



**SPMUD BOARD OF DIRECTORS
REGULAR MEETING: 4:30 PM
December 5, 2024**

SPMUD Boardroom
5807 Springview Drive, Rocklin, CA 95677

Zoom Meeting: 1 (669) 900-9128
Meeting ID: 882 7964 9201

The District’s regular Board meeting is held on the first Thursday of every month. This notice and agenda are posted on the District’s website (www.spmud.ca.gov) and the District’s outdoor bulletin board at 5807 Springview Drive Rocklin, CA. Meeting facilities are accessible to persons with disabilities. Requests for other considerations should be made at (916) 786-8555.

The December 5, 2024 Regular Meeting of the SPMUD Board of Directors will be held in the District Board Room at 5807 Springview Drive in Rocklin, CA 95677 with the option for the public to join via teleconference using Zoom Meeting 1 (669) 900-9128, <https://us02web.zoom.us/j/88279649201>. Public comments can be made in person at the time of the meeting or emailed to board_secretary@spmud.ca.gov from the time the agenda is posted until the matter is heard at the meeting. Comments should be kept to 250 words or less.

AGENDA

I. CALL MEETING TO ORDER

II. ROLL CALL OF DIRECTORS

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

III. PLEDGE OF ALLEGIANCE

IV. PUBLIC COMMENTS

Items not on the Agenda may be presented to the Board at this time; however, the Board can take no action. Public comments can be made in person at the time of the meeting or emailed to board_secretary@spmud.ca.gov from the time the agenda is posted until the matter is heard at the meeting. Comments should be kept to 250 words or less.

V. CONSENT ITEMS

[pg 4 to 21]

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 December 5, 2024 Regular Meeting.

1. MINUTES from the October 30, 2024, Special Meeting. [pg 4]
2. MINUTES from the November 7, 2024, Special Meeting. [pg 5 to 10]
3. MINUTES from the November 7, 2024, Regular Meeting. [pg 11 to 12]
4. ACCOUNTS PAYABLE in the amount of \$893,481 through November 22, 2024. [pg 13 to 17]
5. RESOLUTION 24-35 NOTICE OF COMPLETION FOR THE SEWER MAIN I07-119 EMERGENCY REPLACEMENT PROJECT [pg 18 to 21]

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. **PUBLIC HEARING: SECOND READING OF ORDINANCE 24-01 AN ORDINANCE REVISING THE DISTRICT SEWER CODE** [pg 22 to 103]

The District is proposing changes to the District Sewer Code to standardize the language and definitions, apply more consistent formatting and organization, and add language regarding easement requirements.

Action Requested: (Roll Call Vote)

Staff recommends that the Board of Directors:

1. Waive the second reading of the proposed Ordinance #24-01.
2. Adopt Ordinance No. 24-01 –An Ordinance Revising the District Sewer Code.

2. **FISCAL YEAR 2023/24 AUDIT REPORT ACCEPTANCE** [pg 104 to 196]

Representatives from Certified Public Accountants Munn, Urrutia & Nelson LLP will present the Audit report for the Fiscal Year ending June 30, 2024.

Action Requested: (Voice Vote)

Receive and file the Fiscal Year 2023/24 Audited Financial Statements

3. **RESOLUTION 24-36 PROFESSIONAL SERVICES AGREEMENT WITH DKS ASSOCIATES TO PREPARE A FLEET TRANSITION MASTER PLAN** [pg 197 to 229]

The District will present the staff recommendation to award a professional services agreement to DKS Associates to prepare a fleet transition master plan.

Action Requested: (Roll Call Vote)

Staff recommends the Board of Directors adopt Resolution 24-36 Professional Services Agreement with DKS Associates to prepare a fleet transition master plan.

4. **RESOLUTION 24-37 COMMENDING HERB NIEDERBERGER, EIGHTH GENERAL MANAGER OF THE SOUTH PLACER MUNICIPAL UTILITY DISTRICT FOR HIS YEARS OF SERVICE** [pg 230]

Recognizing Herb Niederberger for his ten years of dedicated service to the District as General Manager of South Placer Municipal Utility District.

Action Requested: Roll Call Vote

Staff recommends that the Board of Directors adopt Resolution 24-37 commending Herb Niederberger for his years of service to the District.

