low Strength-Low Quantity Commercial or Industrial Users-

For commercial or industrial units having wastewater strength of less than 200 mg/1 B.O.D. and/or suspended solids, and a quantity of less than 25,000 gpd, an EDU shall be determined as follows:

<ol style="list-style-type: none"> 1. Low Occupancy User <ol style="list-style-type: none"> a) Parking Garage b) Regional Distribution Facilities c) Storage Buildings 	Per every 5 Employees (NOT Less than 1 EDU)
<ol style="list-style-type: none"> 2. Low-Density Users <ol style="list-style-type: none"> a) Church (w/o Kitchen) b) Warehouse / Commercial Storage 	$\frac{1}{6}$ EDU per 1,000 sq. ft.
<ol style="list-style-type: none"> 3. Medium Density User <ol style="list-style-type: none"> a) Church (w/ Kitchen and Meeting Hall) b) School (w/o Cafeterias and w/o Gymnasiums w/ Showers) c) Bowling/Entertainment Center (w/o Showers) d) Day Care Center (w/o Kitchen) e) Sports/Fitness Center (w/o Showers) f) Retail Store g) Bank/Offices (Other than Medical/Dental) h) Chiropractor's Office i) Theatres (Theaters that provide dining services shall be considered a FOG producing FSE) j) Auditorium/Halls/Lodges 	$\frac{1}{3}$ EDU per 1,000 sq. ft.

<p>4. High Density User.</p> <ul style="list-style-type: none"> a) Barber/Beauty Shop/Nail Salon b) School (w/ Cafeterias or Gymnasiums w/ Showers) c) Bowling/Entertainment Center (w/ Kitchen) d) Day Care Center (w/ Kitchen) e) Sports/Fitness Center (w/ Showers) f) Medical/Dental Facility g) Service Station / Mechanic Shop h) Pet Grooming Center i) Veterinary Clinic j) Bars k) Coffee Shops/Kiosks(w/ limited food preparation) l) Ice Cream / Frozen Yogurt / Shaved Ice 	<p>$\frac{2}{3}$ EDU per 1,000 sq. ft</p>
<p>5. Special Commercial User</p> <ul style="list-style-type: none"> a) Car Wash (per Automatic Wash Stall) b) Car Wash (per Self-service Wash Stall) c) Laundromat d) Market/Mini-market (w/o Disposal) e) Market/Mini-market (w/ Disposal) f) FSE (FOG producing establishment) g) FSE (Non FOG Producing Establishment, w/ limited food preparation) h) FSE Outside/Overflow Dining Area <ul style="list-style-type: none"> i. w/ Covered Area ii. w/o Covered Area, but fenced i) Mortuaries j) Hospital k) Rest Home/Convalescent Hospital/Memory Care/Assisted Living l) Camping/Recreational Vehicle Site m) Recreational Vehicle Dump Site n) Hotel/Motel Unit (w/ Kitchen) o) Hotel/Motel Unit (w/o Kitchen) 	<p>8 EDU per Unit 2 EDU per Unit $\frac{2}{3}$ EDU per Washer $\frac{2}{3}$ EDU per 1,000 sq. ft. 2 EDU per 1,000 sq. ft. 2 EDU per 1,000 sq. ft. 1 EDU per 1,000 sq. ft.</p> <p>2 EDU per 1,000 sq. ft. 1 EDU per 1,000 sq. ft. 2 EDU per 1,000 sq. ft. $\frac{1}{2}$ EDU per Licensed Bed $\frac{1}{3}$ EDU per Licensed Bed</p> <p>$\frac{1}{2}$ EDU per Site 1 EDU per Site 1 EDU per Unit $\frac{1}{2}$ EDU per Unit</p>
<p>6. Other Commercial/Industrial Users not listed</p>	<p>Based on a Study authorized by the General Manager</p>

2.03.04 Participation Charges – High Strength-High Quantity Commercial or Industrial Users

- A. For commercial or industrial users having wastewater strength of greater than 300 mg/l BOD or COD and 50mg/l suspended solids, and/or a quantity of greater than

or equal to 25,000 gallons per day (gpd), and/or requiring either special handling or treatment, an EDU shall be determined as follows:

$$EDU's = \frac{gpd}{175} \left[0.61 + \frac{BOD \text{ or } COD, \text{ mg/L}}{300} (0.22) + \frac{suspended \text{ solids } \text{ mg/L}}{50} (0.17) \right]$$

1. In addition, special treatment and/or handling costs may be added as determined by the General Manager.
2. Industrial processing plants and similar heavy or unusual uses not classified by the provisions of this Code shall be charged participation charges and fees as determined by the General Manager.

2.03.05 Participation Charges – Residential

- A. Determination of Residential Equivalent Dwelling Units. For purposes of this Code, Residential Equivalent Dwelling Units (“EDU’s”) shall be determined as follows: All dwelling units, including, but not limited to single family homes, duplexes, condominiums, mobile homes, and apartments shall be one (1) EDU per living unit, except for Accessory Dwelling Units (“ADUs”) and Junior Accessory Dwelling Units (“JADUs”), as provided below:

ADU.

As defined in California Government Code Section 65852.2, an ADU means an attached or a detached residential dwelling unit that provides complete independent living facilities for one or more persons and is located on a lot or parcel of land with a proposed or existing primary residence. It shall include permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family or multifamily dwelling is or will be situated. An accessory dwelling unit also includes the following:

(A) An efficiency unit as defined in California Health & Safety Code Section 17958.1.

(B) A manufactured home, as defined in Section 18007 of the Health and Safety Code.

1. An ADU shall not be considered a Residential EDU for the purposes of the assessment of a Participation Charge, and shall not be assessed a Participation Charge, provided the following conditions are met as specified in Government Code Section 65852.2 and the ADU complies with all requirements of the local agency having jurisdiction over the permitting and construction of the ADU in the District service area where it is located:

- a. The ADU is not intended for sale separate from the primary residence and may be rented. If the ADU is built on a portion of the lot or parcel of land that is subsequently split from the primary residential parcel, the ADU shall be considered a separate Residential EDU for the purposes of the assessment of a Participation Charge.
- b. The ADU is either attached to the existing dwelling and located within the living area of the existing dwelling or detached from the existing dwelling and located on the same lot or parcel of land as the existing dwelling.
- c. The increased floor area of an attached ADU shall not exceed 50 percent of the existing living area, with a maximum increase in floor area of 1,200 square feet.
- d. The total area of floorspace for a detached ADU shall not exceed 1,200 square feet.

JADU.

2. As defined in California Government Code Section 65852.22, a JADU is defined as a unit that is no more than 500 square feet in size and contained entirely within a single-family residence. A JADU shall not be considered a Residential EDU for the purposes of the assessment of a Participation Charge, and shall not be assessed a Participation Charge, provided the following conditions are met as specified in Government Code Section 65852.22 and the JADU complies with all requirements of the local agency having jurisdiction over the permitting and construction of the JADU in the District service area where it is located. A local agency JADU ordinance:

- (a) Limits the number of junior accessory dwelling units to one per residential lot or parcel of land zoned for single-family residences with a single-family residence built, or proposed to be built, on the lot or parcel of land.
- (b) Requires owner-occupancy in the single-family residence in which the junior accessory dwelling unit will be permitted. The owner may reside in either the remaining portion of the structure or the newly created junior accessory dwelling unit. Owner-occupancy shall not be required if the owner is another governmental agency, land trust, or housing organization.
- (c) Requires the recordation of a deed restriction, which shall run with the land, shall be filed with the permitting agency and submitted to the District, and shall include both of the following:

1. Prohibits the sale of the junior accessory dwelling unit separate from the sale of the single-family residence, including a statement that the deed restriction may be enforced against future purchasers.
2. Restricts the size and attributes of the junior accessory dwelling unit that conforms with this section.
 - (d) Requires a permitted junior accessory dwelling unit to be constructed within the walls of the proposed or existing single-family residence.
 - (e) Requires a permitted junior accessory dwelling to include a separate entrance from the main entrance to the proposed or existing single-family residence.
 - (f) Requires the permitted junior accessory dwelling unit to include an efficiency kitchen, which shall include all of the following:
 - (1) A cooking facility with appliances.
 - (2) A food preparation counter and storage cabinets that are of reasonable size in relation to the size of the junior accessory dwelling unit.
3. Any other living unit that is not an ADU or JADU shall be considered a Residential EDU and shall pay the appropriate Participation Charge as authorized by this code.

ADUs and JADUs shall be assessed one (1) EDU for the purposes of Monthly Service Charges.

- A. There shall be no participation charge for a central recreation building or washroom in a residential mobile home park, condominium or apartment complex so long as the use thereof is restricted to occupants of the mobile home park, condominium or apartments. The real property owner shall substantiate the private, restricted use of said facilities in writing to the District.

2.03.04 Monthly Service Charges – General

- A. A monthly service charge for each equivalent dwelling unit shall be fixed and established by ordinance/code and may be changed from time to time by the Board of Directors in accordance with provisions of Sections 12809 and 14401 of the Public Utilities Code. The monthly service charge for multiple dwelling units shall be the basic EDU rate multiplied by the number of equivalent dwelling units.
- B. In the event a structure is altered to produce more than a single EDU, including the addition of an ADU or JADU on the property, an additional monthly service charge shall be due for each additional EDU or portion thereof produced. Payment of such charges shall be the responsibility of the real property owner.
- C. The real property owner shall remain liable for the monthly service charge as long as the building sewer is connected to the public sewer system, regardless of vacancy. Before an owner can be removed from billing for monthly service charges, the building sewer shall be physically disconnected from the public system at the property line cleanout or point of connection with the public system in accordance with the District Specifications. Reconnection shall be made under the direction of the District. All work and costs shall be the responsibility of the owner and shall be inspected and approved by the District. In cases of vacancy where the property is not physically disconnected, the service charge shall be based on the classification of the last occupant(s) of the structure.

2.03.05 Monthly Service Charges – Commercial/Industrial

- A. The Determination of Monthly Service Charges for Commercial or Industrial EDU's shall be as follows:
 - 1. For purposes of this Code, the monthly service charge, which is billed quarterly, for Low Strength-Low Quantity commercial or industrial EDU's shall be determined in accordance with the classifications set forth in 2.03.003 B. for sewer participation charges.

2. The monthly service charge, which is billed quarterly, for High Strength-High Quantity commercial or industrial EDU's shall be determined in accordance with the formula set forth in 2.03.004 for sewer participation charges.
 - a. In addition, special treatment and/or handling costs may be added as determined by the General Manager.
 3. In no case shall the monthly service charge for a structure be less than one (1) EDU per business. Quarterly service charge billings shall be in the name of and be the responsibility of the real property owner.
 4. Industrial processing plants and similar heavy or unusual uses not classified by the provisions of this Code shall be charged monthly service charges and fees as determined by the General Manager.
- B. Unoccupied Use – In cases of vacancy where commercial property is not physically disconnected from the sewer, the service charge shall be based on the classification of the last occupant(s) of the structure, unless the owner makes written application for a change in use from “occupied” to “unoccupied”. A commercial property owner is, under certain conditions, eligible for a reduction in monthly service charges for a building/space when a “change in use” from “occupied” to “unoccupied” occurs.
1. The building/space shall have been unoccupied for a continuous three-month period immediately preceding the request for a change in use. Waiver or reduction in the ongoing service charge applicable for the last occupied use will not be made for this three-month or prior periods.
 2. The property owner shall apply (on a form to be provided by the District) for the change in use from occupied to unoccupied for the reduction in the monthly service charge. Reapplication for the reduction in the monthly service charge shall be made by the owner on a quarterly basis. The Application for an ongoing unoccupied use shall be received by the District between the 15th and 21st day of the end month of the applicable billing quarter (i.e. Mar., Jun., Sept., Dec.).
 3. In the event a building/space remains unoccupied and the owner does not reapply, the monthly service charge shall revert to the last occupied use.
 4. The minimum charge for the unoccupied use shall be calculated at 1/3 EDU per 1,000 square feet (sq.ft.), (but not less than 1 EDU per building/space when the square footage is less than 3,000 sq. ft).

5. The property owner shall promptly notify the District when re-occupancy occurs. This application terminates upon re-occupancy.
6. The property/customer account must be current (no past due balances) for the application to be considered.
7. The District shall be notified of any change in property ownership. Any Application and the terms and conditions in effect at the time of a transfer or sale of the property will be binding on the successor.

2.03.06 Monthly Service Charges – Residential

- A. The Determination of Monthly Service Charges for Residential EDU's shall be as follows:
 1. For purposes of this Code the monthly service charge, which is billed quarterly, for residential EDU's shall be determined as follows: Dwelling units, including, but not limited to single family homes, duplexes, condominiums, mobile homes, secondary living units and apartments shall be one (1) EDU per living unit.
 2. In no case shall the monthly service charge for a residential structure be less than one (1) EDU per dwelling unit. Quarterly service charge billings shall be in the name of and be the responsibility of the real property owner.

2.03.07 Lifeline Low-Income Rate Assistance Program.

- A. Every qualified household shall receive a discount of \$5.00 per month on utility rates.
 1. The program will be limited on an annual basis to the first 500 households who apply to participate in the program and qualify under the income eligibility requirements. Staff shall establish a process to accept and select qualifying households. The process shall include a provision that should more than 500 households apply and qualify and additional District resources from delinquent fees are prudently available for use as determined by District staff such that additional eligible households may participate, the additional eligible households shall be selected by random lottery.
- B. Qualified Households – Only an owner-occupant of residential property who is currently billed as a customer of the District is eligible to apply. To qualify, the total combined gross annual income (based on the number of household members) of all persons residing in a dwelling unit must be at or below the

amount currently in the use by the Pacific Gas and Electric Company California Alternative Rates for Energy (CARE) program available for residential single-family occupants.

1. Applicants must submit to the Administrative Services Department proof of their eligibility in the CARE program to qualify.
 2. The total income of all adult residents in the household, who actually occupy the dwelling unit, must meet the income requirements for the CARE Program.
- C. Each household shall be required to re-qualify on an annual basis and shall submit the updated proof of PG&E CARE program eligibility to the District as part of the requalification.

2.03.08 Charges and Fees – Other Regulations

- A. Pursuant to the provisions of Section 12811 of the Public Utilities Code, all fees, tolls, rates, rentals or other charges established by the provisions of this Code may be collected by any lawful means including an action at law and all remedies for the collection and enforcement thereof are cumulative and may be pursued alternatively or consecutively.
- B. Pursuant to the provisions of Section 12811.1 of the Public Utilities Code, the owner of record of real property within the District is required to pay the fees, tolls, rates, rentals, or other charges for services rendered to a lessee, tenant, or other occupant of the property and those fees, tolls, rates, rentals and other charges that have become delinquent together with interest and penalties thereon, will constitute a lien on the property when a certificate is filed in the Office of the County Recorder and such lien has the force, effect, and priority of a judgment lien.
- C. Any fees, rates, or charges imposed or established by the provisions of this (all) Code(s) shall not exceed the reasonable cost to the District of the rendition of the service for which the fee or charge is imposed.

CHAPTER 2.04 APPLICATION PERMITS

2.04.01 Compliance with District Regulations

- A. Any application to connect to the District's sewer system shall comply with all District specifications, codes, ordinances, rules, and regulations.

- B. All multiple residential complexes, commercial establishments and other non-residential type use shall include a completed Declaration of Density form provided by the District. The Declaration of Density shall be completed by the real property owner at the time that sewer service is applied for.

2.04.02 Classes of Applications

- A. There shall be three (3) classes of sewer applications as follows:
 - 1. For residential service.
 - 2. For commercial service.
 - 3. For service to establishments producing industrial wastes.

2.04.03 Application for Permit:

- A. In cases where connection is required to an existing lower lateral, the owner/applicant shall make application on the Participation Application form provided by the District and pay the applicable inspection fees in accordance with the District's Fee Schedule Resolution.
- B. In the case of subdivisions and/or construction of public sewer facilities to be dedicated to the District, no application shall be accepted by the District until said facilities have been constructed and accepted by the District, unless otherwise authorized by the General Manager.
- C. The plan check and inspection fees for construction of such public sewer facilities shall be paid in accordance with the District's Fee Schedule Resolution.
- D. In cases where the owner/applicant must construct an individual building sewer to an existing collector sewer, all procedures and work shall conform to applicable sections of the District Specifications. The owner/applicant shall be responsible for all fees and costs in accordance with the District's Fee Schedule Resolution.
- E. The Participation Application shall be supplemented by any other information considered pertinent by the General Manager.
- F. All participation charges shall be paid at the time of application for service.
- G. No application for sewer service will be accepted without a copy of a valid building permit.

CHAPTER 2.05 SEWER DESIGN AND CONSTRUCTION REQUIREMENTS

2.05.01 General

The design and construction of building sewers, private sewers, and public sewers shall be in conformance with this Code and the District Specifications.

2.05.02 Building Sewers

- A. All costs and expenses incidental to the installation and connection of any building sewer to the District's facilities shall be borne jointly and severally by the owner/applicant thereof and said owner/applicant shall indemnify the District from loss or damage that may directly or indirectly be occasioned to any party by the installation of the building sewer.
- B. A separate and independent building sewer shall be provided for every structure on a parcel; provided, however, that the provisions of this Section may be waived by the General Manager.
 - 1. If waived by the General Manager, two or more structures on a single parcel under one ownership may be served by the same common building sewer if it is unlikely, under local agency zoning and general plans, that the parcel can be subdivided in the future
 - 2. If for any reason, the property is subsequently divided, each building is required to then be separately and independently connected to the public sewer. It shall be unlawful for the owner(s) of the subdivided property to thereafter continue to use in common the same building sewer.
 - 3. No additional structure(s) on a single parcel shall connect to or be served through any other structure's building drain.
 - 4. Any additional structure(s) on a single parcel where the wastewater must be lifted by artificial means for discharge shall be separately and independently connected to a collector sewer.
- C. No backfill shall be placed until the work has been inspected by the District, and in the event of a violation of this requirement, the sewer facilities must be uncovered at the owner/applicant's expense, and the District shall have the right to disconnect said property from the District sewer system until such violation is corrected. The owner of said property shall pay to the District a reconnection charge in accordance with the District's Fee Schedule Resolution prior to the reconnection, together with all costs and expenses incurred by the District in making such reconnection.

- D. Existing building sewers may be used in connection with new structures only when they are found, after examination and test, to meet all of the requirements of the District Specifications. All examinations and testing shall be done by the real property owner under District inspection. Said owner shall be responsible for all associated costs for such examinations and testing and shall be responsible to correct all deficiencies at his/her expense prior to making connection; provided however, that in cases when the building sewer lower lateral has previously been in service with the District, the District may opt to perform repairs on the lower lateral at its expense.
- E. Any damage to the District sewer facilities caused as a result of the installation of a building sewer shall be the responsibility of the owner/applicant, and the owner/applicant shall be responsible for all costs incurred by the District.

2.05.03 Private Sewers

- A. All private sewer systems shall be designed and constructed in accordance with applicable sections of this Code and District Specifications.
- B. The District shall have the right to inspect the installation and/or repair of all private laterals, mains and appurtenances, and the owner/applicant or operator shall be obligated to pay to the District applicable fees and costs in accordance with the District's Fee Schedule Resolution.
- C. In the case of mobile home parks, as with all private sewer systems, all in-tract laterals, mains, and appurtenances shall be and remain the property of the mobile home park owners, and the District shall have no obligation to operate, maintain, repair or replace any private facilities.

2.05.04 Public Sewers – Main Extensions

- A. Main Extensions. Each property owner is responsible for the installation of a collector sewer across the property frontage or through the property, as the case may be, to serve additional land in the natural drainage or shed area. Said installation shall be made at the sole cost of the owner/applicant or developer of the property or property frontage.
- B. There shall be on file in the District's office a Master Plan or System Evaluation and Capacity Assurance Plan (SECAP) showing the District's existing and proposed trunk sewer system (Trunk Sewer Mains and Major Facilities) to accommodate future growth.

1. In the event that the connection of a structure or property to the District's sewer system involves a main extension which forms a part of the District's existing or proposed trunk system (Major Facilities) as shown in the aforesaid Master Plan or SECAP, the District may participate in the cost of installation of said main extension to the extent that the amount or size of pipe and appurtenances involved constitute a benefit to the District generally and the cost of such main extension and appurtenances benefiting only the owner/applicant or developer of the property or structure shall be borne by such owner/applicant or developer.
 2. In the event that the connection of a structure or property to the District sewer system does not involve an extension to the District trunk system as shown by the aforesaid Master Plan or SECAP, said installation shall be made at the sole cost of the owner/applicant or developer.
- C. In the event the District requires that an owner/applicant or developer construct or reconstruct sewers of a size larger than would normally be required to serve the real property owner/applicant or developer, the District may agree in writing to participate in the cost of the oversizing of such facilities.
1. In no event shall the District be obligated to participate in the cost of oversizing such facilities that have already been constructed and accepted by the District.
- D. The District may, in its discretion, negotiate and enter into a Credit or Reimbursement Agreement under the terms of Chapter 4 of this Code, whereby a property owner or developer may obtain credits in lieu of payment of sewer Participation Charges for the construction of Trunk Sewer Mains and Major Facilities (as defined in 4.01.035) and/or seek reimbursement for the costs of construction of Major Facilities under the eligibility criteria set forth herein.
1. In no event shall the District be obligated to consider, negotiate or enter into any Credit or Reimbursement Agreement for facilities that have already been constructed and accepted by the District.
- E. The District may, in its discretion, negotiate and enter into refund agreements with the owner of lands in cases where such lands are being improved and the owner has or will install facilities which can be used for the benefit of property adjacent to but not participating in the original cost of construction. The amount of refund agreement shall be computed solely upon the quantity of sewer actually installed using a Schedule of Values for Pipeline Construction Costs adopted by Board Resolution,

1. In no event shall the District be obligated to consider, negotiate or enter into any refund agreement for facilities that have already been constructed and accepted by the District.
 2. In no event shall the obligation assumed by the District pursuant to any refund agreement extend beyond the term of 10 years from the date of such agreement.
- F. All public sewer main extensions and/or installations shall be within public rights of way or properly granted/dedicated easements to the District.
- G. District funds representing basic participation charges shall not be used for the purpose of financing or in any way participating in the cost of wastewater collection systems required by the District to be built by others.

CHAPTER 2.06 VIOLATIONS

2.06.01 Public Nuisance

A violation of this Code shall constitute a public nuisance and may be abated by legal action.

2.06.02 Notice to Correct

Any violation of this Code must be corrected by the record owner of the real property immediately upon notification by the General Manager to do so, and in the event such violation is not corrected within five (5) days after such notification, the District may pursue any remedy available to it under the law, including a declaration that such violation constitutes a public nuisance. Such remedies include, but are not limited to, the following:

A. Issuance of Notices to Correct, Warnings of Non-Compliance, Notice of Violation, and Cease and Desist Orders. When the District finds that a discharge of wastewater is taking place or threatening to take place in violation of prohibitions or limits of this Sewer Code or wastewater source control requirements or the provisions of a wastewater discharge permit, the General Manager or their designated representative, may issue Notices to Correct, Warnings of Non-Compliance, Notice of Violation, and Cease and Desist Orders and direct that those persons not complying with such prohibitions, limits, requirements, or provisions (1) comply forthwith, (2) comply in accordance with a time schedule set by the General Manager or their designated representative, or (3) in the event of a threatened violation, take appropriate remedial or preventative action.

B. Requiring Discharger to Submit Schedule of Remedial or Preventive Measures. When the General Manager or their designated representative, finds that a discharge of

wastewater is taking place or threatening to take place that violates or will violate prohibitions or limits prescribed by this Sewer Code or wastewater source control requirements or the provisions of a wastewater discharge permit, the General Manager or their designated representative, may require the discharger to submit for approval of the District, with such modifications as he deems necessary, a detailed time schedule of specific actions the discharger shall take in order to correct or prevent a violation of requirements.

C. **Damage or Theft or Vandalism to Facilities.** When the discharge of wastewater causes an obstruction, damage, or other impairment to District facilities, the District may recover costs from the discharger to correct the problem caused by the discharger. District facilities include, but are not limited to, pipes and appurtenances, manholes, cleanouts, lift stations, fences, gates and access roads.

D. **Termination of Service.** The District may terminate or cause to be terminated wastewater disposal or wastewater service to any premises if a violation of any provision of this Sewer Code pertaining to control of wastewater is found to exist or if a discharge of wastewater causes or threatens to cause a condition of contamination, pollution, or nuisance, as defined in this Sewer Code. This provision is in addition to other statutes, rules, or regulations authorizing termination of service for delinquency in payment, or for any other reason.

2.06.03 Costs and Expenses

Any costs and expenses incurred by the District in correcting violations and/or pursuing any remedy available to it under the law, including all attorneys' fees, expert witness fees, laboratory testing fees and all other related expenses, shall be the responsibility of the record owner of the real property.

2.06.04 Civil and Criminal Penalties

A. Any person violating the provisions of this Code shall be subject to any and all existing criminal and civil penalties provided for under the laws of the State of California, and in addition thereto, shall be responsible to the District for any and all damages caused to the District by such violations. These include the following:

1. **Civil Liability Penalties.** Civil liability may be imposed by the District in the manner provided in this Section as follows:

a. In an amount which does not exceed one thousand dollars (\$1,000) for each day for knowingly or willfully failing or refusing to furnish technical or monitoring reports.

b. In an amount which does not exceed five thousand dollars (\$5,000) for each

day of intentionally or negligently discharging hazardous waste, as defined in Section 25117 of the Health and Safety Code, knowingly falsifying any information provided in any furnished technical or monitoring report.

c. In an amount which does not exceed ten dollars (\$10) per gallon for discharges in violation of any of the District's cease and desist or other orders, or prohibitions issued, reissued, or adopted by the District.

d. In an amount that covers the costs of staff time and equipment and material costs.

e. For specific violations, the District may adopt a schedule of fines for appropriate offence that shall be adopted and updated by Resolution.

