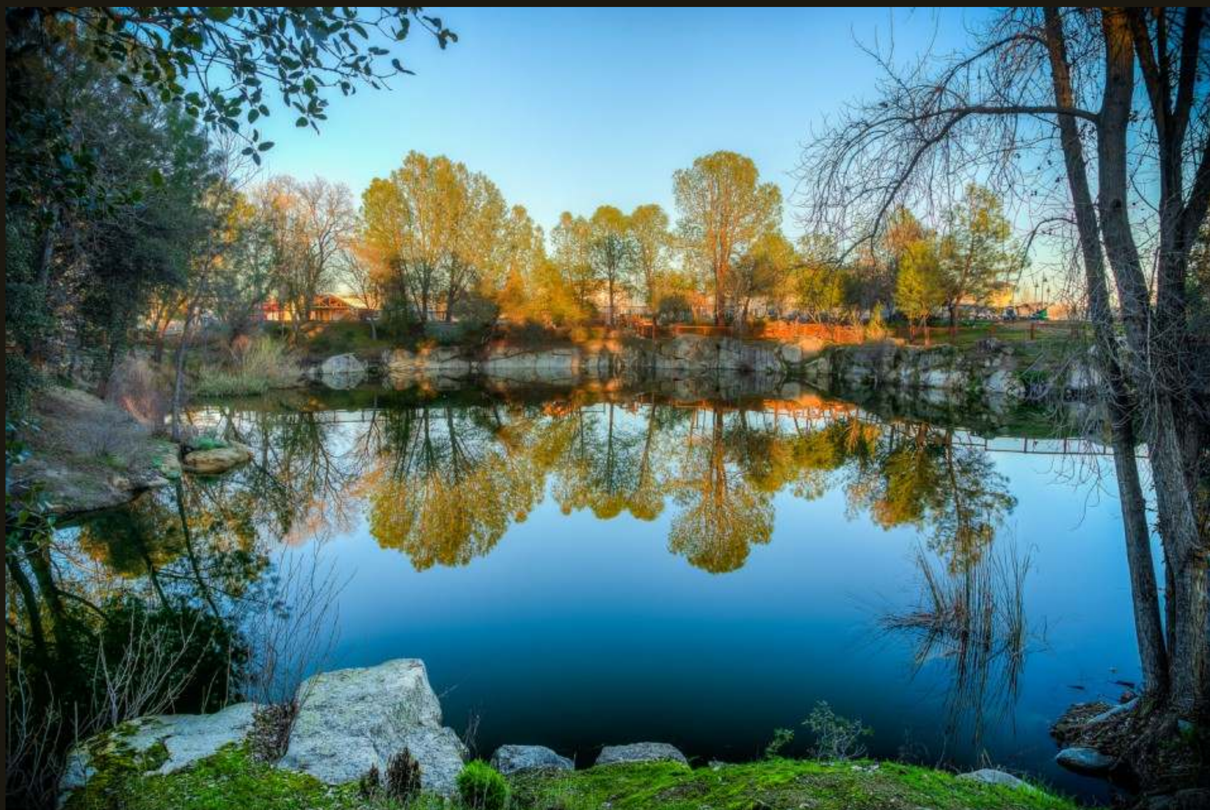

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDING JUNE 30, 2022

SOUTH PLACER MUNICIPAL UTILITY DISTRICT | 5807 SPRINGVIEW DRIVE ROCKLIN, CA 95677

SOUTH PLACER MUNICIPAL UTILITY DISTRICT
ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2022

PROTECT public health and the water environment.

PROVIDE efficient and effective sanitary sewer service.