5. **RESOLUTION 24-38 COMMENDING JAMES WILLIAMS, WARD 5 BOARD DIRECTOR FOR HIS YEARS OF SERVICE TO THE DISTRICT** [pg 231]

Recognizing James Williams for his twenty-four years of dedicated service to the District as Board Director of South Placer Municipal Utility District Ward 5.

Action Requested: Roll Call Vote

Staff recommends that the Board of Directors adopt Resolution 24-38 commending James Williams for his years of service to the District.

6. **RESOLUTION 24-39 COMMENDING JAMES DURFEE, WARD 4 BOARD DIRECTOR FOR HIS YEARS OF SERVICE TO THE DISTRICT** [pg 232]

Recognizing James Durfee for his four years of dedicated service to the District as Board Director of South Placer Municipal Utility District Ward 4.

Action Requested: Roll Call Vote

Staff recommends that the Board of Directors adopt Resolution 24-39 commending James Durfee for his years of service to the District.

VII. REPORTS

[pg 233 to 247]

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

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

VIII. ADJOURNMENT

If there is no other Board business the President will adjourn the meeting to the next meeting to be held on **January 9, 2025, at 4:30 p.m.**

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

| Meeting | Location | Date | Time |
|----------------|-----------------|------------------|-------------|
| Special | SPMUD Boardroom | October 30, 2024 | 4:30 p.m. |

I. CALL MEETING TO ORDER: A Special Meeting of the South Placer Municipal Utility District Board of Directors was called to order with President Durfee presiding at 4:34 p.m.

II. ROLL CALL OF DIRECTORS:

- Present: Director Will Dickinson, Director Christy Jewell (attending remotely), Director James Durfee, Director Jerry Mitchell
- Absent: Director Jim Williams
- Vacant: None
- Staff: Adam Brown, Legal Counsel
Herb Niederberger, General Manager
Emilie Costan, Administrative Services Manager

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

IV. PUBLIC COMMENTS:

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

V. CLOSED SESSION READOUT

The Board met in Closed Session at 4:36 p.m. regarding the two items on the agenda. The first item was a discussion on the proposed contract with the new General Manager. The Board discussed a draft with the Personnel Advisory Committee, and no action was taken. For the second item, the Board conducted a review of the current General Manager which was concluded. The Board adjourned the closed session at 5:10 p.m.

VI. ADJOURNMENT

The President adjourned the meeting at 5:12 p.m. to the next meeting to be held on November 7, 2024, at 2:30 p.m.

Emilie Costan, Board Secretary

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

| Meeting | Location | Date | Time |
|----------------|---------------------------------|------------------|-------------|
| Special | SPMUD Boardroom Zoom Meeting | November 7, 2024 | 2:30 p.m. |

I. CALL MEETING TO ORDER: A Special Meeting of the South Placer Municipal Utility District Board of Directors was called to order with President Durfee presiding at 2:31 p.m.

II. ROLL CALL OF DIRECTORS:

- Present: Director Jerry Mitchell, Director Will Dickinson, Director Christy Jewell, Director James Durfee
- Absent: Director Jim Williams
- Vacant: None
- Staff: Adam Brown, Legal Counsel
Herb Niederberger, General Manager
Eric, Nielsen, District Superintendent
Carie Huff, District Engineer
Emilie Costan, Administrative Services Manager

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

IV. PUBLIC COMMENTS:

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

V. CONSENT ITEMS:

1. MINUTES from the October 2, 2024, Special Meeting.
2. MINUTES from the October 3, 2024, Regular Meeting.
3. ACCOUNTS PAYABLE in the amount of \$885,664 through October 29, 2024.
4. BILL OF SALE Acceptance of the Bill of Sale for the Maverik Rocklin Sewer Improvements with an estimated value of \$249,172.
5. QUARTERLY INVESTMENT REPORT in the total amount of \$82,013,020 through September 30, 2024.
6. ANNUAL INVESTMENT REPORT for the fiscal year ended June 30, 2024.
7. RESOLUTION 24-29 PROFESSIONAL SERVICES AGREEMENT WITH WATERWORKS ENGINEERS TO UPDATE THE DISTRICT’S WASTEWATER COLLECTION SYSTEM HYDRAULIC MODEL AND COMPLETE THE 2025 SYSTEM EVALUATION AND CAPACITY ASSURANCE PLAN (SECAP)

8. RESOLUTION 24-30 AUTHORIZING THE GENERAL MANAGER TO EXECUTE AN ADDENDUM TO THE PROFESSIONAL SERVICES AGREEMENT WITH CPS HR CONSULTING FOR HUMAN RESOURCES (HR) SERVICES

Director Dickinson made a motion to approve the consent items; a second was made by Vice President Jewell; a roll call vote was taken, and the motion carried 4-0.