B. Criminal Penalties

1. Any person who intentionally discharges wastewater in any manner, in violation of any order issued by the General Manager or their designee, which results in contamination, pollution, or a nuisance, as defined in this Ordinance, is guilty of a misdemeanor and may be subject to criminal penalties of not more than \$1,000 per day for each such violation, including, but not limited to, any violation of pretreatment standards or requirements.

2. Any person who knowingly makes any false statement or representation in any record, report, plan, or other document filed with the District, or who falsifies, tampers with, or knowingly renders inaccurate any monitoring device or method required by the District, shall be punished by a fine of not more than twenty-five thousand dollars (\$25,000) or by imprisonment in the county jail for not more than six months, or by both.

C. Civil Enforcement Remedies

The District may pursue any of the alternative civil remedies herein against any discharger who violates the provisions of this Sewer Code.

1. Civil Enforcement Penalties.

a. Any person who fails to comply with any order issued by the District, including orders related to pretreatment standards or requirements, shall be subject to a civil penalty not to exceed ten thousand dollars (\$10,000) for each day in which the discharge, violation, or refusal occurs.

b. Any person who intentionally or negligently violates any Notice to Correct issued by the District for violation of rules regulating or prohibiting discharge of wastewater which causes or threatens to cause a condition of contamination, pollution or nuisance, as defined in this article, may be liable civilly in a sum not to exceed twenty-five thousand dollars (\$25,000) for each day in which the violation occurs. The District's legal counsel, upon request of the District's Board of Directors, shall petition the Superior Court to impose, assess, and recover such

sums.

c. Injunction. Whenever a discharge of wastewater is in violation of the provisions of this Ordinance, including but not limited to violation of a pretreatment standard or requirement, or otherwise causes or threatens to cause a condition of contamination, pollution, or nuisance, or whenever non-discharge violations occur including failure to submit a required report or failure to allow the District's inspectors access to an industrial facility, the District may petition the Superior Court for the issuance of a preliminary or permanent injunction, or both, as may be appropriate, restraining the continuance of such violations.

D. Appeals

1. In accordance with Sewer Code Section 1.15.010, any permit applicant, permit holder, or Discharger affected by any action denying a permit application, modifying a permit, or issuing a issue Warnings of Non-Compliance, Notice of Violation and Cease and Desist Orders or any other order made by the General Manager or their designated representative in implementing the provisions of this Sewer Code, may file with the District a written request for reconsideration or appeal of the General Manager's decision to the Board of Directors.

CHAPTER 2.07 MISCELLANEOUS PROVISIONS

2.07.01 Conflicts

In the event of a conflict between any provision of this Code and the provisions of any other ordinance, rule or regulation promulgated by any California city or county or by any federal or state agency, the provisions of this Code shall prevail except in cases where Federal or California law provide otherwise.

2.07.02 Severability

It is hereby declared that in the event any provision or section of this Code is declared void or invalid by any Court of competent jurisdiction, that the remaining sections of the Code shall not be affected thereby, and it is the intent of said Board of Directors to enact each and every, all and singular, of the provisions of this Code irrespective of any provision which may be declared null and void.

2.07.03 Vested Contractual Rights Not Affected

No provision of this Code shall be construed as altering or affecting any vested contractual rights between the District and any person, firm, or corporation with whom a valid contract exists as of the effective date of this Code.

2.07.04 Prior Ordinance Repealed

Prior Ordinances of South Placer Municipal Utility District affecting items in this Code are hereby repealed as of the date of adoption of this Code by the Board.

South Placer Municipal Utility District Code

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CHAPTER 3 FATS, OILS & GREASE

CHAPTER 3 .00 GENERAL

3.00.001 Purpose

- A. This Chapter in whole or in part is based on excerpts from Ordinance 09-01 adopted by the Board of Directors on March 5, 2009, and shall govern the use of public and private sewers and establish the rules and regulations for the prevention of blockages of the sewer lines resulting from discharges of fats, oils, and grease (FOG) into the public sewer, and to specify appropriate FOG discharge requirements for food service establishments (FSEs).

- B. The requirements of this Code shall supplement and be in addition to the requirements of the Districts Ordinance 01-01, and amendments updates, and/or replacements thereto, establishing rules and regulations for services rendered by South Placer Municipal Utility District, and the District's Ordinance 88-3, an ordinance adopting Chapter 14.26 of the Roseville Municipal Code related to Industrial Wastewater, and amendments thereto.
 - 1. This Code shall apply to both direct and indirect discharge of wastewater containing FOG carried to the public sewer.
 - 2. The provisions set forth in this Code are designed to ensure compliance with federal, state, and local laws and regulations, and to allow the District to meet applicable standards.
 - 3. This Code also establishes quantity and quality standards on all discharges containing FOG, which may alone or collectively cause or contribute to FOG accumulation in the sewer facilities causing or potentially causing or contributing to the occurrence of sanitary sewer overflows (SSOs).

CHAPTER 3 .01 DEFINITIONS

Unless otherwise defined herein, terms related to water quality shall be as adopted in the latest edition of Standard Methods for Examination of Water and Wastewater, published by the American Public Health Association, the American Water Works

Association, and the Water Environment Federation. Testing procedures for waste constituents and characteristics shall be as provided in 40 Code of Federal Regulations 136. Subject to the foregoing, the meaning of the terms used in this Code shall be as follows:

3.01.005 Automatic Grease removal device (GRD)

A hydromechanical grease interceptor that automatically, mechanically removes non-petroleum fats, oils, and grease (FOG) from the interceptor, the control of which are automatically initiated. GRDs shall be certified to ASME A112.14.4 and/or CSA B481.5.

3.01.010 Best Management Practices (BMPs)

Best Management Practices are activities, prohibitions, maintenance procedures, and other management practices to prevent or reduce the direct or indirect introduction of FOG into the public sewer.

3.01.015 Board

Board of Directors of the South Placer Municipal Utility District (District).

3.01.020 Change in operations

Any change in the ownership, food types, or operational procedures that have the potential to change the amount of FOG discharged by FSEs in an amount that alone or collectively causes or creates a potential for SSOs to occur.

3.01.025 Collection system

Portions of the public sewer consisting of all pipes, sewers, and conveyance systems conveying wastewater to the publicly owned treatment works excluding privately owned sewer lateral line connections.

3.01.030 Compliance schedule

A time schedule, enforceable under the provisions of this Code that contains increments of progress (e.g. milestones, in the form of dates). These milestones shall be for the commencement and/or completion of major events leading to the construction and operation of additional pretreatment facilities or the implementation of policies, procedures, or operational management techniques required for permittees to comply

with all applicable federal, state, or local environmental regulations which may directly or indirectly affect the quality of the permittee's wastewater.

3.01.040 Discharger

Any person who discharges or causes a discharge of wastewater directly or indirectly to the public sewer.

3.01.045 District

The South Placer Municipal Utility District, a statutorily created district, operating under the authority of and pursuant to the provisions of the California Municipal Utility District Act (Public Utility Code commencing at Section 11501 et seq).

3.01.050 District General Manager

The General Manager as appointed by the Board of Directors of the South Placer Municipal Utility District in accordance with the California Municipal Utility District Act (Public Utility Code commencing at Section 11501 et seq) or any District employee or agent of the District authorized by the General Manager to act on their behalf to enforce the provisions of this code.

3.01.055 District Specifications

The District's Standard Specifications and Improvement Standards for Sanitary Sewers prepared and ordered effective by the General Manager pursuant to the provisions of Section 11937(e) of the Municipal Utility District Act, Division 6, of the Public Utilities Code, State of California and as delineated in Chapter 5 of this Code. All work associated with wastewater systems shall be performed pursuant to and in compliance with this Code and the District Specifications.

3.01.060 Equivalent Dwelling Unit (EDU)

The unit of measurement used to determine design and fee requirements based on the typical average flow and strength of wastewater from a single-family residential occupancy.

3.01.065 Fats, Oils, and Grease (FOG)

Non-petroleum organic polar compounds derived from animal or plant sources such as fats, non-hydrocarbons, fatty acids, soaps, waxes, and oils that contain multiple carbon chain triglyceride molecules. These substances are detectable and measurable using analytical procedures established in the 40 CFR Part 136.

3.01.070 FOG control program

The program developed by the District, as required by, and pursuant to State Water Resources Control Board Order No. 2006-0003, and any subsequent modifications.

3.01.075 FOG Wastewater Discharge Permit (WDP)

FOG Wastewater Discharge Permit, a permit issued by the District, subject to the requirements and conditions established by the General Manager, authorizing a Permittee to discharge wastewater from an FSE into the public sewer.

3.01.080 Food Service Establishment (FSE)

Food Service Establishment, any facility, including but not limited to, any commercial entity within the boundaries of the District, operating in a permanently constructed structure such as a room, building or place, or portion thereof, maintained, used, or operated for the purpose of storing, preparing, serving or manufacturing, packaging or otherwise handling food for sale to other entities, or for consumption by the public, its members or employees, and which has any process or device that uses or produces FOG, or grease vapors, steam, fumes, smoke or odors that are required to be removed by an exhaust hood pursuant to California Health and Safety Code section 114149.1 or in accordance with the California Uniform Retail Food Facilities Law (CURFFL) (California Health and Safety Code sections 113700, et seq.). A limited food preparation establishment may be considered a non-FOG producing FSE when engaged only in reheating, hot holding, or assembly of ready to eat food products, provided that there is no wastewater discharge containing a significant amount of FOG. Mobile food trucks are considered an FSE and subject to the requirements of this Code.

3.01.085 Food grinder

Any device installed in the plumbing or sewage system for the purpose of grinding food or food waste, also commercially called a garbage disposal.

3.01.090 Grab sample

A sample taken from a waste stream on a one-time basis without regard to the flow in the waste stream and without consideration of time.

3.01.095 Grease control device (GCD)

Any hydromechanical grease interceptor, grease removal device, gravity grease interceptor, mechanism, device, or process which attaches to, or is applied to, wastewater plumbing fixtures and lines, the purpose of which is to trap, collect or treat FOG prior to it being discharged into the public sewer. A grease control device may also include any other proven method to reduce FOG subject to the approval of the General Manager. GCDs shall be certified to ASME A112.14.4 and/or CSA B481.5.

3.01.100 Gravity grease interceptor (GGI)

A plumbing appurtenance or appliance that is installed in a sanitary drainage system to intercept non-petroleum fats, oils, and grease (FOG) from a wastewater discharge and is identified by volume, baffle(s), not less than two compartments, and gravity separation. Gravity grease interceptors are installed outside. Approved designs shall be certified to IAPMO / ANSI Z1001.

3.01.105 Hot spots

Areas in the collection system of sewer lines that must be cleaned or maintained frequently to avoid blockages of the public sewer caused by FOG.

3.01.110 Hydromechanical grease interceptor (HGI)

A plumbing appurtenance or appliance that is installed in a sanitary drainage system to intercept nonpetroleum fats, oil, and greases (FOG) from a wastewater discharge and is identified by flow rate, separation, and retention efficiency. The design incorporates air entrainment, hydromechanical separation, interior baffling, and/or barriers in combination or separately, and one of the following:

- A. External flow control, with air intake (vent): directly connected.
- B. External flow control, without air intake (vent): directly connected.
- C. Without external flow control, directly connected.
- D. Without external flow control, indirectly connected.

Hydromechanical grease interceptors shall be certified to ASME A112.14.3, CSA B481.1, and/or PDI G101.

3.01.115 Inspector

Any person authorized by the General Manager to inspect any existing or proposed wastewater generation, conveyance, processing, and/or disposal facilities.

3.01.120 Manifest

The receipt which is retained by a permittee for the disposal of FOG, recyclable wastes, and/or liquid wastes.

3.01.126 Mobile Food Truck

A food service establishment that is readily moveable from place to place at all times during operation and shall include but not limited to pushcarts, trailers, trucks, vans, or boats.

3.01.125 New Construction

Any structure planned or under construction where the sewer facilities have not been approved by the District.

3.01.130 Obstruction

Any discharge which, alone or in combination with discharges from other sources, inhibits or disrupts the public sewer, operations, or is otherwise a violation of any District Ordinance, Code, or State discharge requirements.

3.01.135 Permittee

The holder or holders of a FOG Wastewater Disposal Permit (WDP) issued for a Food Service Establishment (FSE) and is subject to the requirements and conditions established in this Code or as otherwise established by the General Manager.

3.01.140 Person

Any individual, partnership, co-partnership, firm, company, association, society, corporation, joint stock company, trust, estate, governmental entity or any other legal entity, or their legal representatives, agents, or assigns. The masculine gender shall include the feminine and the singular shall include the plural where indicated by context.

3.01.145 Property Owner

The record owner of the real property upon which is located a Food Service Establishment (FSE) being served or to be served by the District's wastewater system, or his duly authorized agent.

3.01.150 Publicly Owned Treatment Works (POTW)

A wastewater treatment plant as defined by Section 212 of the Clean Water Act (33 United States Code 1291). The District's public sewer is a satellite wastewater collection system to the regional POTW located in the City of Roseville.

3.01.155 Public sewer

A sewer in which all owners of abutting property have equal rights and is controlled by a public authority.

3.01.160 Remodeling

Any physical alteration and/or operational change to a Food Service Establishment (FSE).

3.01.165 Sanitary sewer

A sewer that carries wastewater or sewage and to which storm, surface, and groundwaters are not intentionally admitted.

3.01.166 Sanitary Sewer Overflow (SSO)

Any overflow, spill, release, discharge, or diversion of untreated or partially treated wastewater from a sanitary sewer system.

3.01.170 Sewer facilities (or system)

Any and all facilities used for collecting, conveying, pumping, treating, and disposing of wastewater.

3.01.175 Sewer lateral

A Building Sewer as defined in the latest edition of the Uniform Plumbing Code (UPC). It is the wastewater connection between the building's wastewater drain facilities and a public sewer.

3.01.180 Shall – May.

The term “shall” is mandatory and the term “may” is permissive.

3.01.185 User

Any person who contributes, causes, or permits the contribution of wastewater into the public sewer and the Publicly Owned Treatment Works (POTW).

3.01.190 Wastewater

The liquid and water carrying industrial or domestic wastes from dwellings, commercial buildings, industrial facilities, FSEs, and institutions, whether treated or untreated, which is discharged into or permitted to enter the public sewer and the Publicly Owned Treatment Works (POTW).

3.01.195 Wastewater Collection system

The pipe system and appurtenances for collecting and carrying water and water-carried wastes from domestic, non-residential, and industrial sources to a wastewater treatment plant.

3.01.200 Wastewater system

All facilities for collecting, pumping, treating, and disposing of wastewater.

3.01.205 Wastewater Treatment Plant (WWTP)

An arrangement of pipes, equipment, devices, tanks, and structures for treating wastewater and industrial wastes.

CHAPTER 3 .02 REGULATIONS

3.02.001 FOG Wastewater Discharge Permit (FOG WDP) required

No person shall discharge, or cause to be discharged, any wastewater from Food Service Establishments (FSEs) directly or indirectly into the public sewer without first obtaining a FOG WDP pursuant to this Code.

3.02.002 FOG discharge limitation

No FSE/Permittee/Property Owner shall discharge FOG, or cause FOG to be discharged into the public sewer that causes an SSO, exceeds a concentration level of 100 parts per million by weight of fats, oil, or grease, or that may accumulate and/or cause or contribute to blockages in the public sewer. The property owner is responsible for the effectiveness of the Grease Control Device (GCD) to comply with the FOG discharge limitations of this code. The property owner shall provide means for the District to access the discharge from the FSE to inspect, sample, and confirm the FSE/Permittee/Property Owner is not exceeding the maximum concentration level of FOG.

3.02.003 Public sewer overflows; public nuisance; abatement orders and cleanup costs

Any FSE/Permittee/Property Owner determined by the General Manager to have contributed to a sewer blockage, SSO, or any public sewer obstruction resulting from the discharge of wastewater or waste containing FOG, shall subject the property owner to an order to install and maintain a GCD, in accordance with the District's Specifications, and may be subject to a plan to abate the nuisance created by sewer line failures and blockages, SSOs, or any other public sewer obstruction. SSOs may cause threat and injury to public health, safety, and welfare of life and property and are hereby declared public nuisances. Furthermore, SSOs caused by FSEs, alone or collectively, are the responsibility of the FSE/Permittee/Property Owner, and individuals who are responsible officers or owners of the FSE. If the General Manager determines that the public's health and safety require the District to act immediately to contain and clean up any SSO caused by blockage of a private or public sewer lateral or system serving an FSE, or if the District so acts at the request of the property owner and/or the operator of the FSE, or because of the failure of the property owner or FSE to abate the condition causing immediate threat of injury to the health, safety, welfare, or property of the public, the District's costs for such abatement shall be entirely borne jointly and severally by the FSE/Permittee/Property Owner, and individuals who are responsible officers or owners of the FSE and may constitute a debt to the District, due and payable upon the District's demand for reimbursement of such costs.

3.02.004 Best Management Practices (BMPs) required

Every FSE/Permittee/Property Owner shall implement BMPs in its operations in accordance with the requirements and guidelines established by the District, to minimize the discharge of FOG to the GCD and/or the public sewer. Detailed requirements for BMPs shall be specified in the FOG WDP and all FSE/Permittee/Property Owner as required, at a minimum, to comply with the BMPs set forth therein as well as any

additional BMPs established by the General Manager. BMPs may include but are not limited to, kitchen practices and employee training procedures that are essential in minimizing FOG discharge to the public sewer. BMPs shall include but are not limited to the following:

- A. Dry-wipe pots, pans, and work areas prior to washing
- B. Do not pour cooking residue directly into building drains or fixtures
- C. Dispose of food waste directly into the trash
- D. Do not dispose of food waste in the garbage disposal
- E. Collect waste oil and store it for recycling
- F. Do not pour waste oil into building drains or fixtures
- G. Clean floor mats inside the building over a utility sink
- H. Do not wash floor mats where water can run off directly into the storm drain

3.02.005 Prohibitions

FSEs/Permittees/Property Owners are prohibited from doing any of the following:

- A. Installing food grinders or garbage disposals in the plumbing system or new construction. All FSEs that undergo a change in operations or remodeling shall remove any existing food grinders concurrent with such change or remodeling, except as otherwise expressly allowed by the General Manager.
- B. Introducing any additives into an FSE's plumbing system and/or grease control devices for the purpose of emulsifying FOG, and/or chemically treating FOG for grease remediation, or as a supplement to grease control device maintenance, unless a specific written authorization from the District is first obtained.
- C. Disposing of waste cooking oil into the public sewer.
- D. Discharging wastewater with temperatures in excess of 140°F to the public sewer.
- E. Connecting or discharging dishwashers directly to the sanitary sewer unless otherwise approved by the District.
- F. Connecting or discharging food waste disposal units directly to the sanitary sewer. Any food waste disposal units allowed by the District must connect to a

solids interceptor prior to discharging to a GCD.

- G. Discharging wastes containing fecal materials from toilets, urinals, washbasins, or other fixtures to waste lines directed to grease interceptors and/or other grease control devices, or vice versa.
- H. Discharging FOG and solid materials removed from a grease control device to the public sewer.
- I. Operating a GCD(s) with FOG and solids accumulation exceeding its rated capacity as documented by the manufacturer through third-party test reports, or in the absence of that, twenty-five percent (25%) of the design hydraulic depth of the grease control device.
- J. Discharging FOG and other pollutants above the local discharge limits set forth in the Roseville Municipal Code, Chapter 14.26 and amendments thereto, as adopted under District Ordinance 88-3.

3.02.006 FOG pretreatment required

Every FSE/Permittee/Property Owner shall, at the time of construction, remodel, and/or change in operations, install, operate, and maintain an approved type and adequately sized GCD in accordance with the District's Specifications, necessary to maintain compliance with the objectives of this Code, subject to the variance and waiver provisions of 3.02.011. The GCD shall separate and remove FOG contained in wastewater from FSEs prior to discharge to the public sewer. Fixtures, equipment, and drain lines located in the food preparation and clean-up areas of any FSEs shall be connected to the GCD. Compliance shall be established as follows:

A. New construction of FSEs

Unless otherwise approved by the District, New construction of any FSE shall include complete installation of an adequately sized GCD, in accordance with the District's Specifications, exterior to the FSE, prior to commencing discharges of

wastewater to the public sewer. The property owner shall be responsible for the design, ownership, operation, maintenance, and effectiveness of GCD(s).

B. Existing FSEs

1. Any existing FSE, which, in the General Manager's determination, has caused or contributed to grease-related blockage in the public sewer, has one or more sewer laterals connected to hot spots, and/or has contributed significant FOG to the public sewer, shall be deemed to have reasonable potential to adversely impact the public sewer and shall be required to install GCD(s), in accordance with the District's Specifications, within Ninety (90) days upon issuance of written notification by the General Manager.
2. Any existing FSE or FSE that changes ownership or that undergoes remodeling and/or a change in operations, as defined in this Code, shall be required to install GCD(s), in accordance with the District's Specifications, or to obtain a variance or waiver in accordance with Chapter 3.02.010.

3.02.007 Commercial properties

Any FSE/Permittee/Property Owner, or duly authorized designee, of a commercial property where multiple FSEs are located shall be responsible for the installation and maintenance of GCD(s) serving the FSEs that are located on a single parcel.

3.02.008 Grease control device requirements

- A. Any FSE/Permittee/Property Owner required by this Code to provide FOG pretreatment shall install, operate, and maintain an approved type and adequately sized GCD(s), in accordance with the District's Specifications, necessary to maintain compliance with the objectives of this Code.
- B. Sizing of the grease control device shall conform to the District's Specifications. GCDs shall be constructed in accordance with the District's Specifications. GCDs shall be designed, maintained, and operated to meet the FOG discharge limitation defined in 3.02.002.
- C. The GCD(s) shall be installed at a location where it shall be at all times readily accessible for inspection, cleaning, and removal of accumulated grease.

3.02.009 Grease control device maintenance requirements

- A. FSE's/Permittees/Property Owners shall maintain GCD(s) in efficient operating condition by periodic removal of the full content of the interceptor conducted by a liquid waste hauler licensed through the California Department of Food and Agriculture, which includes, but is not limited to, wastewater, accumulated FOG, floating materials, and solids.
- B. The District may require any FSE with a GCD to submit data and information necessary to establish the required maintenance frequency of the GCD.
- C. The required maintenance frequency for every FSE with a GCD shall be determined in one of the following methods:
 - 1. GCDs shall be fully pumped out and cleaned at a frequency such that the combined FOG and solids accumulation in the GCD does not exceed its rated capacity as documented by the manufacturer through third-party test reports, or in the absence of that, twenty-five percent (25%) of the total designed hydraulic depth of the grease interceptor. This is to ensure that the minimum hydraulic retention time and required available hydraulic volume are maintained to effectively intercept and retain FOG from being discharged to the public sewer.
 - 2. GCDs shall be fully pumped out and cleaned quarterly when the frequency described in 3.02.009C.1. has not been established. The maintenance frequency shall be adjusted when sufficient data has been obtained to establish an average frequency based on the requirements described in 3.02.009C.1. and guidelines adopted by the District pursuant to the FOG control program. The District may change the required maintenance frequency at any time to reflect changes in actual operating conditions in accordance with the FOG control program. Based on the actual generation of FOG from the FSE, the required maintenance frequency may increase or decrease. The following maintenance requirements shall apply:
 - A. Remove cover(s)
 - B. Document condition of GCD with digital pictures of the interior through each manhole/cover
 - C. Remove all fats, oils, and grease (FOG), solids, food debris, and wastewater
 - D. Clean all internal surfaces from the build-up of FOG or other residual materials (chemicals and/or degreasers are prohibited)
 - E. Inspect all internal components, replace anything missing or

broken and, when required by the manufacturer, ensure the flow control device is installed

- F. Document condition of GCD when empty and cleaned with digital pictures of the interior through each manhole/cover
 - G. Refill with fresh water
 - H. Replace cover(s)
 - I. Record and report all necessary information as described in 3.04.009.
- 3. Every FSE with a grease interceptor shall fully pump out and clean its grease interceptor not less than once every three (3) months.
 - 4. The FSE/Permittee/Property Owner of an FSE may submit a request to the District for a change in the required maintenance frequency at any time. The FSE has the burden of responsibility to demonstrate that the requested change in frequency reflects actual operating conditions based on the average FOG accumulation over time and meets the requirements described in 3.02.009C.1 and that it is in full compliance with the conditions of its FOG WDP and this chapter. Upon determination by the District that the requested revision is justified, the required maintenance frequency shall be revised accordingly.
 - 5. If the GCD, at any time, contains FOG and solids accumulation exceeding the requirements described in 3.02.009C.1 the FSE shall be required to have the GCD serviced immediately such that all FOG and other materials are completely removed from the GCD as described in 3.02.009C.2. If deemed necessary, the District may also increase the required maintenance frequency of the GCD.
- D. All GCDs are required to have fittings and appurtenances as designed by the manufacturer for proper function. Any GCD that does not have the required fittings and appurtenances shall be repaired and/or retro-fitted with appropriate fittings and appurtenances, or if unable to be repaired or retrofitted, the GCD shall be replaced with a new GCD in accordance with the District's Specifications.
 - E. No FOG that has accumulated in a GCD shall be allowed to pass into any sewer lateral or public sewer.
 - F. Wastewater, accumulated FOG, floating materials, solids, and other materials removed from the GCD shall be disposed of by liquid waste haulers at an approved disposal site in accordance with all applicable federal, state, and/or

local laws.

