SPMUD BOARD OF DIRECTORS
CLOSED SESSION: 3:45 PM
REGULAR MEETING: 4:30 PM
October 1, 2020

Zoom Meeting: 1 (669) 900-9128
Meeting ID: 834 5243 4546

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

Pursuant to the Governor's Executive Order N-29-20, issued March 17, 2020, the October 1, 2020 meeting of the SPMUD Board of Directors will occur via teleconference using Zoom Meeting 1 (669) 900-9128, https://us02web.zoom.us/j/83452434546. Public comments can be emailed to ecostan@spmud.ca.gov from the time the agenda is posted until the matter is heard at the meeting. Comments should be kept to 250 words or less.

CLOSED SESSION SPECIAL MEETING AGENDA - 3:45 PM

I. CALL MEETING TO ORDER

II. ROLL CALL OF DIRECTORS

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

III. CLOSED SESSION PUBLIC COMMENTS

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

IV. CLOSED SESSION

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

V. ADJOURN CLOSED SESSION

OPEN SESSION AGENDA – 4:30 PM

I. CALL MEETING TO ORDER

II. ROLL CALL OF DIRECTORS

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

III. PLEDGE OF ALLEGIANCE

IV. CONSENT ITEMS [pg 5 to 23]

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

ACTION: (Roll Call Vote)
Motion to approve the consent items for the October 1, 2020 meeting

1. MINUTES from the September 3, 2020 Regular Meeting. [pg 5 to 11]

2. ACCOUNTS PAYABLE in the amount of $1,383,312 through September 22, 2020. [pg 12 to 16]

3. BILL OF SALE Acceptance of the Bill of Sale for Sewer Improvements within Pacific Tech Park, with an estimated value of $. [pg 17 to 19]

4. GOVERNMENT FINANCIAL OFFICERS ASSOCIATION CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING [pg 20 to 21]

5. ADOPT RESOLUTION 20-29 AUTHORIZING THE GENERAL MANGER TO SURPLUS PROPERTY AND/OR EQUIPMENT [pg 22 to 23]

V. PUBLIC COMMENTS

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

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

VI. BOARD BUSINESS

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

1. **CALIFORNIA SPECIAL DISTRICT ASSOCIATION (CSDA) UPDATE** [pg 24 to 31]
   CSDA Senior Public Affairs Field Coordinator, Dane Wadlé will provide an update to the Board on recent advocacy efforts and COVID-19 resources.

   Action Requested: Informational Item

2. **RESOLUTION #20-30 AUTHORIZATION TO EXECUTE CHANGE ORDERS #11 AND #12 TO THE CONTRACT FOR FOOTHILL TRUNK SEWER REPLACEMENT PROJECT** [pg 32 to 37]

The District has a construction contract with Garney Pacific for the Foothill Trunk Sewer Replacement Project. Change Orders #11 and #12 totaling $48,964 are necessary due to unanticipated changes from the original contract.

Action Requested: Roll Call Vote

Staff recommends that the Board of Directors adopt Resolution 20-30, Authorizing the General Manager to execute Change Orders #11 and #12 to the Foothill Trunk Sewer Replacement Project construction contract.

3. **ACTUARIAL VALUATION REPORT FOR OTHER POST-EMPLOYMENT BENEFITS (OPEB) PROGRAMS** [pg 38 to 75]

The Districts Actuary, MacLeod Watts has completed the report for the June 30, 2019 actuarial valuation of OPEB (retiree medical insurance) funding contributions for the District. The report satisfies the filing requirements for the California Employers' Retiree Benefit Trust fund (CERBT) managed by CalPERS. The District has participated in the fund since 2008, funding future liabilities through contributions and investment earnings.

Action Requested: Roll Call Vote

Staff recommends that the Board of Directors receive and file the June 30, 2019 Actuarial Valuation: Determination of Other Post-Employment Benefit (OPEB) Funding Contributions.

4. **COVID-19 PANDEMIC ILLNESS** [pg 76 to 77]

Staff will provide an update of District operations in response to the COVID-19 Outbreak.

Action Requested: Roll Call Vote

Staff recommends that the Board of Directors:

1. **Continue conducting Board Meetings via Zoom until the Placer County risk level is lowered to Moderate; and**
2. **Receive and file this report.**

VII. REPORTS [pg 78 to 87]

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

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

VIII. ADDITIONAL PUBLIC COMMENTS

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

IX. ADJOURNMENT

If there is no other Board business the President will adjourn the meeting to its next regular meeting on **November 5, 2020** at **4:30 p.m.**

Item 4.1

REGULAR BOARD MINUTES
SOUTH PLACER MUNICIPAL UTILITY DISTRICT

Meeting	Location	Date	Time
Regular	Zoom Meeting	September 3, 2020	4:30 p.m.

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

II. ROLL CALL OF DIRECTORS:

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

Absent: None

Vacant: None

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

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

IV. CONSENT ITEMS:

1. MINUTES from the August 6, 2020 Regular Meeting.
2. ACCOUNTS PAYABLE in the amount of $1,870,936 through August 26, 2020.
3. BILL OF SALE for Sewer Improvements within Sierra Pine, with an estimated value of $2,939,708.

Director Williams asked for clarification on the Sierra Pines Bill of Sale and the inconsistent number of manholes. DE Huff acknowledged the correction and clarified there are twenty-seven manholes.

Director Mitchell asked about the payment made to Express Sewer and Drain. DS Nielsen shared that this was the contractor used for the Cured in Place Pipe (CIPP) Liner Project. President Murdock asked about the payment made to the City of Foster City. ASM Costan shared that Foster City hosts the CalOpps platform used by the District for job recruitment postings.

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

V. PUBLIC COMMENTS:

President Murdock opened the meeting for public comments on items not on the agenda. ASM Costan confirmed that no eComments were received. Hearing no other comments, the public comments session was closed.

VI. BOARD BUSINESS

1. RESOLUTION #20-24 AUTHORIZATION TO EXECUTE CHANGE ORDER #6, #7, #8, #9 AND #10 TO THE CONTRACT FOR FOOTHILL TRUNK SEWER REPLACEMENT PROJECT

DE Huff presented the proposed change orders to the Foothill Trunk Sewer Replacement Project. She shared that to date there have been approximately $114,000 in change orders. Changes are due to unforeseen field conditions. Change orders six through ten include removal of asbestos pipe and additional rock excavation, bringing the total project cost to $3,187,007.

Director Markey asked for an update on the percentage of the project that has been completed. DE Huff shared that about 80% of the pipe has been installed. Vice President Dickinson asked when the majority of the impacts to the residents to be over. DE Huff shared that she is anticipating the pipe restoration and planting to be wrapped up mid-October. Vice President Dickinson also asked about the completion of the bypass at El Don. DE Huff shared that she anticipates that portion of the project to be completed in three weeks. The bypass is moving up the alignment and will be the last large impact to the residents in that area.

Director Mitchell asked if there will be work completed on the other side of El Don. DE Huff shared that the District is tying into the existing system on the other side of El Don. The pipe is 15" across El Don. Director Mitchell asked for an update on the existing fencing. DE Huff shared that staff reached out to the City of Rocklin who let the District know that the fence is the responsibility of the Homeowner's Association. She is still following up on this issue.

Director Williams shared that change orders currently stand at 11%, exceeding the 10% contingency and the last two projects have had change orders beyond what was anticipated. He suggested that the District reexamine how we plan for these unanticipated impacts in Rocklin.

Director Williams made a motion to approve Resolution 20-24 Authorizing the General Manager to Execute Change Orders 6, 7, 8, 9, and 10; a second was made by Director Mitchell, a roll call vote was taken, and the motion carried 5-0.

2. RESOLUTION #20-25 AUTHORIZATION TO EXECUTE ADDENDUM 2 TO THE PROFESSIONAL SERVICES AGREEMENT WITH 347 GROUP FOR MONITORING SERVICES ON THE FOOTHILL TRUNK SEWER REPLACEMENT PROJECT

GM Niederberger introduced the Addendum to the Professional Services Agreement with the 347 Group who is reviewing the cultural artifacts per the District's Army Corp of Engineer's permit in coordination with the United Auburn Indian Community (UAIC). DE Huff added that the District is obligated to provide for monitoring services during ground disturbing activities on land sensitive to the tribe. Addendum 2 adds $20,000 to the agreement bringing the total contract amount to

$60,000 which should cover remaining ground disturbing activities. Additionally, DE Huff shared that the District is working on an agreement with UAIC to memorialize the locations for monitoring services and provide a clear pathway for the reinternment of artifacts found on the site.

Vice President Dickinson made a motion to approve Resolution 20-25 Authorizing the General Manager to Execute Addendum 2 with the 347 Group for Monitoring Services on the Foothill Trunk Sewer Replacement Project; a second was made by Director Williams; a roll call vote was taken, and the motion carried 5-0.

3. RESOLUTION #20-26 CALIFORNIA EMPLOYERS PENSION PREFUNDING TRUST (CEPPT)

ASM Costan gave a brief presentation on District participation in the California Employee's Pension Prefunding Trust (CEPPT) which is similar to the California Employee's Retirement Benefit Trust (CERBT) the District has been participating in since 2008. The CERBT account is used to fund retiree health care expenses, while the CEPPT account is used to fund pension expenses. The District's CERBT account has performed very well during the time that the District has been participating in the Trust realizing investment earnings of 3.13M on the 2.16M contributed. ASM Costan shared that a CEPPT Trust can be utilized to earn higher investment returns to help fund growing pension expenses. The Fee & Finance Committee has meet on this item and recommended investment of the $3M in funds included in the fiscal year 20/21 Budget into CEPPT Strategy 1.

ASM Costan shared that Resolution 20-26 was amended by staff to modify Item 1 of the recommendation to read: The Board President and/or General Manager is authorized to enter into the attached Agreement and Election to Prefund Employer Contributions to a Defined Benefit Pension Plan. This change is due to language in the agreement.

President Murdock asked what the administrative fees are on the trust. ASM Costan shared that the annual expense ration is 0.25%. Director Mitchell asked when the District will have zero unfunded pension liability. ASM Costan shared that per the current amortization schedule, the unfunded liability will continue to grow through 2025 with employer payments expected to increase through 2031 before falling off around 2044. Director Williams commented that the CERBT fund has performed very well and the Trust will provide budgetary flexibility to the District to cover these expenses.

Vice President Dickinson made a motion to approve Resolution 20-26 California Employee's Pension Prefunding Trust (CEPPT); a second was made by Director Williams, a roll call vote was taken, and the motion carried 5-0.

4. STRATEGIC PLAN REPORT FOR FY2019/20

GM Niederberger presented the update of the District's progress report on the Strategic Plan.

Vice President Dickinson asked about Goal 3.1c Create a Quality Control Process for County/City/Town Projects and this item not being scheduled to begin yet. GM Niederberger shared that outreach has occurred but there is still work needed to complete a formalized quality

control process. DE Huff shared that staff has initialized development coordination and utility coordination meetings that occur every other month. The District is looking to create MOUs with our partner agencies to address shared uses, emergency planning, and other items.

Director Mitchell asked about Goal 4.1a Use Consultants to Establish a Regulatory Compliance Program. He asked about the role of the new Regulatory Compliance staff member. GM Niederberger shared that the District has transitioned many responsibilities to the new Regulatory Compliance and Safety person. DS Nielsen added that a consultant, Core Safety, audited the Districts safety program last year and the new staff member has been using the feedback from the consultant to focus his efforts on improvements. Director Mitchell also asked for clarification on the meaning of the acronym OERP. DS Nielsen shared that it stands for Overflow Emergency Response Plan which is a written document that dictates how we respond to Sewer Service Overflows (SSOs).

No action was requested – informational item.

5. <u>COVID-19 PANDEMIC ILLNESS</u>

GM Niederberger provided an update on District operations in response to the COVID-19 outbreak. He shared some of the economic impacts that the District is now seeing which include a reduction in sewer participation fees and an increase in the receivables that are in arrears. Two large commercial customers represent $27,000 of the $57,000 outstanding balance in past due accounts receivable. Additionally, at the end of the year gas prices were down and field staff was on staggered work schedules. The District is now seeing higher gas expenses in the new fiscal year from a rise in prices and staff driving separate vehicles.

GM Niederberger showed the new State Covid-19 website: covid19.ca.gov/safer-economy. The site has new criteria for allowable operations by County. Cases need to remain below designated rates for a minimum of three weeks for a County to change levels.

ASM Costan gave an overview of President Trump's Social Security Payroll Tax Deferral which defers Social Security Taxes from September 1, 2020 through December 31, 2020 and requires repayment from January 1, 2021 through April 30, 2021. Employers are ultimately responsible for repayment of the taxes and may be subject to interest and penalties for non-payment of any deferred taxes. Current guidance indicates that participation in the deferral program is the decision of the employer. ASM Costan asked for input from the Board on whether or not the District should participate. Director Williams shared that he does not believe the District should participate. Vice President Dickinson agreed with this position. Director Mitchell shared that he does not want to create negative future liabilities for District employees.

Director Mitchell asked if customers will be responsible for paying late fees incurred during the District's waiver of the fees. GM Niederberger responded that the District will only charge late fees that are incurred after October 1 and would not go back and collect late fees that would have been accessed during the waiver period. ASM Costan shared that the revenue loss in the last quarter from the waiving of late fees was approximately $35,000, and the District is anticipating similar loss from continuing to waive the fees in the first quarter of this fiscal year. GM

Niederberger shared that late fees are used to subsidize the Low-Income Rate Assistance Program. The District collected adequate fees in fiscal year 19/20 to cover the costs of the program and anticipate adequate late fee revenue to the fund the program in fiscal year 20/21. Director Markey asked how many people are utilizing the Low-Income Rate Assistance Program. ASM Costan shared that she believes around three hundred customers are participating. Director Williams shared that he believes the late fee waiver should be suspended in October and any future waivers should be based on customers applying.

No action was requested – informational item.

6. RESOLUTION #20-27 REQUESTING THAT APPOINTMENTS ARE MADE BY THE PLACER COUNTY BOARD OF SUPERVISORS FOR WARDS #1, #4 AND #5 ON THE SPMUD BOARD OF DIRECTORS IN LIEU OF AN ELECTION

ASM Costan shared that the District has three wards that have expiring terms this year: Wards 1, 4 and 5. Both Director Mitchell (Ward 1) and Director Williams (Ward 5) filed paperwork with Placer County. No other candidates filed, and both candidates are qualified to be appointed in lieu of election by the Placer County Board of Supervisors.

ASM Costan shared that due to the Coronavirus, Director Markey (Ward 4) did not file paperwork with Placer County and no other candidates filed, including during the extended filing period. Director Markey expressed to the General Manager his commitment to remain on the Board of Directors. Additionally, a letter of interest and resume has been circulated to the Board of Directors from Jim Durfee, a resident of Ward 4. The Placer County Board of Supervisors has delegated appointment recommendation to the SPMUD Board.

Staff recommended that the item be split into two separate resolutions; one recommending appointment of Director Mitchell and Director Williams in lieu of election and a separate resolution recommending appointment to Ward 4.

General Counsel Brown added that under the CA Election Code the Board of Supervisors is the appointing authority. When a candidate files paperwork and runs unopposed the Board of Supervisors must appoint the candidate to the position for the upcoming term. When there are no candidates, the Board of Supervisors has the authority to appointment any person of their choosing to the seat. The SPMUD Board can make a recommendation of one of more persons, if they so choose, to the Board of Supervisors which may be given weight; however, any eligible person can approach the Board of Supervisors and seek an interview for the vacant seat.

Vice President Dickinson made a motion to approve Resolution 20-27 Requesting that Appointments are made by the Placer County Board of Supervisors for Wards #1 and #5 on the SPMUD Board of Directors in Lieu of an Election; a second was made by Director Williams, a roll call vote was taken, and the motion carried 5-0.

Jim Durfee spoke. He thanked the Board for their consideration. He shared that he has worked with the Board over the years in his role with Placer County and that it would be a pleasure to work with the Board on behalf of the District.

Vice President Dickinson shared that he worked with Mr. Durfee for almost twenty years at Placer County and feels he would be an outstanding addition to the Board. He shared that Mr. Durfee's qualifications in the sewer business and in government are strong. Vice President Dickinson shared his appreciation for Director Markey's service for the last eight years; however, he supports recommending Mr. Durfee for appointment by the Board of Supervisors.

Director Mitchell shared that Mr. Durfee is very knowledgeable about the business. He shared that one of the roles of the Board is to bring multiple perspectives such as Director Williams' architectural background, Director Dickinson's government background in the sewer business, Director Markey's real estate background, and President Murdock's technical background. He shared that he feels that either candidate would be a good Board member.

Director Markey shared that he has an elderly family member that is ill which made him uncomfortable going door to door to collect signatures. Director Williams shared that someone else could have circulated signatures on his behalf. Director Williams stated that as a matter of course, the Board has generally appointed the incumbent candidate; however, the Board has not had anyone else express interest. He asked General Counsel Brown for clarification on whether the Board can choose not to make a recommendation. General Counsel Brown confirmed that the Board can choose not to make a recommendation or may choose to recommend one or more candidates the Board feels are qualified.

General Counsel Brown clarified that Director Markey is not required to abstain on this item as the resolution is a recommendation and not an appointment. Director Markey shared that he very rarely misses meetings and wished to continue to serve.

Vice President Dickinson made a motion to approve Resolution 20-28 Requesting that the Board of Supervisors of the County of Placer Appoint One of the Following Persons to Serve as Director of Ward #4 of the Board of Directors of the South Placer Municipal Utility District in Lieu of an Election: Victor Markey (Incumbent) or James Durfee; a second was made by Director Williams, a roll call vote was taken with Directors Dickinson, Murdock, and Williams voting Aye and Directors Mitchell and Markey voting No, the motion carried 3-2

VII. REPORTS

1. **District General Counsel (A. Brown):** General Counsel Brown's reported that he has been working primarily on the Foothill Trunk project regarding the updated agreement with UAIC.

2. General Manager (H. Niederberger):

A. ASD, FSD & TSD Reports:

GM Niederberger shared a request from Vice President Dickinson to suspend the General Manager's evaluation. Vice President Dickinson shared he would like to confer with the Board in closed session to get general direction; however, the Board has conducted detailed evaluations the last couple of years, and Vice President Dickinson would like to focus on the GM contract

negotiations this year. President Murdock shared his support. GM Niederberger commented that Closed Session may need to occur prior to Regular Session to allow for General Counsel Brown to do the Closed Session Read out. The last Closed Session held via Zoom occurred at 3:45 p.m.

B. Information Items: No additional items.

3. <u>Director's Comments:</u>

Director Mitchell shared his appreciation of DE Huff's participation in the Leadership Rocklin program through the Rocklin Chamber of Commerce. He also shared appreciation for the money saved from the consolidation of Flexing Spending benefits. Finally, he shared appreciation for the work done by Field Services to prevent loss time accidents.

Vice President Dickinson shared that the Board received an email from a concerned resident regarding the Foothill Trunk Sewer Replacement Project, and the Board takes these concerns very seriously. He shared that the Board counts on staff to handle concerns appropriately, with all indication being that staff is doing their best to address the concerns.

Director Williams thanked DE Huff and GM Niederberger for the walk-thru at Corona Circle and recommended it to the other Board members so they can see the challenges the residents are facing. He shared that this project is necessary for the District to complete, but he feels sympathy for the affected residents.

President Murdock thanked everyone for their participation in the Zoom meeting. He asked that the Asset Inventory List included in the Bill of Sale be summarized or replaced with a map.

Director Mitchell commented that he had time to explore the GIS public facing web map and was amazed by the amount information available. He thanked President Murdock for managing the Zoom meetings with deft.

VIII. ADDITIONAL PUBLIC COMMENTS

President Murdock re-opened the meeting for public comments. ASM Costan confirmed that no eComments were received. Hearing no other comments, the public comments session was closed.

<u>IX. ADJOURNMENT</u>

The President adjourned the meeting at 5:45 p.m. to the next regular meeting to be held on October 1, 2020 at 4:30 p.m. with a closed session meeting to be held prior at 3:45 p.m.