VI. BOARD BUSINESS

1. PUBLIC HEARING: INTRODUCTION OF ORDINANCE 24-01 AN ORDINANCE REVISING THE DISTRICT SEWER CODE

GM Niederberger presented the proposed revisions to the District Sewer Code. He reviewed the proposed changes to each chapter of the Code which primarily consisted of changing the term participation fee to capacity charge to align with the language used in California Government Code Section 66013 and creating a separate appendix for the definitions.

President Durfee thanked the Policy and Ordinance Committee and Management Analyst Lindholm for their work on this item. Director Dickinson asked about the addition of wipes and flushable wipes to Section 2.02.050 Prohibited Discharges and if there would be enforcement or education when a violation occurred. DE Huff commented that there would be enforcement for repeat or egregious incidents that result in a spill. DS Nielsen commented that there is work being done in the industry to improve education and messaging regarding wipes that are marked as flushable. Vice President Jewell asked for more information about recreation vehicles (RV) discharging on private property locations. DE Huff shared that due to the chemicals that are often contained in the RV tanks and spills that have occurred, a special connection is required to discharge waste from an RV.

President Durfee opened the public hearing. No public comments were received.

Director Mitchell made a motion to (1) Waive the full reading of the proposed Ordinance #24-01, (2) Introduce Ordinance No. 24-01 –An Ordinance revising the District Sewer Code, (3) Conduct a Public Hearing and consider all testimony regarding said revisions, and (4) Close the Public Hearing and schedule the 2nd reading and adoption for the next regularly scheduled meeting of the Board of Directors on December 5, 2024; a second was made by Vice President Jewell; a roll call vote was taken, and the motion carried 4-0.

2. RESOLUTION 24-31 REVISING BOARD POLICIES #3130 DISTRICT RESERVE POLICY, 3160 BILLING RECONCILIATION AND PAYMENT POLICY, #3350 DEFERRED CAPACITY CHARGES, AND #4041 DELEGATION TO THE GENERAL MANAGER

GM Niederberger presented the proposed revisions to the four board policies. He shared that policies 3130, 3160, and 3350 were being updated to change the term participation fee to capacity charge to be consistent with the revisions proposed for the District Sewer Code. Policy 4041 was being updated to allow the General Manager the authority to author, prepare, and sign letters of

support or opposition to legislation on behalf of the District when the position is consistent with the recommendation of the California Special Districts Association (CSDA) or prior positions of the Board of Directors. No public comments were received.

Vice President Jewell made a motion to approve Resolution 24-31 revising Board Policies #3130, #3160, #3350, and #4041; a second was made by Director Dickinson; a roll call vote was taken, and the motion carried 4-0.

3. RESOLUTION 24-32 AWARDING THE CONSTRUCTION CONTRACT FOR THE SUPERVISORY CONTROL AND DATA ACQUISITION (SCADA) SYSTEMS IMPROVEMENT PROJECT TO TELSTAR INSTRUMENTS

DS Nielsen presented the proposed construction contract awarding the SCADA Systems Improvement Project to Telstar Instruments. He shared that a mandatory pre-bid meeting was held on August 28th and at the request of several of the contractors, the public bid opening was pushed back and held on October 1st to allow greater time to complete and submit bids. One bid was received from Telstar Instruments. The bid amount was 9.5% greater than the engineer's estimate, which wasn't entirely unexpected given the rising cost of work and materials. DS Nielsen went over the bid received, services to be provided, and the basis for staff recommending that the Board award the contract to Telstar Instruments, including Telstar being able to complete the varied phases of the project and the positive reviews they received.

Director Dickinson asked about the process for change orders. DS Nielsen clarified that all change orders will be reported to the Board, but not every change order will need to be taken back to the Board for approval if they are within the parameters set by the Board. He advised that the language is similar to the recommendations contained in previous construction contracts. Director Dickinson also asked if a budget adjustment would be needed. DS Nielsen advised that the funds budgeted for the project in the current fiscal year are anticipated to be adequate, but the amount to be budgeted next year will need to be increased. The total project cost is expected to be approximately \$3.1 million.