PREPARE 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

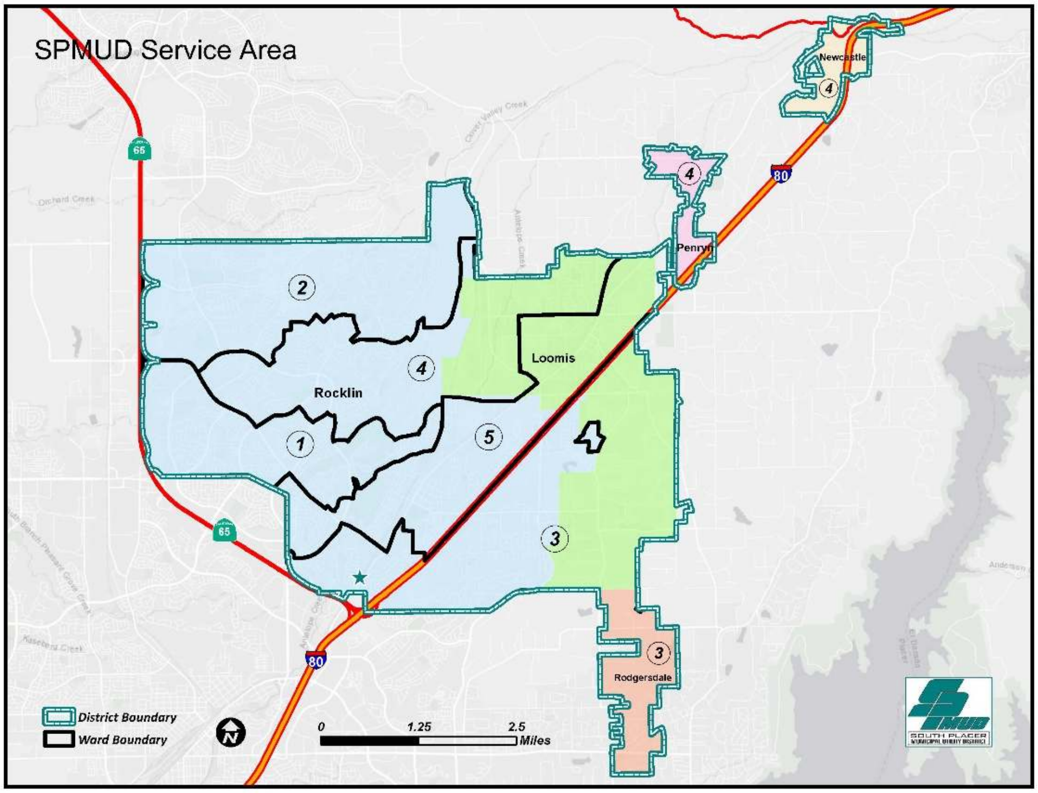
The District, originally called the Rocklin-Loomis Municipal Utility District, was created in 1956 to provide sanitary sewer service to Rocklin and Loomis. While the service area has expanded, this remains the District's core service. The District service area is divided into five wards and is governed 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 408,490[1] 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.

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 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.

SPMUD Vision

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

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.

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.

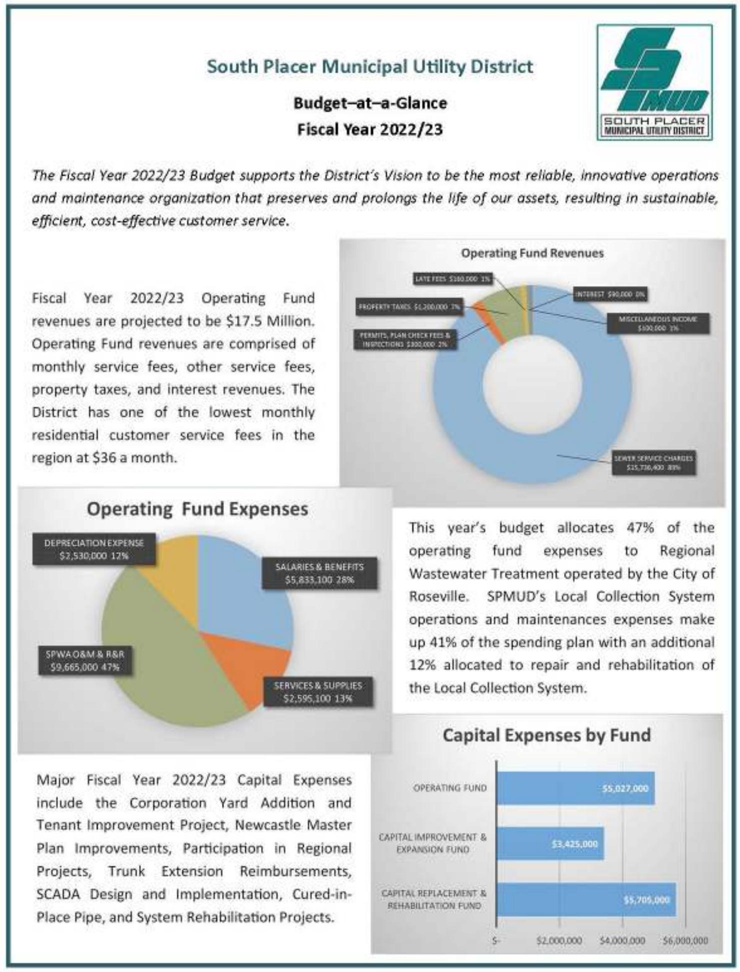
District staff provides presentations to civic groups, service organizations, and local schools. The District also engages the public through newsletters, door hangars, and written notices. The District publishes two newsletters per year that are transmitted as bill inserts typically in the fall and 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.