- G. The General Manager may direct District staff to service an FSE's GCD if, in the determination of the General Manager, the FSE/Permittee/Property Owner has failed to comply with the terms of the FOG WDP or with this Code. The FSE shall be responsible for any and all expenses of the District in undertaking such work, in addition to being subject to any enforcement action taken by the District as provided for in this Code.

3.02.010 Variance and waiver of requirement for grease control device

- A. Variance from the requirement to install GCD(s).

An FSE may request that the District grant a variance from the requirement to install GCD(s) to allow alternative pretreatment technology in lieu of a GCD if the FSE demonstrates that the alternative equals or exceeds the effectiveness of a GCD and that it is impossible or impracticable to install, operate, and maintain a GCD. The District's determination to grant a variance will be based upon, but not limited to, an evaluation of the following conditions:

1. There is inadequate space for installation and maintenance of a GCD; or
2. There is inadequate slope for gravity flow between kitchen plumbing fixtures and the GCD and/or between the GCD and the sewer lateral or the public sewer; and
3. The FSE can prove that the alternative pretreatment technology is equally or more effective than a GCD in controlling its FOG discharge. The FSE must be able to demonstrate, after installation of the proposed alternative pretreatment, its effectiveness to control FOG discharge through visual monitoring and water quality sampling of private sewer piping downstream from the FSE, for at least three (3) months, at its own expense. A variance may be granted if the results show no visible accumulation of FOG in the downstream sewer lines and the FOG discharge limitation per 3.02.002 is not exceeded. Any variance issued pursuant to this section may be revoked at any time at the discretion of the General Manager.

- B. Conditional waiver of requirement to install GCD(s).

A conditional waiver of the requirement to install a GCD may be granted for FSEs that the District determines to have negligible FOG discharge and insignificant impact on the public sewer. Although a conditional waiver from the installation of a GCD may be granted, the FSE may be required to provide space and plumbing segregation for future installation of a GCD. The General Manager's determination to grant or revoke a conditional waiver shall be based upon, but not limited to, an evaluation of the following conditions:

1. Quantity of FOG discharge as measured or indicated by the size of the FSE based on water usage, menu, seating capacity, number of meals served, amount of on-site consumption of prepared food, number of plumbing fixtures, and other conditions that may reasonably be shown to contribute to FOG discharges; and
2. Adequacy of implementation of BMPs and compliance history; and
3. Sewer size, grade, and condition based on visual and other information, FOG deposition in the sewer by the FSE, and history of maintenance and SSOs caused by FOG from the FSE; and
4. Changes in operations that significantly affect FOG discharge; and
5. Any other condition that the District deems reasonably related to the generation of FOG discharges.

C. Waiver of GCD installation requirement with a grease disposal mitigation fee.

Where the installation of a GCD is not feasible, and no equivalent alternative pretreatment can be installed, an FSE may be granted a waiver of the GCD requirement upon the payment of a grease disposal mitigation fee as described in 3.03.003. Additional requirements may also be imposed to mitigate the discharge of FOG into the public sewer. The General Manager's determination to grant the waiver upon the payment of a grease disposal mitigation fee will be based upon, but not limited to, an evaluation of the following conditions:

1. There is inadequate space for installation and/or maintenance of a GCD; or
2. There is inadequate slope for gravity flow between kitchen plumbing fixtures and the GCD and/or between the GCD and the sewer lateral or the public sewer; and

3. A variance from GCD installation to allow alternative pretreatment technology cannot be granted.

D. Application for variance or waiver of requirement for GCD.

An FSE may submit to the District a request in writing for a waiver or variance from the GCD requirement. The FSE bears the burden of demonstrating that the installation of a GCD is not feasible or otherwise required. Upon determination by the General Manager that reasons are sufficient to justify a variance or waiver, the FOG WDP will be issued or revised to include the variance or waiver and relieve the FSE from the requirement to install a GCD.

E. Terms and conditions of variance or waiver.

A variance or waiver shall contain the terms and conditions that serve as the basis for its issuance. A variance or waiver may be revoked by the General Manager at any time upon the determination that any of the terms or conditions for its issuance is not satisfied or if the conditions upon which the variance or waiver was based have changed so that the justification for the variance or waiver no longer exists. The variance or waiver shall be valid so long as the FSE remains in compliance with the terms and conditions until the expiration date specified in the variance or waiver.

CHAPTER 3 .03 FEES

3.03.001 Purpose

It is the purpose of this section to provide for the recovery of costs from users of the public sewer for the implementation of the program established in this Code.

3.03.002 Charges and fees

The District may adopt charges and fees by resolution which may include, but are not limited to:

- A. Fees for reimbursement of costs or setting up and operating the District's FOG program.
- B. Fees for consistent removal by the District of pollutants otherwise subject to Federal Pretreatment Standards;

- C. Other fees as the District may deem necessary to carry out the requirements contained in this Code.

Costs incurred by the District as a result of required on-site sampling and analysis shall be reimbursed to the District by the FSE/Property Owner/Permittee.

3.03.003 Grease disposal mitigation fee

Any FSE that operates under a District-approved waiver, as provided in 3.02.011 C, without a GCD may be required to pay an annual grease disposal mitigation fee. The grease disposal mitigation fee is intended to cover the costs of increased maintenance of the public sewer, for inspection and cleaning of FOG that a usual and customary, and properly maintained, GCD would otherwise prevent from entering the public sewer. This section shall not be interpreted to allow new construction or an existing FSE undergoing remodeling and/or a change in operations to operate without an approved grease interceptor or a grease trap unless the General Manager has determined that it is impossible or impracticable to install and/or operate a GCD for the subject facility under the provisions of 3.02.011 of this Code.

The grease disposal mitigation fee shall be adjusted periodically by the General Manager based on the estimated annual increased cost of maintaining the public sewer for inspection and removal of FOG and other viscous or solidifying agents attributable to the FSE resulting from the lack of a GCD.

3.03.004 Collection of Fees

A. Pursuant to the provisions of Section 12811 of the Public Utilities Code, all fees, tolls, rates, rentals, or other charges established under provisions of this Code may be collected by any lawful means including an action of law and all remedies for the collection and enforcement thereof are cumulative and may be pursued alternatively or consecutively.

B. Pursuant to the provisions of Section 12811.1 of the Public Utilities Code, the owner of record of real property within the District is required to pay fees, tolls, rates, rentals, and other charges that have become delinquent together with interest and penalties thereon, for services rendered to a lessee, tenant; or another occupant of the property and those fees, tolls, rates, rentals, and other charges will constitute a lien on the property when a certificate is filed in the Office of the County Recorder and such lien has the force, effect, and property judgment lien.

C. Any fees, rates, or charges established by any of the provisions of this Code shall not

exceed the reasonable cost to the District of the rendition of the service for which the fee or charge is imposed.

CHAPTER 3 .04 ADMINISTRATION

3.04.001 FOG WDP application

- A. Any person required to obtain a FOG WDP for an FSE shall, jointly with the property owner, complete and file with the District, prior to commencing or continuing discharges, an application in a form prescribed by the General Manager.
- B. Site plans, floor plans, mechanical and plumbing plans, and details to show all sewers, GCD, or other pretreatment equipment and appurtenances with sizes, locations, and elevations, and a completed Grease Control Device Sizing and Selection Worksheet as provided in the District's Specifications, with product specifications for the proposed GCD, and manufacturer's third-party certified test report with incremental test data shall be submitted with the application.
- C. Other information related to the business operations and potential discharge may be requested to properly evaluate the FOG WDP application.
- D. After evaluation of the data furnished, the FOG WDP may be issued, subject to terms and conditions set forth in this Code and as otherwise determined by the General Manager.

3.04.002 FOG WDP application fee

The FOG WDP application fee in accordance with the provisions of this Code shall accompany the submission of the FOG WDP application.

3.04.003 FOG WDP conditions

The issuance of a FOG WDP may include, but is not limited to, any of the following conditions or limits:

- A. Limits on the discharge of FOG and other pollutants.
- B. Requirements for proper operation and maintenance of GCDs.
- C. GCD maintenance frequency and schedule.

- D. Requirements for implementation of BMPs.
- E. Requirements for maintaining and reporting status of BMPs.
- F. Requirements for maintaining and submitting logs and records, including waste hauling records and waste manifests including the ultimate disposition of the waste that contains FOG.
- G. Requirements to self-monitor.
- H. Requirements to self-report.
- I. Requirements for the FSE to construct, operate and maintain, at its own expense, GCD(s) and sampling facilities.
- J. Additional requirements as otherwise determined to be reasonably appropriate by the General Manager to protect the public sewer or as specified by other regulatory agencies.
- K. Other terms and conditions which may be reasonably applied to ensure compliance with this Code

3.04.004 FOG WDP modification of terms and conditions

- A. The terms and conditions of an issued FOG WDP may be subject to modification at the sole discretion of the General Manager during the life of the FOG WDP based on:
 - 1. The permittee's current or anticipated operating data;
 - 2. Changes in the requirements of state or federal regulatory agencies that oversee and monitor the District; or
 - 3. A determination by the General Manager that such modification is appropriate to further the objectives of this chapter and all applicable regulations.
- B. A Permittee may request modification of the terms and conditions of an issued FOG WDP. Any request shall be made in writing stating the requested change and the reasons for the change. The General Manager shall review the request, make a determination on the request, and respond in writing.

- C. A permittee shall be informed by the District of any change in the FOG WDP limits, conditions, and/or requirements at least forty-five (45) days prior to the effective date of the change. Any changes or new conditions in the FOG WDP shall include a reasonable time schedule for compliance.

3.04.005 FOG WDP Duration and Renewal

FOG WDPs shall be issued and renewed according to the conditions set in the FOG WDP. At least thirty (30) days prior to the expiration (if one exists) of the FOG WDP, the Permittee shall apply for renewal and pay the applicable fees for the renewal of the WDP in accordance with the provision of this Code. A Permittee shall also pay any delinquent invoices in full prior to any FOG WDP renewal.

3.04.006 Exemption from FOG WDP

- A. A limited food preparation establishment may be considered by the General Manager to be a low-FOG producing FSE and may be exempted from obtaining a FOG WDP. Exempt establishments shall be engaged only in reheating, hot holding, or assembly of ready to eat food products, provided that, in the District's determination the wastewater discharge does not contain a significant amount of FOG.
- B. An exemption from obtaining a FOG WDP shall be requested in writing. If the General Manager determines that the reasons for the request are valid, an exemption may be granted.
- C. A limited food preparation establishment may be required to follow the BMPs defined for all FSEs. A limited food preparation establishment that discharges FOG at any time in excess of the defined limits per 3.02.002 may be reclassified as an FSE and required to obtain a FOG WDP at the General Manager's discretion.

3.04.007 Non-transferability of a FOG WDP

A FOG WDP issued pursuant to this Code is for a specific FSE and for a specific operation and creates no vested rights. No holder of a FOG WDP shall assign, transfer, and/or sell the FOG WDP and/or use the FOG WDP on any property or premises or for any facilities, operations, and/or discharges not expressly encompassed within the FOG WDP.

3.04.008 Facilities and drawing submittal requirements

An FSE/Permittee/Property Owner shall submit facility site plans, mechanical and plumbing plans, and details to show all sewer locations and connections. The submittal shall be in a form and content acceptable to the General Manager for review of the existing or proposed GCD(s), monitoring facilities, metering facilities, and operating procedures. The review of the plans and procedures shall in no way relieve the FSE of the responsibility of modifying the facilities or procedures in the future as necessary to produce an acceptable discharge per 3.02.002, and to meet the requirements of this Code or the requirements of any other regulatory agency.

The District may require the drawings to be prepared by a California registered architect, civil, mechanical, or electrical engineer. If allowed by the District General Manager, these drawings may be prepared by a qualified plumbing or mechanical contractor.

3.04.009 Monitoring and Reporting Requirements

- A. The District may require periodic reporting of the status of implementation of BMPs, in accordance with the FOG control program.
- B. The District may require visual monitoring at the sole expense of the FSE/Permittee/Property Owner to observe the actual conditions of the FSE's sewer lateral and sewer lines downstream. The District may require reports for self-monitoring of wastewater constituents and FOG characteristics of the permittee needed for determining compliance with any conditions or requirements as specified in the FOG WDP or this Code. Monitoring reports of the analyses of wastewater constituents and FOG characteristics shall be in a manner and form approved by the District and shall be submitted upon request of the General Manager. Failure by the permittee to perform any required monitoring, or to submit monitoring reports required by the General Manager constitutes a violation of this Code and shall be cause for the District to initiate all necessary tasks and analyses to determine the wastewater constituents and FOG characteristics for compliance with any conditions and requirements specified in the FOG WDP or in this Code. The Permittee shall be responsible for any and all costs and expenses of the District in undertaking such monitoring analyses and preparation of reports.
- C. An FSE/Permittee/Property Owner shall self-report by electronically submitting, via email to the District, a copy of records (i.e., logbooks, manifests, receipts, invoices) provided at the time of each pump-out/cleaning/maintenance/repair of the GCD. Submitted records shall indicate, at a minimum, the date of service, a description of the services provided, and the volume of material removed from

the GCD(s). Such information may also be submitted by the FSE/Permittee/Property Owner or their liquid waste hauler electronically as may be required by the District.

- D. Other reports may be required, such as compliance schedule progress reports, FOG control monitoring reports, and any other reports deemed reasonably appropriate by the General Manager to ensure compliance with this Code.

3.04.010 Recordkeeping requirements

The Permittee shall be required to keep all manifests, receipts, and invoices of all cleaning, maintenance, grease removal of/from the GCD, disposal carrier, and disposal site location for no less than three (3) years. The permittee shall, upon request, make the manifests, receipts, and invoices available to the District, any inspector, and/or any enforcement officer. These records may include but are not limited to:

- A. An on-site logbook of GCD cleaning and maintenance practices.
- B. A record of BMPs being implemented, including employee training.
- C. Copies of records and manifests of liquid waste hauling of GCD contents.
- D. Records of sampling data and sludge height monitoring for FOG and solids accumulation in the GCD(s).
- E. Records of any spills and/or cleaning of the sewer lateral.
- F. Any other information deemed appropriate by the General Manager to ensure compliance with this Code.

3.04.011 Falsifying information or tampering with processes

It shall be unlawful to make any false statement, representation, record, report, plan or other document that is filed with the District or to tamper with or knowingly render inoperable any GCD, monitoring device, or method or access point required under this Code.

3.04.012 Inspections and sampling conditions.

- A. The District may inspect or order the inspection and sample the wastewater discharges of any FSE/Permittee/Property Owner to ascertain that the requirements of this Code are being met and the Permittee is complying with all

conditions of the FOG WDP. The Permittee shall allow access to the FSE/Permittee/Property Owner premises, during normal business hours, for purposes of inspecting the FSE's GCDs, reviewing the manifests, receipts, and invoices relating to the cleaning, maintenance, and inspection of the GCDs.

- B. The District shall have the right to place or order the placement on the property, containing an FSE, or other locations as determined by the General Manager, such devices as are necessary to conduct sampling or metering operations. Where an FSE/Permittee/Property Owner has security measures in force, the permittee shall make necessary arrangements so that the District and/or an inspector shall be permitted to enter without delay for the purpose of performing their specific responsibilities.
- C. In order for the District to determine the wastewater characteristics of the discharger for purposes of determining compliance with FOG WDP requirements, the Permittee shall make available for inspection and copying by the General Manager, an inspector, an enforcement officer, and/or service personnel, all notices, monitoring reports, waste manifests, and records including, but not limited to, those related to wastewater generation and wastewater disposal.

3.04.013 Right of entry

Users or Permittees of properties where FSE wastewater is created or discharged shall allow the General Manager, an inspector, and/or an enforcement officer, reasonable access to all parts of the wastewater generating and disposal facilities for the purposes of inspection and sampling during all times the FSE is open, operating, or any other reasonable time. No persons or occupants of an FSE shall interfere with, delay, resist, or refuse entrance to the General Manager, an inspector, and/or an enforcement officer attempting to inspect any facility involved directly or indirectly with a discharge of wastewater to the public sewer. In the event of an emergency involving an actual or imminent SSO, the General Manager, an inspector, and/or an enforcement officer may immediately enter the property and may access adjoining businesses or properties that share a public sewer with an FSE in order to prevent or remediate the actual or imminent SSO.

3.04.013 Notification of spill.

- A. In the event a permittee is unable to comply with any FOG WDP condition due to a breakdown of equipment, accidents, or human error or the Permittee has reasonable opportunity to know that their discharge will exceed the discharge provisions of the FOG WDP or this Code, the User/Permittee shall immediately

notify the District by telephone at the number specified in the FOG WDP. If the material discharged to the public sewer has the potential to cause or result in sewer blockages or SSOs, the user/permittee shall immediately notify the District.

- B. Confirmation of this notification shall be made in writing to the District at the address specified in the FOG WDP postmarked no later than two (2) calendar days from the date of the incident. The written notification shall state the date of the incident, the reasons for the discharge or spill, what steps were taken to immediately correct the problem, and what steps are being taken to prevent the problem from recurring.
- C. Such notification shall not relieve the User/Permittee of any expense, loss, damage, or other liability which may be incurred as a result of damage or loss to the District or any other damage or loss to persons or property; nor shall such notification relieve the permittee of any fees or other liability which may be imposed by this Code.

3.04.014 Notification of planned changes

A Permittee shall notify the District in writing at least sixty (60) days prior to any facility expansion or remodeling, or process modifications that may result in new or substantially increased FOG discharges or a change in the nature of the discharge. A Permittee shall submit any information requested by the District for evaluation of the effect of such expansion or remodeling on the permittee's FOG discharge to the public sewer.

3.04.015 Notification of FSE closure

- A. In the event that an FSE closes or suspends business operations, notification shall be provided to the District in writing within thirty (30) days of closure. The FSE/Permittee/Property Owner shall be responsible to ensure that any existing GCDs are cleaned in accordance with section 3.02.009C.2.
- B. A GCD that has been abandoned in place or has been discontinued otherwise from further use, or to which no waste from a plumbing fixture is connected shall have the contents removed therefrom, the bottom perforated, and be completely filled with crushed rock, sand, controlled low strength material (CLSM), concrete, or other material as approved by the District.

- C. The General Manager may direct District staff to service GCD(s) if, in the determination of the General Manager, the FSE/Permittee/Property Owner has failed to comply with the requirements of this section after an FSE closure. The FSE/Permittee/Property Owner shall be responsible for any and all expenses of the District in undertaking such work, in addition to being subject to any enforcement action taken by the District as provided for in this Code.

CHAPTER 3 .05 ENFORCEMENT

3.05.001 Harmful discharge

- A. The District may, upon order of the General Manager, suspend the wastewater service or revoke a FOG WDP when such suspension or revocation is necessary in order to stop an actual or threatened discharge that presents or may present an imminent or substantial endangerment to the health or welfare of persons, to the environment, or which causes obstruction to the collection system or causes the District to violate any condition of its permits or Federal and/or State regulations.
- B. Any FSE/Permittee/Property Owner notified of a suspension of the wastewater treatment service and/or revocation of a FOG WDP shall immediately stop or eliminate all nonconforming discharges to the public sewer. In the event of a failure of the FSE/Permittee/Property Owner to comply with the suspension order, the General Manager may take any and all such steps as he deems necessary, including immediate severance of the sewer connection, to prevent or minimize damage to the collection system. The District may reinstate the FOG WDP and/or the wastewater service upon proof of the elimination of the nonconforming discharge. A detailed written statement submitted by the FSE/Permittee/Property Owner describing the causes of the harmful discharge and the measures taken to prevent any future occurrence shall be submitted to the General Manager within fifteen (15) days of the date of occurrence of the discharge.

3.05.002 Determination of non-compliance with FOG WDP conditions

- A. Sampling and inspection procedures
 - 1. Sampling and inspection of FSEs shall be conducted in the time, place, manner, and frequency determined at the discretion of the General Manager.

2. Noncompliance with FOG WDP discharge conditions or any discharge provisions of this Code may be determined by an inspection of the GCD and associated manifest and documentation, or analysis of a grab sample of the effluent of an FSE.
3. Any sample taken from a sample point, as determined representative by the District, is considered representative of the discharge to the public sewer.

B. Notice of Non-compliance/Notice of Violation

1. Any Permittee found to be in violation of this Code and/or the FOG WDP terms and conditions may be issued a Warning of Non-Compliance in which there will be a specified time period to correct tile violation.
2. If the violation is not corrected within the specified time period the Permittee will be issued a Notice of Violation, within a specified time period to correct the violation.
3. If the violation is not corrected within the time period specified in the Notice of Violation, the Permittee shall be deemed to be in noncompliance.

C. Noncompliance Fee

1. Any Permittee deemed by the General Manager to be in noncompliance with the terms and conditions specified in the FOG WDP or with any provision of this Code may be required to pay a noncompliance fee. The purpose of the noncompliance fee is to compensate the District for costs of additional inspection and follow-up, sampling, monitoring, laboratory analysis, treatment, disposal, and administrative processing incurred as a result of the noncompliance and shall be in addition to and not in lieu of any penalties as may be assessed pursuant to 3.05.005. Noncompliance fees shall be in the amount determined by the General Manager.

3.05.003 Compliance Schedule

- A. Upon determination that a permittee is in noncompliance with the terms and conditions specified in the FOG WDP or any provision of this Code or needs to acquire and install a GCD, the District may require the permittee to enter a compliance schedule on terms and conditions specified by the General

Manager.

- B. The compliance schedule may contain terms and conditions including but not limited to requirements for installation of a GCD and facilities, submittal of drawings or reports, audit of waste hauling records, BMPs and waste minimization practices, payment of fees, or other provisions to ensure compliance with this Code.
- C. If compliance is not achieved in accordance with the terms and conditions of a compliance schedule during its term, the General Manager may issue an order suspending or revoking the FOG WDP pursuant to 3.05.004 of this Code.

3.05.004 FOG WDP suspension and/or revocation

- A. The General Manager may suspend and/or revoke any FOG WDP when the District determines that a Permittee:
 - 1. Fails to comply with the terms and conditions of a compliance schedule order.
 - 2. Knowingly provides a false statement, representation, record, report, or other document to the General Manager.
 - 3. Refuses to provide records, reports, plans, or other documents required by the General Manager to determine FOG WDP terms or conditions, discharge compliance, or compliance with this Code.
 - 4. Falsifies, tampers with, or knowingly renders inaccurate any monitoring device or sample collection method.
 - 5. Refuses reasonable access to the FSE for the purpose of inspection and monitoring.
 - 6. Fails to make timely payment of all amounts owed to the District for all costs, charges, and fees required or imposed under this Code.
 - 7. Causes obstruction, sewer blockages, or SSOs in the public sewer.
 - 8. Violates GCD maintenance requirements, any condition or limit of its FOG WDP, or any provision of this Code.
 - 9. Fails to report significant changes in operations, or wastewater constituents,

and characteristics.

3.05.005 Violation- Penalty

- A. Any violation of this Code or the orders, rules, regulations, and permits issued under this Code is unlawful.
- B. Any user, discharger, and/or permittee in violation of this Code, or the orders, rules, regulations, and permits issued under this Code, may be ordered by the General Manager to cease and desist operations until the violation is corrected. Continuance of operations after notice to cease and desist has been furnished to the User, Discharger, and/or Permittee shall be unlawful and may result in the severance of the sewer connection. Each day in which any such violation shall continue shall be deemed a separate offense.
- C. The violation of any of the provisions of this Code, or the orders, rules, regulations, and permits issued under this Code, or the doing of any act prohibited or the failure or omission to do any act required by this Code, or the orders, rules, and regulations, and permits issued under this Code is a public nuisance and may be enjoined by the District.
- D. If any violation of this Code, or the orders, rules, regulations, and permits issued under this Code, causes damage to the District's wastewater system, the District may seek to recover civil damages from the User, Discharger, Owner, and/or Permittee causing such damage.
- E. Civil Penalties. Pursuant to the authority of California Government Code Sections 54739 - 54740, any person who violates any provision of this Code shall be liable civilly for a sum not to exceed \$25,000 per violation, for each day in which such violations occur. Pursuant to the authority of the Clean Water Act, 33 U.S.C. Section 1251 et seq., any person who violates any provision of this Code shall be liable civilly for a sum not to exceed \$25,000 per violation, for each day in which such violations occur. Pursuant to California Government Code Sections 54740.5 and 54740.6, the District may impose administrative fines up to the greater of \$5,000 per day or \$10 per gallon for discharge violations. Each violation and each day in which a violation occurs may constitute a new and separate violation of this Code and shall be subject to the penalties contained within.
- F. Criminal Penalties. Any person who violates any provision of this Code is guilty of a misdemeanor, which upon conviction is punishable by a fine not to exceed \$1,000 or imprisonment for not more than thirty (30) days, or both.

Each violation and each day in which a violation occurs may constitute a new and separate violation of this Code and shall be subject to the penalties contained herein.

- G. The remedies and provisions of this section are cumulative and are in addition to any other remedy or provision of law.