Director Dickinson inquired why so few bids had been received. DS Nielsen indicated that the mandatory pre-bid meeting potentially limited the number of bidders, but that it was held to make sure all bidders had a full understanding of the various aspects of the project and was done at the recommendation of the District's consultant. DS Nielsen shared other potentially limiting factors including the scope and nature of the project itself and potential bids from other contractors. A meeting was scheduled with one contractor who chose not to bid to gain feedback for future projects. No public comments were received.

Director Dickinson made a motion finding that, pursuant to Section 15300.4 of the California Environmental Quality Act (CEQA) Guidelines, the SCADA System Improvements Project is categorically exempt and adopting Resolution 24-32 to (1) Award the attached construction contract to Telstar Instruments to construct and integrate the SCADA System Improvements in the amount of \$2,738,000, (2) Execute any change order for an amount up to and including \$50,000, consistent with the existing District Purchasing Policy (3150), and (3) Execute change orders up

to a cumulative amount not to exceed 10% of the awarded construction contract amount (i.e., \$273,800); a second was made by Vice President Jewell; a roll call vote was taken, and the motion carried 4-0.

4. RESOLUTION 24-33 SETTING AN APPEALS FEE

GM Niederberger provided updated information regarding the recommendation to set an appeals fee. He shared that the District Sewer Code is being revised by Ordinance 24-01 presented to the Board earlier, to read that an appeal fee “may” be adopted by Board Resolution from the original language which stated that an appeal fee “shall” be adopted by Board Resolution. He added that while the appeal fee is intended to cover the cost of hearing the appeal, the proposed fees would only be sufficient to cover minor administrative costs. GM Niederberger discussed the findings of the review of other local agencies’ appeals processes. There was no consistent fee or process found; each agency handles appeals differently. He invited the Board to discuss setting an appropriate fee.

Vice President Jewell commented that the fee amount would be nominal and would not cover the staff time involved in auditing or working on the appeal. She shared that she would like the Board to have the ability to refund the fee if they find that the appeal is justified. She asked what an appropriate fee would be to cover staff time, GM Niederberger indicated it would likely have to be in excess of \$1,000; however, staff is recommending a more nominal fee amount.

Director Mitchell commented that his first preference would be no fee. He shared his belief that the appeal process should be used as an opportunity to work with customers to improve processes. His second preference would be to have the ability to refund the appeal fee. Should the appeal process be abused in the future, he would support adding an appeal fee. Director Mitchell commended staff on the good service being provided to customers.

Director Dickinson commented that he believes there needs to be some small fee to deter unfounded or retaliatory appeals. He commented that he doesn’t want a refund to be based on winning an appeal, since the outcome is usually a compromise. He suggested the Board consider refunding the fee at the Board’s discretion.

President Durfee commented that he was initially not in favor of an appeal fee but does support a nominal fee that is less than other local agencies to deter frivolous appeals. He shared support for the inclusion of the Board’s ability to waive or refund a fee. No public comments were received.

Director Dickinson made a motion to approve Resolution 24-33 establishing an Appeals Fee of \$50 in accordance with Chapter 1.15.020 of the Sewer Code and allowing the Board to refund the fee at their discretion; a second was made by Vice President Jewell; a roll call vote was taken, and the motion carried 4-0.

5. EMERGENCY MESSAGING APPLICATION DEMONSTRATION

DS Nielsen presented the District’s new Emergency Messaging Application. He shared that the original emergency notification plan was to utilize a group text message to alert staff to emergent

situations, but the District has decided to instead use the Catapult Emergency Management System, often used in schools, due to the additional features that it provides. This system allows the District to quickly release information, customize the application to District needs, and use preset messaging. DS Nielsen indicated that the system is very cost-effective. He discussed the “WeTip” feature which allows for the anonymous reporting of safety concerns or suggestions, has components for staff to report workplace violence incidents, and allows the District to report as legally required and follow up as necessary. DS Nielsen indicated that the configuration of the system is still ongoing, after configuration is completed, there will be training and then the program will be released to District staff and Board Members.