Emilie Costan

Emilie Costan, Board Secretary

Item 4.2

South Placer Municipal Utility District, CA

Check Report

By Check Number

Date Range: 08/27/2020 - 09/22/2020

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: AP Bank-AP Bank						
1652	Cintas Corporation	08/27/2020	Regular	0.00	444.92	12517
1080	CWEA (Main)	08/27/2020	Regular	0.00	96.00	12518
1664	MacLeod Watts, Inc	08/27/2020	Regular	0.00	2,930.00	12519
1252	Ramos Environmental	08/27/2020	Regular	0.00	492.96	12520
1253	Recology Auburn Placer	08/27/2020	Regular	0.00	324.37	12521
1487	RJA Heating & Air, Inc.	08/27/2020	Regular	0.00	1,042.50	12522
1268	Rocklin Windustrial Co.	08/27/2020	Regular	0.00	624.95	12523
1305	Sunbelt Rentals, Inc.	08/27/2020	Regular	0.00	1,105.46	12524
1499	TechRoe.com LLC	08/27/2020	Regular	0.00	900.00	12525
1325	Tyler Technologies, Inc.	08/27/2020	Regular	0.00	400.00	12526
1330	United Rentals Northwest	08/27/2020	Regular	0.00	3,485.63	12527
1342	Wallace-Kuhl & Assoc.	08/27/2020	Regular	0.00	7,159.20	12528
1355	Xylem Water Solutions USA	08/27/2020	Regular	0.00	9,117.52	12529
1663	Buckmaster Office Solutions	09/03/2020	Regular	0.00	105.03	12531
1652	Cintas Corporation	09/03/2020	Regular	0.00	443.34	12532
1068	City of Roseville	09/03/2020	Regular	0.00	337,095.19	12533
1509	Crystal Communications	09/03/2020	Regular	0.00	311.64	12534
1087	Dawson Oil Co.	09/03/2020	Regular	0.00	3,772.45	12535
1113	Ferguson Enterprises, Inc. 1423 (Main)	09/03/2020	Regular	0.00	1,571.00	12536
1686	Jan Pro	09/03/2020	Regular	0.00	836.00	12537
1599	MUN CPA's	09/03/2020	Regular	0.00	7,500.00	12538
1217	Owen Equipment	09/03/2020	Regular	0.00	924.17	12539
1218	PCWA	09/03/2020	Regular	0.00	91.49	12540
1221	PG&E (Current Accounts)	09/03/2020	Regular	0.00	1,181.54	12541
1265	Rocklin Area Chamber of Commerce	09/03/2020	Regular	0.00	475.00	12542
1685	Streamline	09/03/2020	Regular	0.00	400.00	12543
1499	TechRoe.com LLC	09/03/2020	Regular	0.00	900.00	12544
1561	Williams + Paddon Architects + Planners, Inc.	09/03/2020	Regular	0.00	27,094.00	12545
1012	All Electric Motors	09/11/2020	Regular	0.00	9,395.22	12547
248	AT&T (916.663.1652) & (248.134.5438.608.80)	09/11/2020	Regular	0.00	255.32	12548
1022	AT&T (9391035571) & (9391053973)	09/11/2020	Regular	0.00	326.87	12549
1484	Axa Equitable	09/11/2020	Regular	0.00	1,110.00	12550
1652	Cintas Corporation	09/11/2020	Regular	0.00	444.92	12551
1086	Dataprose	09/11/2020	Regular	0.00	7,251.56	12552
1734	Garney Pacific, Inc.	09/11/2020	Regular	0.00	645,418.30	12553
1666	Great America Financial Services	09/11/2020	Regular	0.00	452.99	12554
1218	PCWA	09/11/2020	Regular	0.00	1,813.08	12555
1475	Petersen & Mapes, LLP	09/11/2020	Regular	0.00	1,320.00	12556
1221	PG&E (Current Accounts)	09/11/2020	Regular	0.00	4,977.23	12557
1473	Pitney Bowes Purchase Power	09/11/2020	Regular	0.00	208.99	12558
1234	Placer County Air Pollution Control District (APCD	09/11/2020	Regular	0.00	2,089.65	12559
1656	SmartCover Systems	09/11/2020	Regular	0.00	5,533.00	12560
1333	SPOK, Inc.	09/11/2020	Regular	0.00	26.67	12561
1307	Sutter Medical Foundation-Corporate	09/11/2020	Regular	0.00	142.00	12562
1338	Verizon Wireless	09/11/2020	Regular	0.00	1,132.86	12563
1066	City of Rocklin	09/17/2020	Regular	0.00	6,871.00	12565
1066	City of Rocklin	09/17/2020	Regular	0.00	1,622.00	12566
1066	City of Rocklin	09/17/2020	Regular	0.00	3,021.30	12567
1007	Advanced Integrated Pest	09/17/2020	Regular	0.00	106.00	12568
1021	ARC	09/17/2020	Regular	0.00	97.54	12569
1715	Chris Vrame	09/17/2020	Regular	0.00	208.08	12570
1652	Cintas Corporation	09/17/2020	Regular	0.00	454.69	12571
1073	Consolidated Communications	09/17/2020	Regular	0.00	1,980.51	12572
1706	Express Sewer & Drain Inc.	09/17/2020	Regular	0.00	138,282.40	12573

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
1139	Hill Rivkins Brown & Associates	09/17/2020	Regular	0.00	6,860.00	12574
1564	Jensen Landscape Services, LLC	09/17/2020	Regular	0.00	1,722.00	12575
1740	Massie Family Trust	09/17/2020	Regular	0.00	2,320.18	12576
1244	Preferred Alliance Inc	09/17/2020	Regular	0.00	183.54	12577
1518	Sonitrol of Sacramento	09/17/2020	Regular	0.00	945.13	12578
1327	US Bank Corporate Payment	09/18/2020	Regular	0.00	9,540.98	12579
	Void	09/18/2020	Regular	0.00	0.00	12580
	Void	09/18/2020	Regular	0.00	0.00	12581
	Void	09/18/2020	Regular	0.00	0.00	12582
	Void	09/18/2020	Regular	0.00	0.00	12583
1045	Cal Pers 457 Plan (EFT)	09/04/2020	Bank Draft	0.00	425.00	DFT0005668
1135	Mass Mutual (EFT)	09/04/2020	Bank Draft	0.00	7,777.52	DFT0005669
1135	Mass Mutual (EFT)	09/04/2020	Bank Draft	0.00	455.70	DFT0005670
1580	TASC	09/04/2020	Bank Draft	0.00	279.35	DFT0005671
1580	TASC	09/04/2020	Bank Draft	0.00	407.70	DFT0005672
1229	Pers (EFT)	09/04/2020	Bank Draft	0.00	129.73	DFT0005673
1229	Pers (EFT)	09/04/2020	Bank Draft	0.00	183.84	DFT0005674
1229	Pers (EFT)	09/04/2020	Bank Draft	0.00	326.18	DFT0005675
1229	Pers (EFT)	09/04/2020	Bank Draft	0.00	2,298.08	DFT0005676
1229	Pers (EFT)	09/04/2020	Bank Draft	0.00	4,077.37	DFT0005677
1229	Pers (EFT)	09/04/2020	Bank Draft	0.00	119.96	DFT0005678
1229	Pers (EFT)	09/04/2020	Bank Draft	0.00	179.64	DFT0005679
1229	Pers (EFT)	09/04/2020	Bank Draft	0.00	1,713.72	DFT0005680
1229	Pers (EFT)	09/04/2020	Bank Draft	0.00	2,566.65	DFT0005681
1229	Pers (EFT)	09/04/2020	Bank Draft	0.00	2,856.33	DFT0005682
1229	Pers (EFT)	09/04/2020	Bank Draft	0.00	3,271.90	DFT0005683
1149	Internal Revenue Service	09/04/2020	Bank Draft	0.00	13,433.60	DFT0005684
1098	EDD (EFT)	09/04/2020	Bank Draft	0.00	4,281.43	DFT0005685
1098	EDD (EFT)	09/04/2020	Bank Draft	0.00	977.68	DFT0005686
1149	Internal Revenue Service	09/04/2020	Bank Draft	0.00	3,232.50	DFT0005687
1149	Internal Revenue Service	09/04/2020	Bank Draft	0.00	10,622.78	DFT0005688
1149	Internal Revenue Service	09/04/2020	Bank Draft	0.00	162.94	DFT0005690
1098	EDD (EFT)	09/04/2020	Bank Draft	0.00	28.75	DFT0005691
1098	EDD (EFT)	09/04/2020	Bank Draft	0.00	13.14	DFT0005692
1149	Internal Revenue Service	09/04/2020	Bank Draft	0.00	38.10	DFT0005693
1149	Internal Revenue Service	09/04/2020	Bank Draft	0.00	132.56	DFT0005694
1229	Pers (EFT)	09/14/2020	Bank Draft	0.00	3.96	DFT0005696
1229	Pers (EFT)	09/14/2020	Bank Draft	0.00	7.05	DFT0005697
1229	Pers (EFT)	09/14/2020	Bank Draft	0.00	49.59	DFT0005698
1229	Pers (EFT)	09/14/2020	Bank Draft	0.00	87.99	DFT0005699
1229	Pers (EFT)	09/14/2020	Bank Draft	0.00	9.88	DFT0005700
1229	Pers (EFT)	09/14/2020	Bank Draft	0.00	11.32	DFT0005701
1149	Internal Revenue Service	09/14/2020	Bank Draft	0.00	95.02	DFT0005702
1098	EDD (EFT)	09/14/2020	Bank Draft	0.00	56.00	DFT0005703
1098	EDD (EFT)	09/14/2020	Bank Draft	0.00	7.68	DFT0005704
1149	Internal Revenue Service	09/14/2020	Bank Draft	0.00	22.22	DFT0005705
1149	Internal Revenue Service	09/14/2020	Bank Draft	0.00	101.31	DFT0005706
1045	Cal Pers 457 Plan (EFT)	09/18/2020	Bank Draft	0.00	425.00	DFT0005708
1135	Mass Mutual (EFT)	09/18/2020	Bank Draft	0.00	7,777.52	DFT0005709
1135	Mass Mutual (EFT)	09/18/2020	Bank Draft	0.00	455.70	DFT0005710
1580	TASC	09/18/2020	Bank Draft	0.00	279.35	DFT0005711
1580	TASC	09/18/2020	Bank Draft	0.00	407.70	DFT0005712
1229	Pers (EFT)	09/18/2020	Bank Draft	0.00	129.73	DFT0005713
1229	Pers (EFT)	09/18/2020	Bank Draft	0.00	183.84	DFT0005714
1229	Pers (EFT)	09/18/2020	Bank Draft	0.00	326.18	DFT0005715
1229	Pers (EFT)	09/18/2020	Bank Draft	0.00	2,298.08	DFT0005716
1229	Pers (EFT)	09/18/2020	Bank Draft	0.00	4,077.37	DFT0005717
1229	Pers (EFT)	09/18/2020	Bank Draft	0.00	121.14	DFT0005718
1229	Pers (EFT)	09/18/2020	Bank Draft	0.00	181.40	DFT0005719
1229	Pers (EFT)	09/18/2020	Bank Draft	0.00	1,730.52	DFT0005720
1229	Pers (EFT)	09/18/2020	Bank Draft	0.00	2,591.81	DFT0005721

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
1229	Pers (EFT)	09/18/2020	Bank Draft	0.00	2,856.33	DFT0005722
1229	Pers (EFT)	09/18/2020	Bank Draft	0.00	3,271.89	DFT0005723
1149	Internal Revenue Service	09/18/2020	Bank Draft	0.00	11,754.32	DFT0005724
1098	EDD (EFT)	09/18/2020	Bank Draft	0.00	3,657.32	DFT0005725
1098	EDD (EFT)	09/18/2020	Bank Draft	0.00	915.93	DFT0005726
1149	Internal Revenue Service	09/18/2020	Bank Draft	0.00	2,978.30	DFT0005727
1149	Internal Revenue Service	09/18/2020	Bank Draft	0.00	8,927.29	DFT0005728

Bank Code AP Bank Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	87	60	0.00	1,266,938.37
Manual Checks	0	0	0.00	0.00
Voided Checks	0	4	0.00	0.00
Bank Drafts	58	58	0.00	115,790.89
EFT's	0	0	0.00	0.00
	145	**122**	**0.00**	**1,382,729.26**

All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	87	60	0.00	1,266,938.37
Manual Checks	0	0	0.00	0.00
Voided Checks	0	4	0.00	0.00
Bank Drafts	58	58	0.00	115,790.89
EFT's	0	0	0.00	0.00
	145	**122**	**0.00**	**1,382,729.26**

Fund Summary

Fund	Name	Period	Amount
100	GENERAL FUND	8/2020	28,123.51
100	GENERAL FUND	9/2020	1,354,605.75
			1,382,729.26

Account Number	Name	Date	Type		Amount	Reference	Packet
102-0005221-01	Kile, Robert	9/2/2020	Refund	$	109.54	Check #: 12530	UBPKT10366
102-0002351-02	Kindice, Justin	9/8/2020	Refund	$	108.00	Check #: 12546	UBPKT10394
103-0004689-01	Rummel-Stone, Sheri	9/16/2020	Refund	$	365.00	Check #: 12564	UBPKT10415
		TOTAL REFUNDS		**$**	**582.54**		

Item 4.3

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

STAFF REPORT

To:	**Board of Directors**
From:	Carie Huff, District Engineer
Cc:	Josh Lelko, Engineering Technician
Subject:	Acceptance of the Bill of Sale for Sewer Improvements within Pacific Tech Park Phase 2
Meeting Date:	October 1, 2020

Overview

The Pacific Tech Park Phase 2 improvements are located at 6101 Pacific Street. The Pacific Tech Park Phase 2 project consists of onsite infrastructure and the connection of the following:

1. Building D (9,311 square feet of commercial space, contributing 3.10 EDUs)
2. Building E (1,850 square feet of warehouse and 4,544 square feet of office/light industrial space, contributing 1.82 EDUs)
3. Building F (5,689 square feet of commercial space, contributing 1.90 EDUs)
4. Building G (8,932 square feet of commercial space, contributing 2.98 EDUs)

The buildings will contribute a total of 9.80 EDUs. The Pacific Tech Park Phase 2 improvements include the following infrastructure:

- Installation of two hundred and thirty-nine (239) linear feet of sanitary sewer pipe; and
- Installation of two (2) manholes; and
- Installation of forty (40) feet of lower laterals.

Recommendation

Staff recommends that the Board of Directors accept the attached Bill of Sale for the Pacific Tech Park Phase 2.

Strategic Plan Goal

This action is consistent with SPMUD Strategic Plan Goals:

Goal 1.1: Engage Customers to determine expectations.
Goal 1.2: Establish and meet Service Level(s) by Department.
Goal 3.1: Plan all projects to ensure adherence to District standards and ordinances.

Fiscal Impact

The estimated value of the contributed capital is $113,693.

Attachments:

1. Bill of Sale
2. Map – Pacific Tech Park Phase 2

BILL OF SALE

MIMA CAPITAL, LLC does hereby grant, bargain, sell and convey to SOUTH PLACER MUNICIPAL UTILITY DISTRICT all of its rights, title and interest in and to all public sewer pipes, lines, mains, manholes, and appurtenances installed by its contractor in that subdivision/project commonly known as PACIFIC TECH PARK, PHASE II

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

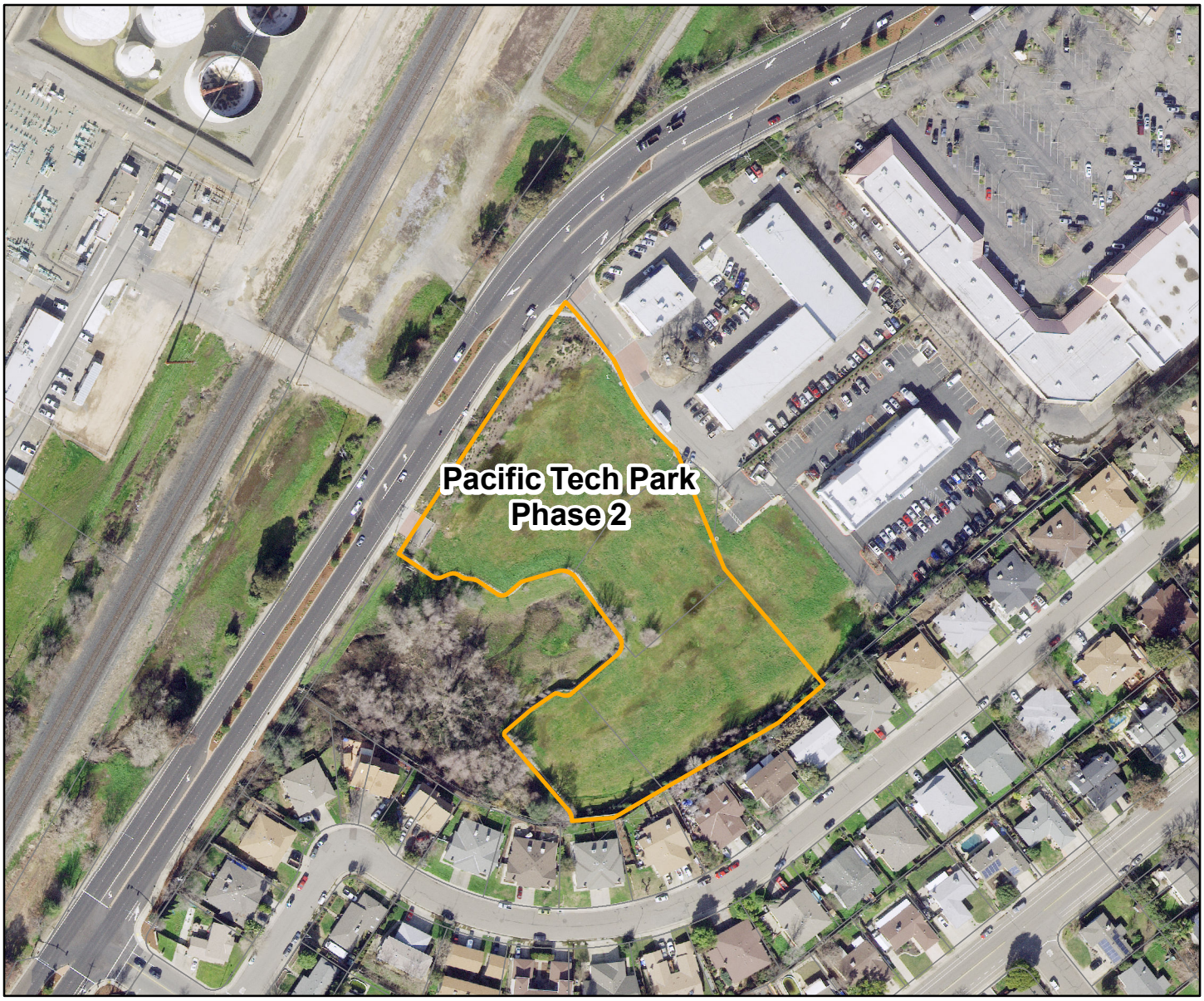
Dated this 08/31/2020

By: (Developer/Owner)

Signature

Michel M. Fournier (Managing Member)

Name (Please Type or Print)



0 100 200 Feet

1 in = 200 ft

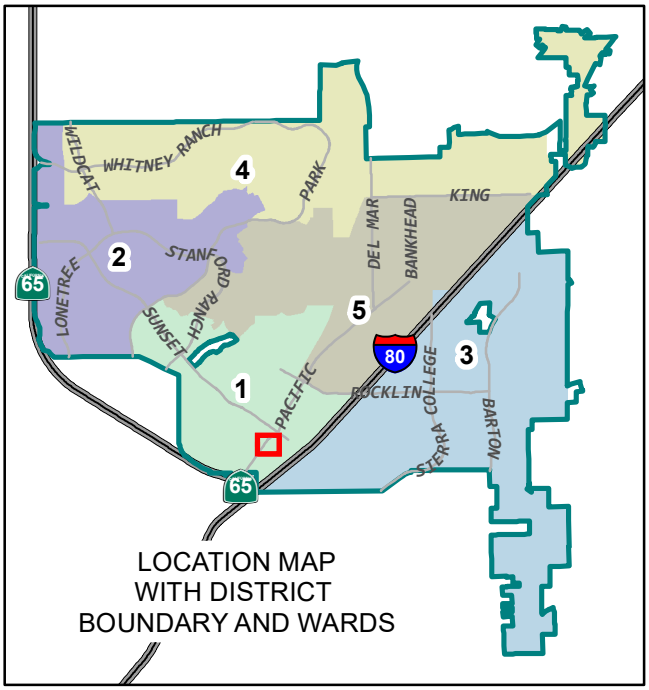
N

Pacific Tech Park
Phase 2

9.80 EDUs

Date: 8/18/2020

Author: Curtis Little
Document Path:
G:\spmud_gis\mxd\Curtis\Bill Of Sale Maps\2020\MXD\PacificTechPark PH2.mxd



LOCATION MAP
WITH DISTRICT
BOUNDARY AND WARDS

Item 4.4

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

STAFF REPORT

To:	Board of Directors
From:	Emilie Costan, Administrative Services Manager
Cc:	Herb Niederberger, General Manager
Subject:	Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting
Meeting Date:	October 1, 2020

Overview

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, 2019. This was the first year that the District has achieved this prestigious award. In order 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.

A Certificate of Achievement is valid for a period of one year only. The District staff believe that our current comprehensive annual financial report will continue to meet the Certificate of Achievement Program's requirements and as such we will be submitting it to GFOA to determine its eligibility for another certificate.