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

STAFF REPORT

To: Board of Directors

From: Carie Huff, District Engineer

Cc: Herb Niederberger, General Manager

Subject: Resolution 23-02, Authorization to Enter into a Sewer Easement and Conveyance Agreement with Rocklin Sierra Apartments II, LLC and Boardwalk Apartments 193, LLC

Meeting Date: January 12, 2023

Overview

Rocklin Sierra Apartments II, LLC is constructing the Sierra Gateway apartment complex located on Rocklin Road and adjacent to the existing Boardwalk Apartments (owned by Boardwalk Apartments 193 LLC). The Sierra Gateway design restricts the District's access to an existing public sewer manhole located within an existing District sewer easement on the adjacent Boardwalk Apartment property. This manhole solely serves the Boardwalk Apartments. District staff worked with the Sierra Gateway developer and engineer during the plan review process to develop a solution that meets the District's standards as well as Sierra Gateway's objectives for the project. The solution requires the District to quitclaim: 1) approximately eighty (80) feet of 8-inch sewer pipe and one manhole to the Boardwalk Apartments; and 2) a portion of the District's existing sewer easement to Sierra Gateway. Sierra Gateway in turn must grant a new private sewer easement to the Boardwalk Apartments.

In order to access District facilities for operation and maintenance purposes, Sierra Gateway improvement plans include the installation of a new property line cleanout at the edge of the quitclaimed portion of the District's easement. A manhole and approximately eighty (80) feet of sewer pipe would be added to the existing private sewer infrastructure located on the Boardwalk Apartments property which will be privately owned and maintained.

Recommendation

Staff requests the Board adopt Resolution 23-02 authorizing the General Manager to enter into a Sewer Easement and Conveyance Agreement with Rocklin Sierra Apartments II, LLC and Boardwalk Apartments 193, LLC, subject to final review and approval by the District's legal counsel.

Strategic Plan Goal

This action is consistent with the following Strategic Plan Priorities:

- Prepare for the future and foreseeable emergencies.
- Leverage existing and applicable technologies to improve efficiencies.
- Provide exceptional value for the cost of sewer service.

Fiscal Impact

There is no direct fiscal impact to the District. That portion of existing sewer facilities quitclaimed to the apartments will no longer be operated or maintained by the District.

Attachments:

1. Resolution 23-02
2. Sewer Easement Conveyance Agreement
3. Bill of Sale

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

RESOLUTION NO. 23-02

**AUTHORIZATION TO ENTER INTO A SEWER EASEMENT AND CONVEYANCE
AGREEMENT WITH ROCKLIN SIERRA APARTMENTS II, LLC, AND
BOARDWALK APARTMENTS 193, LLC**

WHEREAS, South Placer Municipal Utility District (District), owns and operates the public sewer collection system serving customers within its exterior boundaries, consisting of the Town of Loomis, City of Rocklin, and unincorporated parts of Placer County, including wastewater transmission mains, laterals cleanouts, and other sewer infrastructure presently owned, operated, and maintained by the District; and

WHEREAS, a portion of the District's facilities located on APN 045-161-016-000 owned by Rocklin Sierra Apartments II, LLC, in Rocklin serving the Boardwalk Apartments 193, LLC (APN 045-161-023) includes approximately eighty (80) feet of 8-inch sewer lateral and a manhole (the Boardwalk Apartment Lateral); and

WHEREAS, the Rocklin Sierra Apartments II, LLC and Boardwalk Apartments 193, LLC have requested that the District abandon and quitclaim the Boardwalk Apartment Lateral to Rocklin Sierra Apartments II, LLC, which in turn will grant Boardwalk Apartments 193, LLC, a private sewer easement (Boardwalk Apartment Private Sewer Easement) for the operation and maintenance of the Boardwalk Apartment Lateral; and

WHEREAS, the District has consented to this abandonment and quitclaim of its easement, conditioned upon Rocklin Sierra Apartments II, LLC granting the easement for the Boardwalk Apartment Lateral to Boardwalk Apartments 193, LLC, and provided Boardwalk Apartments 193, LLC assumes all liability and responsibility for the ownership, operation, and maintenance of the Boardwalk Apartment Lateral and all sewer infrastructure within Boardwalk Apartments 193, LLC, subject to the terms and conditions set forth in the attached Sewer Easement and Conveyance Agreement.

NOW, THEREFORE BE IT RESOLVED, the South Placer Municipal Utility District Board of Directors authorizes the General Manager to enter into the attached Sewer Easement and Conveyance Agreement with Rocklin Sierra Apartments II, LLC, and Boardwalk Apartments 193

LLC, subject to final review and approval by the District's legal counsel.

PASSED AND ADOPTED at a Regular Meeting of the South Placer Municipal Utility District Board of Directors at Rocklin, CA this 12th day of January 2023.

Signed: _____
James T. Williams, President of the Board of Directors

Attest: _____
Emilie Costan, Board Secretary

Recording Requested by
And Return to:

South Placer Municipal
Utility District
5807 Springview Drive
Rocklin, CA. 95677

No fee per Government
Code 6103 and 27383

APN: 045-161-016-000 and 045-161-023-000

SEWER EASEMENT CONVEYANCE AGREEMENT

This Sewer Easement Conveyance Agreement (this “**Agreement**”) is entered into as of January __, 2023 (the “**Effective Date**”), by and among the South Placer Municipal Utility District (hereinafter referred to as “**District**”), Rocklin Sierra Apartments II, LLC, a Delaware limited liability company (hereinafter referred to as “**Rocklin Sierra**”) and the Boardwalk Apartments 193, LLC, a Delaware limited liability company (hereinafter referred to as “**Boardwalk Apartments**”).

RECITALS

WHEREAS, the District owns and operates the public sewer collection system serving customers within its exterior boundaries, consisting of the Town of Loomis, City of Rocklin and unincorporated parts of Placer County, including wastewater transmission mains, laterals, cleanouts and other sewer infrastructure presently owned, operated and maintained by the District; and

WHEREAS a portion of the District’s facilities located on APN 045-161-016-000 in Rocklin serving the Boardwalk Apartments (APN 045-161-023-000), includes approximately eighty (80) feet of 8-inch sewer lateral and a manhole (the “Boardwalk Apartment Lateral”); and

WHEREAS, Rocklin Sierra and Boardwalk Apartments have requested that the District abandon and quitclaim the Boardwalk Apartment Lateral to Rocklin Sierra, which in turn will grant Boardwalk Apartments a private sewer easement (Boardwalk Apartment Private Sewer Easement) for the operation and maintenance of the Boardwalk Apartment Lateral; and

WHEREAS, District has consented to this abandonment and quitclaim of its easement, conditioned upon Rocklin Sierra granting the easement for the Boardwalk Apartment Lateral to Boardwalk Apartments, and provided Boardwalk Apartments assumes all liability and responsibility for the ownership, operation and maintenance of the Boardwalk Apartment Lateral and all sewer infrastructure within Boardwalk Apartments, subject to the terms and conditions set forth herein;

AGREEMENT

1. Sewer Easements.

a. Quitclaim of Sewer Easement. District hereby agrees to abandon and quitclaim a portion of the sewer easement per Document 97-0013391, Official Records of Placer County, which includes Boardwalk Apartment Lateral and convey all sewer facilities located within the easement to Rocklin Sierra pursuant to the terms and conditions of the Quitclaim Deed Sewer Easement attached hereto as Exhibit A. The District shall have no further responsibility for the operation, repair and maintenance of the Boardwalk Apartment Private Sewer Easement and all sewer facilities located thereon and thereunder. Said quitclaim and conveyance is made without any representation or warranty regarding the condition of the public sewer pipes, lines, mains, and appurtenances located within the Boardwalk Apartment Private Sewer Easement, including, but not limited to, the Boardwalk Apartment Lateral, which are quitclaimed, sold and conveyed in an “as is” condition with no further obligation of repair or maintenance.

b. Grant of Sewer Easement. Rocklin Sierra hereby agrees to grant Boardwalk Apartments a non-exclusive, perpetual right of way and easement for the Boardwalk Apartment Lateral quitclaimed by the District for the purposes (collectively, the “Permitted Use”) of building, constructing, reconstructing, adding to, modifying, altering, replacing or enlarging and to operate and maintain gravity and/or pressure sewer pipelines, including the Sewer Line, together with any and all fixtures, structures, devices and appurtenances appertaining thereto. The sewer easement shall be evidenced by the Grant of Private Sewer Easement (Boardwalk Apartment Private Sewer Easement) in the form attached hereto as Exhibit B. Boardwalk Apartments shall not be permitted to use the Easement Area for any use other than the Permitted Use. Said grant and conveyance is made without any representation or warranty regarding the condition of the public sewer pipes, lines, mains, and appurtenances located within the Boardwalk Apartment Private Sewer Easement, including, but not limited to, the Boardwalk Apartment Lateral, which are granted, sold and conveyed in an “as is” condition with no further obligation of repair or maintenance.

c. Bill of Sale. As part of the consideration for entering into this Agreement, the Parties shall execute a Bill of Sale in the form attached hereto as Exhibit C for the conveyance of the fixtures, structures, devices and appurtenances owned by the District within the Boardwalk Apartment Lateral and Boardwalk Apartment Private Sewer Easement in connection with the conveyance and sale thereof.

c. Private Sewer System. Upon the grant and conveyance of the Boardwalk Apartment Private Sewer Easement and all existing District sewer facilities located within the easement, described in Sections 1.a. and 1.b., above, Boardwalk Apartments shall exclusively own and be solely responsible for the sewer lines and conveyances serving the Boardwalk Apartments and located within the property described in Exhibit D hereto, including the Boardwalk Apartment Private Sewer Easement and Boardwalk Apartment Lateral.

b. Work in Easement Area. Boardwalk Apartments (either directly or indirectly through licensed contractors) shall, at its sole cost and expense: (i) conduct the Permitted Use in compliance with all applicable laws; (ii) perform any work constituting a Permitted Use in a good and workmanlike manner; (iii) not permit any mechanics’, materialmens’ or other liens to be recorded against the Property by reason of any Permitted Use; and (iv) cooperate with Rocklin

Sierra and its successors and assigns as owner of the real property on which the Boardwalk Apartment Lateral is located to conduct such work in a manner as to cause as little disturbance as reasonably practicable to the property, and to the tenants, agents, guests and invitees of Rocklin Sierra and its successors and assigns.

c. Cleanup. Following use of the Boardwalk Apartment Private Sewer Easement for sewer line work or maintenance or any other Permitted Use, the Boardwalk Apartments shall, at its sole cost and expense and without reimbursement from Rocklin Sierra, restore the improvements in the easement area and at the property to equal or better condition than existed prior to any Permitted Use, and to re-grade, level or smooth existing ground to the condition as it existed prior to commencement of work and/or other Permitted Use. Rocklin Sierra and Boardwalk Apartments covenant and agree to document the condition of the Property with photographs taken prior to, and following, any Permitted Use.

d. Term of Sewer Easements. The Sewer Easements shall be perpetual in duration.

e. Indemnification of District. Rocklin Sierra and Boardwalk Apartments, and their successors and assigns, shall, jointly and severally, indemnify, defend and hold District and District's members, managers, officers, directors, partners, agents and employees and their respective successors and assigns, free and harmless of and from any and all losses, costs, liabilities, claims, judgments, liens, damages and expenses, including, without limitation, reasonable attorneys', experts' and investigation fees and costs, arising out of or in any way related to injury to or death of persons or property damage arising out of the quitclaim, grant, conveyance and use of the Boardwalk Apartment Private Sewer Easement and sewer service facilities located thereon and thereunder. Boardwalk Apartments and its successors and assigns expressly agrees to defend, indemnify and hold harmless the District from and against any and all sanitary sewer overflows, leaks, backups, regulatory violations, damages, fines and penalties arising out of the use of the Boardwalk Apartment Private Sewer Easement and private sewer system serving the Boardwalk Apartments.

4. Miscellaneous.

a. Governing Law. The Agreement shall be construed in accordance with, and governed by, the internal laws of the State of California.

b. Covenant Runs with the Land. This Agreement runs with the land and shall inure to the benefit of and be binding on the parties and their respective legal representatives, successors and assigns.

c. Notice. All notices and any other communications permitted or required under this Agreement must be in writing and will be effective (i) immediately upon delivery in person or by facsimile, provided delivery is made during regular business hours or receipt is acknowledged by a person reasonably believed by the delivering party to be employed by the recipient and that for all facsimiles, good and complete transmission is confirmed by the sending facsimile machine and a copy of the notice is concurrently mailed pursuant to clause (iii) below; or (ii) upon the earlier of actual delivery confirmed by executed receipt of the recipient or 24 hours after deposit (in time for next day delivery) with a commercial courier or delivery service for overnight delivery, provided delivery is made during regular business hours or receipt is

acknowledged by a person reasonably believed by the delivering party to be employed by the recipient; or (iii) three days after deposit (before the last pick up time) with the United States Postal Service, certified mail, return receipt requested, postage prepaid and with the return receipt returned to the sender marked as delivered, undeliverable or rejected. The inability to deliver because of a changed address of which no notice was given, or rejection or other refusal to accept any notice, shall be deemed to be the receipt of the notice as of the date of such inability to deliver or rejection or refusal to accept. Any notice to be given by any Party hereto may be given by the counsel for such Party. All notices must be properly addressed and delivered to the parties at the addresses set forth below, or at such other addresses as such Party may subsequently designate by written notice given in the manner provided in this Section 4(c):

If Rocklin Sierra; Rocklin Sierra Apartments II, LLC
23622 Calabasas road, Suite 200
Calabasas, CA 91302

If Boardwalk Apartments: Boardwalk Apartments 193, LLC,
23622 Calabasas road, Suite 200
Calabasas, CA 91302

If District: South Placer Municipal Utility District
5807 Springview Drive
Rocklin, CA 95677
Attn: General Manager

In this section, “business day” means days other than Saturdays, Sundays, and federal and state legal holidays. Either party may change its address by written notice to the other in the manner set forth above. Receipt of communications by United States first class or registered mail shall be sufficiently evidenced by return receipt.

d. Partial Invalidity. The provisions of this Agreement are intended to be severable and enforceable to the maximum extent permitted by law. If for any reason any provision of this Agreement shall be held invalid, illegal or unenforceable in whole or in part in any jurisdiction, then that provision shall be ineffective only to the extent of the invalidity, illegality or unenforceability and in that jurisdiction only, without in any manner affecting the validity, legality or enforceability of the unaffected portion and the remaining provisions in that jurisdiction or any provision of the Agreement in any other jurisdiction. The unaffected portion and provisions of this Agreement will be enforced to the maximum extent permitted by law.

e. Waiver, Modification and Amendment. No amendment of, supplement to or waiver of any obligations under this Agreement will be enforceable or admissible unless set forth in a writing signed by the party against which enforcement or admission is sought. No delay or failure to require performance of any provision of this Agreement shall constitute a waiver of that provision as to that or any other instance. Any waiver granted shall apply solely to the specific instance expressly stated.

f. Covenant of Further Assurances. The parties hereby agree to execute such other documents and perform such other acts as may be necessary or desirable to carry out the purposes of this Agreement.

g. Entire Agreement. This Agreement represents the final, entire and complete agreement between the parties with respect to the subject matter hereof and supersedes all other prior or contemporaneous agreements, communications or representations, whether oral or written, express or implied. The parties acknowledge and agree that they may not and are not relying on any representation, promise, inducement, or other statement, whether oral or written and by whomever made, that is not contained expressly in this Agreement. This Agreement may only be modified by a written instrument signed by representatives authorized to bind all parties. Oral modifications are unenforceable.

h. Counterparts. This Agreement may be signed in any number of counterparts with the same effect as if the signatures to each counterpart were upon a single instrument, and is intended to be binding when all parties have delivered their signatures to the other parties. All counterparts shall be deemed an original of this Agreement.

i. Authority. The individuals executing this Agreement on behalf of District and Owner individually represent and warrant that he or she has been authorized to do so and has the power to bind the party for whom they are signing.

[SIGNATURES TO APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, District and Owner have executed this Agreement effective as of the Effective Date.

ROCKLIN SIERRA:

Rocklin Sierra Apartments II, LLC,
a Delaware limited liability company

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

BOARDWALK APARTMENTS:

[legal name]

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

DISTRICT:

South Placer Municipal Utility District

By: _____

Name: Herb Niederberger

Title: General Manager

[EXHIBITS WILL BE FORTHCOMING]

BILL OF SALE

The South Placer Municipal Utility District, a California Municipal Utility District (the “District”), Rocklin Sierra Apartments II, LLC, a Delaware limited liability company (“Rocklin Sierra”) and The Boardwalk Apartments 193, LLC, a Delaware limited liability company (“Boardwalk Apartments”) (individually, a “Party” and together, the “Parties”) hereby execute this Bill of Sale pursuant to the Sewer Easement Conveyance Agreement executed by the Parties and dated as of January __, 2023 . Capitalized terms used herein but not otherwise defined herein shall have the meanings given to them in the Sewer Easement Conveyance Agreement, as defined below.

By this instrument, the District does hereby bargain, grant, sell and convey to Rocklin Sierra all of its rights, title, and interest in and to all public sewer pipes, lines, mains, and appurtenances located within the Boardwalk Apartments Private Sewer Easement, including, but not limited to, the Boardwalk Apartment Lateral. Said grant and conveyance is made without any representation or warranty regarding the condition of the public sewer pipes, lines, mains, and appurtenances located within the Boardwalk Apartment Private Sewer Easement, including, but not limited to, the Boardwalk Apartment Lateral, which are granted, sold and conveyed in an “as is” condition with no further obligation of repair or maintenance.

By this instrument, Rocklin Sierra does hereby bargain, grant, sell and convey to Boardwalk Apartments all of its rights, title, and interest in and to all sewer pipes, lines, mains, and appurtenances located within the Boardwalk Apartments Private Sewer Easement, including, but not limited to, the Boardwalk Apartment Lateral. Said grant and conveyance is made without any representation or warranty regarding the condition of the sewer pipes, lines, mains, and appurtenances located within the Boardwalk Apartment Private Sewer Easement, including, but not limited to, the Boardwalk Apartment Lateral, which are granted, sold and conveyed in an “as is” condition with no further obligation of repair or maintenance.

Boardwalk Apartments hereby accepts the conveyance of all sewer pipes, lines, mains, and appurtenances located within the Boardwalk Apartments Private Sewer Easement, including, but not limited to, the Boardwalk Apartment Lateral, subject to the terms and conditions of the Sewer Easement Conveyance Agreement and this Bill of Sale.

IN WITNESS WHEREOF, the Parties have duly executed this Bill of Sale as of the date first above written.

SOUTH PLACER MUNICIPAL UTILITY DISTRICT, a California Municipal Utility District

By: _____
Name: Herb Niederberger
Title: General Manager

ROCKLIN SIERRA APARTMENTS II,
LLC, a Delaware limited liability company

By: _____
Name:
Title:

THE BOARDWALK APARTMENTS 193,
LLC, a Delaware limited liability company

By: _____
Name:
Title:

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
STAFF REPORT**

To: Board of Directors
From: Emilie Costan, Administrative Services Manager
Cc: Herb Niederberger, General Manager
Subject: Resolution 22-03 Authorizing the General Manager to Execute a Professional Services Agreement for Human Resources Administration with CPS HR Consulting
Meeting Date: January 12, 2023

Overview

The South Placer Municipal Utility District (District) has twenty-nine full-time employees. The District is seeking a firm with extensive experience in Human Resources (HR) to support the District in managing employee relations, investigations of employee complaints, review of counseling actions of employees, legal compliance, staff training, and other related duties. The firm will be available on an as-needed, hourly basis to respond to the HR needs of the District and its employees. It is anticipated that the work will average no more than ten hours per week.

The District requested proposals from qualified vendors on November 14, 2022. Six firms submitted proposals by the deadline of December 9, 2022. Two District staff members and a Board Director serving on the Personnel Advisory Committee individually evaluated the proposals. Proposals were evaluated based on qualifications and experience, work plan and approach, and cost. CPS HR Consulting was selected by the evaluation team as the best firm to provide Human Resources Services for the District.

Staff is presenting this resolution to the Board because the agreement is anticipated to exceed \$50,000, which in accordance with Purchasing Policy 3150, requires Board approval. The agreement allows for up to two one-year extensions to the agreement at the sole discretion of the District.

Recommendation

Staff recommends that the Board of Directors adopt Resolution 23-03, authorizing the General Manager to execute the attached agreement with CPS HR Consulting for Human Resources Services.

Strategic Plan Goals

This action is consistent with SPMUD Strategic Plan Priorities:

- Prepare for the future and foreseeable emergencies
- Make SPMUD a great place to work

Related District Ordinances and Policies

This action complies with the following District Policies
Policy No. 3150 – Purchasing Policy

Fiscal Impact

The total year-one agreement amount shall not exceed \$70,000. The total agreement amount in year two shall not exceed \$75,000, and the total agreement amount in year three shall not exceed \$80,000. The total agreement amount if extended for two one year periods shall not exceed \$225,000.

Attachments

1. Resolution 23-03
2. Professional Services Agreement for Human Resources Services

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

RESOLUTION 23-03

**AUTHORIZING THE GENERAL MANAGER TO EXECUTE AN AGREEMENT WITH
CPS HR CONSULTING FOR HUMAN RESOURCES (HR) SERVICES**

WHEREAS, The South Placer Municipal Utility District (hereinafter “District”) has twenty-nine full-time employees, and

WHEREAS, the District does not yet have the need for a dedicated, full-time HR employee and there are tasks needed to support employees of the District, and

WHEREAS, the firm will supplement staff by providing additional resources and expertise, and

WHEREAS, the District solicited proposals for qualified vendors, and the written proposals were individually evaluated by a team consisting of two staff members and a Board Director serving on the Personnel Advisory Committee, and

WHEREAS, CPS HR Consulting was determined to have the skills and expertise that most closely aligned with the needs and objectives of the District, and

WHEREAS, District Policy 3150 – Purchasing, requires Board authorization for the General Manager to approve purchases over \$50,000.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the South Placer Municipal Utility District that the General Manager is authorized to execute the attached Agreement with CPS HR Consulting for human resource support services.

PASSED AND ADOPTED at a Regular Meeting of the South Placer Municipal Utility District Board of Directors at Rocklin, CA this 12th day of January 2023.

Signed: _____

James T. Williams, President of the Board of Directors

Attest: _____

Emilie Costan, Board Secretary



South Placer Municipal Utility District
5807 Springview Drive Rocklin, CA 95677

PROFESSIONAL SERVICES AGREEMENT

AGREEMENT TERM: (1) year with option to extend

EXECUTED:

Provide Professional Services for the project know as Human Resource Services.

DISTRICT: South Placer MUD
DISTRICT REPRESENTATIVE:
Emilie Costan, Administrative Services Manager
(916) 786-8555; ecostan@spmud.ca.gov

CONTRACTOR: CPS HR Consulting
CONTRACTOR REPRESENTATIVE:
Melisa Asher, Sr. Practice Leader
(916) 471-3358, masher@cpshr.us

SERVICES:

The undersigned agrees to complete the work specified in strict accordance with the General Provisions, Scope of Work and Pricing incorporated herein within the time specified in the proposal.

Total year one agreement amount shall not exceed \$70,000, see proposal for hourly rate schedule. Option to extend for two additional years if agreed upon by both parties. Total agreement amount in year two shall not exceed \$75,000. Total agreement amount in year three shall not exceed \$80,000. The total agreement amount if extended for two one year periods shall not exceed \$225,000.

This includes all applicable taxes and fees. Proof of insurance, as described in the General Provisions, has been provided to the District.

Name and address of Contractor:

CPS HR Consulting
2450 Del Paso Road, Suite 220
Sacramento, CA 95834

The person signing this Contract for Contractor represents and warrants that he or she has read, understands, and agrees to all the Contract terms and is fully authorized to sign this Contract on behalf of the Contractor and to bind the Contractor to the performance of the Contract's obligations.

Signature of person authorized to sign:

Print Name:
Title:
Date:

NOTICE OF AWARD (This section for District use only)

You are directed to proceed with the work upon receipt of this award.

Print Name: Title:
Signature: Date:

GENERAL PROVISIONS

1. **SCOPE OF SERVICES:** Contractor shall do all work, attend all meetings, and carry out all activities necessary to complete all services described in the attached proposal included as part of this Agreement. This Agreement and its exhibits, attached or incorporated by reference, shall be known as the “Agreement Documents.” The Contractor enters into this Agreement as an independent contractor and not as an employee of the District.
2. **TIME OF PERFORMANCE:** The Services described in this Contract shall be provided for one year with an option to extend for two additional years. The services are to commence upon execution and receipt of this Agreement and shall be completed in a prompt and timely manner in accordance with the conditions of the Agreement.
3. **COMPENSATION:** Payments shall be paid *monthly* upon completion of services. The District reserves the right to perform any of these services with its own staff or to retain other contractors to perform the services. “Reimbursable Expenses” are limited to actual expenditures of the Contractor for expenses that are necessary for the proper satisfaction of the Contract and are only payable if specifically authorized in advance in writing by the District. No additional charges will be allowed unless specified in the Contract, including charges for transportation, fuel, containers, packing, or disposal. Contractor is responsible for supplying invoices and all documentation necessary to verify invoices to the District’s satisfaction. Invoices shall be emailed to ap@spmud.ca.gov or mailed to 5807 Springview Drive, Rocklin, CA 95677.
4. **TERMINATION:** This Agreement may be terminated, without cause, at any time by the District or Contractor upon ten days written notice. Contractor shall be compensated for all services provided for in the Agreement to that date. District shall be entitled to all work created pursuant to the Agreement.
5. **CHANGES:** District or Contractor may request changes to the scope of services to be performed. Such changes must be authorized in advance by the District in writing. Mutually agreed to changes shall be incorporated in written amendments to this Agreement.
6. **PROPERTY OF THE DISTRICT:** It is mutually agreed that all work or materials prepared under this Agreement shall become the property of the District. The District shall have full ownership and control, including ownership of any copyrights, of all information prepared, produced, or provided by Contractor under this Contract. In this Contract, the term “information” means and includes any and all work product, submittals, reports, plans, specifications, and other deliverables consisting of documents, writings, handwritings, typewriting, printing, photostating, photographing, computer models, and any other computerized data and every other means of recording any form of information, communications, or representation, including letters, works, pictures, drawings, sounds, or symbols, or any combination thereof.
7. **CONFIDENTIALITY:** During performance of this Agreement, the contractor may gain access to and use District information. The contractor agrees to protect all District Information and treat it as strictly confidential, and further agrees that they shall at no time, either directly or indirectly, divulge, disclose, or communicate in any manner any District information to any third party without the prior written consent. In addition, the contractor shall comply with all policies governing the use of the District network and technology systems.
8. **NOTIFICATION OF MATERIAL CHANGES IN BUSINESS:** Contractor agrees that if it experiences any material changes in its business, including a reorganization, refinancing, restructuring, leveraged buyout, bankruptcy, name change, or loss of key personnel, it will immediately notify the District of the changes.