Director Mitchell asked if this was a separate device and who was responsible for installation; DS Nielsen explained that it was an application to be installed on existing District devices and the District would be responsible for updates and setup, with the assistance of the application team. Director Mitchell asked about communicating through the application, DS Nielsen confirmed that there was a communication portion of the application that is controlled and allows for a streamlined application. Director Mitchell asked about SCADA integration, DS Nielsen confirmed that there is no integration with SCADA.

President Durfee asked if the application triggered a 911 call. DS Nielsen confirmed that it does not and would be used in conjunction with other District safety processes. Ongoing training on the application will be included in the District’s annual safety training.

Vice President Jewell asked about the cost and if the price was dependent on the number of users. DS Nielsen replied that it costs \$1,600 a year and the cost is not dependent on the number of users. Vice President Jewell asked about any existing processes the application would replace. DS Nielsen confirmed that it would replace or supplement the manual submission of safety concerns. Director Mitchell confirmed the price was per year, not per month.

President Durfee asked about the timeframe for implementation, DS Nielsen responded that it is anticipated to be in place within the next month. No public comments were received, and no action was taken.

VII. REPORTS

1. District General Counsel (A. Brown):

General Counsel Brown shared that his report will be covered in closed session.

2. General Manager (H. Niederberger):

A. ASD, FSD & TSD Reports:

GM Niederberger shared that he will be out of the office on several dates in November.

Director Dickinson asked DE Huff about the refund agreement with the City of Rocklin related to the Monument Springs Drive Bridge Project and if the City of Rocklin was in support of the agreement. DE Huff confirmed that they were. GM Niederberger added that this project was

originally a developer-funded project, but the City was involved and very interested in efforts to move the project forward. President Durfee asked where the City's funding was coming from, DE Huff advised that this was an outstanding question she had for the City. Director Dickinson also asked if the City of Rocklin had come to an agreement with the District regarding the Atherton Trunk Project, DE Huff confirmed that the City Council granted the authority to purchase the sewer easements.

Director Mitchell commended staff on performance and work on long-standing projects, including safety. Vice President Jewell asked DE Huff about the variance and snack bar issue with the Little League teams. DE Huff commented that the variance would allow each league to proceed without a grease control device and associated fees, as long as they adhere to best practices. No friers would be allowed, but other appliances that don't require grease mitigation through the sewer would be allowed. The District is still waiting for submittal of best practices plans, but the District plans to work with each league individually to meet their needs. Director Mitchell asked about the documentation of these plans, DE Huff explained the approval of the best practices plans through the Fat's, Oils, and Greases (FOG) permitting process, at no cost to the leagues.

B. Information Items:

GM Niederberger spoke about moving the January Board Meeting from January 2, 2025, to January 9, 2025, given the proximity to the January 1, 2025, holiday. President Durfee suggested a query be sent to new Board Members as well, given that this meeting would be the swearing-in meeting.

3. Director's Comments:

Director Dickinson suggested the new board members meet with the Board President or Vice President to find out about the new members' interests prior to advisory committee assignments. Director Mitchell spoke about the experience of some of the potential incoming Board Members. Vice President Jewell agreed with the suggestion of a meeting with new members. GM Niederberger spoke about the fact that the election has not yet been finalized and the new Board Member orientation with District staff.

VIII. CLOSED SESSION READOUT

The Board met in Closed Session at 3:30 p.m. to discuss pending litigation. No action was taken. The Board adjourned the closed session at 3:44 p.m.

IX. ADJOURNMENT

The President adjourned the meeting at 3:45 p.m. to the next regular meeting to be held on November 7, 2024, at 4:30 p.m.



Emilie Costan, Board Secretary

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

| Meeting | Location | Date | Time |
|----------------|---------------------------------|------------------|-------------|
| Regular | SPMUD Boardroom Zoom Meeting | November 7, 2024 | 4:29 p.m. |

I. CALL MEETING TO ORDER: A Regular Meeting of the South Placer Municipal Utility District Board of Directors was called to order with President Durfee presiding at 4:29 p.m.