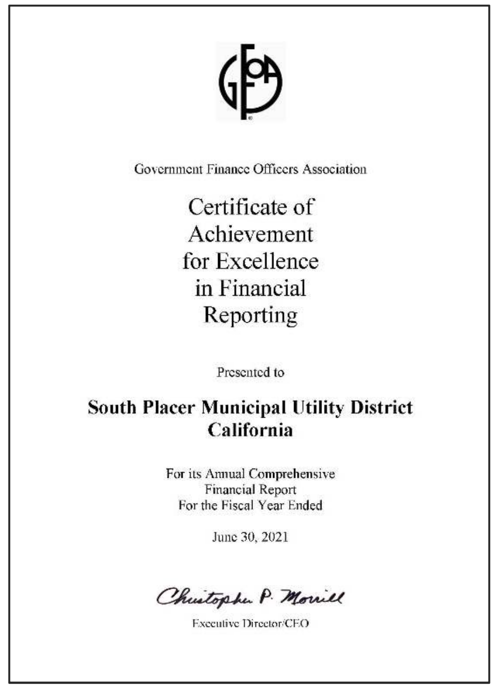
Capital Outlays are categorized into their respective fund centers. Those projects designated as Capital Replacement & Rehabilitation (R&R) projects (Fund 400) will be funded by accumulated depreciation. Projects designated as Capital Improvement Projects (CIP) and Expansion projects (Fund 300) are funded 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.



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

South Placer Municipal Utility District California

For its Annual Comprehensive Financial Report For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill
Executive Director/CEO

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

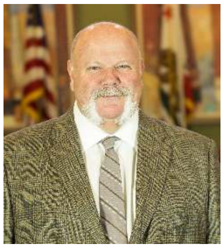
SOUTH PLACER MUNICIPAL UTILITY DISTRICT BOARD OF DIRECTORS

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.