Strategic Plan Goals

This action is consistent with SPMUD Strategic Plan Goals:
Goal 1.3: Maintain transparency with all District activities
Goal 5.3: Maintain financial responsibility by ensuring allocated funding sources are adequate to meet expenses; and that available funds and resources are managed efficiently.
Goal 5.4: Prepare balanced annual budgets; conduct acceptable audits

Fiscal Impact

There is no fiscal impact to the District associated with this report.

Attachments:

1. Certificate of Achievement

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

South Placer Municipal Utility District
California

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morrill

Executive Director/CEO

Item 4.5

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

STAFF REPORT

To: Board of Directors

From: Eric Nielsen, Superintendent

Cc: Herb Niederberger, General Manager

Subject: Resolution 20-29 – Resolution to Dispose of District Surplus Items

Meeting Date: October 1, 2020

Overview

The District has several items that have met or exceeded their useful life and have been replaced by newer, more reliable, updated versions, or equivalents. The items to be designated as surplus are listed in the table below.

Item	Qnty	Make	Model	Serial Number
Tamping Rammer	1	Multiquip	76D	E 1106
Cut Off Saw	1	Stihl	TS 700	42249673400 AS
Jib Boom	1	Weldco Beales	Jib Boom Man EXT	60889 03/00
Telephone Handsets	28	Yealink	T42G	varies

In accordance with Policy No. 3300 – Disposal of Surplus Property, District property with a unit value greater than $500 shall be declared surplus by the Board of Directors. All items will be disposed of in accordance with this policy. The District plans to use GovDeals.com, an online government surplus auction site and partner of the California Special Districts Association, to sell these items. GovDeals.com provides a valuable service in recovering value from surplus items for the District. GovDeals.com receives a 10% commission, which is paid by the buyer. The District has successfully used GovDeals.com to dispose of surplus inventory since 2017.

Recommendation

Staff recommends that the Board of Directors adopt Resolution 20-29 to declare the items listed therein as surplus.

Strategic Plan Goals

This action is consistent with SPMUD Strategic Plan Goals:

Goal 1.3: Maintain Transparency with all District Activities

Related District Ordinances and Policies

This action complies with the following District Policy:

Policy No. 3300 – Disposal of Surplus Property or Equipment

Fiscal Impact

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

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

RESOLUTION NO. 20-29

RESOLUTION TO DISPOSE OF DISTRICT SURPLUS ITEMS

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

Item	Qnty	Make	Model	Serial Number
Tamping Rammer	1	Multiquip	76D	E 1106
Cut Off Saw	1	Stihl	TS 700	42249673400 AS
Jib Boom	1	Weldco Beales	Jib Boom Man EXT	60889 03/00
Telephone Handsets	28	Yealink	T42G	varies

WHEREAS, Policy 3300 – Disposal of Surplus Property or Equipment provides guidance on the proper disposal of surplus District property and equipment.

WHERAS, the Board hereby finds that these items have outlived their useful life and are surplus and no longer necessary, useful to, or in the best interest of the District to retain ownership of said items.

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

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

(i) Cause the items to be auctioned "as is," individually or in one or more lots, to the highest bidder, or

(ii) Transfer to another agency, or

(iii) Discard, recycle, salvage, or scrap any surplus items for which no suitable bids are received.

PASSED AND ADOPTED at a Regular Meeting of the South Placer Municipal Utility District Board of Directors at Rocklin, CA this 1st day of October 2020.

Signed: _____
John Murdock, President of the Board of Directors

Attest: _____
Emilie Costan, Board Secretary

September 2020 *Governor's Desk Special Edition*

The 2019-2020 California Legislative Session has been one for the history books. Facing a pandemic and catastrophic wildfires, State Legislators were left to navigate uncharted waters. They were forced to adapt on the fly, changing the rules of the Legislature to allow for remote voting, and regularly rescheduled hearings, and deadlines in order to meet constitutional deadlines and respond to the crises facing state and local agencies, businesses, families, and others.

Despite these challenges the State Legislature endured and passed a number of significant bills that will impact special districts, their employees, and the communities they serve. Included in this month's brief is a list of bills that passed the Legislature and are awaiting Governor Gavin Newsom's signature or veto. Also included is a list of notable bills that failed passage in the last month of session.

The bills highlighted in this brief only represent a partial list of CSDA-tracked legislation. A comprehensive report of all CSDA lobbied bills will be distributed in October in our Annual Year-End Legislative Report following the Governor's September 30 signature deadline.

Inside this edition of the Take Action Brief:

Key Bills Awaiting Action by Governor Gavin Newsom……2

Key Bills Defeated in Last Month of Legislative Session……4

COVID-19 Relief Advocacy Stretches into September……6

Significant Win for Water and Utility Agencies in Supreme Court Proposition 218 Case……7

Contact a local CSDA representative near you!

Chris Norden	Northern Network	chrisn@csda.net
Dane Wadlé	Sierra Network	danew@csda.net
Colleen Haley	Bay Area Network	colleenh@csda.net
Cole Karr	Central Network	colek@csda.net
Charlotte Holifield	Coastal Network	charlotteh@csda.net
Chris Palmer	Southern Network	chrisp@csda.net

➢ Key Bills Awaiting Action by Governor Gavin Newsom

The following measures, actively lobbied or tracked by CSDA, have passed the State Legislature and await action by Governor Gavin Newsom. The Governor may sign these bills into law or return them to the Legislature without his signature (veto) by September 30. Unless otherwise stipulated within the legislation, signed bills will take effect January 1, 2021.

AB 685 (Reyes) Employee COVID-19 Exposure Notifications – OPPOSE

Requires employers to notify employees of potential exposure to COVID-19 in the workplace and provide them with information about leave options. Additionally, in the event of a workplace "outbreak" the employer will also be required to notify local health authorities. The bill has flaws in its drafting with conflicting definitions and unclear protocols. The author of the bill has indicated she intends to have a clean-up bill to address remaining concerns next year.

AB 995 (C. Garcia) Hazardous Waste – CONCERNS

Seeks to re-organize the Department of Toxic Substances Control (DTSC) and, in doing so, repeals several disposal fee exemptions that could affect those special districts that may generate, receive, collect or remediate certain types of waste including household hazardous waste. The measure would create a task force that includes local agencies and would involve itself in creating new fee schedules. Joining a letter with The Solid Waste Association of North America (SWANA), CSDA expressed its concerns about potential impact to both local agencies and to those important programs that deal with household hazardous waste.

AB 1867 (Committee on Budget) Employment Leave – WATCH

This broadly scoped measure covers a variety of unique industries as well as different types of leave. Included in the provisions of the bills is a section that impacts many public employers regarding paid sick leave for persons employed as certain types of health care providers and emergency responders, all of whom were excluded from the paid sick leave provisions of the federal Families First Coronavirus Response Act. The provisions in this state legislation provide 80-hours of paid sick leave, just as the newly passed federal law did for other employees.

AB 2107 (Rodriguez) Short-Term Loans for Special Districts – SPONSOR

Reauthorizes a statute that expired December 31, 2019, which allows a special district to issue securitized limited obligation notes (SLONs) for the acquisition or improvement of land, facilities, or equipment. These notes must mature within 10 years and can be issued to a cumulative $2 million dollars outstanding at one time. They can be secured with any available revenues. This reauthorized statute would sunset in five years absent future extension or sunset removal.

AB 2560 (Quirk) Water Quality: Notification Levels and Response Levels: Procedures – SUPPORT

Requires the State Water Resources Control Board (State Water Board) to post on its Internet website and distribute through email information when it initiates the development of a Notification Level (NL) or Response Level (RL) for a contaminant.

SB 1159 (Hill) COVID-19 Workers' Comp Presumption – OPPOSE

Creates a rebuttable presumption until January 1, 2023 that, under certain conditions, employees who contract COVID-19 will be considered to have suffered a workplace injury and will be entitled to workers' compensation benefits.

For firefighters, peace officers, and healthcare workers, who provide direct patient care and contract COVID-19 within 14 days of working. Employers would be provided 30 days to contest the illness is a workplace injury.

Attempts to address workplace outbreaks and applies to all other employees not covered by other sections that work for an employer that has five or more employees. Creates a rebuttable presumption that an employee contracted COVID-19 at the workplace and they are entitled to workers' compensation benefits if the employee contracts COVID-19 during a workplace "outbreak" as defined based on the size of the workplace. This section also contains certain reporting requirement and penalties for falsifying records. This section would take effect from July 6, 2020 (end of the Governor's Executive Order) though January 1, 2023.

SB 1383 (Jackson) Expanded Employee Leave Eligibility – OPPOSE

Existing law prohibits an employer who employs 25 or more employees working at the same location from discharging or discriminating against an employee who is a parent for taking off up to 40 hours each year to find, enroll, or reenroll their child in a school, to participate in school activities, or address emergency situations at school, subject to specified conditions. Employees may be required to use vacation or other paid time off when taking time off or may use unpaid time off. This bill would apply these provisions to employers with *five* or more employees and would authorize an employee to take off time *in excess of* 40 hours in the case of a school closure due to an emergency declaration by a federal, state, or local government agency, up to the duration of the emergency.

SB 1386 (Moorlach) Prop 218 Clarification for Fire Hydrant Funding – SUPPORT

Restates that "water" for purposes of the Proposition 218 Omnibus Implementation Act also includes fire hydrants and the water dispensed from them. Therefore a property-related water service fee or charge by a local agency may include the costs to construct, maintain, repair, or replace public hydrants and the associated water attached to a water system, to the extent those fees or charges are consistent with the California Constitution, fire codes, and industry standards. The bill would also authorize the fees or charges for the aspects of water service related to hydrants and the water distributed through them may be fixed and collected as a separate fee or charge, or included in the other water rates and charges fixed and collected by a public agency. Ideally, this measure would lessen local agencies' exposure to litigation, like those lawsuits that have already been filed against 81 water suppliers, so that communities may maintain a high level of fire protection.

AB 2257 (Gonzalez) Independent Contractors – SUPPORT

This bill is an AB 5 fix/update bill. Included in the various updates is the addition of public agencies in the business to business exemption. Therefore, the bill would provide greater flexibility for public agencies when contracting for services such as information technology. The exemption allows public agencies, when contracting with a business, to apply the "Borello Test" rather than the "ABC Test" to determine whether the contractor should be classified as an employee or independent contractor.

➢ Key Bills Defeated in Last Month of Legislative Session

The following measures, actively lobbied or tracked by CSDA, failed passage in the State Legislature during the final month of the 2019-2020 Legislative Session.

AB 6 (Reyes) Attorney General: Duties – OPPOSE

This bill would have conferred a number of new authorities to the Attorney General, including the authority to pursue civil penalties for acts of water pollution under its own authority.

AB 196 (Gonzalez) COVID-19 Workers' Comp for Essential Workers – OPPOSE

This bill would have established a costly "conclusive presumption" of injury. The bill would have significantly increased workers' compensation costs for employers by "conclusively" presuming (non-rebuttable) that contraction of COVID-19 by all "essential workers" is a workplace injury.

AB 664 (Cooper) COVID-19 Workers' Comp for Health Workers and First Responders – OPPOSE

This bill would have created a "disputable" presumption whereby, if a firefighter, healthcare worker, police officer, or other first responder contracted COVID-19, it would be assumed they contracted it at work and they would then become eligible for enhanced workers' compensation benefits.

AB 1659 (Bloom) Large Electrical Corporations: Wildfire Mitigation: Securitization – CONCERNS

This bill was gutted and amended in a last-minute effort by leaders in both houses of the State Legislature to establish the Wildfire Prevention and Community Resilience Fund by issuing a $3 billion bond administered by the Department of Water Resources. This new debt would have been repaid by extending a non-bypassable charge on large investor owned utilities' (IOUs) customers for 14 years beyond its current sunset date. The funds would have been appropriated toward a range of wildfire risk reduction activities.

AB 1872 (Bloom) "Flushable" Wipes – SUPPORT

This bill would have required certain nonwoven disposal products to be labeled clearly and conspicuously to communicate that they should not be flushed and prohibited a covered entity from making a representation about the flushable attributes, benefits, performance, or efficacy of those nonwoven disposal products.

AB 1958 (Cooper) Levee Protection – SUPPORT

This bill sought to address homeless encampments from deteriorating the integrity of levee systems by strengthening protections against unauthorized excavations, cuts, alterations, or destruction of a levee. The measure would have protected against premature levee failure, which could result in flooding, displacement of residents, and thousands of dollars of damage to homes and property.

AB 3030 (Kalra) Land and Ocean Protection Goals – OPPPOSE

This bill would have declared it to be the goals of the state to protect at least 30 percent of the state's land areas and waters; to help advance the protection of 30 percent of the nation's oceans; and to support regional, national, and international efforts to protect at least 30 percent of the world's land areas and waters and 30 percent of the world's ocean by 2030. If implemented these provisions could have adversely impacted the delivery of several special district services.

ACR 179 (Voepel) Special Districts Week – SUPPORT

A non-binding resolution, this measure proclaimed the week of May 17 to May 23, 2020, to be Special Districts Week. This week was intended to coincide with CSDA's Special Districts Legislative Days. It recognizes the important historical role that special districts play in service and infrastructure delivery. The Covid-19 crisis upended most non-binding legislative resolutions and the measure did not move forward.

SB 217 (Portantino) Recreational and Organizational Camps - OPPOSE UNLESS AMENDED

This bill would have added "recreation camp" to the existing definition of “organized camp,” and defined it as a camp that operates for profit or nonprofit purposes, serves five or more children, and operates for at least five days during any season. These camps would have needed to be licensed and comply with a long list of requirements and mandates among which include fees and inspections. It would have required each recreational camp to employ a camp director and a medical professional. It set minimum age limits and training requirements on camp counselors, junior counselors, lifeguards, and other staff and volunteers and counselor-to-camper ratios. It would have imposed specified requirements on high-risk activities including, among others, riflery, archery, horseback riding, climbing, swimming, and scuba diving.

SB 729 (Portantino) PAGA Relief Meal and Rest Breaks Working from Home – SUPPORT

This bill would have placed a two-year moratorium on Private Attorney General Act (PAGA) lawsuits against employers for violations of meal and rest break requirements while employees are working from home. Employers still would have had to comply with meal/rest period underlying law, and this bill would not have eliminated administrative or civil enforcement for the underlying violation.

SB 1173 (Durazo) Union Orientation Enforcement Liability – OPPOSE

When the employee orientation law was signed in 2018 it included a requirement that public agencies share employee information of existing employees with unions at least every 120 days and every 30 days for new employees. This bill would have imposed liability on a public employer for violations of the requirements if the violations occurred three or more times in a 12-month period. The employer would have been liable for the reasonable expenses of a union incurred while enforcing its rights, including staff time and payments to associated counsel.

Wildfire Mitigation Funding

In a last-minute effort to fund wildfire risk reduction activities, State Legislators worked to introduce a budget trailer bill proposal that would have provided $500 million in wildfire mitigation funding, including funding consistent with SB 901 (Dodd, 2018) which CSDA supported. The proposal arose after the constitutional deadline requiring all bills to be in print for 72 hours prior to a vote. It would have needed the Governor to implement his powers to waive this provision in connection to the statewide emergency declaration for wildfire. The measure met resistance by the Assembly Speaker who questioned the appropriateness of the 72-hour rule waiver and lack of proper vetting. CSDA was positioned to support this effort, in concert with local government partners, and will continue to monitor developments in the next legislative session. It is anticipated this effort will be picked back up in January 2021 in some form.

➢ FEDERAL ADVOCACY

COVID-19 Relief Advocacy Stretches into September

September typically brings a sense of edginess to Capitol Hill as federal lawmakers procrastinate action on 12 annual appropriations bills ahead of the September 30 fiscal year deadline. This year, with ongoing COVID-19 relief negotiations, an economic downturn, and general election around the corner, September 2020 is shaping to be a potentially dramatic, yet impactful, with implications on special districts' advocacy for federal relief.

The Republican-majority U.S. Senate leadership has signaled that most of its Republicans may have settled on a solution to move forward on what Majority Leader Mitch McConnell, R-Ky., calls a "narrow" measure for COVID-19 relief. Debate on the measure could occur in the first half of September. However, no new funding for state and local government pandemic relief is expected in the legislation soon to be introduced. Rather, the anticipated measure is expected to include $500 billion – potentially as high as $700 billion – for schools, the postal service, vaccine development, COVID testing, and $300/week for enhanced unemployment.

Meanwhile, White House Chief of Staff Mark Meadows and House Speaker Nancy Pelosi, D-Calif., continue their discussions. Meadows signaled in an August 31 television interview that the Trump Administration is willing to compromise on $1.3 trillion with added assistance for small business; however, Pelosi is holding steady on a $2.2 trillion figure – a sign that an impasse may remain if the Senate can pass a bill.

With 10 of the 12 appropriations bills packaged in two omnibus bills pending in the Senate, the debate over COVID-19 relief may be rolled into what could be an omnibus appropriations bill to fund the government. Some Senate Republicans have indorsed the concept of moving the two issues together, which could complicate pending negotiations and the legislative process. It is looking more likely that a continuing resolution, which is an extension of the current fiscal year's appropriations into a portion of the next fiscal year, may be passed until after the November 3 election to stave off a government shutdown.

This means both H.R. 7073 and S. 4308, the Special Districts Provide Essential Services Act, is still in play, and there may be additional time to rally support among California's Congressional Delegation. As of September 5, Senator Dianne Feinstein, Senator Kamala Harris and **23 members** of the California House Delegation support these bills, leaving 29 representatives left to support H.R. 7073. Building support from California representatives is a key strategy to signify the bill as a priority for House leadership, with both Speaker Pelosi and Minority Leader Kevin McCarthy representing districts in the state.

CSDA is calling on district that are constituents of federal representatives who have yet to cosponsor H.R. 7073 to send in a letter of support for the bill and urge its inclusion in future coronavirus relief legislation. Members of Congress yet to cosponsor include Representatives Aguiar, Barragan, Bass, Calvert, Cardenas, Chu, Cook, Correa, Garcia, Gomez, LaMalfa, Lieu, Lofgren, Matsui, McCarthy, McClintock, Nunes, Pelosi, Peters, Porter, Roybal-Allard, Ruiz, Sanchez, Schiff, Sherman, Swalwell, Torres, Vargas and Waters.

To date, CSDA has been notified of 333 letters sent to federal representatives on this effort. CSDA thanks special districts for their engagement and the influence it has had to secure 25 federal California representatives.

Download a Sample Letter to Send to Federal Representatives

For questions or concerns on Federal COVID-19 advocacy, contact Cole Karr, Public Affair Field Coordinator-Central Network, at colek@csda.net

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➢ LEGAL ADVOCACY

CSDA is the leading legal advocacy voice for all special districts regarding public policy in California and actively tracks and reviews cases of significance affecting special districts in state and federal courts. Under the guidance of CSDA's Legal Advisory Working Group, CSDA files amicus briefs and opines on court cases when appropriate.

Significant Win for Water and Utility Agencies in Supreme Court Proposition 218 Case

On August 3, the California Supreme Court issued a noteworthy decision for special districts that collect property-related fees and charges, such as water rates and utilities fees. The unanimous opinion in *Wilde v. City of Dunsmuir* held that water rate charges and utility fees are not subject to challenge by referendum because they fall within an exemption for "tax levies." The case involved whether a water rate plan resolution is subject to a referendum by voters, or if it can only be changed through the initiative process.

CSDA informed our members about this important case in June 2019, and is proud to have joined a coalition of local government associations to file an amicus brief to the Supreme Court in support of the city.

Background

The distinction between a referendum and an initiative is important: a referendum is a challenge by voters to an enactment already made by the legislative body, whereas an initiative is a legislative proposal placed on the ballot to be decided by voters. Most importantly, an initiative operates prospectively and is less disruptive to municipal finances than a referendum, which automatically suspends the resolution the moment signatures are certified until and unless the voters reject the referendum when it is later taken up at the ballot.

California voters adopted Proposition 218 to add article XIII C to the California Constitution by which they expressly reserved their right to challenge local taxes, assessments, fees, and charges through defined protest proceedings and, subsequently, via initiative. At issue in this case was whether the electorate can use the referendum power (Cal. Const., art. II, § 9) to challenge a city's resolution increasing water fees or is such a challenge expressly limited to the power of initiative (Cal. Const., arts. XIII C & XIII D, § 6).

In 2018, the Third District Court of Appeal held that voters' adoption of Proposition 218 did not repeal the right to challenge local resolutions and ordinances by referendum, and that a public agency's adoption of a water rate plan is a legislative decision subject to referendum. The Court of Appeal decision reversed precedent that exempted local taxes, fees, and other property-related revenue measures from referendum (but not an initiative, as permitted by Article XIII C, section 3 of the California Constitution). If not overturned, the court's decision would have permitted referenda against property-related fees and potentially served to destabilize the finances of districts that provide water, sewer, and solid waste services, among others.