II. ROLL CALL OF DIRECTORS:

Present: Director Will Dickinson, Director Christy Jewell, Director James Durfee, Director Jerry Mitchell

Absent: Director James Williams

Vacant: None

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

III. PLEDGE OF ALLEGIANCE: DS Nielsen led the Pledge of Allegiance.

IV. PUBLIC COMMENTS:

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

V. BOARD BUSINESS

1. RESOLUTION 24-34 GENERAL MANAGER EMPLOYMENT AGREEMENT

GM Niederberger presented the resolution to approve the General Manager Employment Agreement with Eric Nielsen. President Durfee asked GC Brown if he had any additional information to add. GC Brown shared that he worked with the Personnel Advisory Committee, the Board, and Eric throughout the process without issue. The Board Members shared that a lot of work occurred related to the recruitment and leading up to the approval of an employment agreement.

Director Dickinson made a motion to adopt Resolution 24-34 authorizing (1) The Board President to sign the General Manager’s employment agreement for a period of five (5) years commencing December 1, 2024, and (2) A Budget Amendment to allow the position of General Manager to be double-filled for a period not to exceed thirty-one (31) calendar days to allow for a brief overlap in time between the current and new General Manager; a second was made by Vice President Jewell; a roll call vote was taken, and the motion carried 4-0.

Regular Board Meeting

November 7, 2024

Page | 2

VI. ADJOURNMENT

The President adjourned the meeting at 4:33 p.m. to the next regular meeting to be held on December 5, 2024, at 4:30 p.m.



Emilie Costan, Board Secretary

Item 5.4



South Placer M.U.D.