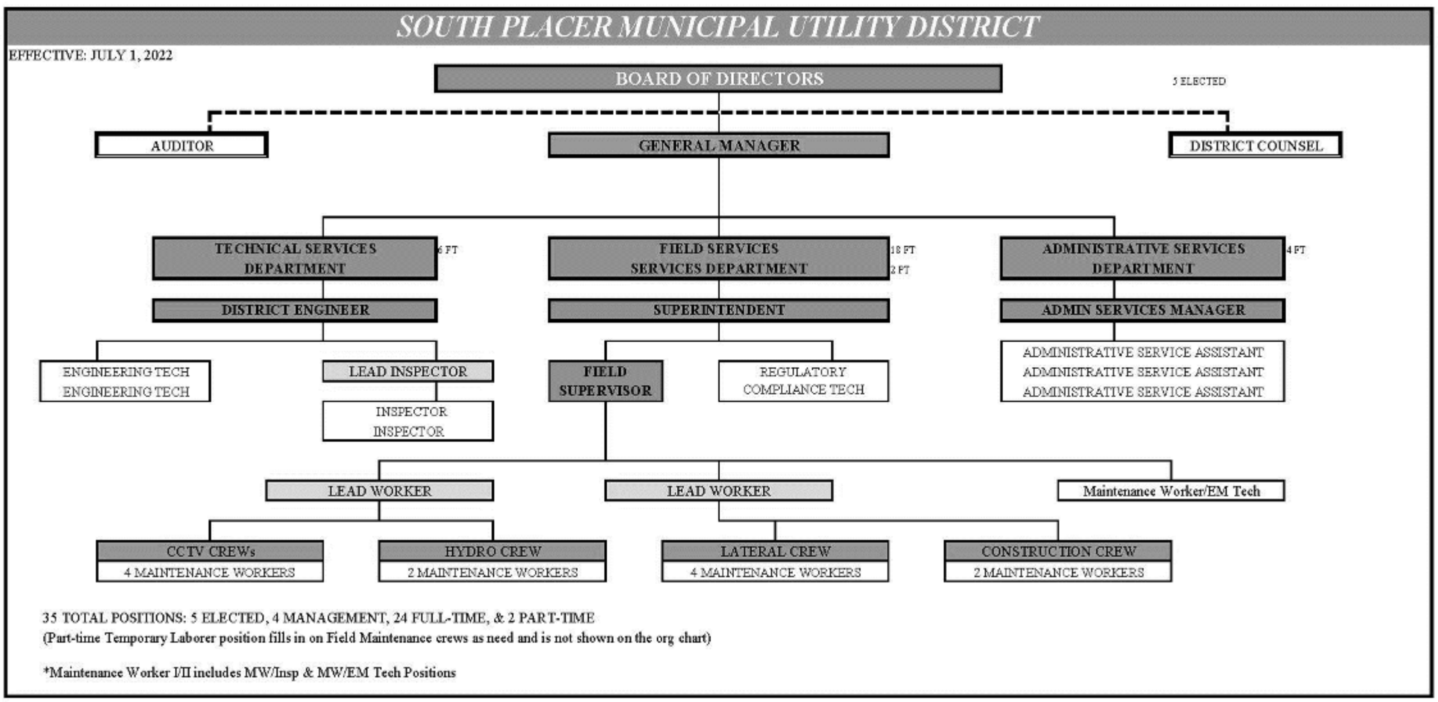
JAMES WILLIAMS

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

M·U·N CPAs
MANN • URRUTIA • NELSON CPAs & ASSOCIATES, LLP
GLENDALE • ROSEVILLE • SACRAMENTO • SOUTH LAKE TAHOE • KAUAI, HAWAII

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.

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.

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.

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 debt[3].

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 Captial 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 Liabilties, 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.

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.

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)**
Deferred (Outflows) Inflows Due to:			
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

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**
Deferred Resource (Outflows) Inflows Due to:			
Assumption Changes	(896,013)	(348,255)	(547,758)
Plan Experience	114,364	572,637	(458,273)
Investment Experience	545,543	17,900	527,643
Deffered 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)**

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%**

REVENUES

Operating Fund Revenues derived from customer service charges were up 2% from the prior year as a result of unchanged monthly service changes 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.

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%**

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
	$ 63,187,069	$ 56,727,841
Unrestricted deposits in financial institutions	$ 11,163,678	$ 6,300,850
	$ 74,350,747	$ 63,028,691
CalPERS CEPPT - Restricted	$ 3,006,901	$ 3,440,903
TOTAL	**$ 77,357,649**	**$ 66,469,594**