Contractor also agrees to immediately notify the District of any condition that may jeopardize the scheduled delivery or fulfillment of Contractor's obligations to the District under this Contract.

9. WARRANTY: Contractor warrants that it has the expertise or has experts available to perform the services set forth in this Agreement in a manner consistent with accepted standards of its profession. It warrants that it will perform said services in a legal manner in conformance with all applicable laws and guidelines.
10. STANDARD OF PERFORMANCE: Contractor shall perform in the manner and according to the standards currently observed by a competent practitioner of Contractor's profession in California and in compliance with all requirements of this Contract. All products that Contractor delivers to District under this Contract must be prepared in a professional manner and conform to the standards of quality normally observed by a person currently practicing in Contractor's profession.

Contractor shall designate a Project Manager as its representative in all matters relating to the Agreement. The Project Manager shall remain in such capacity unless and until he is removed at the request of the District or replaced with the written permission of the District.

11. CERTIFICATE OF COMPLIANCE WITH LABOR CODE 3700: Section 3700 of the Labor Code requires every employer to be insured against liability for workers compensation or to undertake self-insurance in accordance with the provisions of that code, and the Contractor will comply with such provisions before commencing with any work of this Agreement.
12. INTEREST IN AGREEMENT: Contractor covenants that neither it nor any of its employees has an interest in this Agreement which would conflict in any manner or degree with the performance of its services hereunder.
13. NEGLIGENCE: Contractor shall be responsible for performing the work in a safe and skillful manner consistent with generally accepted standards and shall be liable for its own negligence and the negligent acts of its employees. District shall have no right of control over the manner in which the work is done but only as to its outcome and shall not be charged with the responsibility of preventing risk to any of Contractor's employees.
14. INDEMNITY: Contractor shall indemnify, defend, and hold harmless the District, its officers, officials, agents and employees from and against any and all claims, costs, losses and expenses arising out of or in connection with the performance of work or failure to comply with the obligations contained in the Agreement Documents, except such loss or damage which was caused by the active negligence or willful misconduct of the District.
15. INSURANCE: Contractor shall not commence with any work before obtaining, and shall maintain in force at all times during the term of this Agreement, the policies of insurance as specified by the District and incorporated herein by this reference.
16. SEVERABILITY: If a court with jurisdiction rules that any portion of this Contract or its application to any person or circumstance is invalid or unenforceable, the remainder of this Contract will not be affected thereby and will remain valid and enforceable as written, to the greatest extent permitted by law.
17. FACILITIES AND EQUIPMENT: Contractor shall, at its sole cost and expense, furnish all facilities and equipment that may be required for the contractor to perform services pursuant to this Agreement.

18. LICENSES AND PERMITS: Contractor represents and warrants that Contractor has and shall maintain at all times during the term of this Contract at its sole cost and expense, all licenses, permits, qualifications, and approvals of any nature that are legally required for Contractor to practice its profession or fulfill the terms of this Contract, including any required certification issued by the California Secretary of State.

19. MISCELLANEOUS PROVISIONS:

- A. Contractor shall not engage in unlawful employment discrimination.
- B. Information received from the contractor will be disclosed upon receipt of a request under the California Public Records Act; however, if any information is set apart and clearly marked “trade secret” when provided to the District, the District shall give notice of any request for disclosure. The contractor shall have five (5) days from the date of notification to enter into an agreement with the District, providing for the defense of, and complete indemnification and reimbursement of all costs incurred by the District in any legal action to compel disclosure of the information. The contractor shall have sole responsibility for defense of the “trade secret” designation.
- C. This Agreement and its exhibits constitute the entire agreement between the parties relative to the services herein and no modifications shall be effective unless and until such modification is in writing and signed by both parties.
- D. Contractor shall maintain and make available to District accurate records of all its costs and receipts with respect to any work under this Agreement for six months after the final payment under this Agreement.

D. Company Information / Qualifications and Experience

Cooperative Personnel Services, doing business as CPS HR Consulting, is a national firm and is a governmental Joint Powers Authority (JPA) of the State of California. A JPA is a public agency created pursuant to the Joint Exercise of Powers Act (Government Code 6500 et seq). This Act allows two or more government agencies to establish a new public entity authorized to exercise those powers jointly held. A JPA is an instrumentality of a state or a political subdivision of a state and is not a registered corporation of any state. Cooperative Personnel Services was established under a “Joint Powers Agreement” by the State Personnel Board of the State of California, the counties of Sacramento and Sonoma, the Hayward Unified School District, the City of Anaheim, and the East Bay Municipal Utility District, and its purpose is to provide the opportunity for the joint powers “to discuss, study and solve common or similar problems with respect to modern human resource and related management processes.”

CPS HR has been helping public agencies meet their human resource needs *since 1985*. We have a deep bench of experts in a broad array of human resources disciplines, long-term experience providing services within the public sector, and an emphasis on quality and value that can be confirmed by our current and past clients. CPS HR also delivers personalized results-oriented service, utilizing best practice methods and strategies from our team of experts. You will find that:

- ***We are practiced at providing exemplary and responsive service for a variety of HR services.*** CPS HR has held many contracts with local government agencies, so we know how to be responsive to your unique needs. We have the staff, expertise, and resources to provide top-notch professional audit and review services and we are also full-service HR practitioners.
- ***We bring in-depth understanding of all local government operations, programs, and services.*** Our team of experts includes a variety of professionals with the credentials and direct public agency experience necessary to deliver technically accurate content in an innovative and engaging manner.
- ***We have local presence and commitment to maintaining open communications with the District.*** Our project team will focus on integrating with your team and maintaining open communication with your staff to ensure that every activity is completed in a quality manner and adheres to the timeline and budget.

We are committed to meeting the highest professional standards of quality; therefore, team members have been selected for their relevant experience and expertise on HR best practices.

At CPS HR, we pride ourselves in establishing and nurturing long-term relationships with the agencies we serve as we live out our mission of bringing excellence in Human Resources to the public sector. We look forward to the opportunity to work with the District on this important project and continue our partnership into the future.

Human Resources Consulting Client Examples

CPS HR frequently works with government organizations to assist with day-to-day human resources activities which include but are not limited to recruitment and selection, employee relations, labor relations, maintain personnel records, classification/compensation and providing consultation on human resource related policies and procedures. Some examples include:

- State of California Dept of HR
- Fort Collins Loveland Water Dist., CO
- Marin Housing Auth., San Rafael, CA
- City of San Jose, CA
- City of Novato, CA
- County of Monterey, CA
- City of Union City, CA
- County of Santa Clara, CA
- Douglas County, Castle Rock, CO
- City of Vallejo, CA
- City of Manitou Springs, CO
- City of Carpinteria, CA
- City of Canyon Lake, CA
- San Bernardino Valley Municipal Water District, CA

Current HR Services Contracts

CPS HR is currently working with the following clients providing as-needed HR support.

- Brazoria Drainage District No. 4, TX
- City of Englewood, CO
- City of Frisco, TX
- City of Hawaiian Gardens, CA
- City of Oakland, CA
- City of Ontario, CA
- City of Rialto, CA
- City of Santa Rosa, CA
- City of Sheridan, CO
- City of Turlock, CA
- Colorado River Fire Rescue, CO
- Contra Costa Community College District, CA
- Contra Costa Youth Services Bureau, CA
- First 5 Mendocino, CA
- Jurupa Area Recreation and Park District, CA
- Las Gallinas Valley Sanitation District, CA

- Linda County Water District, CA
- Nederland Fire Protection District, CO
- Park County, CO
- Town of Eaton, CO
- University of the West, CA
- Ventura County Transportation Commission, CA

Some examples of similar projects are detailed below.

Examples of Similar Work

City of Turlock, CA

In Turlock, we have placed a senior consultant and administrative technician to work a combined 30 hours a week both remote and onsite to manage all recruitment and selection activities and day-to-day human resources support for the City. This engagement is current.

City of Santa Rosa, CA

In Santa Rosa, we placed a principal consultant to work 20 hours a week onsite to handle specific human resources related activities which include but are not limited to general human resource administration, recruitment and selection efforts including public safety, classification and compensation studies, review and/or development of desk manuals related to recruitment and selection processes, review of City's current recruitment and selection processes to include recommendations of best practices.

City of Hawaiian Gardens, CA

In Hawaiian Gardens, we placed a senior consultant/ to work 30 hours a week of which two days are onsite to manage all for the day-to-day human resources activities which include but are not limited to recruitment and selection, employee relations, benefits administration, and providing consultation on human resource related policies and procedures.

City of Sheridan CO

In Sheridan, we have placed a consultant to work 30 hours a week both onsite and remote to handle all of the day-to day human resources activities which include, but are not limited to, general human resources administration and records management; manage hiring, onboarding, promotion and separation of employees; handle employee relations and conflict resolution; review compensation and benefits package; administer leave policies; performance management; administer worker's compensation; ensure employee handbook is current; and administer and interpret personnel policies. This engagement is current and has been in place since 2018.

Key Personnel

Project Manager

We have assembled a strong project team, with each member selected for his/her specific expertise, experience working in the public sector, and professionalism. We have selected **Ms. Christina Batorski Peacock** to be the Project Manager for this assignment because of her strong project management skills. She will serve as the main point of contact for the District coordinating all aspects of the project including the project staff, finalizing project plans and deliverables, organizing and securing resources, managing communications, monitoring project progress, resolving any problems, and ensure timely and successful completion of the engagement.

Ms. Peacock has over 20 years of professional and management experience in public sector Human Resources, including experience in the areas of employee recruitment and selection, compliance, labor relations, test administration, employee relations, and policy development. Specifically, Ms. Peacock worked directly on recruitment efforts for entry-level Police Officer and entry-level Firefighter as well as sworn and uniform promotional recruitments with the City of Chicago for over 10 years.

Account Manager

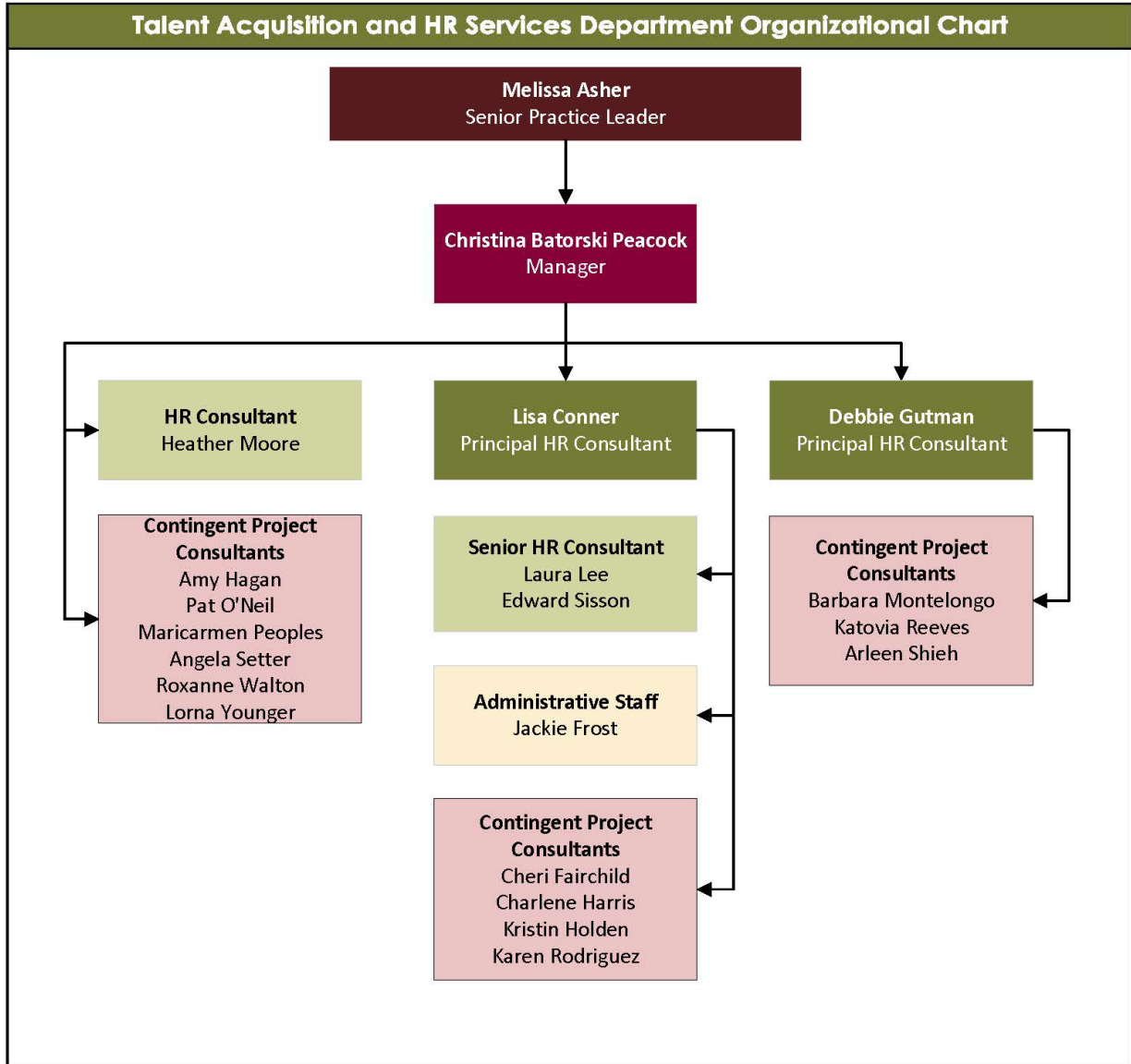
Ms. Tiffany Bose will serve as Account Manager and Local Client Liaison. Ms. Bose is a Project Consultant with CPS HR Consulting with 20 years of human resources experience and provides comprehensive solutions to employers, to successfully manage the interconnected role of human resources with the rest of the organization.

She is a known authority in her field and has worked for a university, special districts, and municipal and county governments with direct involvement in major human resources initiatives. Ms. Bose served in various roles from manager to Director of Human Resources for the cities of Huntington Beach, Avalon, Artesia, Industry, Moreno Valley, County of Riverside, and the University of Redlands.

Project Team

The specific project team will be based on team member availability and expertise at the time of contract execution. We have included an organizational chart of the team that will be supporting this scope of work.

All our project staff have extensive experience working with public agencies and are skilled in using programs in the Microsoft Office Suite.



Investigators

In the event the District requests a workplace investigation to be conducted, CPS HR will assign an investigator. Investigator biographies are included below.

Alexander Collins, Jr. - California State Bar No. 216454

Mr. Collins is an Investigator with CPS HR Consulting and has conducted investigations or inquiries regarding hostile work environment, sexual harassment, discrimination, retaliation, ADA, employee relations, and workplace accidents. In addition, Mr. Collins does quality control reviews of investigation reports prepared by other investigators. Mr. Collins is a partner at Collins, Ritchie & Ervin, LLP in Sacramento, California, and has practiced employment law since he became an attorney in 2001. For part of that time, Mr. Collins served as in-house counsel and provided employment guidance in that capacity.

Mr. Collins has represented employer clients regarding wrongful termination, hostile work environment, harassment, discrimination, compensation, leaves of absence, unemployment insurance appeals, workplace safety violations, and workers compensation discrimination claims. Mr. Collins has also assisted clients in the review and/or drafting of employee handbooks, non-competition agreements, employment agreements, and trade secret agreements.

Jeffrey D. Fulton - California State Bar No. 206466

Mr. Fulton is an Investigator with CPS HR Consulting. He has been a practicing attorney for over 18 years and has extensive experience in litigating and providing advice and counsel in the areas of discrimination (age, race, pregnancy, disability, protected activity retaliation), sexual harassment and assault in the workplace, whistleblower retaliation, wage and hour matters (wage and overtime claims, meal and rest break issues, misclassification), workplace safety/violence, wrongful termination, and leaves of absence under the Family Medical Leave Act and California Family Rights Act. Mr. Fulton has conducted workplace investigations involving nearly all types of complaints, including complex investigations with numerous complainants, respondents, and witnesses.

L. Katrina Meek - Private Investigator's License No. 22652

Ms. Meek has 30 years of public sector experience in professional human resources management. Her skills include professional licensed investigations of alleged sexual and other protected class harassment, EEO/ADA discrimination, workplace violence, retaliation and other employment related misconduct issues including complaints involving sworn officers covered by the (POBR), Police Officer Bill of Rights, and investigations of high-level managers including agency and department directors. Ms. Meek performs senior level reviews of the investigation reports completed by other investigators. She has expertise in policy development, safety, labor relations, union negotiations, and classification protocols. She has conducted reorganizational studies and developed and revised class specifications. She has assisted employers and appeared at unemployment insurance appeals hearings and has conducted organizational analyses, succession planning studies, and pre-employment background investigations for both sworn officers and non-sworn candidates.

E. Work Plan and Schedule

Our Understanding of the Scope of Work

We understand that the District desires to provide their employees with highly competent, customer-focused, efficient, and effective human resources support. Given the size of the organization and the dynamic industry the District is engaged in, it makes sense to partner with a full-service HR firm like CPS HR Consulting, which can provide the full range of HR services as needed and on-demand. Having a dedicated, assigned HR professional will ensure that everything from benefits questions and open enrollment through more complex employee relations complaints or the latest policy interpretation and implementation are taken care of quickly and effectively. This will provide the District with the confidence that your HR matters are dealt with properly, reducing liability for the organization and giving employees the tools and resources to be an engaged workforce. This option is also very cost effective in that the service level will fluctuate based on the demand, helping the organization ensure its investment is at the appropriate level.

Our Approach and Methodology for Services

Conceptual Plan

CPS HR believes that building a solid foundation for human resource management will best support an organization's efforts to achieve its mission and goals. We view the human resources function as a systems model that integrates success factors and best practices across the human resources span of control, while aligning with the external and internal factors that support the business. The use of this systems approach eliminates or mitigates the unintended consequences of making decisions which place human resources programs in silos, rather than on a continuum.

We view our clients as our business partners; our goal is to form strong and collaborative partnerships with our clients to assist them in achieving their missions. It is through such partnerships that CPS HR achieves our own mission to promote human resource excellence in the public sector.

HR On Demand Services

Interim HR Placement and HR Consultation

Our approach includes providing human resources expertise, advice, and consultation to ensure appropriate research, analysis, and professional HR guidance are utilized for all assigned duties and responsibilities. These duties would include hands-on delivery of HR services as well as providing best practice recommendations and assistance with implementation in the requested service areas.

CPS HR staff assigned would work remotely via phone, email, and video conferencing. CPS HR Staff will respond to emails within 24 hours and will be available for up to 10 hours a week to provide the services within this scope of work. We can assist with a specific project or provide operational or strategic HR consultation to support the day-to-day HR function as needed and on-demand. We will comply with any confidentiality and system requirements the District has determined are necessary to maintain the integrity and confidentiality of its data.

HR Support and Consultation: CPS HR will provide the District with HR support and consultation in these primary areas, with some typical tasks listed below:

- *HR Administrative Services (policy development and review, compliance audits, etc.)*
 - Assist with the review and interpretation of current, revised, and/or new HR-related laws, policies, and/or procedures
 - Write new policies, as needed or requested
 - Periodically audit HR records and practices for compliance
 - Recommend best practices for ongoing compliance
- *Employee Relations & Labor Relations (investigations, mediation, complaints, grievances, etc.)*
 - Provide advice, counsel, recommendations, and training to ensure a positive and productive work environment
 - Provide direction for employee related matters such as time-off, medical leave, formal and informal employee complaints, discipline, termination of employees, and unemployment
 - Prepare and implement strategies to prevent and resolve employee problems or disputes
 - Provide mediation or investigative services, if needed
 - Ensure compliance with MOUs or other bargaining agreements
 - Policy creation relative to MOUs
 - Respond to grievances
 - Union communications
- *Review of Counseling Actions and Progressive Discipline*
 - Review and understand District's current progressive discipline process
 - Recommend revisions, if needed, based on best practices
 - Provide training and support to supervisors/managers
 - Participate in progressive discipline meetings and review relevant communication
 - Field questions from managers/supervisors and employees

■ *Exit Interviews*

- Review and understand District's Exit Interview process
- Recommend revisions, if needed, based on best practices
- Conduct exit interviews with employee's leaving the District in a timely manner
- Provide feedback to District stakeholders on any relevant items shared during the exit interviews.

■ *Benefit Consultations*

- Field employee questions
- Process benefit enrollments, changes, and terminations
- Work with third party providers
- Assist with open enrollment activities

■ *Reasonable Accommodations (ADA & EEOC)*

- Receive and review accommodation requests from District employees
- Analyze information provided to determine if accommodation can be granted
- Provide District employee with response to approve or deny accommodation request
- Field questions and provide training, as needed

■ *Leave Administration*

- Receive and review leave requests from District employees.
- Evaluate information provided to ensure completion and compliance
- Provide District employee with response to approve or deny leave request
- Track leaves and provide report, as needed, on active leaves
- Field questions and provide training, as needed

■ *Annual HR Related Training for Employees*

- Review the District's current annual training guidelines to ensure compliance and make adjustments, as needed
- Facilitate the scheduling of District employees for required annual training and ensure completion of training by each employee
- Generate reports to reflect status of training completed

■ *Organizational & Employee Development*

- Collaborate with District supervisors to identify gaps in employee's skill sets and/or career progression opportunities
- Define expectations, review desired courses, discuss goals and learning objectives, and discuss timeline and schedules
- Ensure courses meet learning objectives, are current, easy to navigate and use
- Identify tentative schedule of classes or other services
- Deliver program
- Class completion activities (i.e., evaluation, certificates)
- Ongoing follow-up/updates as needed

■ *Diversity & Inclusion*

- Education and Training
- Action Planning, Facilitation/Implementation Services
- Leadership Strategies
- Team Development
- Consulting Services

■ *Special Projects*

- Specific tasks will be finalized with the District once special request is received

F. Fee Schedule

CPS HR is proposing the level, description, and rates below with the assumption that services will be provided remotely, unless there is an occasional need for the consultant to be onsite (reimbursable expenses will apply). CPS HR would consider this a time and materials contract and would only bill for actual hours worked on a monthly basis. The District can determine which level and amount of service is needed per week.

To begin, we **would propose a not-to-exceed amount of \$35,000** which would equate to about 260 hours at the Senior HR Consultant level assuming 10 hours a week beginning in January of 2023 through June 30, 2023.

Professional Consulting Services Hourly Rates*:

Service and Staff	Consulting Price
HR Consulting or DEI Consulting	\$145 - \$185 per hour
Investigator	\$185 per hour
Principal HR Consultant/Project Manager	\$140 per hour
Senior HR Consultant	\$135 per hour
HR Consultant	\$125 per hour
HR Technician	\$95 per hour

Reimbursable Expenses

Actual out-of-pocket reimbursable expenses for such items as advertising, printing/copying, postage/delivery charges, and related fees, if paid by CPS HR, will be billed directly to the District for actual expenses incurred.

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
STAFF REPORT**

To: Board of Directors

From: Emilie Costan, Administrative Services Manager

Cc: Herb Niederberger, General Manager

Subject: Resolution 23-04 Authorizing the General Manager to Execute a Professional Services Agreement for a Classification and Compensation Study with Ralph Anderson & Associates

Meeting Date: January 12, 2023

Overview

The South Placer Municipal Utility District (District) has twenty-nine full-time employees. The District is seeking a firm to conduct a comprehensive compensation and classification study of its administrative, technical, and field services positions including a review of salary ranges, benefit packages, and job classifications. The last compensation study was completed by District staff in 2016/2017. The District’s current employee and manager memorandum of understandings (MOU) expire on June 30, 2023, and the District is seeking to have the Classification and Compensation Study completed with ample time to conduct labor negotiations with the employee representatives.

The District requested proposals from qualified vendors on November 14, 2022. Six firms submitted proposals by the deadline of December 9, 2022. Two District staff members and a Board Director serving on the Personnel Advisory Committee individually evaluated the proposals. Proposals were evaluated based on qualifications and experience, work plan and approach, and cost. Ralph Anderson & Associates was selected by the evaluation team as the best firm to conduct a Classification and Compensation Study for the District.

While the cost of the Classification and Compensation Study is less than \$50,000 and does not require Board approval per the District Purchasing Policy 3150, staff is seeking Board approval due to the Board’s involvement in upcoming labor negotiations with the employee representatives.

Recommendation

Staff recommends that the Board of Directors adopt Resolution 23-04, authorizing the General Manager to execute the attached agreement with Ralph Anderson & Associates for a Classification and Compensation Study.