Fortunately, following the Supreme Court decision in *Wilde*, a resolution adopting a water rate plan or utility fee in accordance with the requirements of Proposition 218 cannot be challenged by referendum, although it is still subject to initiative. The Court held that a municipal water rate could be considered a "tax" for purposes of an exemption from the referendum process, and that a halt to the City's ability to levy its water rates would potentially undermine the City's ability to manage its fiscal affairs, including providing water service to residents.

For a detailed analysis of the Wilde decision and its implications, read "The Worth of Water?" by Michael Colantuono from municipal law firm Colantuono, Highsmith & Whatley. Mr. Colantuono was an author of the amicus brief filed on behalf of CSDA and the local government coalition and argued the case before the California Supreme Court.

➢ OTHER WAYS TO TAKE ACTION

Learn More

In response to district travel restrictions as well as ongoing concerns surrounding COVID-19, CSDA will be presenting our 2020 Board Secretary / Clerk Conference VIRTUALLY!

Register Today for the 2020 Virtual Board Secretary/Clerk Conference!

Whether you are a new or an experienced board secretary/clerk, continuing education is essential to keeping current on the many aspects of your job. All attendees will experience two and half days of live and recorded education along with two live keynote presentations, two refreshment breaks, two lunches, two happy hours, exhibitor demonstrations and much more!

Join Today

Join an Expert Feedback Team to provide CSDA staff with invaluable insights on policy issues. Email romanw@csda.net to inquire about joining one of the following teams:

- Budget, Finance and Taxation
- Environment
- Formation and Reorganization
- Human Resources and Personnel
- Governance
- Public Works and Contracting

Stay Informed

In addition to the many ways you can TAKE ACTION with CSDA's advocacy efforts, CSDA offers a variety of tools to keep you up-to-date and assist you in your district's legislative and public outreach. Make sure you're reading these resources:

- CSDA's weekly e-Newsletter
- Districts in the News
- CSDA's CA Special District Magazine

Email updates@csda.net for help accessing these additional member resources.

Item 6.2

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

STAFF REPORT

To: **Board of Directors**

From: Carie Huff, District Engineer

Cc: Herb Niederberger, General Manager

Subject: Authorization to Execute Change Orders #11 and #12 to the Contract for Foothill Trunk Sewer Replacement Project

Meeting Date: October 1, 2020

Overview

The award of the construction contract for the Foothill Trunk Sewer Replacement Project to Garney Pacific was authorized by Resolution 20-02 on January 9, 2020. Previously approved change orders to the original contract totaling $317,330 are summarized in the table below:

Item	Cost
Change Order #1 – includes installation of the cast in bells for base manhole connections.	$17,584.31
Change Order #2 – includes reconnection of unknown existing laterals at the apartment complex (time and materials).	$20,000.00
Change Order #3 – includes additional costs due to a large concrete mass at Junction Structure 1, resulting in additional removal around the 24-inch pipe and off-haul of concrete.	$3,000.19
Change Order #4 – includes additional tree removal to facilitate construction.	$5,227.50
Change Order #5 – includes GrassPave2 surface treatment in lieu of aggregate base for the access road behind Corona Circle. Authorized August 6th by Resolution 20-23.	$68,300.00
Change Order #6 – includes additional asbestos cement (AC) pipe removal and trencher standby time. AC pipe is considered a hazardous material and requires special treatment for disposal.	$15,200.00
Change Order #7 – includes additional costs for lowering the invert at the fiber reinforced plastic (FRP) structure.	$4,833.00
Change Order #8 – includes additional work for shifting manholes 13 and 14 and associated lateral relocation.	$6,185.00
Change Order #9 – includes addition of 53 calendar days to the contract based on production time due to rock excavation.	N/A
Change Order #10 – additional rock excavation. Update bid quantity from 500 cubic yards to 2,000 cubic yards for an increase of 1,500 cubic yards. The unit cost remains $118 per cubic yards.	$177,000.00
Total	**$317,330.00**

Construction continues on the project. In addition to the previously approved change orders, staff is requesting Board approval of the following changes to the contract.

Item	Cost
Change Order #11 – includes additional costs to connect the existing 6-inch pipe in Aguilar Road due to a discrepancy in the improvement plans.	$32,480.00
Change Order #12 – includes additional costs (split 50-50 with the contractor) for a 2-inch grind and overlay within the drive aisle at the Creekside Village Apartments per Change Directive No. 4.	$16,484.00
Total	**$48,964.00**

Recommendation

Staff recommends that the Board of Directors:

- Adopt Resolution 20-30 to authorize the General Manager to execute Change Orders #11 and #12 to the Foothill Sewer Replacement Project construction contract.

Strategic Plan Goal

This action is consistent with SPMUD Strategic Plan Goals:

Goal 3.1: Plan all projects to ensure adherence to District standards and ordinances.

Goal 3.2: Provide construction management to ensure the best possible facilities for the District.

Related District Ordinances, Policies, or Resolutions

Resolution 20-02: Authorization to Award the Foothill Trunk Sewer Replacement Project to Garney Pacific, Inc.

Resolution 20-23: Authorization to Award Change Order #5 for the Foothill Trunk Sewer Replacement Project

Resolution 20-24: Authorization to Award Change Orders #6, #7, #8, #9 and #10 for the Foothill Trunk Sewer Replacement Project

Policy 3150: Purchasing Policy

Fiscal Impact

All costs associated with the Foothill Trunk Sewer Replacement Project will be paid for out of Fund 300 and Fund 400 in accordance with the District's System Evaluation and Capacity Assurance Plan. The current breakdown is 39% from Fund 300 and 61% from Fund 400.

The table below shows the amounts of the original contract, change orders to date, and the total project cost.

Item	Amount
Original contact amount	$2,869,677.00
Total Change Orders to Date (#1 - #12)	$366,294.00
Total Project Cost	$3,235,971.00

Attachments:

1. Resolution 20-30 – Authorization to Sign Change Orders #11 and #12 for the Foothill Sewer Trunk Replacement Project Construction Contract
2. Change Orders #11 and #12

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

RESOLUTION NO. 20-30

FOOTHILL TRUNK SEWER REPLACEMENT PROJECT – CHANGE ORDERS #11 AND #12 TO THE FOOTHILL SEWER REPLACEMENT PROJECT CONTRACT

WHEREAS, South Placer Municipal Utility District (SPMUD) owns and operates the sewer facilities within the City of Rocklin; and

WHEREAS, SPMUD awarded the contract for the construction of the Foothill Trunk Sewer Replacement Project to Garney Pacific, Inc. with Resolution 20-02; and

WHEREAS, SPMUD Purchasing Policy (Policy 3150) dictates that a single contract or commitment shall not exceed $50,000 without approval by the Board of Directors; and

WHEREAS, Garney Pacific, Inc. has been previously authorized to proceed with Change Orders #1 through #10; and

WHEREAS, the contractor has provided a total cost of $48,964 to complete the work as Change Orders #11 and #12, summarized in Attachment "A" to this resolution.

NOW, THEREFORE BE IT RESOLVED, by the Board of Directors of the South Placer Municipal Utility District that the General Manager is authorized to execute Change Orders #11 and #12 to complete the work.

PASSED AND ADOPTED at a Regular Meeting of the South Placer Municipal Utility District Board of Directors at Rocklin, CA this 1st day of October 2020.

Signed: _____
John Murdock, President of the Board of Directors

Attest: _____
Emilie Costan, Board Secretary

Attachment "A"
Resolution #20-30
Foothill Trunk Sewer Replacement Project

Summary
Change Orders #11 and #12

Item	**Cost**
Change Order #11 – includes additional costs to connect the existing 6-inch pipe in Aguilar Road due to a discrepancy in the improvement plans.	$32,480.00
Change Order #12 – includes additional costs (split 50-50 with the contractor) for a 2-inch grind and overlay within the drive aisle at the Creekside Village Apartments per Change Directive No. 4.	$16,484.00
Total	**$48,964.00**

SOUTH PLACER
MUNICIPAL UTILITY DISTRICT

CHANGE ORDER FORM

Change Order Number 11

Contract Name: *Foothill Trunk Sewer Replacement Project*

Executed: 10/1/2020

Owner: South Placer Municipal Utility District (District)

Contractor: Garney Pacific, Inc. (Garney)

The Contract is changed as follows:

In accordance with Article 10 of the Bidding Requirements and Contract Documents (page 40), the District agrees to adjust the 6" SS Lateral bid item quantity from ten (10) lineal feet to sixty-eight (68) lineal feet, an increase of fifty eight (58) lineal feet. The unit cost of $560.00 per lineal foot remains the same as the original bid items and includes all expenses required (including, but not limited to, materials, labor, and equipment). The quantity change is based on actual pipe constructed due to a discrepancy in the existing alignment shown on the improvement plans.

Except as provided herein, all terms and conditions of the Contract referenced above remain unchanged and in full force and effect.	
Signature of person authorized to execute this change order on behalf of District. By: _____ (authorized Signature) _____ (printed name of person signing above) Title: _____ Date: _____	Signature of person authorized to execute this change order on behalf of Contractor. By: _____ (authorized Signature) _____ (printed name of person signing above) Title: _____ Date: _____

SOUTH PLACER
MUNICIPAL UTILITY DISTRICT

CHANGE ORDER FORM

Change Order Number 12

Contract Name: *Foothill Trunk Sewer Replacement Project*

Executed: 10/1/2020

Owner: South Placer Municipal Utility District (District)

Contractor: Garney Pacific, Inc. (Garney)

The Contract is changed as follows:

In accordance with Article 10 of the Bidding Requirements and Contract Documents (page 40), the District agrees to pay Garney up to 50% to a maximum of $16,484.00 for all expenses required (including, but not limited to, materials, labor, and equipment) for a 2-inch grind and overlay and restriping of parking stalls at the Creekside Village apartments per Change Directive No. 4.

Except as provided herein, all terms and conditions of the Contract referenced above remain unchanged and in full force and effect.	
Signature of person authorized to execute this change order on behalf of District. By: _____ (authorized Signature) _____ (printed name of person signing above) Title: _____ Date: _____	Signature of person authorized to execute this change order on behalf of Contractor. By: _____ (authorized Signature) _____ (printed name of person signing above) Title: _____ Date: _____

Item 6.3

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

STAFF REPORT

To:	Board of Directors
From:	Emilie Costan, Administrative Services Manager
Cc:	Herb Niederberger, General Manager
Subject:	June 30, 2019 Actuarial Valuation Report: Determination of OPEB Funding Contributions
Meeting Date:	October 1, 2020

Overview

The Districts Actuary, MacLeod Watts, has completed the June 30, 2019 Actuarial Valuation Report: Determination of Other Post-Employment Benefits (OPEB) Funding Contributions dated May 11, 2020. The report contains calculations regarding the value of future retiree medical benefits provided by the District; the current OPEB liability, and the determined contributions for fiscal years 2021 and 2022. This report is submitted to the California Employers' Retiree Benefit Trust (CERBT) to satisfy the filing requirements for the trust.

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

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

The District currently has funds invested into the CERBT Strategy 2 Asset Allocation. Asset Allocation Strategy 2 has an expected short term (1 -10 years) weighted rate of return of 5.22% and a long-term weighted rate of return of 7.49%. The objective for this portfolio consists of moderate allocations in equities, bonds, and other asset investments which are complimentary to the Districts moderate approach to investment strategies as specified in *Policy 3120 – Investment of District Funds*.

The June 30, 2019 Actuarial Valuation Report assesses the OPEB liabilities for the District and develops the level of contributions to be made to CERBT for the next two years. The valuation is

based upon employee census data and forecasts. The District's OPEB liability varies based on many factors including the number of participants in the pool, healthcare claims by age, the medical plans selected, the level of coverage, and the premium rates.

Recommendation

Staff recommends the Board receive and file the June 30, 2019 Actuarial Valuation: Determination of Other Post-Employment Benefit (OPEB) Funding Contributions.

Strategic Plan Goals

This action is consistent with SPMUD Strategic Plan Goals:
Goal 5.2: Explore and evaluate investment and business practice alternatives
Goal 5.3: Maintain financial responsibility by ensuring allocated funding sources are adequate to meet expenses; and that available funds and resources are managed efficiently.

Fiscal Impact

The Actuarial Report estimates the expenses paid by the District directly to retirees and the added contributions to the CERBT for fiscal year 2021 ($70,92) and fiscal year 2022 ($45,606).

Attachments:

1. June 30, 2019 Actuarial Valuation: Determination of Other Post-Employment Benefit (OPEB) Funding Contributions

MacLeod Watts

May 11, 2020

Mr. Herb Niederberger
General Manager
South Placer Municipal Utility District
43885 S Grimmer Boulevard
Fremont, CA 94538

Re: June 30, 2019 Actuarial Valuation: Determination of OPEB Funding Contributions

Dear Mr. Niederberger:

We are pleased to enclose our report providing the results of the June 30, 2019 actuarial funding valuation of other post-employment benefit (OPEB) liabilities for the South Placer Municipal Utility District. The report's text describes our analysis and assumptions in detail. *This report is being released in draft form. Once any questions have been resolved, we will issue our final report.*

The primary purposes of this report are to:

1. Value plan liabilities as of June 30, 2019 and reconcile plan liabilities to those in the District's prior 2017 valuation.
2. Develop Actuarially Determined Contributions (ADCs) for FYE 2021 and 2022, using a long-term trust earnings rate of 6.30%.
3. Provide a report to be submitted to the California Employers' Retiree Benefit Trust (CERBT) to satisfy filing requirements for the trust.

Separate annual GASB 75 reports will be provided to assist with financial reporting requirements.

We have based our valuation on employee data and plan information provided by the District, including the most recent bargaining agreements and PEMHCA resolutions on file with CalPERS. Please review Section L to ensure that we have summarized the plan's benefit provisions correctly.

We appreciate the opportunity to work on this analysis and thank you and other District staff for their time and assistance. Please let us know if we can be of further assistance.

Sincerely,

J. Kevin Watts, FSA, FCA, MAAA
Principal & Consulting Actuary

South Placer Municipal Utility District

Actuarial Valuation of Other Post- Employment Benefit Programs

Development of OPEB Funding Contributions

As of June 30, 2019

Submitted May 2020

MacLeod Watts

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A. Executive Summary

This report presents the results of the June 30, 2019 actuarial valuation of the South Placer Municipal Utility District (the District) defined benefit other post-employment benefit (OPEB) program. The primary purpose of this valuation is to assess the defined benefit OPEB liabilities of the District and develop contribution levels for the funding of these benefits. OPEB information relevant to reporting in the District's financial statements will be provided in separate annual reports.

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

- An "explicit subsidy" liability exists when the employer contributes directly toward the cost of retiree healthcare. These benefits include a monthly subsidy toward medical, dental, vision and life insurance premiums for eligible retirees. Section M provides a more thorough description.
- An "implicit subsidy" liability exists when the premiums charged for retiree coverage are lower than the expected retiree claims for that coverage. The District's OPEB program includes implicit subsidy liabilities for retiree medical coverage prior to coverage under Medicare.

Trust assets are currently invested in the CERBT with Asset Allocation Strategy 2. Based on future District-specific benefit cash flows and investment return information published by CalPERS, we developed a weighted expected trust return of 6.40% (6.30% net of administrative fees). Please recognize that use of this rate is an assumption and is not a guarantee of future investment performance.

Exhibits presented in this report apply the results of this June 30, 2019 valuation to develop the Actuarially Determined Contributions (ADCs) for the District's use in the funding of this benefit program. These ADCs will be used in the District's financial disclosures under GASB 75 for fiscal years ending June 30, 2021 and 2022.

The Actuarial Accrued Liability and Market Value of Assets as of June 30, 2019 are shown below:

Subsidy	Explicit	Implicit	Total
Discount Rate	6.30%	6.30%	6.30%
Actuarial Accrued Liability	$ 5,449,746	$ 949,150	$ 6,398,896
Actuarial Value of Assets			4,958,199
Unfunded Actuarial Accrued Liability			1,440,697
Funded Ratio			77.5%

Current valuation results are compared to prior valuation results in Section G.

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

Executive Summary
(Concluded)

The Actuarially Determined Contributions for fiscal years ending June 30, 2021 and June 30, 2022 are shown below. Detailed results are developed in Section H.

Fiscal Year End	6/30/2021	6/30/2022
Actuarially Determined Contribution (ADC)	$ 366,366	$ 376,479
Less current implicit subsidy	(55,603)	(69,859)
Additional payments needed to meet ADC	310,763	306,620
Expected employer paid benefits for retirees	239,841	261,014
Expected contribution to OPEB trust	70,922	45,606

An actuarial valuation is a complex, long term projection and to the extent that future plan experience is not what was assumed, future results will be different. Future differences may arise for many reasons, including but not limited to the following: 1) a significant change in the number of covered or eligible plan members; 2) a significant increase or decrease in the future medical premium rates; 3) a change in the subsidy provided by the District toward retiree medical premiums; 4) longer life expectancies than assumed; 5) significant changes in expected retiree healthcare claims by age, relative to healthcare claims for active employees and their dependents; 6) higher or lower returns on plan assets or contribution levels other than were assumed.

Details of our valuation process are provided on the following pages. Key terms used in the report are described throughout the report and in the Glossary. Certain actuarial terms used for plan funding have parallel terms with different names when used for GASB 75 reporting (see table on page 6). This can be confusing when comparing results from an actuarial report providing funding information compared to one prepared for accounting purposes.

The next actuarial valuation is scheduled to be prepared as of June 30, 2021. If there are any significant changes in the employee data, benefits provided to retirees, or in the District's funding policy, please contact us to discuss whether an earlier valuation is appropriate.

Important Notices

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

B. OPEB Obligations of the District

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

- **Explicit subsidy liabilities**: A direct employer payment toward the cost of OPEB benefits is referred to as an "explicit subsidy". The District contributes directly toward retiree premiums as described in Section L. These benefits are included in this valuation.

- **Implicit subsidy liabilities**: An "implicit subsidy" exists when the premiums charged for retiree coverage are lower than the expected retiree claims for that coverage. Employees are covered by the CalPERS medical program, where the same monthly premiums are charged for active employees and for pre- Medicare retirees. To develop this difference with respect to medical coverage, we followed the methodology outlined in Addendum 2.

  CalPERS charges different monthly premiums for Medicare-eligible members. CalPERS has confirmed that only the claims experience of these Medicare eligible members is considered in setting Medicare-eligible premium rates. Therefore, there is no implicit subsidy of premiums for these retired members by active employees and our analysis suggests that Supplemental Medicare premium structure is adequate to cover the expected claims of these retirees.

Additional background information can be found in Addendum 1.

C. Funding Policy of the District

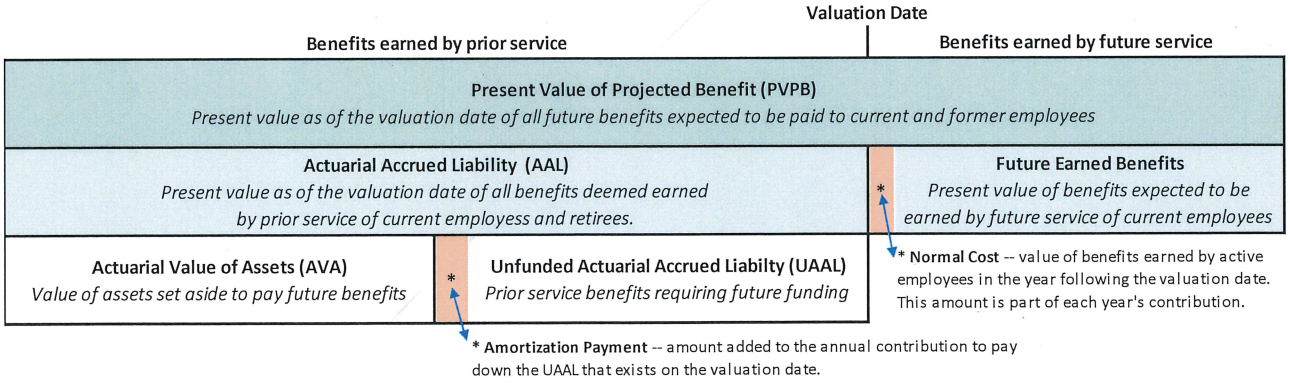
The District has committed to making regular contributions to a trust in order to prefund plan benefits. Actuarially Determined Contributions (ADCs) are developed as the sum of

1) the normal cost for the year. The normal cost is the value of benefits earned during the year by active employees; and
2) an amortization payment of the unfunded actuarial accrued liability. Benefits earned in prior periods that remain unfunded are funded over time. The unfunded liability is amortized over a closed 30-year period as a level percentage of payroll. As of June 30, 2021, 19 years remain on the amortization period.