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

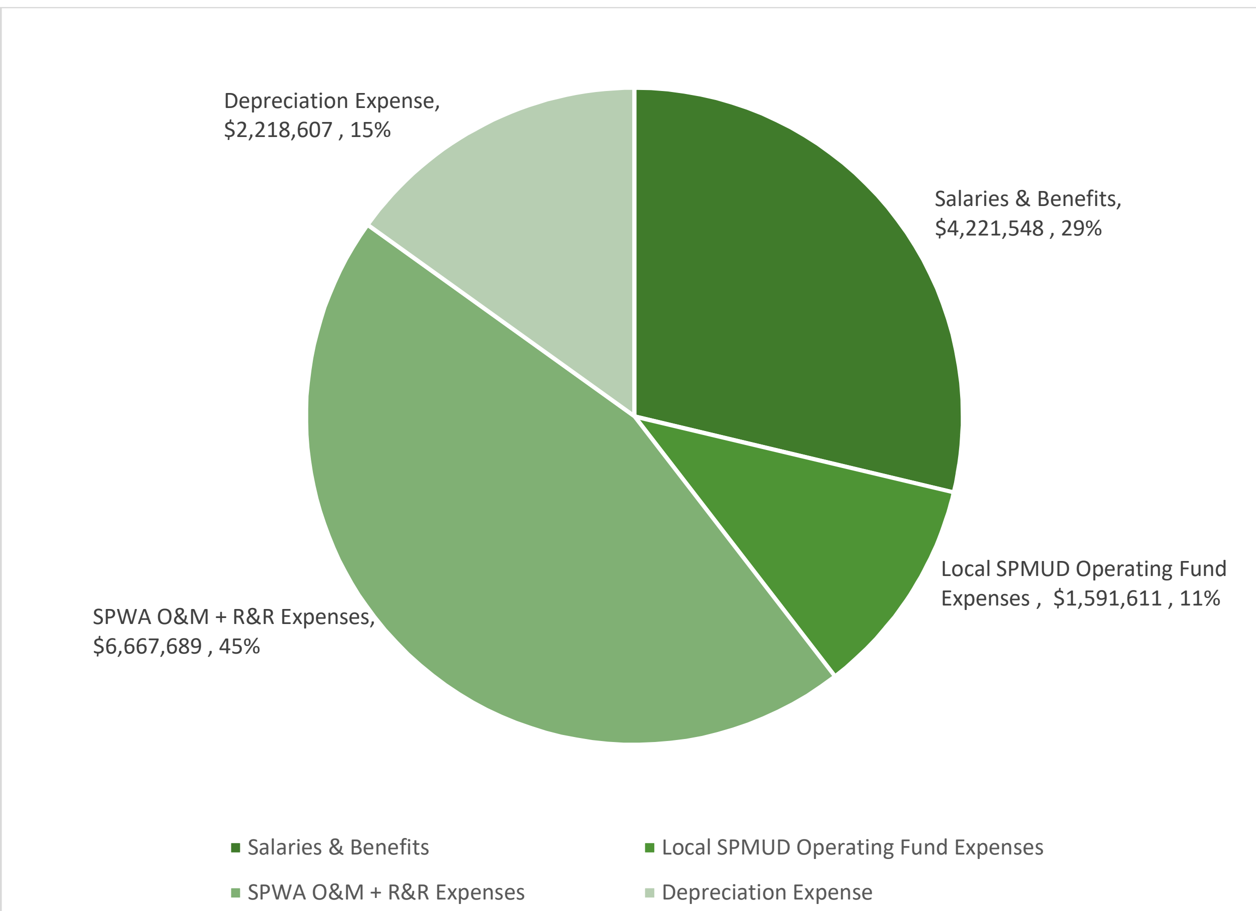


TABLE 10 – OPERATING FUND EXPENDITURES

	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 Acquistion	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**

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

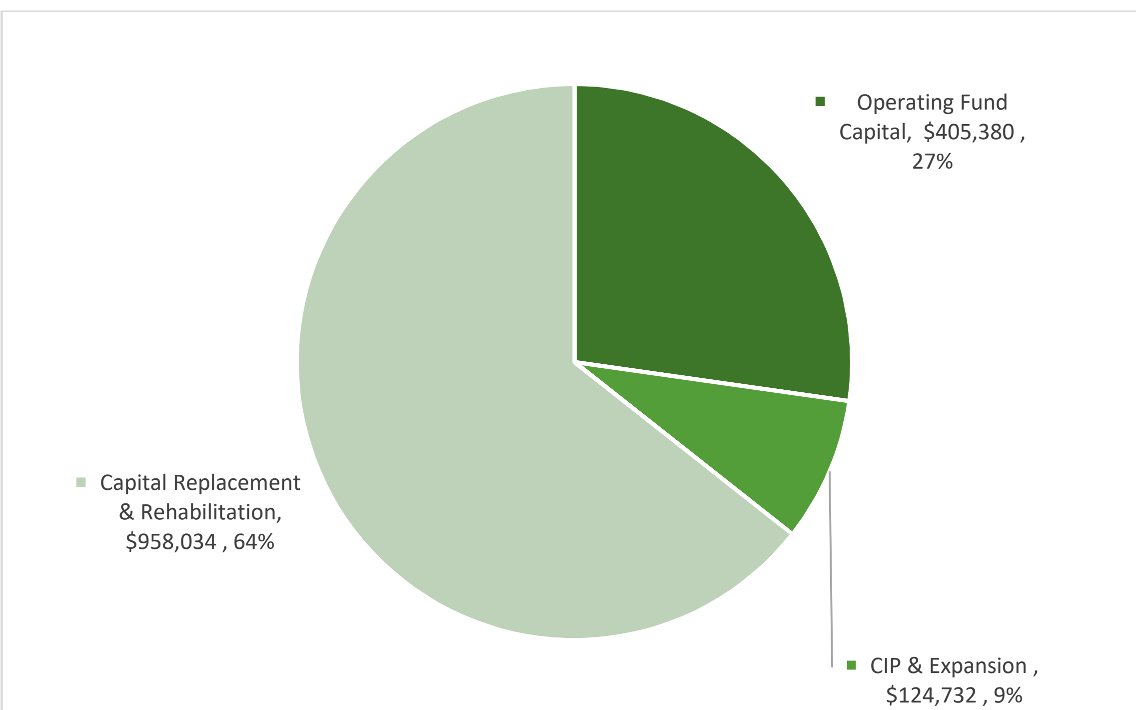


TABLE 11 – 5 YEAR CAPITAL INVESTMENT SUMMARY

	FY21/22	FY20/21	FY 19/20	FY 18/19	FY 17/18
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	**$ 1,488,146**	**$ 3,769,630**	**$ 1,536,886**	**$ 3,692,822**	**$ 9,109,615**

TABLE 12 – DETAIL OF CAPITAL EXPENDITURES FY 21/22

			FUND 100	FUND 300	FUND 400
Capital Improvements	**Original Budget FY 21/22**	**Budget Adjustments FY 21/22**	**Operating Fund Capital**	**CIP & Expansion**	**Capital Replacement & Rehabilitation**
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	$ 10,640,350	$ 8,283,570	$ 405,380	$ 124,732	$ 958,034

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

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.

<u>Newcastle Sanitary District Loan Repayment</u>

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 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).