Strategic Plan Goals

This action is consistent with SPMUD Strategic Plan Priorities:
Provide exceptional value for the cost of sewer service
Make SPMUD a great place to work

Related District Ordinances and Policies

This action complies with the following District Policies
Policy No. 3150 – Purchasing Policy

Fiscal Impact

The cost of the Classification and Compensation Study is \$34,800. The funds for these services were budgeted under Professional Services in the fiscal year 22/23 budget.

Attachments

1. Resolution 23-04
2. Professional Services Agreement for a Classification and Compensation Study

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

RESOLUTION 23-04

**AUTHORIZING THE GENERAL MANAGER TO EXECUTE AN AGREEMENT WITH
RALPH ANDERSON & ASSOCIATES FOR A CLASSIFICATION AND
COMPENSATION STUDY**

WHEREAS, The South Placer Municipal Utility District (hereinafter “District”) has twenty-nine full-time employees, and

WHEREAS, the current employee and manager memorandum of understandings (MOU) expire on June 30, 2023, and

WHEREAS, the last compensation study was completed by District staff in 2016/2017, and

WHEREAS, the District desires a comprehensive compensation and classification study of its administrative, technical, and field services positions including a review of salary ranges, benefit packages, and job classifications, and

WHEREAS, the District solicited proposals for qualified vendors and the written proposals were individually evaluated by a team consisting of two staff members and a Board Director serving on the Personnel Advisory Committee, and

WHEREAS, Ralph Anderson & Associates was determined to have the skills and expertise that most closely aligned with the needs and objectives of the District, and

WHEREAS, District Policy 3150 – Purchasing, requires Board authorization for the General Manager to approve purchases over \$50,000.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the South Placer Municipal Utility District that the General Manager is authorized to execute the attached Agreement with Ralph Anderson & Associates for a Classification and Compensation Study.

PASSED AND ADOPTED at a Regular Meeting of the South Placer Municipal Utility District Board of Directors at Rocklin, CA this 12th day of January 2023.

Signed: _____

James T. Williams, President of the Board of Directors

Attest: _____

Emilie Costan, Board Secretary



South Placer Municipal Utility District
5807 Springview Drive Rocklin, CA 95677

PROFESSIONAL SERVICES AGREEMENT

AGREEMENT TERM: 6 months

EXECUTED:

Provide Professional Services for the project know as Classification and Compensation Study.

DISTRICT: South Placer MUD
DISTRICT REPRESENTATIVE:
Emilie Costan, Administrative Services Manager
(916) 786-8555; ecostan@spmud.ca.gov

CONTRACTOR: Ralph Anderson & Associates
CONTRACTOR REPRESENTATIVE:
Heather Renschler, President/CEO
(916) 630-4900, info@ralphandersen.com

SERVICES:

The undersigned agrees to complete the work specified in strict accordance with the General Provisions, Scope of Work and Pricing incorporated herein within the time specified in the proposal.

Total agreement amount shall not exceed \$34,800.

This includes all applicable taxes and fees. Proof of insurance, as described in the General Provisions, has been provided to the District.

Name and address of Contractor:

Ralph Anderson & Associates
5800 Stanford Ranch Road, Suite 410
Rocklin, CA 95765

The person signing this Contract for Contractor represents and warrants that he or she has read, understands, and agrees to all the Contract terms and is fully authorized to sign this Contract on behalf of the Contractor and to bind the Contractor to the performance of the Contract's obligations.

Signature of person authorized to sign:

Print Name: _____

Title: _____

Date: _____

NOTICE OF AWARD (This section for District use only)

[] You are directed to proceed with the work upon receipt of this award.

Print Name: _____ Title: _____

Signature: _____ Date: _____

GENERAL PROVISIONS

1. **SCOPE OF SERVICES:** Contractor shall do all work, attend all meetings, and carry out all activities necessary to complete all services described in the attached proposal included as part of this Agreement. This Agreement and its exhibits, attached or incorporated by reference, shall be known as the “Agreement Documents.” The Contractor enters into this Agreement as an independent contractor and not as an employee of the District.
2. **TIME OF PERFORMANCE:** The Services described in this Contract shall be provided in no more than 6 months from the time of Contract execution. The services are to commence upon execution and receipt of this Agreement and shall be completed in a prompt and timely manner in accordance with the conditions of the Agreement.
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7. **CONFIDENTIALITY:** During performance of this Agreement, the contractor may gain access to and use District information. The contractor agrees to protect all District Information and treat it as strictly confidential, and further agrees that they shall at no time, either directly or indirectly, divulge, disclose, or communicate in any manner any District information to any third party without the prior written consent. In addition, the contractor shall comply with all policies governing the use of the District network and technology systems.
8. **NOTIFICATION OF MATERIAL CHANGES IN BUSINESS:** Contractor agrees that if it experiences any material changes in its business, including a reorganization, refinancing, restructuring, leveraged buyout,

bankruptcy, name change, or loss of key personnel, it will immediately notify the District of the changes. Contractor also agrees to immediately notify the District of any condition that may jeopardize the scheduled delivery or fulfillment of Contractor's obligations to the District under this Contract.

9. WARRANTY: Contractor warrants that it has the expertise or has experts available to perform the services set forth in this Agreement in a manner consistent with accepted standards of its profession. It warrants that it will perform said services in a legal manner in conformance with all applicable laws and guidelines.
10. STANDARD OF PERFORMANCE: Contractor shall perform in the manner and according to the standards currently observed by a competent practitioner of Contractor's profession in California and in compliance with all requirements of this Contract. All products that Contractor delivers to District under this Contract must be prepared in a professional manner and conform to the standards of quality normally observed by a person currently practicing in Contractor's profession.

Contractor shall designate a Project Manager as its representative in all matters relating to the Agreement. The Project Manager shall remain in such capacity unless and until he is removed at the request of the District or replaced with the written permission of the District.

11. CERTIFICATE OF COMPLIANCE WITH LABOR CODE 3700: Section 3700 of the Labor Code requires every employer to be insured against liability for workers compensation or to undertake self-insurance in accordance with the provisions of that code, and the Contractor will comply with such provisions before commencing with any work of this Agreement.
12. INTEREST IN AGREEMENT: Contractor covenants that neither it nor any of its employees has an interest in this Agreement which would conflict in any manner or degree with the performance of its services hereunder.
13. NEGLIGENCE: Contractor shall be responsible for performing the work in a safe and skillful manner consistent with generally accepted standards and shall be liable for its own negligence and the negligent acts of its employees. District shall have no right of control over the manner in which the work is done but only as to its outcome and shall not be charged with the responsibility of preventing risk to any of Contractor's employees.
14. INDEMNITY: Contractor shall indemnify, defend, and hold harmless the District, its officers, officials, agents and employees from and against any and all claims, costs, losses and expenses arising out of or in connection with the performance of work or failure to comply with the obligations contained in the Agreement Documents, except such loss or damage which was caused by the active negligence or willful misconduct of the District.
15. INSURANCE: Contractor shall not commence with any work before obtaining, and shall maintain in force at all times during the term of this Agreement, the policies of insurance as specified by the District and incorporated herein by this reference.
16. SEVERABILITY: If a court with jurisdiction rules that any portion of this Contract or its application to any person or circumstance is invalid or unenforceable, the remainder of this Contract will not be affected thereby and will remain valid and enforceable as written, to the greatest extent permitted by law.
17. FACILITIES AND EQUIPMENT: Contractor shall, at its sole cost and expense, furnish all facilities and equipment that may be required for the contractor to perform services pursuant to this Agreement.

18. LICENSES AND PERMITS: Contractor represents and warrants that Contractor has and shall maintain at all times during the term of this Contract at its sole cost and expense, all licenses, permits, qualifications, and approvals of any nature that are legally required for Contractor to practice its profession or fulfill the terms of this Contract, including any required certification issued by the California Secretary of State.

19. MISCELLANEOUS PROVISIONS:

- A. Contractor shall not engage in unlawful employment discrimination.
- B. Information received from the contractor will be disclosed upon receipt of a request under the California Public Records Act; however, if any information is set apart and clearly marked “trade secret” when provided to the District, the District shall give notice of any request for disclosure. The contractor shall have five (5) days from the date of notification to enter into an agreement with the District, providing for the defense of, and complete indemnification and reimbursement of all costs incurred by the District in any legal action to compel disclosure of the information. The contractor shall have sole responsibility for defense of the “trade secret” designation.
- C. This Agreement and its exhibits constitute the entire agreement between the parties relative to the services herein and no modifications shall be effective unless and until such modification is in writing and signed by both parties.
- D. Contractor shall maintain and make available to District accurate records of all its costs and receipts with respect to any work under this Agreement for six months after the final payment under this Agreement.

Executive Summary

Ralph Andersen & Associates is a recognized leader in providing a full range of management consulting services to cities, counties, special districts, educational institutions, and non-profit organizations. The firm has a long tradition of providing a customized approach that uniquely meets the specific objectives of the organization. Our consultants are practitioners in the latest methods used for data collection, analysis, and application in developing classification and compensation plans. Our proposal provides you with a thorough understanding of our approach to the study and is based upon:

- Our unmatched experience in human resource consulting; Ralph Andersen & Associates continues a 50-year tradition of providing quality consulting services to local government agencies
- The proven track record of our staff working with cities and public agencies throughout California
- Our ability to design and implement creative and tailored classification and compensation systems; we believe in customizing our products and systems to meet specific policy objectives
- Comprehensive data analysis and reporting; our firm has experts in data analysis using spreadsheet applications to guarantee efficiency and a highly customized approach
- Successful study engagements involving elected officials, study committees, management staff, labor representatives, and general employees; we understand the importance of building consensus among study participants
- Our commitment, sensitivity, and responsiveness to completing quality products on time and within budget.

The firm provides human resource consulting services to clients of all sizes and types, with special expertise in meeting the unique needs of public sector agencies. Our results-oriented approach and methodologies produce recommendations that are directly responsive to our clients' needs and are easily implemented and maintained over time.

Our proposal provides you with detailed information regarding the background of the firm, our consulting staff, project methodologies, a proposed work plan, project timing, and other additional information requested by the District. A summary of this information is as follows:

- **The Firm** – The project team assigned to this project have performed hundreds of similar compensation studies for clients throughout California and the Western United States. Doug Johnson, Vice President, will serve as the project manager and will be assisted by Jeff McMurdo who will perform data collection duties. The full resources of the firm will be available to ensure successful and timely completion of the project.
- **Methodologies** – The firm has successfully developed proven methodologies that will meet all of the policy/project goals identified by the District. Our approach

is tailored to ensure the project work plan and deliverables meet all of the study objectives in a cost effective and timely manner.

- **Timeline** – Our work plan completes all study tasks within a twelve-week timeline which meets the District’s completion requirements. We have an outstanding track record at completing compensation studies with the full participation of survey agencies.

Ralph Andersen & Associates will not be using any subcontractors/consultants for this project with all work being performed by full-time staff members. The firm is an Equal Opportunity Employer and is not only committed to non-discriminatory practices but also conducts significant outreach efforts through internships and college foundation programs.

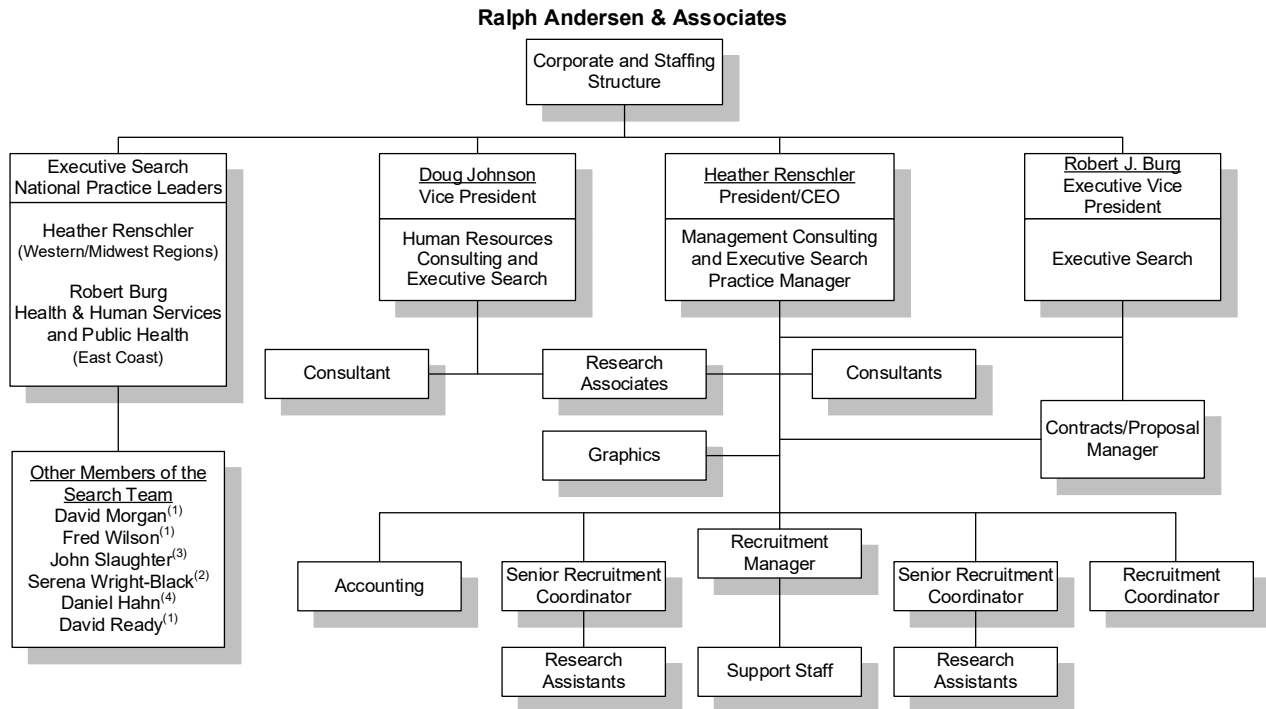
Qualifications and Experience

The Firm

Ralph Andersen & Associates has over 50 years of local government consulting experience serving the needs of cities, counties, utilities, special districts, community colleges, schools, non-profit organizations, and state governments. Key service areas of the firm include:

- Human Resources Consulting
- Executive Search
- Management Consulting.

Ralph Andersen & Associates serves a nationwide clientele through its Corporate Office in the Sacramento area (Rocklin, California). A multi-disciplined, full-service local government consulting organization, Ralph Andersen & Associates is dedicated to helping our clients improve operating efficiency and organizational effectiveness. The firm employs 14 full-time staff, 3 part-time staff, and has additional contractors and affiliations as needed to provide a full range of services.



⁽¹⁾Former City Manager
⁽²⁾Former Assistant City Manager
⁽³⁾Former County Manager
⁽⁴⁾Former Chief of Police

For this project, staff from the firm’s human resources practice will provide the consulting services. The human resource practice focuses on those services that are not easily provided by in-house human resources staff. Key services include:

- **Classification Studies** – These projects include job analysis, class plan development, position allocation, career ladders, class specifications, FLSA analysis, ADA compliance, and related analysis.
- **Compensation Studies** – The firm provides a full range of compensation services including labor market selection, base salary and benefit surveys, private-public data comparisons, benchmark selection, and internal relationship analysis.
- **Expert Testimony and Arbitration Support** – The firm has had significant experience providing technical support in arbitration and mediation hearings and has significant experience working with labor and management groups. This expertise includes the selection of comparable agencies and the elements of compensation appropriate for labor market surveys.
- **Job Evaluation Systems** – In addition to having a copyrighted Point Factor Job Evaluation System, the staff of Ralph Andersen & Associates have significant expertise in developing customized job evaluation systems and “hybrid” solutions.
- **Performance Management Programs** – Performance management serves as a foundation for measuring/tracking organization and employee performance. We have several standard systems that have demonstrated success in a variety of public agencies. In addition, Ralph Andersen & Associates can develop tailored performance management systems to fit the unique needs of our clients.
- **Pay-for-Performance/Incentive Programs** – Ralph Andersen & Associates is a leader in developing effective pay-for-performance programs for public agencies including merit progression systems, lump sum and incentive programs, and other mechanisms tied to employee or organizational measurement criteria.
- **Technical Assistance** – Ralph Andersen & Associates also provides a full range of hourly technical assistance including conducting job audits, support for labor relations, and expert testimony.

The firm has no conflict of interest with the staff or officials of the South Placer Municipal Utility District and is independent of the District as defined by generally accepted auditing standards. Additional information about the firm’s services and background can be found at our web site at www.ralphandersen.com.

Project Team

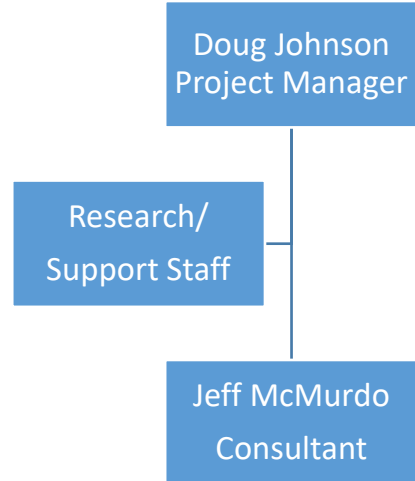
Consultants, complemented by consulting firms, define the difference between success and failure in projects of this nature. Ralph Andersen & Associates understands that selection of a project team with the right mix of skills and experience is the most important decision that will be made during the study. The team must be well led and the project well managed if the study objectives are to be achieved.

In defining the project team for this engagement, consideration of the current workload of all consulting staff was taken into account to ensure our ability to fully meet your stated needs and objectives. Doug Johnson, Vice President, will serve as the Project Manager

and will have responsibility for all primary contact with the District as well as all on-site review meetings and presentations. Mr. Johnson has managed hundreds of consulting engagements including large public agencies throughout California and the United States.

The staffing for this project will include:

- **Doug Johnson, Vice President** – Mr. Johnson will serve as the Project Manager and will conduct all on-site meetings, prepare all written reports, and serve as chief analyst on the project. He is the firm’s most experienced Project Manager and has expertise in working with special districts, cities, and other local government agencies similar to the District involving complex classification and compensation issues.
- **Jeff McMurdo, Consultant** – Mr. McMurdo is the most experienced consultant at the firm and has extensive experience conducting employee interviews, developing classification recommendations, developing job descriptions, and collecting and analyzing market data.



All staff members are available for the scheduled duration of the project. Anticipated workloads for all staff have been considered in assigning staff to this project. The firm’s staffing and project management systems allow for multiple studies to be conducted simultaneously without impacting the completion dates of the project. Brief staff resumes are provided below.

Staff Resumes

Doug Johnson, Vice President

Mr. Johnson is currently a Vice President with Ralph Andersen & Associates and has 34 years of local government consulting experience. Mr. Johnson has 20 years of experience with Ralph Andersen & Associates in addition to 13 years as President of Johnson & Associates, some human resources consulting firm. Mr. Johnson is the firm’s expert in job analysis, market comparability, compensation, benefits, and related matters. He has served as an expert witness in arbitration proceedings and mediation sessions, mostly involving police and fire issues. He has extensive experience working with elected officials, public executives, staff members, labor organizations, and ad-hoc committees. He leads the firm’s human resource consulting services and participates in all facets of the firm’s recruitments.



Mr. Johnson’s expertise includes consulting experience with public agencies throughout the United States including special districts, cities, counties, utilities, community colleges,

school districts, nonprofit organizations, and private companies. Mr. Johnson has provided consulting assistance to hundreds of public sector agencies and is a recognized expert in compensation issues. Specific areas of expertise include:

- Job classification studies
- Job evaluation system design and implementation
- Pay plan development and administration
- Market comparability research and analysis
- Total compensation analysis
- Private sector data analysis
- Performance management.

Mr. Johnson's experience includes serving as project manager and chief analyst for hundreds of local government agencies. Recent municipal projects include the cities of Auburn, Union City, Hollister, Indio, Arcadia, Carson, Hermosa Beach, Simi Valley, Paramount, Signal Hill, Redondo Beach, Hermosa Beach, Port Hueneme, Modesto, Monterey, Sacramento, Lake Forest, and Petaluma. Special district projects include Turlock Irrigation District, Nevada Irrigation District, Alameda County Water Authority, and Otay Water District.

Mr. Johnson holds a Bachelor of Arts degree in Psychology with a minor in Communication Studies from California State University, Sacramento. His course work emphasized organizational development and performance incentives. He is an active member of WorldAtWork, The Total Rewards Association.

Jeff McMurdo, Consultant

Mr. McMurdo has over 20 years of human resources consulting experience and serves on a variety of project consulting teams focusing on classification and compensation plan development. He is an experienced classification analyst and has developed hundreds of classification plans in addition to ad-hoc reclassification and targeted classification studies for large and small organizations. His duties also include leading and participating in total compensation studies including comprehensive market research, data collection, data analysis, and data presentation. Key responsibilities of Mr. McMurdo include:



- Conducting job analysis interviews, analyzing positions and job classifications, and preparing job descriptions.
- Designing survey data collection forms, questionnaires, and related instruments.
- Market survey research including the review and analysis of budgets, organization charts, MOUs, job descriptions, salary schedules, and benefit documents.
- Data compilation including job comparability, range structure analysis, benefit data, and related survey information.

He has conducted over a hundred compensation surveys including recent surveys for the cities of Anaheim, Arcadia, Paramount, Temple City, Ketchikan, Laguna Hills, Reno, Sacramento, Monterey, Irwindale, Palm Springs, Tracy, and Sunnyvale. He has also worked with a number of special districts including Olivenhain Municipal Water District, Otay Water District, San Diego Water Authority, Mesa Water, Sweetwater Authority, and Alameda County Water District. Mr. McMurdo holds a Bachelor of Science degree in Business Administration from California State University, Sacramento. His course work emphasized human resource management.

Additional firm resources, including support staff and project consultants, will be available to ensure successful and timely completion of the study.

Work Plan and Schedule

Project Understanding

The South Placer Municipal Utility District is interested in conducting a Classification and Compensation Study involving all District employees and job classifications.

To ensure that the District's objectives are met, the following key study components and anticipated end-products are included in the work plan developed by Ralph Andersen & Associates.

- Conduct a meeting with District representatives at project initiation to confirm the study goals, objectives, and deliverables
- Conduct briefing sessions with employees at the beginning of the study to explain the study process and answer questions
- Conduct an extensive review of background documents
- Distribute job analysis questionnaires and conduct supplemental interviews with a sampling of employees in the study
- Develop classification recommendations, FLSA designations, and update job descriptions
- Review historical practices and recommended survey agencies, survey job classifications, and identify data collection needs
- Conduct a custom salary and benefit survey and analyze the market data
- Conduct internal relationship analyses, survey benchmarking, and develop salary range recommendations for all District job classifications
- Develop draft and final reports incorporating all study recommendations and supporting data including implementation plans
- Conduct a classification and compensation review and appeal process to fully resolve all classification issues and recommendations
- Present the findings to managers, employees, labor representatives, project committees, and the Board of Directors, as needed.

Ralph Andersen & Associates has a strong commitment to develop and implement customized and tailored classification and compensation systems. While we have broad expertise and experience from hundreds of successful consulting assignments, we are committed to a “customer service” approach to all of our client engagements. This assures the preparation of study end-products that are uniquely customized to the South Placer Municipal Utility District.

Ralph Andersen & Associates will apply several technical and administrative methodologies in creating the District's updated compensation systems. An overview of all key methodologies is described below.

Background Data Analysis

The consultant team will identify a wide range of background data that will be collected from the District as part of the study. The consultant team will provide the District with a complete list of background needs upon initiation of the project.

Materials collected and reviewed during this initial stage of the project will, at a minimum, include:

- Organization charts
- Planning documents
- Existing class specifications
- Budgets
- Current pay plan and related salary schedules
- Benefits summaries
- Memorandums of Understanding
- Relevant administrative rules and procedures.

These materials provide an understanding of the District's personnel system and of current applicable policies and procedures.

Job Analysis Questionnaires

Project consultants will distribute a Job Analysis Questionnaire (JAQ) to all study employees identified for analysis in the classification phase of the study. Two versions of the questionnaire will be used with one focusing more on job description updates while the other will be used for more detailed analysis of issue areas. The questionnaire provides an opportunity for employees to fully describe the duties and responsibilities of their position and provides the information necessary to resolve classification issues including job function consolidation resulting from workforce reductions. The questionnaire is also designed to record data regarding other job-related information such as the knowledge, skills, abilities, and physical requirements necessary to perform the work, as well as supervisory and managerial responsibilities.

Each questionnaire will be reviewed by the employee's supervisory and managerial staff to ensure completeness and accuracy. Once completed, they will be forwarded to the consultants for examination prior conducting job analysis interviews. The questionnaire will be distributed and explained in detail during an employee briefing session at the initiation of the project. All questionnaires used by Ralph Andersen & Associates can be tailored to the specific objectives of the study and the unique organizational characteristics of the District.

Job Analysis Interviews

As a supplement to the questionnaires, project consultants will conduct interviews with at least one employee in each classification, a sampling of employees in multiple position classifications, all employees requesting an interview, and employees where significant

classification issues are identified during project initiation tasks. This will ensure that the consultants are able to obtain information regarding any existing job classification issues as well as confirm job duties and tasks performed.

Compensation Policy Development

This methodology relates to the identification and documentation of the District's compensation philosophies, policies, and procedures. The consulting team will confirm specific policies, both implicit and explicit, and assess their impact on the District's overall ability to attract, recruit, employ, advance, and retain high quality personnel. These policies and practices will include the relative labor market position the District seeks to maintain in the competitive labor market, the types of employers with which the District chooses to compete, and the relative importance placed on internal equity vs. market forces in the development of the salary plan. This assessment can be conducted through meetings with managers or with broader input using a workshop session that includes project team members, managers, labor representatives, and the Board of Directors.