Check Report

By Check Number

Date Range: 10/30/2024 - 11/22/2024

| Vendor Number | Vendor Name | Payment Date | Payment Type | Discount Amount | Payment Amount | Number |
|-----------------------------------|--|--------------|--------------|-----------------|----------------|------------|
| Bank Code: AP Bank-AP Bank | | | | | | |
| 1652 | Cintas Corporation | 10/31/2024 | Regular | 0.00 | 569.08 | 17577 |
| 1775 | CPS HR Consulting | 10/31/2024 | Regular | 0.00 | 5,584.95 | 17578 |
| 1591 | Eric Orlando | 10/31/2024 | Regular | 0.00 | 79.86 | 17579 |
| 1564 | Jensen Landscape Services, LLC | 10/31/2024 | Regular | 0.00 | 1,017.00 | 17580 |
| 1764 | Network Design Associates, Inc. | 10/31/2024 | Regular | 0.00 | 11,223.80 | 17581 |
| 1217 | Owen Equipment | 10/31/2024 | Regular | 0.00 | 897.00 | 17582 |
| 1221 | PG&E | 10/31/2024 | Regular | 0.00 | 8,824.97 | 17583 |
| 1850 | WYJO Services Corp | 10/31/2024 | Regular | 0.00 | 660.80 | 17584 |
| 1327 | US Bank Corporate Payment | 11/05/2024 | Regular | 0.00 | 16,101.02 | 17585 |
| | **Void** | 11/05/2024 | Regular | 0.00 | 0.00 | 17586 |
| | **Void** | 11/05/2024 | Regular | 0.00 | 0.00 | 17587 |
| | **Void** | 11/05/2024 | Regular | 0.00 | 0.00 | 17588 |
| 1652 | Cintas Corporation | 11/07/2024 | Regular | 0.00 | 582.54 | 17589 |
| 1751 | Comprehensive Medical Inc. | 11/07/2024 | Regular | 0.00 | 125.00 | 17590 |
| 1509 | Crystal Communications | 11/07/2024 | Regular | 0.00 | 311.64 | 17591 |
| 1086 | Dataprose | 11/07/2024 | Regular | 0.00 | 6,766.73 | 17592 |
| 1087 | Dawson Oil Co. | 11/07/2024 | Regular | 0.00 | 5,692.40 | 17593 |
| 1221 | PG&E | 11/07/2024 | Regular | 0.00 | 321.06 | 17594 |
| 1685 | Streamline | 11/07/2024 | Regular | 0.00 | 497.00 | 17595 |
| 1878 | Universal Building Services & Supply Co. | 11/07/2024 | Regular | 0.00 | 1,296.00 | 17596 |
| 1240 | Placer County Personnel | 11/14/2024 | Regular | 0.00 | 3,609.24 | 17621 |
| 1021 | ARC | 11/18/2024 | Regular | 0.00 | 125.70 | 17622 |
| 248 | AT&T | 11/18/2024 | Regular | 0.00 | 8.86 | 17623 |
| 1022 | AT&T CalNet | 11/18/2024 | Regular | 0.00 | 494.51 | 17624 |
| 1759 | Bender Rosenthal Inc. | 11/18/2024 | Regular | 0.00 | 47.50 | 17625 |
| 1652 | Cintas Corporation | 11/18/2024 | Regular | 0.00 | 606.70 | 17626 |
| 1131 | Granite Business Printing | 11/18/2024 | Regular | 0.00 | 200.56 | 17627 |
| 1666 | Great America Financial Services | 11/18/2024 | Regular | 0.00 | 622.92 | 17628 |
| 1139 | Hill Rivkins Brown & Associates | 11/18/2024 | Regular | 0.00 | 12,220.00 | 17629 |
| 1764 | Network Design Associates, Inc. | 11/18/2024 | Regular | 0.00 | 1,240.00 | 17630 |
| 1218 | PCWA | 11/18/2024 | Regular | 0.00 | 612.96 | 17631 |
| 1475 | Petersen & Mapes, LLP | 11/18/2024 | Regular | 0.00 | 756.00 | 17632 |
| 1333 | SPOK, Inc. | 11/18/2024 | Regular | 0.00 | 30.92 | 17633 |
| 1848 | Uborra Engineering & Planning | 11/18/2024 | Regular | 0.00 | 1,000.00 | 17634 |
| 1007 | Advanced Integrated Pest | 11/20/2024 | Regular | 0.00 | 122.00 | 17635 |
| 1881 | B&M Builders Inc | 11/20/2024 | Regular | 0.00 | 26,817.12 | 17636 |
| 1828 | Carollo Engineers, Inc | 11/20/2024 | Regular | 0.00 | 23,512.75 | 17637 |
| 1886 | Centegix | 11/20/2024 | Regular | 0.00 | 1,349.50 | 17638 |
| 1652 | Cintas Corporation | 11/20/2024 | Regular | 0.00 | 570.25 | 17639 |
| 1068 | City of Roseville | 11/20/2024 | Regular | 0.00 | 205,842.00 | 17640 |
| 1073 | Consolidated Communications | 11/20/2024 | Regular | 0.00 | 1,718.26 | 17641 |
| 1843 | LaFleur Engineering Inc | 11/20/2024 | Regular | 0.00 | 312,984.61 | 17642 |
| 1217 | Owen Equipment | 11/20/2024 | Regular | 0.00 | 26,716.79 | 17643 |
| 1224 | Paramount Awards | 11/20/2024 | Regular | 0.00 | 440.27 | 17644 |
| 1518 | Sonitrol of Sacramento | 11/20/2024 | Regular | 0.00 | 1,508.36 | 17645 |
| 1325 | Tyler Technologies, Inc. | 11/20/2024 | Regular | 0.00 | 250.00 | 17646 |
| 1338 | Verizon Wireless | 11/20/2024 | Regular | 0.00 | 1,306.76 | 17647 |
| 1586 | Principal Life Insurance Company | 11/01/2024 | Bank Draft | 0.00 | 583.78 | DFT0009489 |
| 1230 | Pers (EFT) | 11/01/2024 | Bank Draft | 0.00 | 7,498.48 | DFT0009490 |
| 1230 | Pers (EFT) | 11/01/2024 | Bank Draft | 0.00 | 37,587.89 | DFT0009491 |
| 1230 | Pers (EFT) | 11/01/2024 | Bank Draft | 0.00 | 10,065.30 | DFT0009492 |
| 1230 | Pers (EFT) | 11/01/2024 | Bank Draft | 0.00 | 132.36 | DFT0009493 |
| 1230 | Pers (EFT) | 11/01/2024 | Bank Draft | 0.00 | 3,925.00 | DFT0009494 |
| 1230 | Pers (EFT) | 11/01/2024 | Bank Draft | 0.00 | 81.14 | DFT0009495 |