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
ASSETS				
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
DEFERRED OUTFLOWS OF RESOURCES				
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
LIABILITIES				
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
DEFERRED INFLOW OF RESOURCES				
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
NET POSITION				
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

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

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
CASH FLOWS FROM OPERATING ACTIVITIES				
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
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
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
CASH FLOWS FROM CAPITAL RELATED FINANCING ACTIVITIES				
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)
CASH FLOWS FROM INVESTING ACTIVITIES				
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
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITES				
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)
Inccrease 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	395,028	-	-	395,028
Total adjustments	4,081,197	-	-	4,081,197
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	$ 6,055,255	$ 3,454,670	$ (34,921)	$ 9,475,004
NON-CASH CAPITAL ACTIVITES				
Non-cash capital contributions	$ 5,143,394	$ -	$ -	$ 5,143,394

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

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.

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.

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.

R*estricted 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.

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.

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.

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.

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 Obligation*s. 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.

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	$ 11,163,678
Total cash and cash equivalents	11,163,678
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)	24,978,939
Total investments	63,187,069
CalPERS CEPP Trust	3,006,902
Total investments-restricted	3,006,902
Total cash and investments	$ 77,357,649

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:			$40 Million
Local Agency Investment Fund (LAIF)	N/A	75%	No Limit
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

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	25,003,614	-	25,003,614
	63,187,069	-	63,187,069
CalPERS CEPP Trust	-	3,006,902	3,006,902
	$ 63,187,069	$ 3,006,902	$ 66,193,971

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 or 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.

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.

		Rating as of Fiscal Year End		
	Total	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	100	AAAm		
Total investments	$ 63,187,069			
CalPERS CEPP Trust	$ 3,006,902			Not rated
Total investments-restricted	$ 3,006,902			
Total	$ 66,193,971			

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.

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	$ 100	$ -	$ -	$ 100
Total assets at fair value	$ 100	$ -	$ -	$ 100

NOTE 3: CAPITAL ASSETS

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

	July 1, 2021	Additions	Deletions	Transfers	June 30, 2022
Capital assets not being depreciated					
Land	$ 1,174,184	$ -	$ -	$ -	$ 1,174,184
Construction in Progress	358,915	342,880	-	(83,759)	618,036
Total capital assets not depreciated	1,533,099	342,880	-	(83,759)	1,792,220
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	2,246,635	67,246	(54,681)	-	2,259,200
Total capital assets being depreciated	130,127,691	10,757,218	(54,681)	83,759	140,913,987
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	(1,011,039)	(230,677)	54,659	-	(1,187,057)
Total accumulated depreciation	(26,736,716)	(2,218,607)	54,659	-	(28,900,664)
Capital Assets, net	$104,924,074	$ 8,881,491	$ (22)	$ -	$113,805,543

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:

Transfer From	Transfer To	Description of Transfer	Amount
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	497,932
		Total Interfund Transfers	$ 4,473,983

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 statue 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.

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

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.

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.

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	1
Total	51

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.

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		Years 1-10			Years 11+		
Major Asset Classification	Target Allocation	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%

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	1,425,982	1,030,954	395,028
Balance at June 30, 2021	$ 8,068,886	$ 6,286,359	$ 1,782,527

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	$ 2,917,745	$ 1,782,527	$ 861,536

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	$ 798,714	$ 1,782,527	$ 3,013,087

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	259,786	374,150
Total	$ 1,672,026	$ 919,693

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.

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.

Project Name		Max Reimbursement	EDUs Benefited
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.

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	(601,352)	(628,962)	(573,347)	(506,322)	(424,946)	(369,153)	(164,024)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
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*

	2021	2020	2019	2018	2017
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	(340,175)	(314,030)	(274,244)	(274,870)	(347,294)
Net change in total OPEB liability	1,425,982	324,141	18,130	589,818	(125,140)
Total OPEB liability, beginning	6,642,904	6,318,763	6,300,633	5,710,815	5,835,955
Total OPEB liability, ending (a)	$ 8,068,886	$ 6,642,904	$ 6,318,763	$ 6,300,633	$ 5,710,815
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	-	-	-	(5,651)	-
Net change in plan fiduciary net position	1,030,954	297,206	353,288	332,044	406,206
Plan fiduciary net position, beginning	5,255,405	4,958,199	4,604,911	4,272,867	3,866,661
Plan fiduciary net position, ending (b)	$ 6,286,359	$ 5,255,405	$ 4,958,199	$ 4,604,911	$ 4,272,867
District's net OPEB liability, ending (a) - (b)	$ 1,782,527	$ 1,387,499	$ 1,360,564	$ 1,695,722	$ 1,437,948
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**	$ 2,681,595	$ 2,473,520	$ 2,354,398	$ 2,217,714	$ 2,217,714
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*

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

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.

TABLE OF CONTENTS

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

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

DEMOGRAPHIC & ECONOMIC INFORMATION
These schedules contain demographic information for Placer County

OPERATING INFORMATION
These schedules provide information on the District's infrastructure replacement program and detail spending on current large projects.