Compensation Data Collection and Analysis

The methodology utilized in collecting and analyzing compensation data involves an extensive process to ensure accuracy, reliability, and completeness. Ralph Andersen & Associates does not rely on published or previously collected data; all data is collected personally by the consulting team, who have, based on the classification analysis, an in-depth knowledge and understanding of the survey classifications.

Supporting our approach to labor market surveys, this component of the study will include the development of a comprehensive survey packet, the collection of base salary, salary structure, and optional total compensation data through written and electronic materials and telephone calls, and the analysis of the data at the survey market mean, median, and requested percentiles.

Project Tasks

Task 1 – Project Kick-off Meetings

The consultants will begin all administrative and coordinative efforts in support of the project initiation meetings and briefings. Among other things, this will include:

- Preparation of a project schedule
- Identification and review of background data including existing class specifications, organization charts, budgets, employee listings, salary schedules, and related information
- Identification of scheduling parameters for meetings and interaction with various District employee groups.

This initial step in the study process will be used to identify significant classification and compensation concerns that should be addressed during the course of the study. The

consultants will discuss the best approach for identifying issue areas including an independent assessment of the current classification plan by the consultant, input by human resources staff, and input from managers, labor representatives, and other stakeholders.

The consultants will meet with the District's project manager and other staff as appropriate to ensure a full understanding of project objectives and deliverables. The project work plan and schedule will be adapted to achieve the objectives.

Initial project meetings will also include employee orientation and briefing sessions in relation to the study process, timing, and objectives.

Task 2 – Employees Complete Questionnaires

The JAQ provides employees with an opportunity to describe the duties and responsibilities of their positions with an emphasis on job related information such as knowledge, skills, abilities, and physical capabilities required to perform the work assigned. Space is also provided on the questionnaire for employees to make any additional comments they wish. The completed questionnaires are reviewed by supervisory and managerial staff, with space provided for their comments. A short form questionnaire will be available to all employees to provide updated information regarding assigned duties. A more detailed questionnaire will be used for positions and classifications where specific issues or questions have been identified. A sample JAQ is provided in Appendix B.

Task 3 – Conduct Job Analysis Interviews

Prior to conducting interviews, the consultants will thoroughly review the completed questionnaires. The consultants will evaluate position duties and responsibilities, classification series, class titles, job families, reporting relationships, and internal relationships. Based on this preliminary analysis, the project team will identify areas of concern that will be clarified or probed during the job analysis interviews.

The consultants will assume responsibility for the preparation of the employee interview schedule. The District's Project Manager, or designee, will be responsible for scheduling interview rooms, notifying employees, and related coordinative activities. We anticipate interviewing at least one person from each job classification, all employees where significant position classification issues exist, and a sampling of employees beyond the issue areas.

Task 4 – Prepare and Review Preliminary Classification Report

With the completion of the employee interviews, a preliminary classification report will be prepared. Key components of the preliminary report will include:

- Identification of all key issues identified in the classification analysis
- Recommended job titles
- Employee allocations.

In preparing the preliminary classification report, each position is analyzed according to the criteria set forth at initial review meetings. Such criteria typically will include factors relating to job knowledge, experience, training, decision making, management control, working conditions, and outside contacts. Like positions are grouped into tentative classes forming the basis for initial class definition.

The preliminary classification report will be reviewed with key management staff prior to preparing class specifications. Because the concepts provide the foundation for the resulting classification plan, management review of the recommendations in their respective areas of responsibility is essential.

Task 5 – Prepare Class Specifications

Once the preliminary classification recommendations have been reviewed, the project consultants will revise, update, or create new class specifications based on the issues identified in previous tasks. The District’s current job description format will be maintained as appropriate. The class specifications will be drafted and undergo a management/employee review process to ensure they accurately and adequately describe the scope of responsibilities. Once finalized, they will be provided to the District in both an electronic and hard-copy format. This process will include FLSA analysis and designation.

Task 6 – Undertake Management/Employee Review Process

As an important component of the overall classification study, the project consultant team will provide additional opportunities for employee participation and input through the conduct of an employee review process. These steps will (1) build and facilitate the District’s understanding of the newly developed classification plan, (2) enhance employee commitment and understanding of the recommended system by giving each employee the opportunity to comment on the system and (3) ensure that the consultants receive as much information as possible regarding the nature and responsibilities of the various positions in order to make appropriate and equitable final classification recommendations. The various subtasks within this portion of the project are as follows.

Task 6.1 – Distribute class specifications to all employees included within the study scope – Each employee will receive an individual copy of the specification for the class to which his/her position has been allocated along with a Position Allocation Notice and Employee Review Form. This will provide employees with an opportunity to review and comment on their proposed classification and allocation. These comments will then be forwarded to management for review and comment.

Task 6.2 – Review written comments received from employees – All written comments or suggestions from employees regarding the recommended class plan will be thoroughly reviewed and analyzed by the project consultants. Based upon written responses received, the consultant team will incorporate appropriate suggested revisions into the final classification plan.

Task 6.3 – Conduct follow-up telephone interviews as necessary – Based upon the analysis of written comments forwarded to the project consultants and

where consultant staff needs further information prior to finalizing recommendations, follow-up interviews will be conducted by the project consultants with individual employees. This step will further clarify and refine any remaining problems or issues.

This task will further include any additional informal appeal processes/steps established or desired by the District.

Task 7 – Finalize the Classification Recommendations

With the completion of the employee appeal process, the consultants will finalize all classification study recommendations. Supporting the finalization of the classification plan, each employee who submitted a notice for review will receive a direct response from the project consultants. This response will specifically outline the consultant's understanding of the employee's concern, specify the steps taken to resolve the concern, and indicate to the employee the substance of the consultant's final recommendation.

Task 8 – Discuss and Document Compensation Policy

The District's compensation policy directly impacts all study end-products resulting from the compensation components of the analysis. As a starting point for this phase of the study, therefore, we propose that the consulting team meet with key management staff to clarify and confirm the District's compensation policy. Important considerations to be discussed include historical practices, recruitment and retention issues, pros and cons of the current compensation system, and reliance on external market data versus internal equity for purposes of setting salaries. The consultants will work with appropriate District representatives to determine comparison agencies and the scope of compensation data to be collected. Our proposal includes the tasks necessary to identify comparable employers and conduct a custom market survey.

Our analysis of the potential and recommended survey employers will be documented in a memorandum report after consultation with appropriate District representatives. If desired, the consultants can conduct a workshop session that identifies labor market selection parameters, options, and pros/cons of different market approaches. The draft labor market recommendations will be reviewed by appropriate District representatives so that all questions and issues are resolved. In that these decisions directly impact the parameters of the market survey, as well as the design and structure of the resulting compensation plan, our suggested approach recommends that these study tasks occur prior to the collection and analysis of the market data.

Task 9 – Collect Compensation Data

After the compensation policy discussion, the consultant team will collect and analyze the compensation data. Our proposed approach would include:

- An initial contact to each labor market employer included in the study to explain the purpose and scope of the survey and confirm cooperation.

- The collection and analysis of source documents from each survey agency including position control documents, job descriptions, salary schedules, benefit summaries, and MOUs.
- The confirmation of all compensation data through telephone calls, email, and other means. This will assure that comparability is established and that all compensation data is factual and complete.

The compensation survey elements will be discussed and confirmed with the District before the survey is initiated.

Task 10 – Compile and Format Compensation Data

The salary data, once collected and thoroughly reviewed for completeness and accuracy, will be appropriately formatted and the results tabulated in a consistent and uniform manner by the project consultants. The analysis will include pay structure trends and base salary analysis to ensure all appropriate comparison criteria is available for developing recommendations. Through the use of spreadsheet applications developed by our office, it is anticipated that standard formulas will be applied in the calculation of the survey data mean, median, and selected percentiles, with the corresponding percentage relationship to the market data also calculated. Data presentation will be customized to fit the District's objectives.

Task 11 – Audit and Finalize Compensation Data

Prior to developing specific salary recommendations, the consultants will thoroughly review and audit the collected survey data. This will include a detailed analysis of data reliability, comparability, statistical validity, and consistency. This audit will be conducted by the Project Manager independent of the consultant who collected that data. This will ensure that the most accurate and defensible survey data is utilized in comparing the District's compensation plan to the pay practices of the labor market. This analysis will also include the preparation of graphs and other presentation materials to aide in understanding the market relationships broken down by employee/bargaining group.

Task 12 – Conduct Internal Relationship Analysis

This task will include the development and application of an appropriate job evaluation methodology in order to meet with the District's policy objectives and comply with local laws, rules, and regulations. The firm has a number of job evaluation systems available and will recommend and adapt the methodology that best aligns with the District's historical practices and policy objectives.

Using the results of the job evaluation analysis, the consultants will analyze internal pay relationships. The internal pay relationship analysis will involve a number of steps in order to arrive at sound and equitable relationships for the new compensation plan. Among others, the most important of these will include:

- Analysis of existing and historical pay relationships
- Development of consistent, uniform, and realistic guidelines for determining internal relationships

- Recommendation of equitable and appropriate internal relationship differentials based on the above.

In developing consistent internal relationship guidelines, the results of the job evaluation tasks will be used to determine an equitable pay structure. Since the balance of market values versus internal values can be a policy issue, options and methodologies for achieving an appropriate balance of internal and external salary equity will be reviewed with the District before developing the salary range recommendations.

Task 13 – Develop Salary Recommendations

Based upon the results of the internal relationships analysis and the labor market survey, the project consultants will develop salary recommendations for all job classes included as a part of the study process. These salary recommendations will clearly document the means of determining the appropriate pay range and the computation of the dollar and percentage difference between the current maximum salary and the recommended maximum salary.

Before finalizing the recommendations, a careful audit of the results will be undertaken to ensure that internal salary compression or compaction does not result.

Task 14 – Develop Implementation Strategy Options and Compute Implementation Costs

Recognizing that public agencies often have limited funds available for implementation, the project consultants will develop several strategies for implementing the recommended salary structure. Such strategies will address:

- The placement of individual employees into ranges and steps
- Implementation phasing according to the needs and priorities of the District
- Integration of the study recommendations with the balance of the District’s human resource management system including recruitment, selection, and performance appraisal.

The cost estimates will reflect District-wide impacts, as well as impacts on individual employees. The cost estimates will serve as a basis for the District to make necessary policy decisions to implement the compensation system in an orderly and effective manner.

Task 15 – Prepare and Review Preliminary Report

The Preliminary Report documents all classification and compensation study recommendations and the supporting information used for developing the recommendations. Specifically, the Preliminary Report will include the following:

- The District’s documented compensation policy including survey agencies and survey classifications
- Results of the labor market salary survey using tables and graphs
- Documentation of selected benchmark classifications and the related job families

- Appendices containing detailed labor market data sheets, recommended salary schedules, and supporting documentation.

The project consultants will conduct an in-depth review of the Preliminary Compensation Report with the District. Any needed corrections, clarifications, or modifications will be discussed at this time.

Review of the Draft Compensation Report will also include an appeal process that meets the District’s objectives. Employees, managers, and/or labor representatives will be able to submit specific issues and comments which will be researched, analyzed, and documented by the consultants. The consultants will provide the District with a written response to these issues as well as any changes in our draft recommendations.

Task 16 – Prepare and Submit Final Reports

The Final Reports will incorporate any appropriate revisions identified and submitted during the review of the preliminary reports and will serve as the administrative and procedural manuals for updating and maintaining the classification and compensation plans. The submittal of final reports will also include on-site presentations to managers, labor representatives, and the Board of Directors. It is not uncommon for a series of draft reports to be prepared, each incrementally addressing feedback and policy direction by the District. Submittal of the final reports will also include training of District staff as needed.

Proposed Schedule

Projects of this nature are highly sensitive. Because of this sensitivity and the anxiety experienced by many employees when going through this type of process, it is beneficial to complete the analysis in the most expedient manner feasible. Assuming full cooperation of the District and the survey agencies, our schedule assumes that all study activities can be completed within twelve (12) weeks. If this schedule is too aggressive, we can adjust the schedule to fit the District’s timing objectives while also allowing additional review time by the District.

	1	2	3	4	5	6	7	8	9	10	11	12
Task 1-Conduct project initiation meetings *	█	█										
Task 2-Employees complete questionnaires			█									
Task 3-Conduct job analysis interviews *				█	█							
Task 4-Prepare and review preliminary classification report						█	█					
Task 5-Prepare class specifications							█	█	█			
Task 6-Undertake review process *									█	█	█	
Task 7-Finalize classification plan												█
Task 8-Discuss and document compensation policy *				█	█							
Task 9-Collect compensation data							█	█				
Task 10-Compile and format data								█	█			
Task 11-Audit and finalize compensation data										█	█	

- Task 12-Conduct internal relationship analysis
- Task 13-Develop salary recommendations
- Task 14-Develop implementation strategies
- Task 15-Prepare/review preliminary reports *
- Task 16-Prepare and present final reports *

1	2	3	4	5	6	7	8	9	10	11	12

* Anticipated on-site meetings; key milestones shown in blue

Fee Schedule

The total fixed cost for professional service fees and non-travel expenses to conduct the Classification and Compensation Study, as proposed, amounts to \$34,800. The cost of professional services is based upon the project as described in the work plan and is a “fixed fee” regardless of which consultant performs the task and/or the number of hours needed to complete a particular element of the study.

The proposed professional services costs are based on the following hourly rates:

- Project Manager - \$155
- Project Consultant - \$140
- Research/Support Staff - \$85

Due to continued Covid-19 restrictions, the firm has completed almost 50 classification and compensation studies using virtual meeting platforms such as Zoom and Microsoft Teams. For efficiency, our proposed cost assumes virtual meetings will be used for kick-off meetings, employee briefing sessions, employee interviews, and the review and presentation of draft and final reports. Given the proximity of the South Placer Municipal Utility District to our firm, on-site meetings can also be conducted as needed.

Project invoicing will be done monthly based on the percentage completion of the project. If the scope of the analysis creates budget problems for the District, or if additional analysis is desired, we are willing to review the work plan and adjust it and the cost so that it is mutually satisfactory.

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
STAFF REPORT**

To: Board of Directors
From: Herb Niederberger, General Manager
Cc: Emilie Costan, Administrative Services Manager
Subject: **Approval of General Manager’s Goals for 2023**
Meeting Date: January 12, 2023

Overview

The Board has requested that the General Manager’s goals for the upcoming year be reviewed. Listed below are goals for 2023, along with a list of long-term agenda items programmed for 2023. These items were reviewed by the President’s Committee on November 30, 2022 and are being forwarded to the Board for discussion and approval.

Goals 2023

3 Months

1. Improve communications to Employees, coordinate messaging with the Board
2. Solicit RFPs for Urban Forestry Management Plan to be prepared jointly for the District and Town of Loomis. Apply for grant
3. Finalize and present to the Board the 5-Year Financial Plan and Cost of Service Study
4. Prepare and circulate Prop 218 Notice to customers of pending rate increase.
5. Onboard new HR Consultant
6. Onboard Classification and Compensation Consultant

6 Months

1. Respond to protest letters from Prop 218 Notice to Customers
2. Conduct Public Hearings on Rate Increase
3. Finalize and present to the Board results of the Participation Fee Study
4. Conduct Public Hearings on adoption of new Participation Fee
5. Both Rate Increase and Change to Participation Fee implementation by July 1, 2023
6. Oversee Classification and Compensation Study
7. Oversee Preparation of new MOU with Employees and Managers

9 Months

1. Participate in the development of an Urban Forest Management Plan to be prepared jointly with the Town of Loomis

12 Months

1. Obtain GFOA Certification of Award (COA) for Excellence in Financial Reporting
2. Oversee the preparation of the FY2022/23 Financial Statements and Audit report

Programmed 2023 Agenda Items:

January

- Oath of Office
- President Change-over, Dissolution of Advisory Committees
- Selection of Officers (I think Jim Duree is next in line for VP)
- Appointments to Advisory Committee and SPWA Board
- Final Audit and Consolidated Annual Financial Report FY 2020/21
- Annual Participation Fee Report
- Presentation of the Rate and Cost of Service Study
- 2nd Reading Ordinance 22-03
- Sierra Gateway Quitclaim
- Award of the Human Resources Professional Services Agreement
- Award of the Classification and Compensation Professional Services Agreement
- Approve GM 2023 Goals

February

- Mid-Year Budget Adjustments
- Report on SPWA Board Meeting
- Quarterly Investment Report
- Finalize and present to the Board the 5-Year Financial Plan and Cost of Service Study
- Prepare and circulate Prop 218 Notice to Customers of pending rate increase.

March

- Finalize and present to the Board results of Participation Fee Study
- Adopt Schedule of Fines

April

- Conduct Public Hearings on Rate Increase, 1st Reading of Ordinance 23-01
- Conduct Public Hearings on adoption of new Participation Fee, 1st Reading of Ordinance 23-02
- Approve Director Health stipend

May

- Conduct Public Hearings on Rate Increase, 2nd Reading of Ordinance 23-01
- Conduct Public Hearings on adoption of new Participation Fee, 2nd Reading of Ordinance 23-02
- Quarterly Investment Report

June

- FY 2023/24 Budget Workshop
- Adopt FY 2023/24 Fee Schedule
- Delinquent Account Assignment
- Approve New MOU for Employees and Managers
- SDRMA Ballot

July

- Adopt FY 2023/24 Budget
- Report on SPWA Meeting

August

- Quarterly Investment Report

September

- Strategic Plan Annual Report
- Biennial Conflict of Interest Review

November

- Quarterly Investment Report
- PMP Annual Report

December

- Final Audit and Consolidated Annual Financial Report FY 2021/22
- Participation Charge Report for FY 2021/22

Recommendation

The General Manager requests that the Board of Directors review, comment, edit, and approve the list of 2023 Goals and Programmed Items and return to the General Manager for implementation.

Strategic Plan Goals

The General Manager's goals for 2023 are in accordance with the District's Strategic Plan Priorities.

Related District Ordinances or Policies

Policy 4041 – Delegation to the General Manager

Policy 4042 – Board-General Manager Relationship and Responsibilities

Fiscal Impact

The specific fiscal impact associated with these actions will be addressed at the time of project approval or budget.

GENERAL MANAGER REPORT

To: Board of Directors
From: Herb Niederberger, GM
Date: January 12, 2023
Subject: General Manager Monthly Activity Report – December 2022

1) DEPARTMENT REPORTS

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

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

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

2) INFORMATION ITEMS

- A. On December 1, 2022, the General Manager, along with President Mitchell, Vice-President Williams and Director-elect Jewell, attended the Chamber of Commerce Joint Economic Development and Government Affairs meeting for a real estate update by the Placer County Association of Realtors, as well as a presentation by Jeff Short of the North State BIA/Placer Business Alliance and Gloria Sterns Placer County Economic Development Director regarding Placer County housing trends and needs.
- B. On December 5, 2022, the General Manager and District Engineer, Carie Huff, met with the District General Counsel to review the steps necessary for the District to transfer property and facilities to accommodate the needs of the Sierra Gateway Apartments.
- C. On December 20, 2022, the General Manager and the Administrative Services Manager, Emilie Costan conducted new -Director orientation with Director-elect Jewell.
- D. On December 21, 2022, the General Manager and the Administrative Services Manager, Emilie Costan met with Bob Shull, Director of Investment Services for California CLASS to review investment opportunities for the District.
- E. Advisory Committee Meetings:

There were no advisory committee meetings conducted in December.

3) PURCHASE ORDERS/CONTRACTS INITIATED UNDER GENERAL MANAGER AUTHORITY

PO Req#	Date	Vendor	Description	Amount
303	12/07/22	Swift Comply	FOG Management Software Annual subscription	\$5843.00

304	12/07/22	Fidelity National title	Easement Purchase APN 044-051-048	\$36,923.57
305	12/13/22	All Electric Motors, Inc	Lift Station Pump Rebuilds For LS-05 & LS-07	\$11,953.40
306	12/14/22	Entek Consulting Group, Inc.	Asbestos Oversight and Consultation Services during building construction	\$ 18,975.00

4) LONG RANGE AGENDA

February 2023

- Mid-Year Budget Adjustments
- Report on SPWA Board Meeting
- Quarterly Investment Report
- Adopt 5-Year Financial Plan and Cost of Service Study Report
- Prepare and circulate Prop 218 Notice to Customers of pending rate increase.

March 2023

- Finalize and present to the Board results of Participation Fee Study
- Adopt Schedule of District Fines

April 2023

- Conduct Public Hearings on Rate Increase, 1st Reading of Ordinance 23-01
- Conduct Public Hearings on adoption of new Participation Fee, 1st Reading of Ordinance 23-02
- Approve Director Health stipend

May 2023

- Conduct Public Hearings on Rate Increase, 2nd Reading of Ordinance 23-01
- Conduct Public Hearings on adoption of new Participation Fee, 2nd Reading of Ordinance 23-02
- Quarterly Investment Report

June 2023

- FY 2023/24 Budget Workshop
- Adopt FY 2023/24 Fee Schedule
- Delinquent Account Assignment
- Approve New MOU for Employees and Managers
- SDRMA Ballot

ITEM VIII. ASD REPORT

To: Board of Directors

From: Emilie Costan, Administrative Services Manager

cc: Herb Niederberger, General Manager

Subject: Administrative Services Department Monthly Report

Board Date: January 12, 2023

Construction Move

Administrative Services Staff have moved out of the temporary construction trailer located in the front parking lot and are now working back in the HQ Building. Staff completed additional clean-up as part of the move filing archived records, destroying duplicate records and non-records, and organizing files and supplies.

FY22/23 Mid-Year Budget Adjustments

The Administrative Services Manager has been working on the Fiscal Year 2022/2023 Mid-Year Budget Adjustments. The proposed adjustments will be presented at the February Board meeting.

Annual Labor & Employment Law Update

The Administrative Services Manager attended a Webinar on December 13th presented by law firm BB&K on annual labor and employment law changes. The webinar went over changes to wage and hour requirements, drug testing, bereavement leave, the addition of designated persons under the FMLA, and several other applicable provisions impacting labor and employment requirements.

Certificate of Achievement in Financial Reporting

The Administrative Services Manager submitted the Fiscal Year 2021/2022 Annual Comprehensive Financial Report for consideration for the Certificate of Achievement in Financial Reporting.

December Monthly Investment Transactions per GC §53607

DEPOSITS, TRANSFERS, OR WITHDRAWALS

CalTRUST: \$2M withdrawal from CalTRUST Medium Term to Cash

LAIF: None

Placer County: None

Wells Fargo: None

ITEM VII. FSD REPORT

To: Board of Directors
From: Eric Nielsen, Superintendent
Cc: Herb Niederberger, General Manager
Subject: Field Services Department Monthly Report
Meeting Date: January 12, 2023

Department Overview

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

1. Training/Break Room Addition, Locker Room, and Lobby Improvements

- a. The Administrative Services Department moved back into the Headquarters Building on December 14. The Field Services Department moved into the temporary offices in the trailer the next day.
- b. The second phase of the project, which includes the tenant improvements to the maintenance building is scheduled to begin in January 2023.
- c. The training room/break room is scheduled to be completed in March 2023.
- d. The current schedule shows reaching substantial completion by July 2023.

2. SCADA Update

- a. The kickoff meeting was held on December 20 with Carollo Engineers and staff members who will be providing input and coordinating with the design team. Various workshops will be held over the next few months to develop the basis of design for the new SCADA system.

3. Sanitary Sewer Systems General Order Reissuance

- a. The Proposed Statewide Sanitary Sewer Systems General Order Reissuance was adopted by the State Water Resources Control Board on December 6, 2022. This is the General Order that requires monitoring and reporting of sanitary sewer overflows to the State and requires the District to have a Sewer System Management Plan (SSMP). The proposed effective date is currently June 4, 2023.

4. Leadership Rocklin

- a. The District Superintendent is participating in the Leadership Rocklin program facilitated by the Rocklin Chamber of Commerce. The fifth session on volunteerism was held on December 15, 2022.

Reporting

This section provides the Board an overview of the Field Services Department operations and maintenance activities through 11/30/2022. The work listed is not all inclusive.