D. The Valuation Process

This valuation is based on employee census data and benefits initially submitted to us by the District in February 2020 and clarified in various related communications. A summary of the employee data is provided in Section K and a summary of the benefits provided under the Plan is provided in Section L. While individual employee records have been reviewed to verify that they are reasonable in various respects, the data has not been audited and we have otherwise relied on the District as to its accuracy. The valuation has been performed in accordance with the process described below using the actuarial methods and assumptions described in Section M and is consistent with our understanding of Actuarial Standards of Practice.

In projecting benefit values and liabilities, we first determine an expected premium or benefit stream over each current retiree's or active employee's future retirement. Benefits may include both direct employer payments (explicit subsidies) and any implicit subsidies arising when retiree premiums are expected to be partially subsidized by premiums paid for active employees. The projected benefit streams reflect assumed trends in the cost of those benefits and assumptions as to the expected dates when benefits will end. Assumptions regarding the probability that each employee will remain in service to receive benefits and the likelihood the employee will elect coverage for themselves and their dependents are also applied. We then calculate a present value of these future benefit streams by discounting the value of each future expected employer payment back to the valuation date using the valuation discount rate. This present value is called the **Present Value of Projected Benefits (PVPB)** and represents the current value of all expected future plan payments to current retirees and current active employees. Note that this long-term projection does not anticipate entry of future employees.



The next step in the valuation process splits the Present Value of Projected Benefits into 1) the value of benefits already earned by prior service of current employees and retirees and 2) the value of benefits expected to be earned by future service of current employees. Actuaries employ an "attribution method" to divide the PVPB into prior service liabilities and future service liabilities. For this valuation we used the **Entry Age Normal** attribution method. This method is the most common used for government funding purposes and the only attribution method allowed for financial reporting under GASB 75.

We call the value of benefits deemed earned by prior service the **Actuarial Accrued Liability (AAL)**. Benefits deemed earned by service of active employees in a single year is called the **Normal Cost** of benefits. The present value of all future normal costs (PVFNC) plus the Actuarial Accrued Liability will equal the Present Value of Projected Benefits (i.e. PVPB = AAL + PVFNC).

Valuation Process
(Concluded)

The District has committed to making regular contributions to a trust in order to prefund plan benefits. Trust contributions and earnings accumulate so that the trust can make benefit payments to retirees (or reimburse the District for making those payments directly). The difference between the value of trust assets (i.e. the Market Value of Assets and the Actuarial Accrued Liability yields the **Unfunded Actuarial Accrued Liability (UAAL)**. The UAAL represents, as of the valuation date, the present value of benefits already earned by past service that remain unfunded. A plan is generally considered "fully funded" when the UAAL is zero. The plan sponsor of a fully funded plan will still need to make future contributions for benefits earned by future service of actives employees. But in a fully funded plan, the plan sponsor has set aside sufficient assets to pay for benefits that have been earned by past service of current retirees and active employees if all valuation assumptions are realized.

Future contributions by the District will fund 1) the remaining part of OPEB benefits earned by past service (the Unfunded Actuarial Accrued Liability) and 2) the value of benefits earned each year by service of active employees (i.e. annual Normal Costs). Various strategies might be employed to pay down the UAAL such as longer or shorter amortization payments, and flat or escalating payments depending on the plan sponsors goals and funding philosophy.

Please note that projections of future benefits over such long periods (frequently 70 or more years) which are dependent on numerous assumptions regarding future economic and demographic variables are subject to substantial revision as future events unfold. While we believe that the assumptions and methods used in this valuation are reasonable for the purposes of this report, the costs to the District reflected in this report are subject to future revision, perhaps materially. Demonstrating the range of potential future plan costs was beyond the scope of our assignment except to the limited extent of providing liability information at various discount rates.

Finally, certain actuarial terms and GASB 75 terms may be used interchangeably. We note a few in the table below.

Actuarial Terminology	GASB 75 Terminology
Present Value of Projected Benefits (PVPB)	*No equivalent term*
Actuarial Accrued Liability (AAL)	Total OPEB Liability (TOL)
Market Value of Assets (MVA)	Fiduciary Net Position
Actuarial Value of Assets (AVA)	*No equivalent term*
Unfunded Actuarial Accrued Liability (UAAL)	Net OPEB Liability
Normal Cost	Service Cost

E. Choosing the Valuation Discount Rate

We derived the expected long-term return on trust assets from information published by CalPERS. CalPERS determined its returns using a building-block method and best-estimate ranges of expected future real rates of return for each major asset class (expected returns, net of OPEB plan investment expense and inflation). The target allocations and best estimates of geometric real rates of return published by CalPERS for Strategy 2 for each major class are summarized in the following table:

CERBT Strategy 2		Years 1-10			Years 11+		
Major Asset Classification	Target Allocation	General Inflation Rate Assumption	1-10 Year Expected Real 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	40%	2.00%	4.80%	6.80%	2.92%	5.98%	8.90%
Fixed Income	43%	2.00%	1.10%	3.10%	2.92%	2.62%	5.54%
Global Real Estate(REITs)	8%	2.00%	3.20%	5.50%	2.92%	5.00%	7.92%
Treasury Inflation Protected Securities (TIPS)	5%	2.00%	0.25%	2.25%	2.92%	1.46%	4.38%
Commodities	4%	2.00%	1.50%	3.50%	2.92%	2.87%	5.79%
Volatility	9.24%		weighted	5.22%		weighted	7.49%

*Real rates of return come from a geometric representation of returns that assume a general inflation rate of 2.00%.

Currently, CalPERS' expected returns are split for years 1-10 and years 11 and thereafter. To derive the expected return specific to the District, we projected plan benefits in each future year. Then applying the plan specific benefit payments to CalPERS' bifurcated return expectations, we determined the single equivalent long-term rate of return that would be equivalent to the bifurcated return expectations of CalPERS. That long-term return was 6.40%. CalPERS has indicated that CERBT should expect 10 basis points in trust administrative fees, so that rate is reduced to 6.30%.

The valuation discount rate is then set equal to the long-term return expected to be earned by the trust. This methodology of setting the valuation discount rate equal to the long-term trust return is consistent with the "level cost actuarial methodology" recommended by the California Actuarial Advisory Panel. Level cost funding "... is characterized by economic assumptions based on the long term expected experience of the plan ... in contrast to a 'market based actuarial methodology' where economic assumptions are based on current market observations..."[1]

[1] See "Actuarial Funding Policies and Practices for Public Pension and OPEB Plans", November 2015, California Actuarial Advisory Panel.

F. Asset Values as of June 30, 2019

The District's plan assets are invested in the California Employers' Retiree Benefits Trust (CERBT). The June 30, 2019 audit of CERBT assets reported the following value for the District's account on that date:

Market Value of Trust Assets, 6/30/2019	**$4,958,199**

This value is also appropriate for use in GASB 75 financial reporting (i.e. Fiduciary Net Position).

G. Valuation Results as of June 30, 2019

The following chart compares the results of the June 30, 2019 valuation of OPEB liabilities to the results of the June 30, 2017 valuation.

Funding Policy	Prefunding Basis					
Valuation date	6/30/2017			6/30/2019		
Subsidy	Explicit	Implicit	Total	Explicit	Implicit	Total
Discount rate	6.73%	6.73%	6.73%	6.30%	6.30%	6.30%
Number of Covered Employees						
Actives	27	27	27	27	26	27
Retirees	16	9	16	17	7	17
Total Participants	43	36	43	44	33	44
Actuarial Present Value of Projected Benefits						
Actives	$ 3,250,393	$ 951,012	$ 4,201,405	$ 4,246,400	$ 1,045,474	$ 5,291,874
Retirees	2,666,242	411,074	3,077,316	2,821,347	297,338	3,118,685
Total APVPB	5,916,635	1,362,086	7,278,721	7,067,747	1,342,812	8,410,559
Actuarial Accrued Liability (AAL)						
Actives	2,017,523	615,977	2,633,500	2,628,399	651,812	3,280,211
Retirees	2,666,242	411,074	3,077,316	2,821,347	297,338	3,118,685
Total AAL	4,683,765	1,027,051	5,710,816	5,449,746	949,150	6,398,896
Market Value of Assets *Also Fiduciary Net Position for GASB 75*			4,272,867			4,958,199
Unfunded AAL (UAAL)			1,437,949			1,440,697
Normal Cost *for the year following the valuation date*	155,720	44,024	199,744	187,918	46,562	234,480

The ratio of the Assets to the Actuarial Accrued Liability is 77.5%. This is up from 74.8% as of June 30, 2017.

Valuation Results as of June 30, 2019
(Continued)

Changes Since the Prior Valuation

Even if all prior assumptions were exactly realized, liabilities often increase over time as active employees get closer to the date their benefits are expected to begin. Given the uncertainties involved and the long-term nature of these projections, prior assumptions are not likely ever to be exactly realized. Nonetheless, it is helpful to review why results are different than may have been anticipated.

In comparing results shown on the preceding page, we can see that the Unfunded Actuarial Accrued Liability (UAAL) increased by roughly $3,000 between June 30, 2017 and June 30, 2019, from $1,437,949 to $1,440,697. We expected the UAAL to decrease about $30,000 from normal plan operation due to the passage of time and actual trust contributions by the District.

The remaining difference was not anticipated. Much of this unanticipated difference reflects current results which are other than previously projected, identified through updated employee and premium data (referred to as "plan experience"). The balance of the difference is due to changes in actuarial methodology or assumptions. No benefit changes were reported to us as occurring during the prior two years.

The chart below summarizes the differences between the actual and the expected UAAL.

Source of Change	Increase (decrease) in UAAL
Expected change in unfunded liability	$ (29,923)
Assumption Changes	
Discount rate decreased from 6.73% to 6.30%	320,087
Updated demographic and mortality projection assumptions	(14,310)
Update to medical premium increase trend	3,445
Changes to the percentage of future retirees assumed to cover a spouse	89,670
Updated salary increase assumption	27,960
Plan Experience	
Greater than expected return on assets	(76,672)
Other including lower than expected healthcare premium rates	(317,509)
Change in UAAL from June 2017 to June 2019	**$ 2,748**

Plan experience includes differences between what was assumed would occur and what actually occurred during the prior two years. This often includes differences between actual and expected employee behavior, such as ending employment prior to retirement, the timing of new retirements, plan selection and/or coverage of dependents. Plan experience also includes differences between actual and expected premium rates and return on trust assets. In this case, the overriding component of the favorable plan experience resulted from lower than projected medical premium rates between 2017 and 2019.

H. Development of Actuarially Determined Contributions

The basic results of our June 30, 2019 valuation of OPEB liabilities for the District were summarized in Section G. Those results are applied to develop the actuarially determined contribution (ADC) for the fiscal years ending June 30, 2021 and June 30, 2022, as shown in the table below.

Funding Policy	Prefunding Basis	
Valuation date	6/30/2019	
For fiscal year ending	6/30/2021	6/30/2022
Discount rate	6.30%	6.30%
Number of Covered Employees		
Actives	27	27
Retirees	17	17
Total Participants	44	44
Actuarial Present Value of Projected Benefits		
Actives	$ 5,601,538	$ 5,905,346
Retirees	3,040,678	2,976,579
Total APVPB	8,642,216	8,881,925
Actuarial Accrued Liability (AAL)		
Actives	3,712,393	4,153,915
Retirees	3,040,678	2,976,579
Total AAL	6,753,071	7,130,494
Actuarial Value of Assets	5,255,567	5,659,824
Unfunded AAL (UAAL)	1,497,504	1,470,670
UAAL Amortization method	Level % of Pay	Level % of Pay
Remaining amortization period (years)	19	18
Amortization Factor	14.5194	13.9525
Actuarially Determined Contribution (ADC)		
Normal Cost	$ 241,515	$ 248,761
Amortization of UAAL	103,138	105,405
Interest to fiscal year end	21,713	22,313
Total ADC	366,366	376,479
Contributing the ADC		
Total ADC Payable	$ 366,366	$ 376,479
Credits:		
Implicit subsidy payment	(55,603)	(69,859)
Estimated retiree benefits paid by agency*	(239,841)	(261,014)
Estimated contribution (refund) to/from trust	$ 70,922	$ 45,606

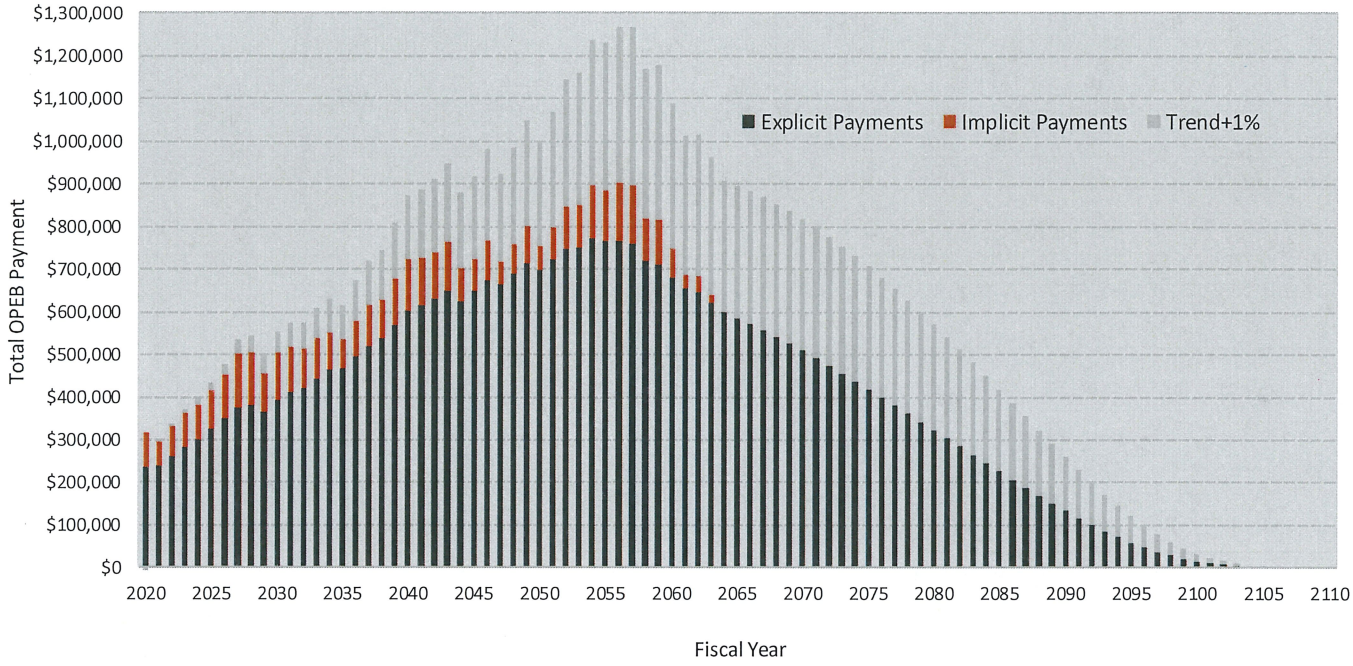
* *Use actual retiree benefits paid by District to derive the trust contribution.*

I. Projected Annual Benefit Payments

Section D discussed how the starting point of the valuation process is developing a long-term projection of OPEB plan benefits. The graph below shows the long-term projected benefit payments used in the development of this report's valuation results.

OPEB Payments

Projected to be Paid During Retirement to Current Employees and Retirees



Based on all the assumptions described in this report, total OPEB payments are expected to increase from about $300,000 in FY2019/20 to a maximum of about $900,000 in 2055 and then decline in each following year. Explicit retiree benefit subsidies increase from about $238,000 in FYE 2019/20 to about $770,000 in 2055.

Note the lighter grey shadow over the total projected benefit payments. The additional amount indicated by the grey bars is the amount that would become payable if future medical trend increases were 1% higher in all years than assumed in this report. The shadowy increase shown is indicative of the risk of future cost changes should the report's assumptions not be realized.

The chart on the following page shows, in table form and more detail, the post-employment benefits illustrated in the chart above for the first 15 years.

Projected Annual Benefit Payments
(Concluded)

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

Projected Annual Benefit Payments							
Fiscal Year Ending June 30	Explicit Subsidy			Implicit Subsidy			Total
	Current Retirees	Future Retirees	Total	Current Retirees	Future Retirees	Total	
2020	$ 238,000	$ -	$ 238,000	$ 78,430	$ -	$ 78,430	$ 316,430
2021	204,167	35,674	239,841	43,687	11,916	55,603	295,444
2022	200,677	60,337	261,014	47,689	22,170	69,859	330,873
2023	198,828	84,890	283,718	43,130	34,978	78,108	361,826
2024	190,006	111,918	301,924	30,082	50,362	80,444	382,368
2025	188,625	137,535	326,160	27,259	61,883	89,142	415,302
2026	195,547	154,317	349,864	32,464	68,929	101,393	451,257
2027	202,525	173,214	375,739	38,276	88,437	126,713	502,452
2028	199,420	183,750	383,170	34,789	86,021	120,810	503,980
2029	181,306	185,011	366,317	10,207	80,616	90,823	457,140
2030	186,456	207,854	394,310	12,057	98,538	110,595	504,905
2031	191,438	220,649	412,087	14,114	92,532	106,646	518,733
2032	196,184	225,546	421,730	16,392	76,738	93,130	514,860
2033	189,522	253,477	442,999	-	95,537	95,537	538,536
2034	193,026	270,358	463,384	-	88,959	88,959	552,343

The amounts shown above as Explicit Subsidy reflect the expected payment by the District toward retiree medical, dental, vision, and life insurance premiums in each of the years shown. The amounts are shown separately, and in total, for those retired on the valuation date ("current retirees") and those expected to retire after the valuation date ("future retirees").

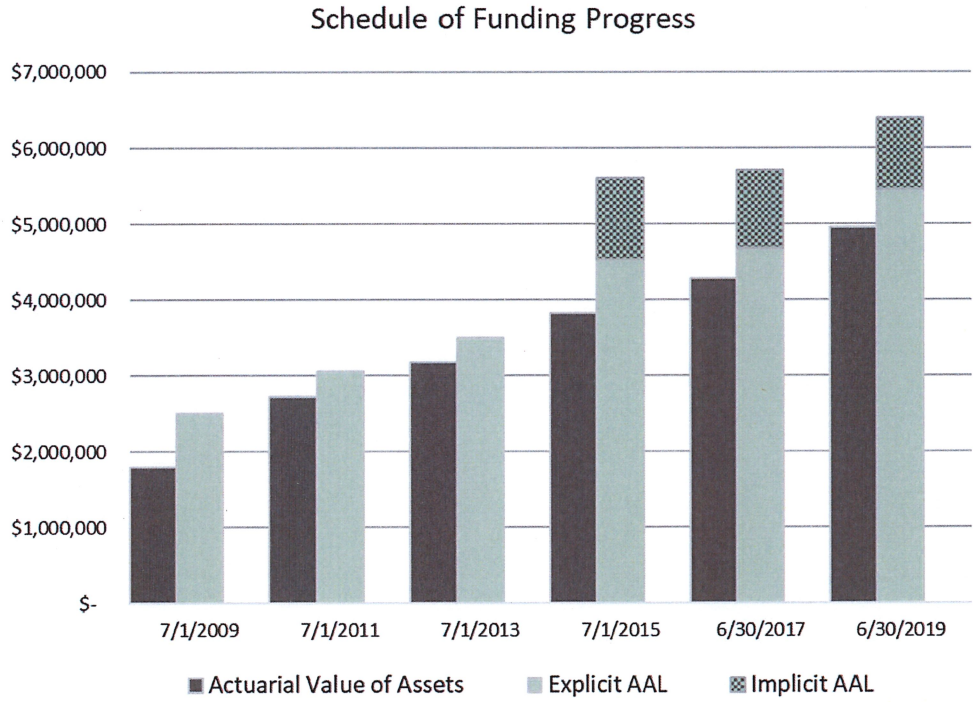
The amounts shown above as Implicit Subsidy reflect the expected excess of retiree medical (and prescription drug) claims over the premiums expected to be charged during the year for retirees' coverage. These amounts are also shown separately and in total for those currently retired on the valuation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

J. Historical Information

In this section, we provide a review of key components of valuation results from 2011 through 2019.