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
STATISTICAL SECTION
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022

TABLE S1 – CHANGES IN NET POSITION

(Last 10 Years)

	FY 21/22	FY 20/21	FY 19/20	FY 18/19	FY 17/18
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	$ 20,150,398	$ 19,085,846	$ 17,052,410	$ 17,444,907	$ 15,553,192
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	$ 14,756,591	$ 14,123,811	$ 14,741,745	$ 12,183,354	$ 13,812,497
Operating Income (Loss)	$ 5,393,807	$ 4,962,035	$ 2,310,665	$ 5,261,553	$ 1,740,695
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	$ 244,818	$ 1,807,999	$ 2,686,275	$ 2,723,799	$ 1,195,760
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	$ 9,919,851	$ 5,143,394	$ 9,854,903	$ 7,071,156	$ 6,680,289
Change in Net Position	$ 15,558,476	$ 11,913,428	$ 14,851,843	$ 15,056,508	$ 9,616,744
Net Position, Beginning of Year	$ 170,695,144	$ 158,781,716	$ 143,929,873	$ 128,873,365	$ 120,878,621
Prior Period Adjustment	$ -	$ -	$ -	$ -	$ (1,622,000)
Net Position, End of Year	$ 186,253,620	$ 170,695,144	$ 158,781,716	$ 143,929,873	$ 128,873,365

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

CHANGES IN NET POSITION – continued

	FY 16/17	FY 15/16	FY 14/15	FY 13/14	FY 12/13
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	$ 16,372,351	$ 12,798,749	$ 11,921,195	$ 11,746,647	$ 11,073,622
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	$ 12,770,606	$ 11,233,597	$ 10,716,986	$ 9,315,454	$ 8,846,059
Operating Income (Loss)	$ 3,601,745	$ 1,565,152	$ 1,204,209	$ 2,431,193	$ 2,227,563
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	$ 919,143	$ 1,493,627	$ 1,071,162	$ 1,453,694	$ 1,222,030
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	$ 2,819,904	$ 1,957,751	$ 2,651,181	$ 4,099,981	$ 330,760
Change in Net Position	$ 7,340,792	$ 5,016,530	$ 4,926,552	$ 7,984,868	$ 3,780,353
Net Position, Beginning of Year	$ 113,537,829	$ 108,521,299	$ 106,767,165	$ 98,782,297	$ 94,491,070
Prior Period Adjustment	$ -	$ -	$ (3,172,418)	$ -	$ 510,874
Net Position, End of Year	$ 120,878,621	$ 113,537,829	$ 108,521,299	$ 106,767,165	$ 98,782,297

TABLE S2 – NET POSITION BY COMPONENT
(Last 10 Years)

	Business-Type Activities			
For the Fiscal Year Ending June 30,	Net Investment in Capital Assets	Restricted	Unrestricted	Total Net Position
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

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%

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.