1. Lost Time Accidents/Injuries (OSHA 300)

- a. Zero (0)
 - i. 2283 days without a Lost Time Accident/Injury

2. Safety/Training/Professional Development

- a. Field Services employees participated in training for the following:
 - i. Confined Space Entry
 - ii. Chipper Safety
 - iii. Slips, Trips, Falls
 - iv. Proper Housekeeping

3. Customer Service Calls

- a. Response Time Goals over the Last 12 Months

	Goal	Average	Success Rate
During Business Hours	< 30 minutes	18 min	98%
During Non-Business Hours	< 60 minutes	47 min	

Service Calls - November

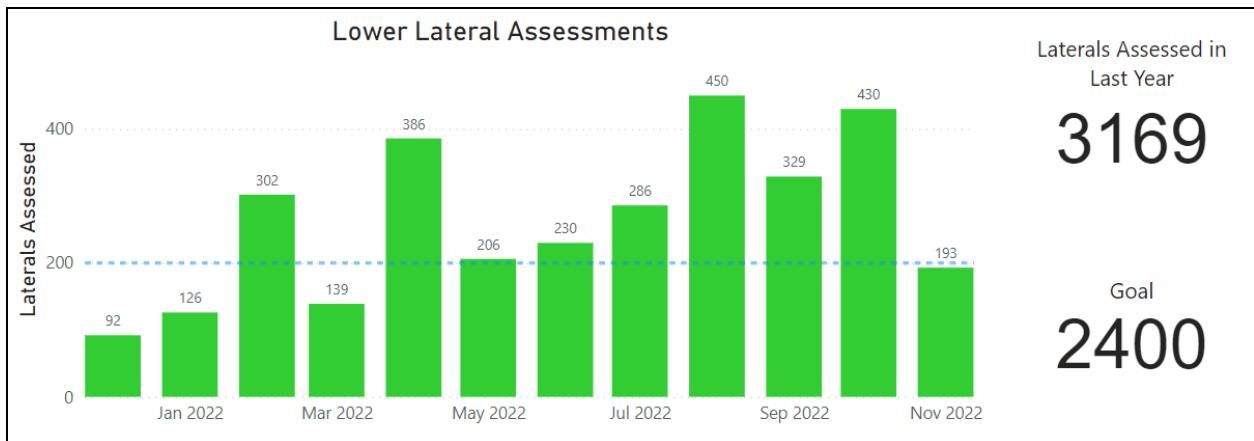
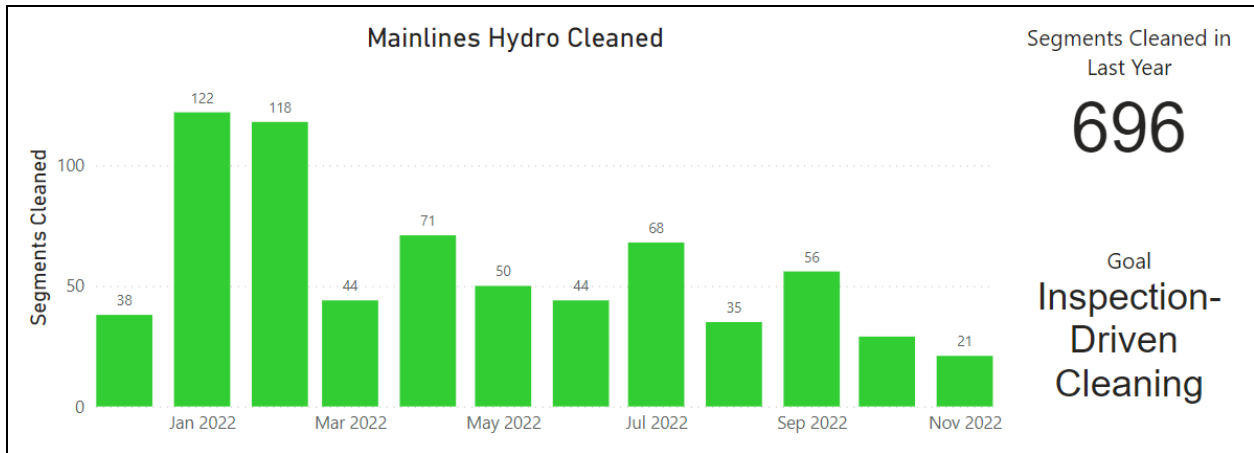
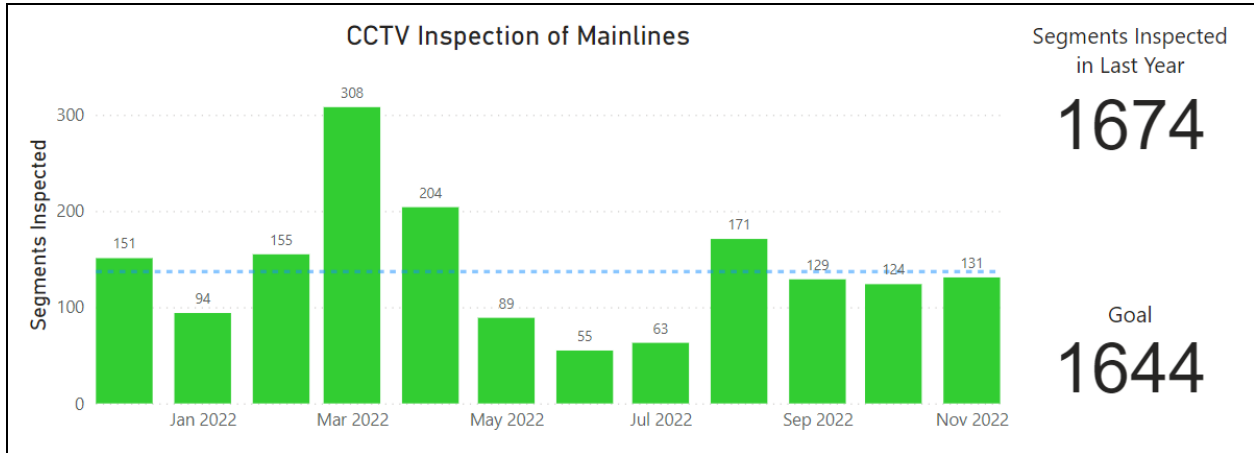
Responsibility	SSO	Stoppage	Odor	Alarm	PLSD	Vermin	Misc
SPMUD Responsibility	3			1			
Owner Responsibility		2	2		8		4
N/A							1
Total	3	2	2	1	8		5

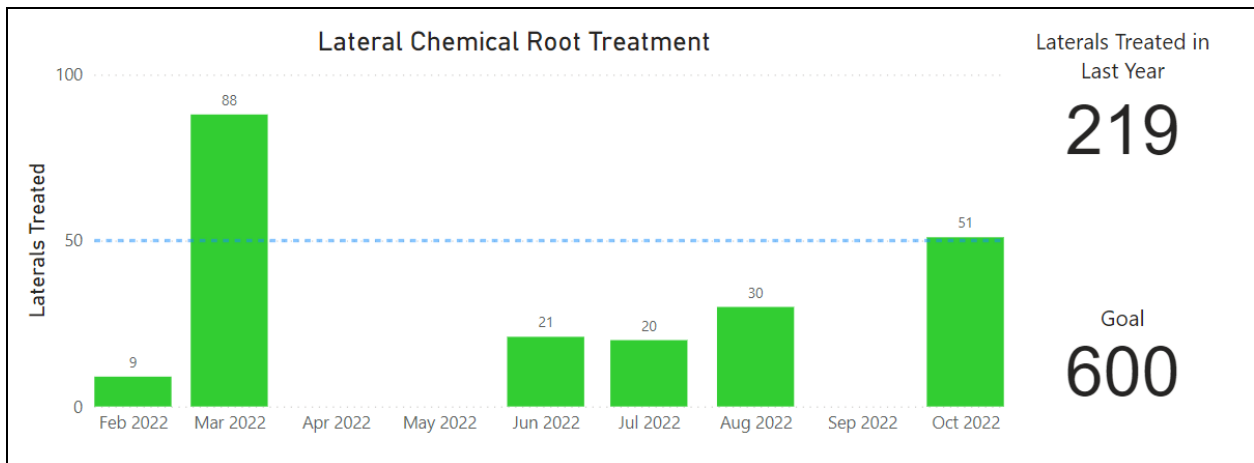
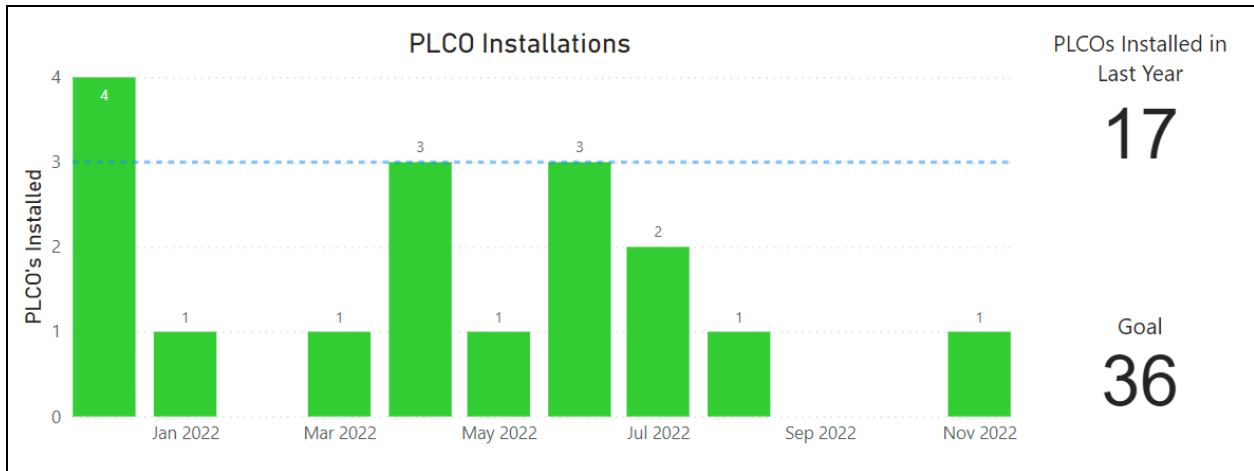
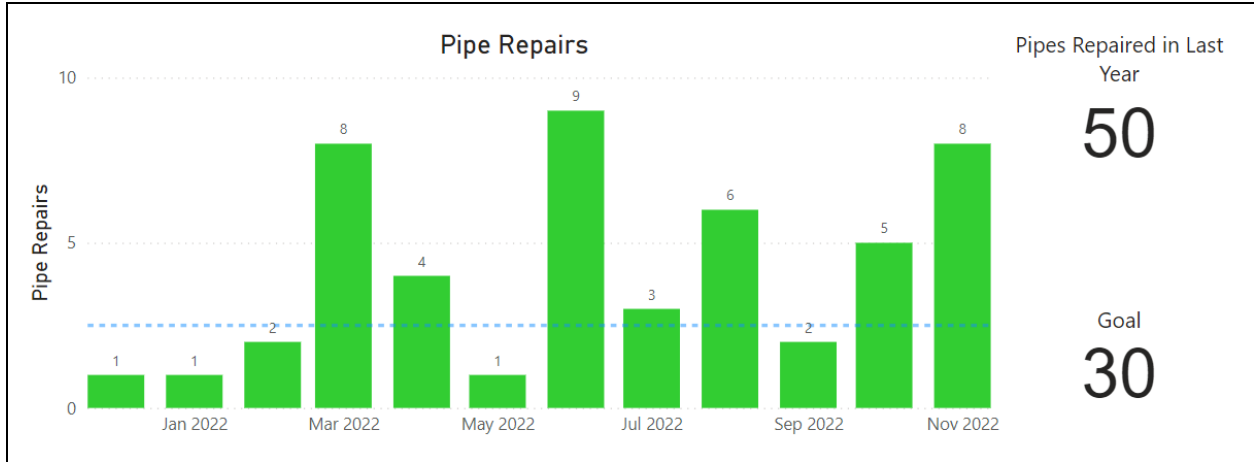
Total Service Calls

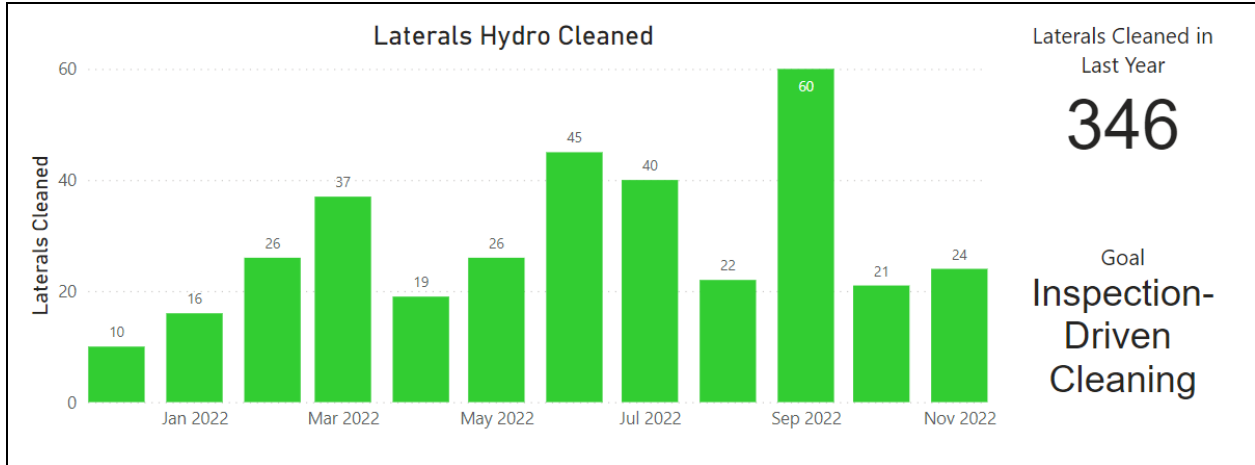
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4. Production

a. The information provided below is not inclusive of all work completed.







Item 7.2.3

ITEM VII. TSD REPORT

To: Board of Directors
From: Carie Huff, District Engineer
Cc: Herb Niederberger, General Manager
Subject: Technical Services Department Monthly Report
Board Date: January 12, 2023

TSD Updates

- On December 22nd, the Employee Engagement Committee hosted a Holiday Team Building Event.
- TSD is coordinating warranty work with Garney Pacific, Inc. on access road repairs behind Corona Circle. Based on the condition of the GrassPave 2 surface treatment, it is anticipated that there will be a cooperative project to address a permanent solution to the access road.
- Construction of the City of Rocklin’s Pacific Street and Rocklin Road Roundabout project is nearly complete. The District has provided the punch list to the City’s contractor and testing of the sewer system will occur in the coming weeks. The District is currently working through change orders submitted by the contractor, and they will be presented at a future board meeting. Construction is still anticipated to be complete by early 2023.
- TSD is well into the second year of commercial audits after a complete overhaul of the Commercial Tracking Program last year. The inspectors are beginning the third of four audit areas. So far, there are minimal changes from last year. The audit process is more efficient now because inspectors only need to focus on determining which businesses have changed from the previous year.

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

As of December 1st, all field work and punch list items were completed. The District is working with the City of Rocklin to finalize the administrative items required for project acceptance, including the acquisition of easements.

Easement Acquisition

The District finalized the purchase of the easement on Saunders Avenue in Loomis and escrow closed on December 27th. The final cost of the easement was \$36,923.57 from Fund 100.

The next step will be for the District to replace a portion of the existing fence with a gate and move forward with the tree permit through the Town of Loomis. Paving of the access road is anticipated in fiscal year 2023/2024.

Local Agency Formation Commission (LAFCO)

Burrell Consulting Group is in the process of generating geographic descriptions of the properties served through out-of-area service agreements to be included in the annexation application to LAFCO. Additional information will be provided at a future board meeting as the application to LAFCO is refined.

FOG Program

The District was recently contacted by staff from the Environmental Compliance Division of the City of San Luis Obispo (SLO) who had attended a pretreatment conference in Arizona where the seminar presenter outlined the District's approach to FOG enforcement. Through conversations with TSD staff, SLO learned more about how the District has implemented positive change and growth through forward thinking and evidence-based FOG enforcement. Much like the District, the City of San Luis Obispo recognizes the value in updating their Specifications and Ordinances to promote substantive changes that will have positive impacts on the health and safety of the environment. As a result of this conversation, the District will be used as an "example agency" when the City of SLO Environmental Compliance Division presents their new FOG ordinance to their counterparts and managers.

The District's FOG Inspector completed fifteen core samples in the month of November and continues to work with Food Service Establishments (FSE) and property owners to obtain compliance. Through the District's Tenant Improvement process, several restaurants such as The Pizza Factory, Anatolian Table, and a new Starbuck's are installing updated non-corrosive grease control devices. In the Town of Loomis, staff is working with the property owners of 3987 Taylor Road (previously Taylor's and Messy's Tacos) to create a long-term solution for FOG control. Staff has already approved a design that will update the existing sewer infrastructure to current standards. Once the new infrastructure is installed, prospective tenants will be able to operate their business in a manner that promotes the health and safety of their customers and the environment.

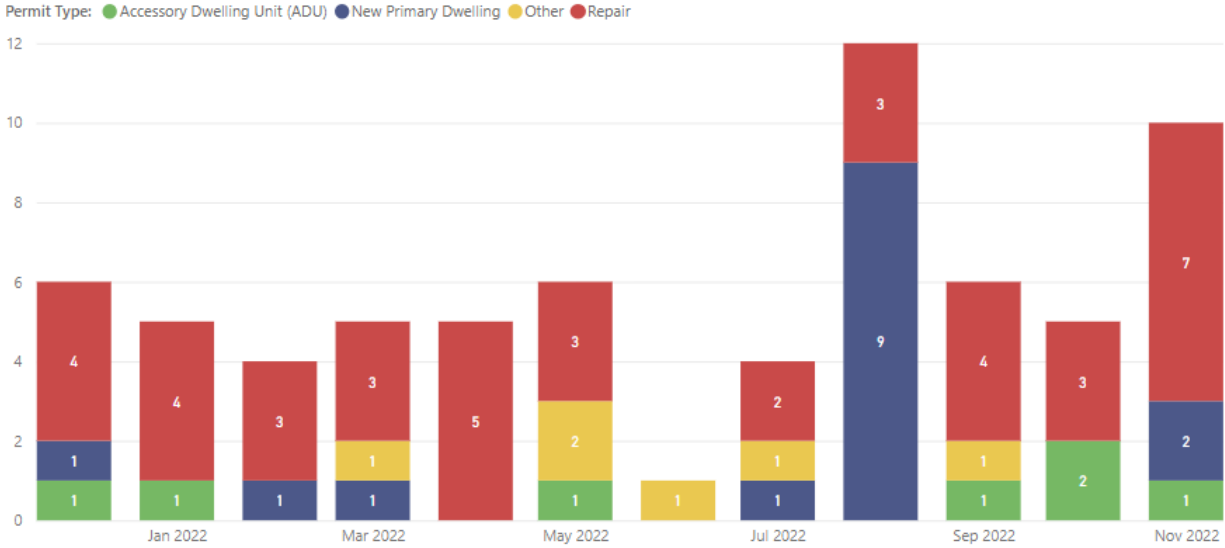
Industrial Pretreatment

The City of Roseville continues to expand their Industrial Pretreatment program. District staff is assisting the City's Industrial Waste Specialist in the enforcement of their program within District boundaries. This work is being conducted on a case-by-case basis for compliance and sampling to determine levels of total suspended solids (TSS) and biochemical oxygen demand (BOD). There are several layers to an industrial pretreatment program and the District will be working with the City of Roseville in the near future to determine how the program will be implemented within the SPWA area. Staff will be meeting with the City at the beginning of 2023 to determine roles, both at the regional and local levels.

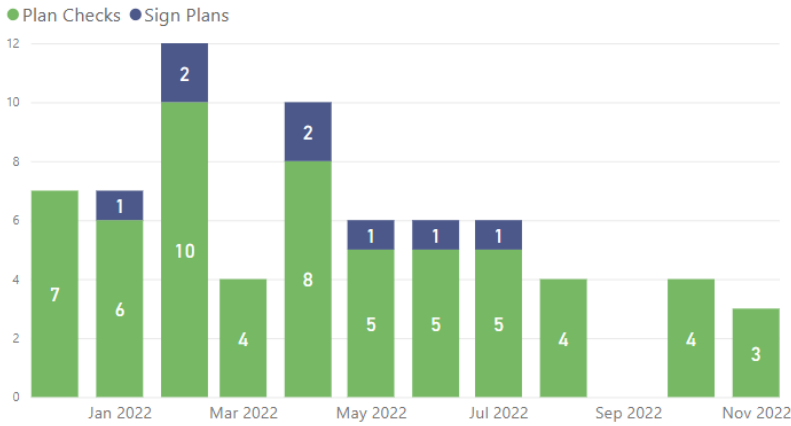
Department Performance Indicators

The following charts depict the efforts and performance of the department in the following areas of work as of November 30th, 2022. The charts are being created in a new reporting tool that directly connects to the District's data, improving the timeliness of reporting efforts and leveraging the District's investment in technology. Additional charts may be added in the future for other areas of work in the department.

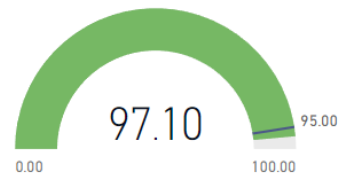
Sewer Permits - Completed - Monthly Totals



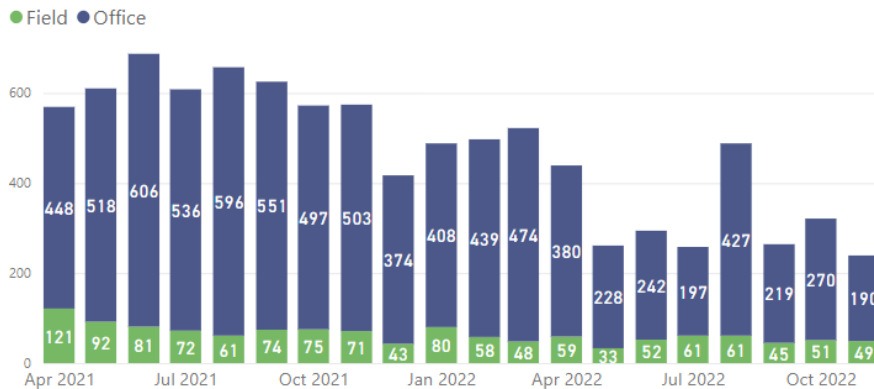
Plan Checks Completed - Monthly Totals



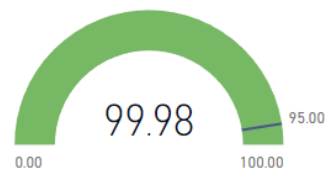
% "In Time" Plan Checks



811 Responses - Monthly Totals

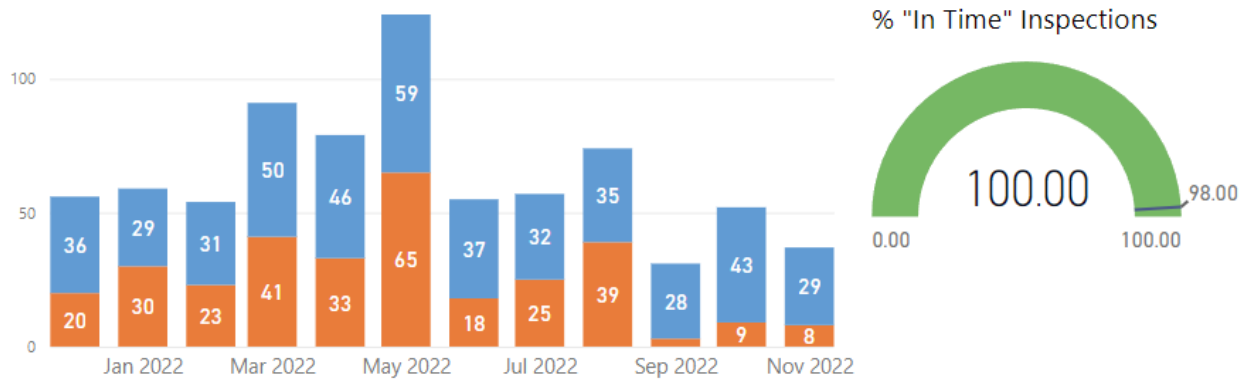


% "In Time" Responses

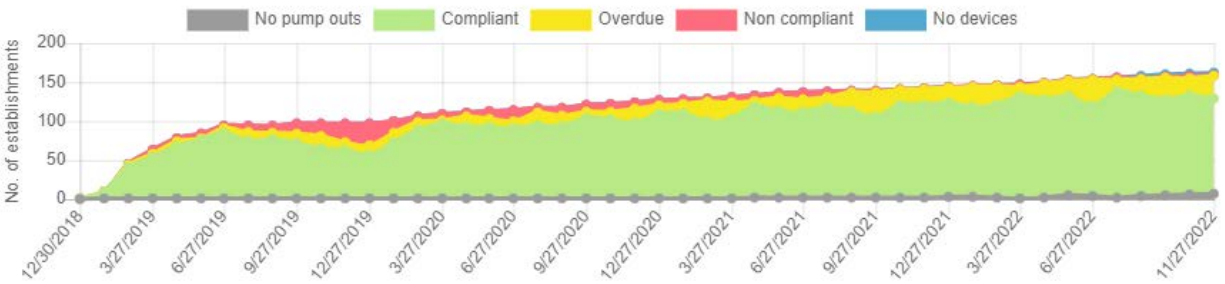


Building Sewer Inspections - Monthly Totals

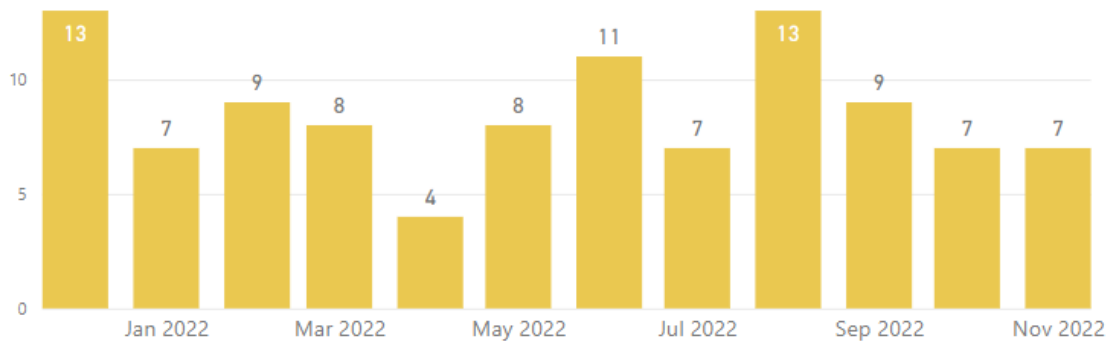
● Rough Inspections ● Final Inspections



FOG Compliance History



FOG Pickups - Monthly Totals



Grease Interceptor Inspections

Template ● GGI Core Sample Inspection - ... ● GGI Pump Out/Cleaning I... ● HGI Core Sample Ins... ● HGI Core Sample I...