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)	Discount Rate
7/1/2009	$ 1,800,053	$ 2,505,691	$ 705,638	71.8%	$ 1,346,985	52.4%	7.75%
7/1/2011	$ 2,729,321	$ 3,062,219	$ 332,898	89.1%	$ 1,387,068	24.0%	7.75%
7/1/2013	$ 3,181,069	$ 3,496,648	$ 315,579	91.0%	$ 1,425,554	22.1%	7.61%
7/1/2015	$ 3,825,896	$ 5,596,626	$ 1,770,730	68.4%	$ 1,671,388	105.9%	7.28%
6/30/2017	$ 4,272,867	$ 5,710,816	$ 1,437,949	74.8%	$ 2,332,507	61.6%	6.73%
6/30/2019	$ 4,958,199	$ 6,398,896	$ 1,440,697	77.5%	$ 2,354,398	61.2%	6.30%



Significant changes during this period include:

- ***July 1, 2013***: Discount rate decreased from 7.75% to 7.61%; recognition of new medical benefit limits and eligibility requirements; updated mortality projection scale
- ***July 1, 2015***: First time recognition of the implicit subsidy liability; discount rate decreased from 7.61% to 7.28%; revised assumptions for retirement and termination; increase in number of active members from 21 to 24 and retirees from 10 to 15.
- ***June 30, 2017***: Discount rate decreased from 7.25% to 6.73% reflecting planned change in asset allocation strategy; increase in assumed long term healthcare trend and number of active members valued from 24 to 27; offset by very favorable plan experience
- ***June 30, 2019:*** Discount rate decreased from 6.73% to 6.30%; updated demographic assumptions; favorable plan experience from lower than projected medical premium

K. Summary of Employee Data

Active members: The District reported 27 active employees in the data provided to us for the June 2019 valuation. All were shown as currently participating in the medical program.

Distribution of Benefits-Eligible Active Employees								
	Years of Service							
Current Age	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 & Up	Total	Percent
Under 25	1						1	4%
25 to 29	1	3	1				5	19%
30 to 34		1					1	4%
35 to 39		1	1				2	7%
40 to 44		1	3		2		6	22%
45 to 49	1						1	4%
50 to 54			1		1	3	5	19%
55 to 59			1	2		1	4	15%
60 to 64		1					1	4%
65 to 69				1			1	4%
70 & Up							0	0%
Total	3	7	7	3	3	4	**27**	**100%**
Percent	11%	26%	26%	11%	11%	15%	**100%**	

Valuation	June 2017	June 2019
Average Attained Age for Actives	44.8	43.8
Average Years of Service	8.5	9.8

Retired members: There were also 15 retirees and 2 surviving spouses receiving benefits. The chart below summarizes the ages of those receiving benefits as of the June 30, 2019 valuation date.

Summary of Plan Member Counts: GASB 75 requires the employer to report specific plan member counts. The chart below shows these counts as of the June 30, 2017 valuation date:

Summary of Plan Member Counts	
Number of active plan members	27
Number of inactive plan members currently receiving benefits	17
Number of inactive plan members entitled to but not receiving benefits	2*

Retirees by Age		
Current Age	Number	Percent
Below 50	0	0%
50 to 54	0	0%
55 to 59	2	12%
60 to 64	5	29%
65 to 69	7	41%
70 to 74	0	0%
75 to 79	2	12%
80 & up	1	6%
Total	**17**	**100%**
Average Age:		
On 6/30/2019	67.6	
At retirement	58.3	

Summary of Employee Data
(Continued)

The chart below reconciles the number of actives and retirees included in the July 1, 2017 valuation of the District plan with those included in the June 30, 2019 valuation:

Reconciliation of District Plan Members Between Valuation Dates					
Status	Covered Actives	Waiving Actives	Covered Retirees	Covered Surviving Spouses	Total
Number reported as of June 30, 2017	26	1	14	2	43
New employees	3	-	-	-	3
Separated employees	(1)	(1)	-	-	(2)
New retiree, elected coverage	(1)	-	1	-	0
New retiree, waiving coverage	-	-	-	-	0
Number reported as of June 30, 2019	**27**	**0**	**15**	**2**	**44**

There were few changes in employees over the past two years. As expected, the one new retiree elected coverage and is now receiving benefits under this program.

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

Participants by Medical Plan			
Medical Plan	**Active**	**Retired**	**Total**
Blue Shield Access Region 1	5	1	6
Kaiser Region 1	16	4	20
PERS Choice OOS		3	3
PERS Choice Region 1	1	1	2
PERSCare OOS		2	2
PERSCare Region 1		3	3
UnitedHealthcare Region 1	4	3	7
Western Health Advantage Region 1	1		1
Total	**27**	**17**	**44**

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

Participant Counts by Benefit Level			
Benefit Level	**Active**	**Retired**	**Total**
1: Hired before 7/1/11; retired before 7/1/12		8	8
2: Hired before 7/1/11; retired after 7/1/12	11	9	20
3: Hired after 7/1/11 but before 1/1/13	2		2
4: Hired on/after 1/1/13	14		14
Total	**27**	**17**	**44**

L. Summary of Retiree Benefit Provisions

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

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

The employee must begin his or her retirement (pension) benefit within 120 days of terminating employment with the District to be eligible to continue medical coverage through the agency and be entitled to the benefits described below. In other words, it is the timing of initiating retirement benefits and not timing of enrollment in the medical program which determines whether or not a District retiree qualifies for lifetime medical coverage and any benefits defined in the PEMHCA resolution.

If an eligible employee is not already enrolled in the medical plan, he or she may enroll within 60 days of retirement, during any future open enrollment period or with a qualifying life event. Once eligible, coverage may be continued at the retiree's option for his or her lifetime. A surviving spouse and other eligible dependents may also continue coverage and may be eligible for a District benefits.

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

Eligibility Category	Pre-65 Cap	Post-65 Cap	Benefit Level
1: Hired before 7/1/11; retired before 7/1/12	$ 3,081	$ 3,081	Anthem Traditional HMO Region 1 family rate
2: Hired before 7/1/11; retired after 7/1/12	1,998	1,140	Kaiser Region 1 family rate
3: Hired after 7/1/11 but before 1/1/13	1,998	1,140	Kaiser Region 1 family rate times vesting %
4: Hired on/after 1/1/13	1,537	679	Kaiser Region 1 Ee + 1 rate times vesting %

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

Current premium rates: The 2020 monthly premium rates for Region 1 are shown below. The additional CalPERS administration fee is assumed to be separately expensed each year and has not been projected as an OPEB liability in this valuation.

Region 1 2020 Health Plan Rates						
	Actives and Pre-Med Retirees			Medicare Eligible Retirees		
Plan	Ee Only	Ee & 1	Ee & 2+	Ee Only	Ee & 1	Ee & 2+
Blue Shield Access+ HMO & Blue	$1,127.77	$2,255.54	$2,932.20	*Not Available*		
Blue Shield Trio	833.00	1,666.00	2,165.80	*Not Available*		
Kaiser HMO	768.49	1,536.98	1,998.07	339.43	678.86	1,139.95
PERS Choice PPO	861.18	1,722.36	2,239.07	351.39	702.78	1,219.49
PERSCare PPO	1,133.14	2,266.28	2,946.16	384.78	769.56	1,449.44
UnitedHealthcare HMO	899.94	1,799.88	2,339.84	327.03	654.06	1,194.02
Western Health Advantage HMO	731.96	1,463.92	1,903.10	*Not Available*		

Summary of Retiree Benefit Provisions
(Continued)

Summary of Benefits	Hired	Retired	Age & Service Requirements	General Description	Maximum Monthly Benefit	Vesting Percent	Length of Benefits
PEMHCA Resolution Benefits	All	All	Age 50*, 5 years CalPERS membership or approved disability retirement	100% of the monthly medical plan premium for the retiree and any eligible covered dependents, not to exceed the applicable maximum monthly benefit	PEMHCA Minimum Employer Contribution (MEC); $139 per month in 2020.	100%	Lifetime of retiree & surviving spouse**
Enhanced District Benefits (includes PEMHCA benefits)	Prior to July 1, 2011	Prior to July 1, 2012	Age 50 and 5 years CalPERS membership or approved disability retirement		Highest HMO pre-Medicare family premium in Region 1	100%	Payable for the lifetime of the retiree & spouse; dependent children while eligible for coverage
	Prior to July 1, 2011	On or after July 1, 2012			Kaiser family premium*** in Region 1		
	On or after July 1, 2011 and before January 1, 2013	On or after July 1, 2011	Age 50* (or approved disability retirement) and 10 years of CalPERS membership (5 of which are District service)		Kaiser family premium*** in Region 1, multiplied by the vesting percent	50% after 10 years of PERS service, plus 5% for each additional year; 100% with 20 or more years of PERS service	
	On or after January 1, 2013	On or after January 1, 2013			Kaiser Employee + 1 premium*** in Region 1, multiplied by the vesting percent		

** Age 52, for miscellaneous employees hired on or after January 1, 2013 and covered under the PEPRA required formula.*
*** If the spouse is covered at the time of the retiree's death and entitled to survivor benefits under the retirement plan.*
**** Post-Medicare, the maximum monthly benefit reduces to the supplemental rate.*

M. Summary of Actuarial Methods and Assumptions

Valuation Date	June 30, 2019
Funding Method	Entry Age Normal Cost, level percent of pay[2]
Asset Valuation Method	Market value of assets
Long Term Return on Assets	6.40%, net of plan investment expenses and including inflation 6.30%, net of trust administrative fees
Discount Rate	6.30% for liabilities used to develop Actuarially Determined Contributions
Participants Valued	Only current active employees and retired participants and covered dependents are valued. No future entrants are considered in this valuation.
Salary Increase	3.0% per year. Since benefits do not depend on salary, this is used to allocate the cost of benefits between service years and to determine amortization payments for developing the Actuarially Determined Contributions.
General Inflation Rate	2.5% per year

Demographic actuarial assumptions used in this valuation are based on the 2017 experience study of the California Public Employees Retirement System using data from 1997 to 2015, except for a different basis used to project future mortality improvements. Rates for selected age and service are shown below and on the following pages. The representative mortality rates were those published by CalPERS adjusted to back out 15 years of Scale MP 2016 to central year 2015.

Mortality Improvement: MacLeod Watts Scale 2018 applied generationally from 2015 (see Addendum 3)

Mortality Before Retirement (before improvement applied)

CalPERS Public Agency Miscellaneous Non-Industrial Deaths		
Age	Male	Female
15	0.00019	0.00004
20	0.00027	0.00008
30	0.00044	0.00018
40	0.00070	0.00040
50	0.00135	0.00090
60	0.00288	0.00182
70	0.00693	0.00438
80	0.01909	0.01080

[2] The level percent of pay aspect of the funding method refers to how the normal cost is determined. Use of level percent of pay cost allocations in the funding method is separate from the determination of amortization payments.

Summary of Actuarial Methods and Assumptions
(Continued)

Mortality After Retirement
(before improvement applied)

Healthy Lives

CalPERS Public Agency Miscellaneous, Police & Fire Post Retirement Mortality		
Age	Male	Female
40	0.00070	0.00040
50	0.00431	0.00390
60	0.00758	0.00524
70	0.01490	0.01044
80	0.04577	0.03459
90	0.14801	0.11315
100	0.35053	0.30412
110	1.00000	1.00000

Disabled Miscellaneous

CalPERS Public Agency Disabled Miscellaneous Post-Retirement Mortality		
Age	Male	Female
20	0.00027	0.00008
30	0.00044	0.00018
40	0.00070	0.00040
50	0.01371	0.01221
60	0.02447	0.01545
70	0.03737	0.02462
80	0.07218	0.05338
90	0.16585	0.14826

Termination Rates

Miscellaneous Employees: Sum of Vested Terminated & Refund Rates From CalPERS Experience Study Report Issued December 2017						
Attained Age	Years of Service					
	0	3	5	10	15	20
15	0.1812	0.0000	0.0000	0.0000	0.0000	0.0000
20	0.1742	0.1193	0.0654	0.0000	0.0000	0.0000
25	0.1674	0.1125	0.0634	0.0433	0.0000	0.0000
30	0.1606	0.1055	0.0615	0.0416	0.0262	0.0000
35	0.1537	0.0987	0.0567	0.0399	0.0252	0.0184
40	0.1468	0.0919	0.0519	0.0375	0.0243	0.0176
45	0.1400	0.0849	0.0480	0.0351	0.0216	0.0168

Service Retirement Rates

The following miscellaneous retirement formulas apply:

For "Classic" employees hired before 4/19/2012:	2.7% @ 55
For "Classic" employees hired on/after 4/19/2012:	2% @ 55
For "PEPRA" employees:	2% @ 62

Sample rates of assumed future retirements applicable to each of these retirement benefit formulas are shown in tables below.

Sample rates of assumed future retirements for each of these retirement benefit formulas are shown in these tables. Rates shown reflect the probability that an employee at that age and service will retire from the District in the next 12 months

Miscellaneous Employees: 2.7% at 55 formula From CalPERS Experience Study Report Issued December 2017						
Current Age	Years of Service					
	5	10	15	20	25	30
50	0.0030	0.0100	0.0160	0.0340	0.0330	0.0450
55	0.0330	0.0550	0.0780	0.1130	0.1560	0.2340
60	0.0600	0.0860	0.1120	0.1500	0.1820	0.2380
65	0.1400	0.1740	0.2080	0.2540	0.3060	0.3890
70	0.1500	0.1810	0.2120	0.2430	0.2910	0.3500
75 & over	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

Summary of Actuarial Methods and Assumptions
(Continued)

Service Retirement Rates
(continued)

Miscellaneous Employees: 2.5% at 55 formula From CalPERS Experience Study Report Issued December 2017						
Current Age	Years of Service					
	5	10	15	20	25	30
50	0.0080	0.0140	0.0200	0.0260	0.0330	0.0500
55	0.0200	0.0380	0.0550	0.0730	0.1220	0.1920
60	0.0440	0.0720	0.1010	0.1300	0.1580	0.1970
65	0.1200	0.1560	0.1930	0.2290	0.2650	0.3330
70	0.1200	0.1560	0.1930	0.2290	0.2650	0.3330
75 & over	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

Miscellaneous "PEPRA" Employees: 2% at 62 formula From CalPERS Experience Study Report Issued December 2017						
Current Age	Years of Service					
	5	10	15	20	25	30
50	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
55	0.0100	0.0190	0.0280	0.0360	0.0610	0.0960
60	0.0310	0.0510	0.0710	0.0910	0.1110	0.1380
65	0.1080	0.1410	0.1730	0.2060	0.2390	0.3000
70	0.1200	0.1560	0.1930	0.2290	0.2650	0.3330
75 & over	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

Disability Retirement Rates

CalPERS Public Agency Miscellaneous Disability From Dec 2017 Experience Study Report		
Age	Male	Female
20	0.00017	0.00010
25	0.00017	0.00010
30	0.00019	0.00024
35	0.00039	0.00071
40	0.00102	0.00135
45	0.00151	0.00188
50	0.00158	0.00199
55	0.00158	0.00149
60	0.00153	0.00105

Medicare Eligibility

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

Summary of Actuarial Methods and Assumptions
(Continued)

Healthcare Trend

Monthly medical plan premiums, benefit caps and projected claims costs by age are assumed to increase once each year. The increases over the prior year's levels are assumed to be effective on the dates shown below:

Effective January 1	Premium Increase	Effective January 1	Premium Increase
2020	Actual	2060-66	4.80%
2021	6.50%	2067	4.70%
2022	6.00%	2068	4.60%
2023-24	5.50%	2069	4.50%
2025-27	5.40%	2070-71	4.40%
2027-46	5.30%	2072	4.30%
2047	5.20%	2073-74	4.20%
2048-49	5.10%	2075	4.10%
2050-53	5.00%	2076	4.00%
2054-59	4.90%	& later	4.00%

The healthcare trend shown on the prior page was developed using the Getzen Model 2019_b published by the Society of Actuaries using the following settings: short term rates from 2020-2022 6.5%, 6%, 5.5%; CPI 2.5%; Real GDP Growth 1.5%; Excess Medical Growth 1.2%; Expected Health Share of GDP in 2028 20.5%; Resistance Point 25%; Year after which medical growth is limited to growth in GDP 2075.

The required PEMHCA minimum employer contribution (MEC) is assumed to increase annually by 4.0%. This implies a long-term spread between CPI and CPI-Med of 1.5%.

Participation Rate

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

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

Spouse Coverage

Active employees: 90% of future retirees are assumed to be married and elect coverage for their spouse in retirement. Surviving spouses are assumed to continue coverage until their death. Husbands are assumed to be 3 years older than their wives.

Summary of Actuarial Methods and Assumptions
(Continued)

Spouse Coverage (concluded)

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

Dependent Coverage

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

Development of Age-related Medical Premiums

Actual premium rates for retirees and their spouses were adjusted to an age-related basis by applying medical claim cost factors developed from the data presented in the report, "Health Care Costs – From Birth to Death", sponsored by the Society of Actuaries. A description of the use of claims cost curves can be found in MacLeod Watts's Age Rating Methodology provided in Addendum 2 to this report.

Representative claims costs derived from the data set provided by CalPERS for retirees not currently covered or not expected to be eligible for Medicare are shown below.

Expected Monthly Claims by Medical Plan for Selected Ages						
		Male				
Region	Medical Plan	50	53	56	59	62
Region 1	Blue Shield Access+ HMO & Blue Shield EPO	$ 989	$ 1,166	$ 1,354	$ 1,552	$ 1,764
	Kaiser HMO	763	900	1,045	1,198	1,362
	PERS Choice PPO	773	912	1,059	1,214	1,380
	PERSCare PPO	960	1,132	1,315	1,507	1,714
	UnitedHealthcare HMO	757	893	1,037	1,188	1,351
	Western Health Advantage HMO	684	807	937	1,074	1,221
Out of State	PERS Choice PPO	455	536	623	714	812
	PERSCare PPO	549	648	752	862	980
		Female				
Region	Medical Plan	50	53	56	59	62
Region 1	Blue Shield Access+ HMO & Blue Shield EPO	$ 1,225	$ 1,346	$ 1,448	$ 1,565	$ 1,725
	Kaiser HMO	946	1,039	1,118	1,208	1,331
	PERS Choice PPO	958	1,052	1,132	1,224	1,349
	PERSCare PPO	1,190	1,307	1,406	1,520	1,675
	UnitedHealthcare HMO	938	1,030	1,109	1,198	1,321
	Western Health Advantage HMO	848	931	1,002	1,083	1,194
Out of State	PERS Choice PPO	564	619	666	720	794
	PERSCare PPO	681	747	804	869	958

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

Summary of Actuarial Methods and Assumptions
(Continued)

Changes Since the Prior Valuation:

Trust rate of return and discount rate	(a) *for accounting purposes*: Decreased from 6.73% to 6.40%, reflecting updated projections of long term trust returns. (b) *for plan funding purposes*: Changed to reflect the expected returns described above, reduced by 10 basis points for annual trust administrative fees, resulting in a (net) rate of 6.30%.
Demographic assumptions	Assumed termination, disability and retirement rates were updated from those provided in the CalPERS 1997-2015 experience study reports to the rates in the most recent available experience study (2017) of the CalPERS program.
Mortality improvement	Updated from Improvement Scale MP-2017 to MacLeod Watts Scale 2018. See Addendum 3 for details.
General Inflation Rate	Decreased from 2.75% to 2.5%
Salary Increase	Decreased from 3.25% to 3.0% per year
Medical Trend	Updated using the Getzen model
Trend on PEMHCA MEC benefit	Decreased from 4.25% to 4.0% per year, based on a review of these increases over the past 10 years and projected future increases in CPI medical trend.
Spouse Coverage	We increased the percentage of retirees assumed to cover a spouse in retirement from 85% to 90%, based on a review of recent retiree elections.
Excise tax on high-cost plans	Given the repeal of this provision of the Affordable Care Act in December 2019, we excluded any liability for this tax in the results presented in this report.

N. Certification

The purpose of this report is to provide actuarial information and potential contribution levels in conformity with the South Placer Municipal Utility District (the District) funding policy for the District's defined benefit other post-employment benefits. The District is not required to contribute the contributions developed in this report and we make no representation that the District will in fact fund the OPEB trust at any particular level.

In preparing this report we relied without audit on information provided by the District. This information includes, but is not limited to, plan provisions, census data, and financial information. We summarized the benefits in this report and our calculations were based on our understanding of the benefits as described herein. A limited review of this data was performed, and we found the information to be reasonably consistent. The accuracy of this report is dependent on this information and if any of the information we relied on is incomplete or inaccurate, then the results reported herein will be different from any report relying on more accurate information.

We consider the actuarial assumptions and methods used herein to be individually reasonable based on reasonable expectations of plan experience and the funding methodology adopted by the District. Expected returns used to develop the valuation discount rate were selected by the District based on information provided by CERBT. The results, and the assumptions on which they depend, provide an estimate of the plan's financial condition at one point in time. Future actuarial results may be significantly different for many reasons including, but not limited to, demographic and economic assumptions differing from future plan experience, changes in plan provisions, changes in applicable law, or changes in the value of plan benefits relative to other alternatives available to plan members.

Alternative assumptions may also be reasonable; however, demonstrating the range of potential plan funding patterns based on alternative assumptions was beyond the scope of our assignment. Results based on other assumptions or funding strategies may be materially different and present materially different funding patterns.