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

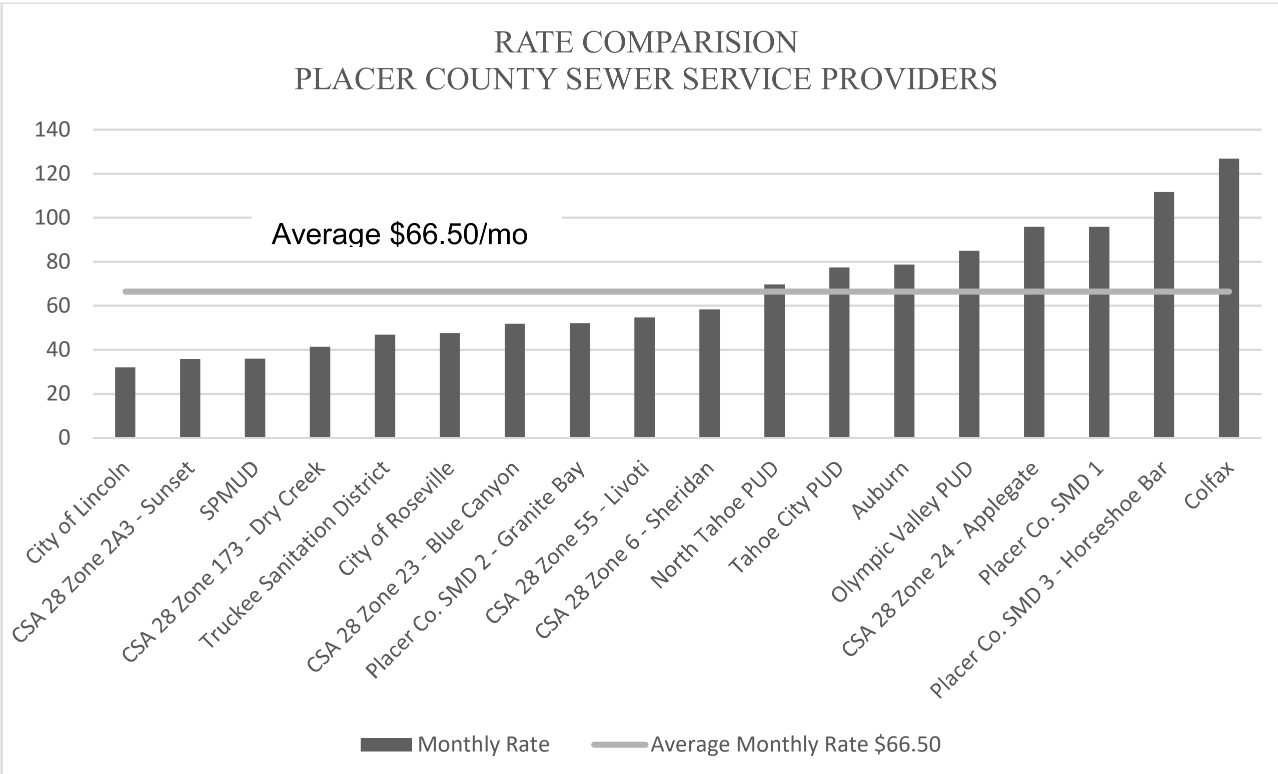


TABLE S6 – TEN LARGEST DISTRICT CUSTOMERS LAST 12 YEARS

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

2022	2021	2020	2019
Meridian Apts	Meridian Apts	Meridian Apts	Meridian Apts
Rocklin Ranch Apts	Rocklin Ranch Apts	Rocklin Ranch Apts	Rocklin Ranch Apts
Sunset Summit Apts	Sunset Summit Apts	Sunset Summit Apts	Sunset Summit Apts
Garnet Creek Apts	Garnet Creek Apts	Garnet Creek Apts	Garnet Creek Apts
Rocklin Elem.Schools	Rocklin High Schools	Rocklin High Schools	Rocklin High Schools
Rocklin High Schools	Villa Serena Apts	Villa Serena Apts	Senior Living
Villa Serena Apts	Sierra Lakes MH Park	Rocklin Elem.Schools	Sierra Lakes MH Park
Sierra Lakes MH Park	Rocklin Elem.Schools	Sierra Lakes MH Park	Broadstone Apts
Winstead Apts	Broadstone Apts	Broadstone Apts	Sagora Senior Living
Sierra Gateway Apts	Ansel Park Sr Living	Sagora Senior Living	William Jessup

2018	2017	2016	2015
MW Investment	Sunset West Apts	Sunset West Apts	Sunset West Apts
Sunset West Apts	William Jessup Univ	William Jessup Univ	William Jessup Univ
William Jessup Univ	Rocklin High Schools	Rocklin High Schools	Rocklin High Schools
Rocklin High Schools	Rocklin Elem.Schools	Rocklin Elem.Schools	Rocklin Elem.Schools
Rocklin Elem.Schools	Del Oro High School	Del Oro High School	Del Oro High School
Del Oro High School	Sierra College	Sierra College	Sierra College
Sierra College	Walmart Rocklin	Walmart Rocklin	Walmart Rocklin
Walmart (Rocklin)	Loomis RV Park	Loomis RV Park	Loomis RV Park
Loomis RV Park	Howard Johnson	Howard Johnson	Howard Johnson
Studio Movie Grill	Blue Oaks Marketplace	Blue Oaks Marketplace	Blue Oaks Marketplace

2014	2013	2012	2011
William Jessup Univ	William Jessup Univ	Sierra College	Sierra College
Rocklin High Schools	Rocklin High Schools	Whitney High School	Whitney High School
Rocklin Elem.Schools	Rocklin Elem.Schools	Rocklin High School	Rocklin High School
Del Oro High School	Del Oro High School	Del Oro High School	Del Oro High School
Sierra College	Sierra College	William Jessup Univ	William Jessup Univ
Walmart Rocklin	Walmart Rocklin	Loomis RV Park	Loomis RV Park
Loomis RV Park	Loomis RV Park	Howard Johnson	Howard Johnson
Howard Johnson	Howard Johnson	RC Willey	Rocklin Lodging Grp
Blue Oaks Marketplace	Blue Oaks Marketplace	Rocklin Lodging Grp	Destiny Christian
RC Willey	RC Willey	Five Star Plaza	Rocklin Park Hotel

TABLE S7 – 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

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

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
STATISTICAL SECTION
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022

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 Acquistions, 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
STATISTICAL SECTION
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022

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 Acquistions, 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**