This report is prepared solely for the use and benefit of the District and may not be provided to third parties without prior written consent of MacLeod Watts. Exceptions: The District may provide copies of this report to their professional accounting and legal advisors who are subject to a duty of confidentiality, to CERBT, and to any party if required by law or court order. No part of this report should be used as the basis for any representations or warranties in any contract or agreement without the written consent of MacLeod Watts.

The undersigned actuaries are unaware of any relationship that might impair the objectivity of this work. Nothing within this report is intended to be a substitute for qualified legal or accounting counsel. Both actuaries are members of the American Academy of Actuaries and meet the qualification standards for rendering this opinion.

Signed: May 11, 2020

J. Kevin Watts, FSA, FCA, MAAA

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

Addendum 1: Funding OPEB Liabilities

General Types of OPEB

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

A direct employer payment toward the cost of OPEB benefits is referred to as an "explicit subsidy". In addition, if claims experience of employees and retirees are pooled when determining premiums, the retirees pay a premium based on a pool of members that, on average, are younger and generally healthier. For certain types of coverage, such as medical insurance, this pooling of claims experience results in the higher premiums paid for active employees than would be paid absent retiree coverage and lower premiums paid for retiree coverage than would be paid if the active employees were not pooled with retirees. The blending of premiums, then, results in an "implicit subsidy" of retiree premiums by active employee premiums. Actuarial Standards of Practice generally require any implicit subsidy be valued as an OPEB liability.

This chart shows the sources of funds needed to cover expected medical claims for pre-Medicare retirees.

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

Determining Funding Contributions

Contributions determined for the purpose of prefunding plan benefits generally consist of two components:

- The Normal Cost – the amount attributed to service performed in the current year
- An amortization payment used to systematically pay down the underfunded status of the of plan. The amount to be paid down through additional amortization payments is the Unfunded Actuarial Accrued Liability (UAAL).

Amortization payments may use a variety of methods and time-periods to amortize each unfunded liability base. The only real requirement is to not make amortization periods so long that trust resources cannot pay retiree benefits when they come due.

Funding of the Implicit Subsidy

An implicit subsidy liability is created when retiree medical claims are expected to exceed the premiums charged for retiree coverage. Recognition of the estimated implicit subsidy each year is handled by an accounting entry, reducing the amount paid for active employees and shifting that amount to be treated as a retiree healthcare expense/contribution. The implicit subsidy is a true benefit to the retiree but can be difficult to see when medical premiums are set as a flat rate for both actives and pre-Medicare retirees. This might lead some employers to believe the benefit is not real or is merely an accounting construct, and thus to forgo prefunding of retiree implicit benefits.

Funding OPEB Liabilities
(Continued)

Funding of the Implicit Subsidy (continued)

However, consider what would happen if the retiree premiums were based only on expected retiree claims experience. Almost certainly, retiree premiums would increase while premiums for active employees would go down if the active premiums no longer had to help support the higher retiree claims. *Who would pay the increases in retiree premiums*? Current plan documents and bargaining agreements would have to be consulted. Depending on circumstances, the increase in retiree premiums might remain the responsibility of the employer, pass entirely to the retirees, or some blending of the two. The answer would determine whether separate retiree-only premium rates would result in a higher or lower employer OPEB liability. In the current premium structure, with blended active and pre-Medicare retiree premiums, the employer is clearly, though indirectly, paying the implicit retiree cost.

The prefunding decision is complex. OPEB materiality, budgetary concerns, desire to use the full trust rate in developing the liability for GASB 75, and other factors must be weighed by each employer. Since prefunding OPEB benefits is not required, each employer's OPEB prefunding strategy will depend on how they balance these competing perspectives.

Factors Impacting the Selection of a Cost Allocation Method

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

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

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

Factors Affecting the Selection of Assumptions

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

Funding OPEB Liabilities
(Concluded)

Factors Affecting the Selection of Assumptions (continued)

will continue to gather information and monitor these assumptions for future valuations, as more experience develops.

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

Addendum 2: MacLeod Watts Age Rating Methodology

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

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

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

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

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

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

Addendum 3: MacLeod Watts Mortality Projection Methodology

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

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

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

The **MacLeod Watts Scale 2018** was developed from a blending of data and methodologies found in two published sources: (1) the Society of Actuaries Mortality Improvement Scale MP-2017 Report, published in October 2017 and (2) the demographic assumptions used in the 2017 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, published July 2017.

MacLeod Watts Scale 2018 is a two-dimensional mortality improvement scale reflecting both age and year of mortality improvement. The underlying base scale is Scale MP-2017 which has two segments – (1) historical improvement rates for the period 1951-2013 and (2) an estimate of future mortality improvement for years 2014-2016 using the Scale MP-2017 methodology but utilizing the assumptions obtained from Scale MP-2015. The MacLeod Watts scale then transitions from the 2016 improvement rate to the Social Security Administration (SSA) Intermediate Scale linearly over the 10-year period 2017-2026. After this transition period, the MacLeod Watts Scale uses the constant mortality improvement rate from the SSA Intermediate Scale from 2026-2040. The SSA's Intermediate Scale has a final step down in 2041 which is reflected in the MacLeod Watts scale for years 2041 and thereafter. Over the ages 95 to 115, the SSA improvement rate is graded to zero.

Scale MP-2017 can be found at the SOA website and the projection scales used in the 2017 Social Security Administrations Trustees Report at the Social Security Administration website.

Glossary

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

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

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

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

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

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

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

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

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

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

Excise Tax – The Affordable Care Act created a 40% excise tax on the value of "employer sponsored coverage" that exceeds certain thresholds. The tax was repealed in December 2019.

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

Glossary
(Continued)

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

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

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

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

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

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

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

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

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

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

Glossary
(Concluded)

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

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

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

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

Item 6.4

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

STAFF REPORT

To: Board of Directors

From: Herb Niederberger, General Manager

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

Subject: COVID-19 - Update

Meeting Date: October 1, 2020

Overview

The purpose of this Staff Report is to provide the Board of Directors with an update of the COVID-19 outbreak.

As discussed during the September Board meeting, the State has recently mobilized a *Blueprint for a Safer Economy* with revised criteria for loosening or tightening restrictions on activities. As of September 22, 2020, Placer County has a case rate of 3.4 new cases per day per 100,000 residents and a 3.2% positivity rate. The State considers Placer County's risk level at the Substantial level and some non-essential indoor business operations remain closed. Shortly after the State rolled out the Blueprint, the Placer County Board of Supervisors voted unanimously to terminate the local COVID-19 health emergency allowing most businesses to reopen. Residents will still be expected to follow California's overall guidance, but the County says it will not enforce the state rules.

Economic Impacts

During the initial outbreak, March, April, and May, the District experienced a slowdown on new connections in the fourth quarter of Fiscal Year 2019/20. The projected number of new connections for FY 2019/20 was 500 EDUs, corresponding to approximately $2 million in Participation Fee revenue. Due to the COVID 19 outbreak, the District added 360 EDUs, which resulted in only $1.44 million participation fee revenues as of fiscal year end. With the recent return of development activity within the District, we have seen a slight increase in new connection applications.

The District is now seeing the impact of COVID 19 on the Fund 100 revenues from the monthly sewer charges. As indicated in the chart below, the number and magnitude of the delinquent accounts and past due amounts are growing.

Total Accounts	Current Amount	30 Days Delinquent	60 Days Delinquent	90 Days Deliquent	120 Days Delinquent	Balance
40	$26,213.22	$25,876.95	$8,312.94	$262.19	$754.79	$61,420.09

Two of these accounts are large commercial users that represent over $27,000 of the total balance due. Despite this growing total, the District has not received any requests for relief from the monthly service charge. The District resumed assessing late fees on delinquent accounts on October 1, 2020.

Schools

Due to the COVID -19 outbreak and the resulting public health orders, schools have taken extra precautions to prevent the spread of COVID-19. Students in the Rocklin Unified School District headed back to the classroom on September 21, 2020. The school district is using a hybrid model in which students are separated into groups to attend school on certain days and do distance learning on others. District officials said they will continue to offer their all-distance learning program to give parents a choice. At this point in time, only small number of District employees have been inconvenienced by distance learning.

Meetings

A brief survey of the surrounding jurisdictions indicates that the City of Rocklin, Placer County and the Placer County Water Agency have resumed conducting and attending their meetings in person. The Town of Loomis is still conducting meetings via tele- and video-conferencing using Zoom. Staff is suggesting that the District continue conducting the meeting of the Board of Directors until such time that Placer County has reached a Blueprint risk level of Moderate.

Recommendation

Staff requests the Board of Directors:

1. Continue conducting Board Meetings via Zoom until the Placer County risk level is lowered to Moderate; and
2. Receive and file this report

Strategic Plan Goals

This action is consistent with SPMUD Strategic Plan Goals:

Goal 1.3: Maintain Transparency with all District Activities
Goal 4.1: Maintain Compliance with Pertinent Regulations

Fiscal Impact

The District anticipates a reduction in Fund 300 (Participation Fee) revenues of approximately $556,000 from FY 19/20 budgeted projections. Currently, the District is experiencing delinquencies totaling a little over $60,000 from Fund 100 (General Fund); this may impact FY2020/21 revenues. The District does not anticipate the need to use $1 million is its rate stabilization reserve to make up for any lost revenue.

Item 7.2

GENERAL MANAGER REPORT

To: Board of Directors

From: Herb Niederberger, GM

Date: October 1, 2020

Subject: General Manager Monthly Staff Report – Sep 2020

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1) **DEPARTMENT REPORTS**

Attached are the monthly status reports for the Boards information:

A. Administrative Services Department
B. Facility Services Department and
C. Technical Services Department

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

2) **INFORMATION ITEMS**

A. On September 2, 2020, the General Manager along with Director Mitchell, participated in the video-conference call of the Rocklin Chamber of Commerce Government relations Committee. The guest speaker was Brian Jensen, Regional VP for the Hospital Council of Northern/Central California. Brian provided an update on COVID and its impact on hospitals and business.

B. On September 18, 2020, the General Manager met with District General Counsel to discuss the following: 1) Railroad Management Invoices; 2) Placer County appointment to the SPMUD Board of Directors; 3) Land development requirements imposed by the District for 5361 Saunders, Loomis; 4) Pending Board Policies 3150-Purchasing, 2023-Reasonable Accommodation, 2037-Workplace Violence,3120-Investment, 2039-Harrassment, and 2576-CalPERS UAL; 5) Changes in conditions with the Foothill Trunk construction with local homeowners; and 6) the use of Reimbursement Agreements without associated credits.

C. On September 22, the General Manager, District Engineer, Carie Huff, and District General Counsel met with developer representatives and their attorney to discuss the District's requirement to develop the 10-acre parcel located at 5361 Saunders Avenue in Loomis.

D. Advisory Committee Meetings:

There were no advisory committee meetings in September.

3) **PURCHASE ORDERS/CONTRACTS INITIATED UNDER GENERAL MANAGER AUTHORITY**

None to report

4) **LONG RANGE AGENDA**

November 2020
Investment Report
PMP Presentation
GM Contract Renewal

December 2020
Final Audit and Consolidated Annual Financial Report
Participation Charge Report for FY 2019/20

January 2021
Selection of Officers

February 2021
Investment Report
Mid-Year Budget Adjustments

ITEM VII. ASD REPORT

To: Board of Directors

From: Emilie Costan, Administrative Services Manager

cc: Herb Niederberger, General Manager

Subject: Administrative Services Department Monthly Report

Board Date: October 1, 2020

Fiscal Year 19/20 Audit Work

Administrative Services Staff is continuing to work with the Auditors from Munn, Urrutia, & Nelson on the fiscal year 19/20 Audit. The final Audit document is calendared for presentation and acceptance by the Board at the December 2020 Board meeting.

SDRMA Loss Prevention

Administrative Services staff received $1,000 from the Special District Risk Management Authority (SDRMA) Loss Prevention Fund towards the purchase of sit/stand stations to improve the ergonomics of the workstations for ASD staff.

Board Policy Updates

Staff has begun working on several Board Policy updates that will be coming to the Policy and Ordinance Advisory Committee for review in October and November with recommendations to the Board at the November and December Board meetings.

Open Enrollment

Open Enrollment for Medical, Dental, Vision, and other District sponsored benefits is September 21st through October 16th. Administrative Services staff will be assisting employees with benefit changes for next calendar year.

Fall Newsletter

The Administrative Services Manager has been working with the Department Managers to prepare the Fall newsletter. The newsletter will be included in the October, November, and December billings.

August Monthly Investment Transactions per GC §53607

DEPOSITS, TRANSFERS, OR WITHDRAWALS

CalTRUST:	None
LAIF:	None
Placer County:	None
Wells Fargo:	None

To: Board of Directors

From: Eric Nielsen, Superintendent

Cc: Herb Niederberger, General Manager

Subject: Field Services Department Monthly Report

Meeting Date: October 1, 2020

Overview
This report provides the Board with an overview of the Field Services Department operations and maintenance activities through 8/31/2020. The work listed is not all inclusive.

1. **Lost Time Accidents/Injuries (OSHA 300)**
    a. Zero (0)
        i. 1462 days without a Lost Time Accident/Injury

2. **Safety/Training/Professional Development**
    a. All Field Services employees participated in:
        i. Review of crew-specific standards operating procedures in conjunction with crew changes.
        ii. Two (2) "Tailgate" safety sessions (Housekeeping, Wound First Aid)
        iii. Bloodborne Pathogens Training
        iv. Hazmat Storage and Spill Response at Lift Stations

3. **Customer Service Calls**
    a. Response Time Goals over the Last 12 Months
        i. 30 Minutes or Less During Business Hours
            A. Average: 18 Minutes
        ii. 60 Minutes or Less During Non-Business Hours
            A. Average: 68 Minutes
        iii. 95% or Higher Success Rate
            A. Success Rate – 92%

4. **Break Room, Locker Room, Lobby**
    a. Mechanical, electrical, fire, civil, and structural team members visited the site to collect information to prepare construction documents.
    b. Held the first Interior Finishes Meeting with architectural team on August 27.

5. **Miscellaneous**
    a. CHP Terminal Inspection of SPMUD was conducted on August 10.
    b. Auctioned surplus items through GovDeals auction site.

Service Calls August 2020

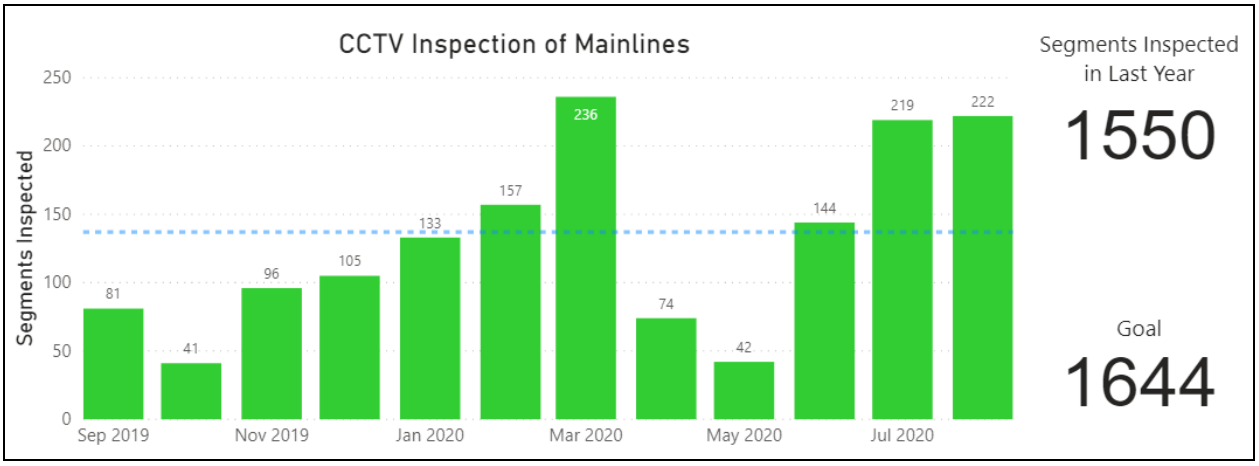
Responsibility	SSO	Stoppage	Odor	Alarm	PLSD	Vermin	Misc
Owner Responsibility		5	3		2		1
PCWA	1						2
SPMUD Responsibility	2	3	1	6			
Total	**3**	**8**	**4**	**6**	**2**		**3**

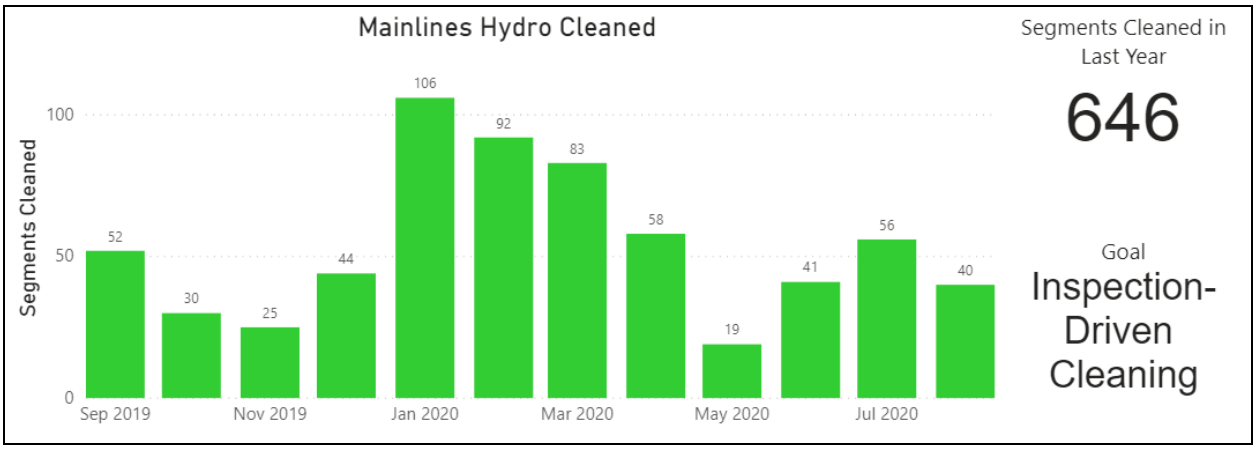
Total Service Calls

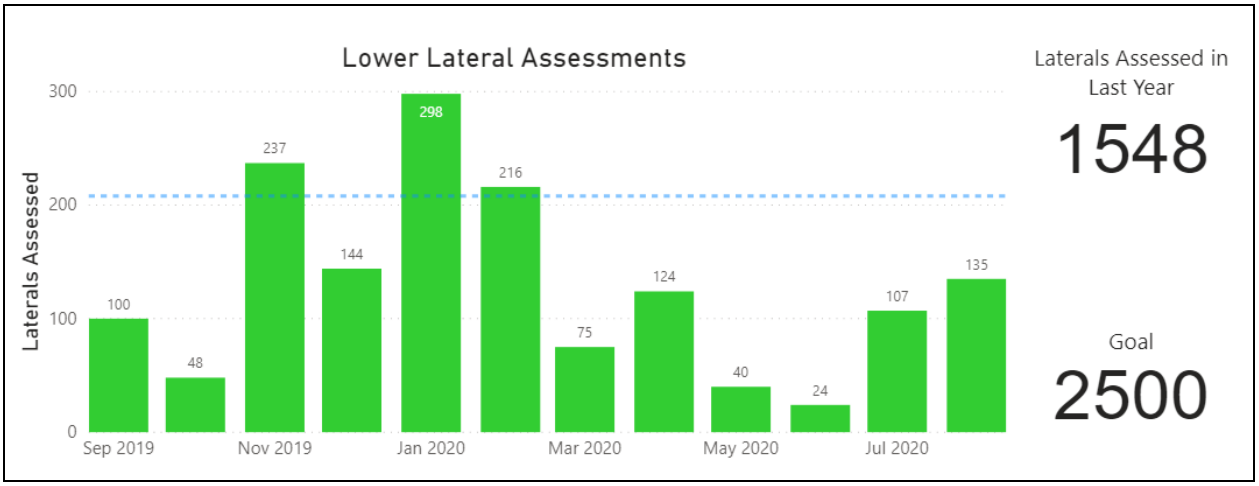
26

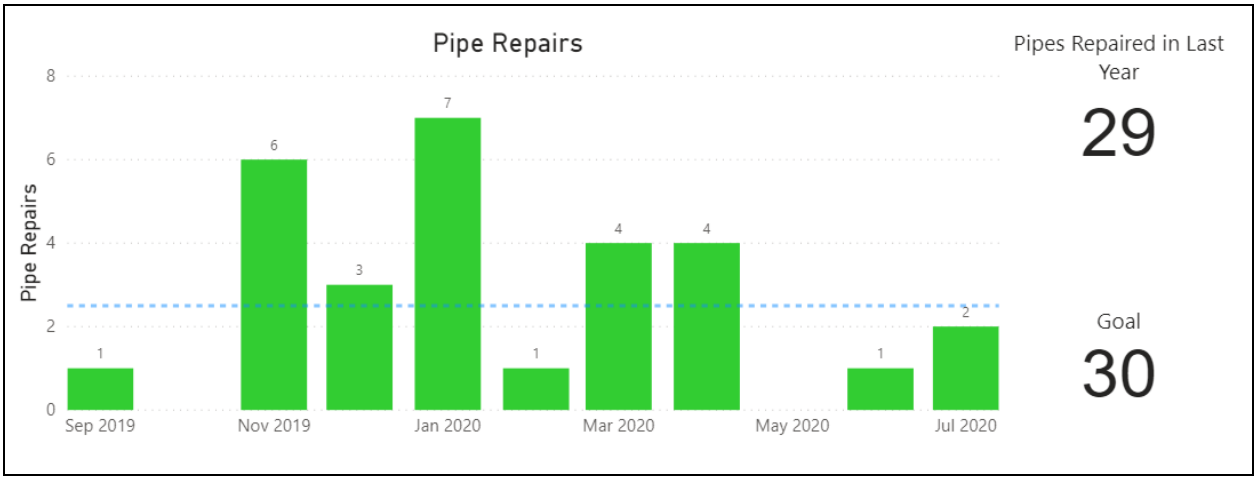
6. Production

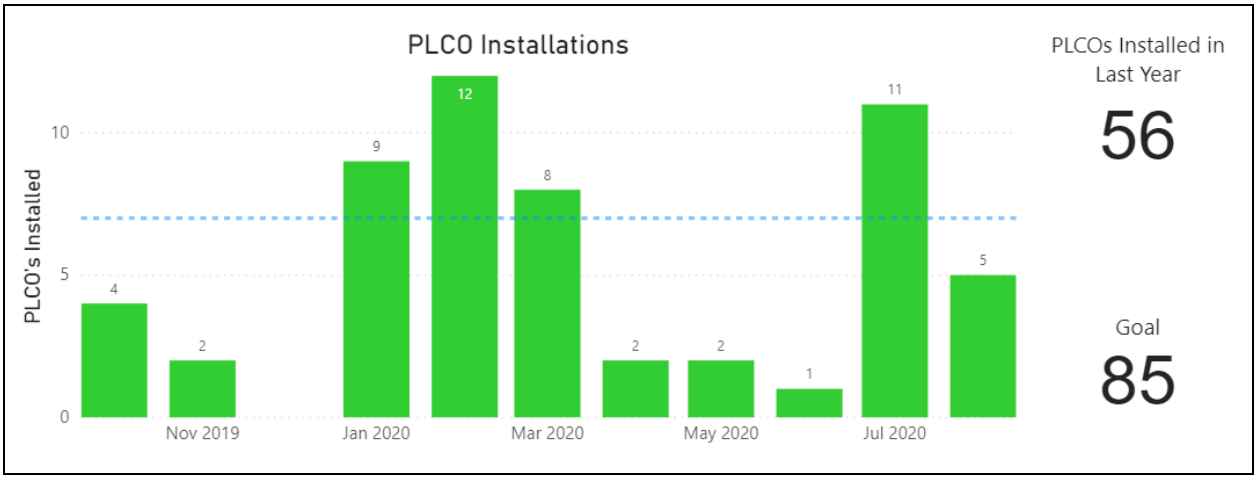
a. The information provided below is not inclusive of all work completed.

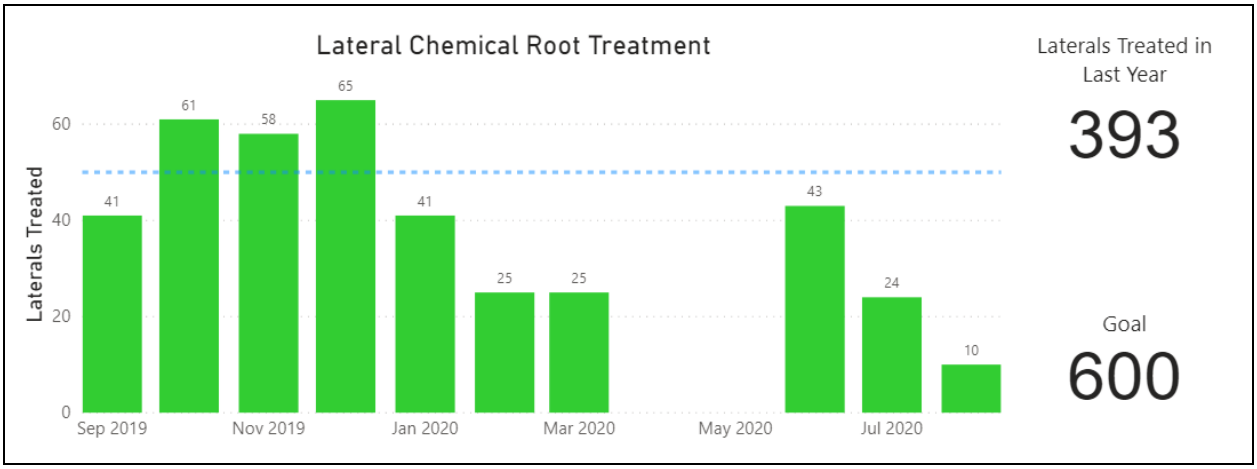


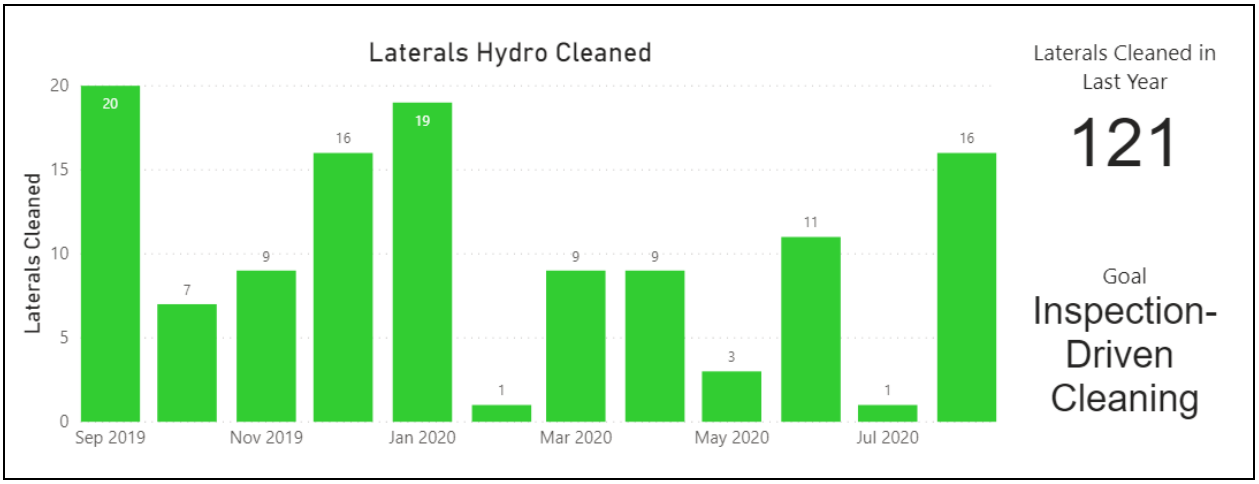



Lower Lateral Assessments
Laterals Assessed
300
200
100
0
100
48
237
144
298
216
75
124
40
24
107
135
Sep 2019
Nov 2019
Jan 2020
Mar 2020
May 2020
Jul 2020
Laterals Assessed in Last Year
1548
Goal
2500


Pipe Repairs
Pipe Repairs
8
6
4
2
0
1
6
3
7
1
4
4
1
2
Sep 2019
Nov 2019
Jan 2020
Mar 2020
May 2020
Jul 2020
Pipes Repaired in Last Year
29
Goal
30


PLCO Installations
PLCO's Installed
10
5
0
4
2
9
12
8
2
2
1
11
5
Nov 2019
Jan 2020
Mar 2020
May 2020
Jul 2020
PLCOs Installed in Last Year
56
Goal
85


Lateral Chemical Root Treatment
Laterals Treated
0
20
40
60
41
61
58
65
41
25
25
43
24
10
Sep 2019
Nov 2019
Jan 2020
Mar 2020
May 2020
Jul 2020
Laterals Treated in Last Year
393
Goal
600


Laterals Hydro Cleaned
Laterals Cleaned
0
5
10
15
20
20
7
9
16
19
1
9
9
3
11
1
16
Sep 2019
Nov 2019
Jan 2020
Mar 2020
May 2020
Jul 2020
Laterals Cleaned in Last Year
121
Goal
Inspection-Driven Cleaning

ITEM VII. TSD REPORT

To: Board of Directors

From: Carie Huff, District Engineer

Cc: Herb Niederberger, General Manager

Subject: Technical Services Department Monthly Report

Board Date: October 1, 2020

Foothill Trunk Sewer Replacement Project

Garney installed all mainline pipe as of September 22nd. Testing is scheduled to occur the week of September 21st. Reconnection of the laterals will be complete by September 25th. The contractor will be working on site clean-up, grading and construction of the GrassPave2 access road, paving, and other trench restoration activities. The District Engineer will also be working with property owners regarding damage to the existing retaining walls along the alignment behind Corona Circle.

The District continues to work with the biologist, archaeologist, and tribal monitors to meet various permit conditions.

The District received a claim for $118,377.02 from Garney for thirty-nine (39) workdays of additional overhead costs (staff time, temporary office, equipment, fencing, etc.) for slow production due to rock excavation. Waterworks Engineers and the District Engineer denied the claim based on provisions in the contract specifications.

The District has received complaints from property owners along Corona Circle regarding construction traffic impacts on the existing pavement. District staff is reviewing pre-construction videos of Corona Circle and working with the City of Rocklin to determine if any rehabilitation is required. In addition, the District Engineer will be coordinating with Garney, in consultation with property owners, to make repairs to private improvements damaged during construction.

Please note that the typical graph indicating rainfall and flow information is not included in this month's TSD report. This is because the Smart Cover installed on the existing 12-inch sewer line that is currently being replaced as part of the Foothill Sewer Replacement Project has been removed due to construction activity. Staff does not anticipate issues since the project is actively in construction and there is a low probability of a significant rain event during the summer months. If the project continues through the wet season, staff will re-evaluate the need for the Smart Cover.

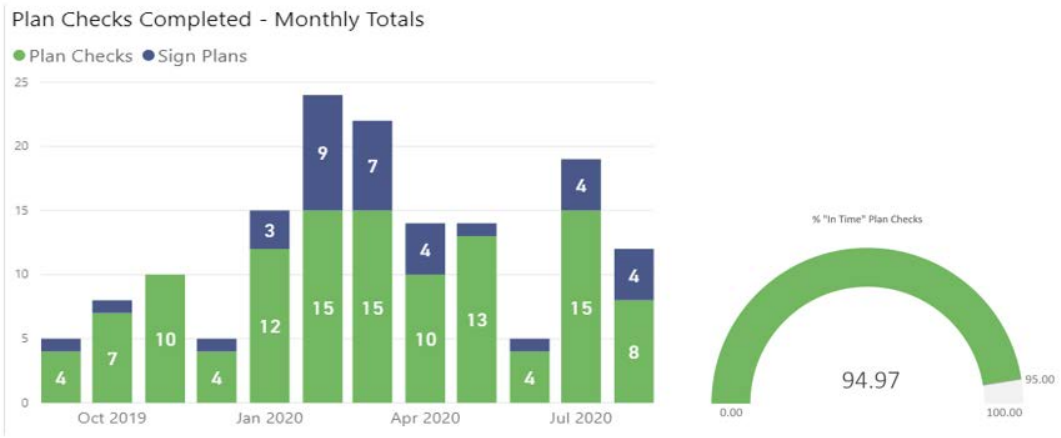
FOG Program

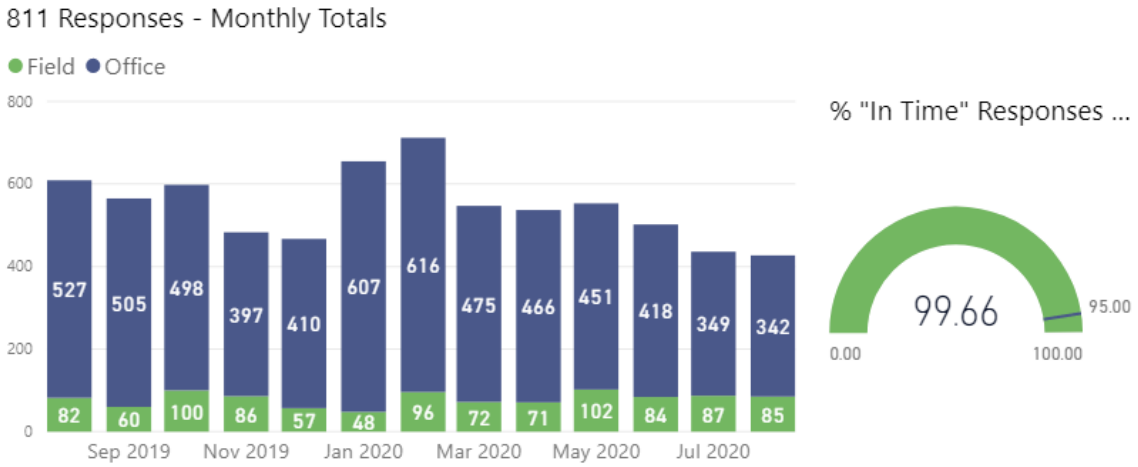
District staff continues to implement the requirements of the District's FOG Program. Staff turnover at restaurants and changes to the restaurant industry means that permitting and compliance is an ongoing effort. As District staff becomes more familiar with the various types of interceptors and their functionality, cleaning frequencies are adjusted. District staff continues to test indoor and outdoor grease control devices to ensure compliance with the Districts FOG Program.

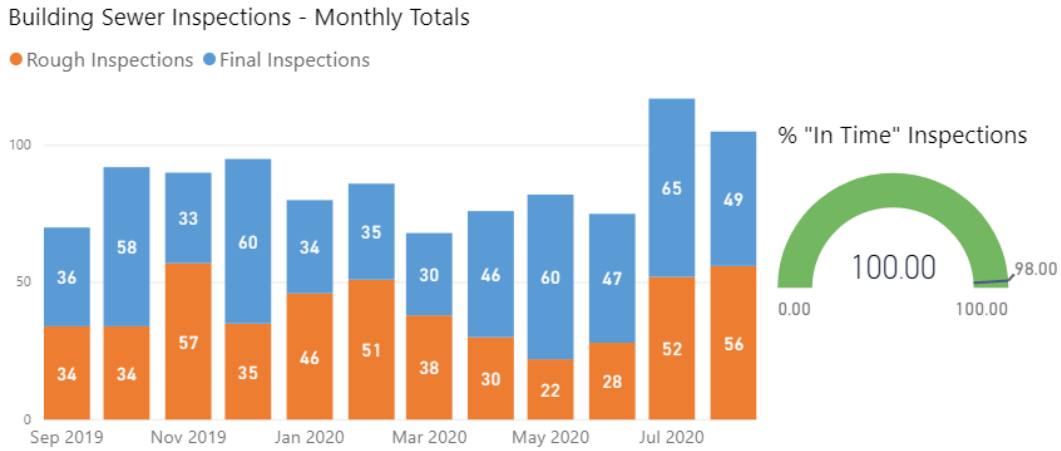
The District's FOG Inspector identified a sewer lateral that was completely deteriorated and required replacement at the KFC/A&W on Rocklin Road. Staff is currently coordinating with the property owner, Placer County Environmental Health, and the City of Rocklin to remove and replace the sewer lateral.

Department Performance Indicators

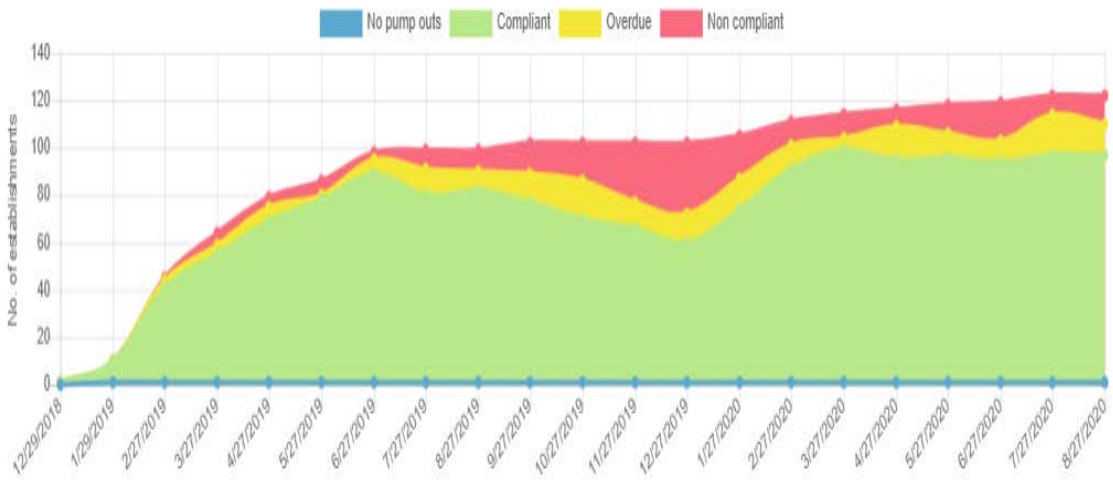
The following charts depict the efforts and performance of the department in the following areas of work as of August 31st, 2020. The charts are being created in a new reporting tool that directly connects to the District's data, improving the timeliness of reporting efforts and leveraging the District's investment in technology. Additional charts may be added in the future for other areas of work in the department.



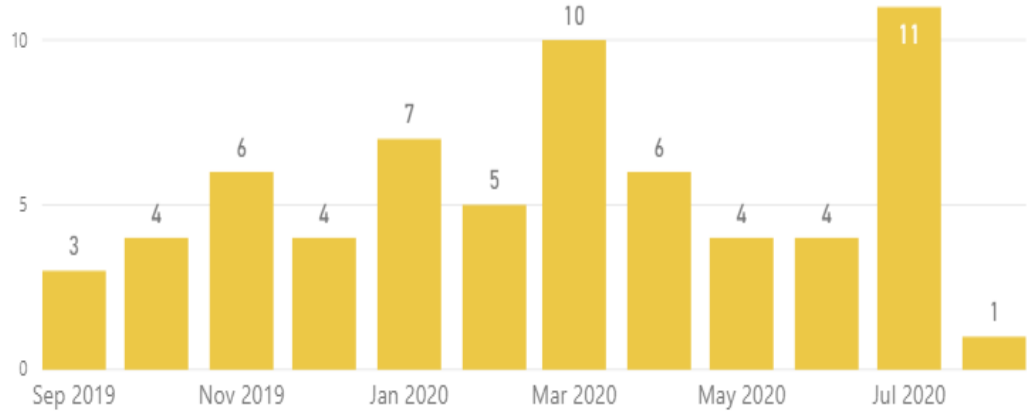
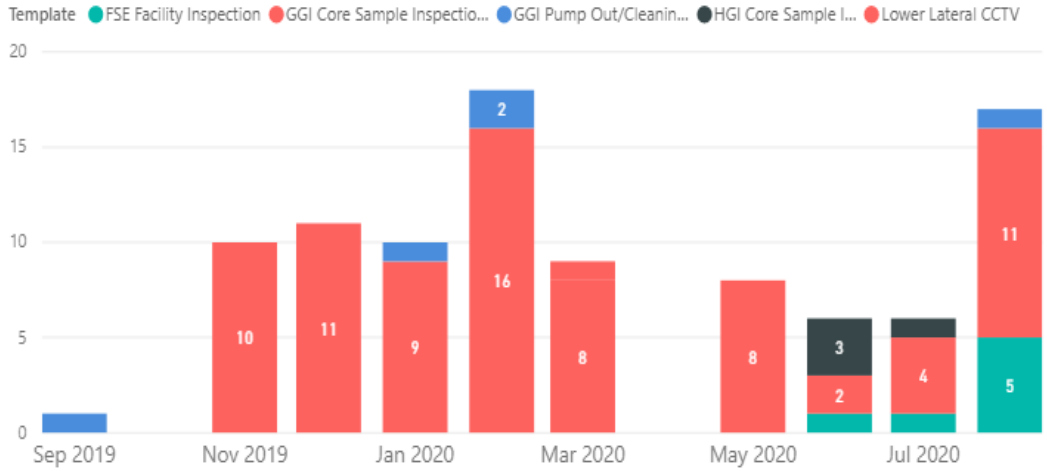




FOG Compliance History



FOG Pickups - Monthly Totals



Grease Interceptor Inspections