Check Report

Date Range: 10/30/2024 - 11/22/2024

| Vendor Number | Vendor Name | Payment Date | Payment Type | Discount Amount | Payment Amount | Number |
|---------------|-----------------------------|--------------|--------------|-----------------|----------------|------------|
| 1015 | American Fidelity Assurance | 11/01/2024 | Bank Draft | 0.00 | 323.14 | DFT0009496 |
| 1045 | Cal Pers 457 Plan (EFT) | 11/08/2024 | Bank Draft | 0.00 | 4,940.00 | DFT0009498 |
| 1045 | Cal Pers 457 Plan (EFT) | 11/08/2024 | Bank Draft | 0.00 | 500.00 | DFT0009499 |
| 1135 | Empower (EFT) | 11/08/2024 | Bank Draft | 0.00 | 225.00 | DFT0009501 |
| 1135 | Empower (EFT) | 11/08/2024 | Bank Draft | 0.00 | 5,091.00 | DFT0009502 |
| 1135 | Empower (EFT) | 11/08/2024 | Bank Draft | 0.00 | 691.56 | DFT0009503 |
| 1042 | CA State Disbursement (EF | 11/08/2024 | Bank Draft | 0.00 | 510.46 | DFT0009504 |
| 1015 | American Fidelity Assurance | 11/08/2024 | Bank Draft | 0.00 | 455.81 | DFT0009505 |
| 1229 | Pers (EFT) | 11/08/2024 | Bank Draft | 0.00 | 49.13 | DFT0009506 |
| 1229 | Pers (EFT) | 11/08/2024 | Bank Draft | 0.00 | 1,020.59 | DFT0009507 |
| 1229 | Pers (EFT) | 11/08/2024 | Bank Draft | 0.00 | 2,043.74 | DFT0009508 |
| 1229 | Pers (EFT) | 11/08/2024 | Bank Draft | 0.00 | 2,415.84 | DFT0009509 |
| 1229 | Pers (EFT) | 11/08/2024 | Bank Draft | 0.00 | 4,100.05 | DFT0009510 |
| 1229 | Pers (EFT) | 11/08/2024 | Bank Draft | 0.00 | 4,834.52 | DFT0009511 |
| 1229 | Pers (EFT) | 11/08/2024 | Bank Draft | 0.00 | 4,909.38 | DFT0009512 |
| 1149 | Internal Revenue Service | 11/08/2024 | Bank Draft | 0.00 | 13,446.58 | DFT0009513 |
| 1098 | EDD (EFT) | 11/08/2024 | Bank Draft | 0.00 | 4,259.57 | DFT0009514 |
| 1098 | EDD (EFT) | 11/08/2024 | Bank Draft | 0.00 | 1,269.16 | DFT0009515 |
| 1149 | Internal Revenue Service | 11/08/2024 | Bank Draft | 0.00 | 3,504.03 | DFT0009516 |
| 1149 | Internal Revenue Service | 11/08/2024 | Bank Draft | 0.00 | 10,463.38 | DFT0009517 |
| 1098 | EDD (EFT) | 11/07/2024 | Bank Draft | 0.00 | 661.00 | DFT0009518 |
| 1645 | Aspire Retirement Solutions | 11/08/2024 | Bank Draft | 0.00 | 11,726.00 | DFT0009523 |
| 1045 | Cal Pers 457 Plan (EFT) | 11/22/2024 | Bank Draft | 0.00 | 4,940.00 | DFT0009524 |
| 1045 | Cal Pers 457 Plan (EFT) | 11/22/2024 | Bank Draft | 0.00 | 500.00 | DFT0009525 |
| 1135 | Empower (EFT) | 11/22/2024 | Bank Draft | 0.00 | 225.00 | DFT0009527 |
| 1135 | Empower (EFT) | 11/22/2024 | Bank Draft | 0.00 | 5,091.00 | DFT0009528 |
| 1135 | Empower (EFT) | 11/22/2024 | Bank Draft | 0.00 | 691.56 | DFT0009529 |
| 1042 | CA State Disbursement (EF | 11/22/2024 | Bank Draft | 0.00 | 510.46 | DFT0009530 |
| 1015 | American Fidelity Assurance | 11/22/2024 | Bank Draft | 0.00 | 455.81 | DFT0009531 |
| 1229 | Pers (EFT) | 11/22/2024 | Bank Draft | 0.00 | 49.13 | DFT0009532 |
| 1229 | Pers (EFT) | 11/22/2024 | Bank Draft | 0.00 | 1,020.59 | DFT0009533 |
| 1229 | Pers (EFT) | 11/22/2024 | Bank Draft | 0.00 | 2,043.73 | DFT0009534 |
| 1229 | Pers (EFT) | 11/22/2024 | Bank Draft | 0.00 | 2,415.84 | DFT0009535 |
| 1229 | Pers (EFT) | 11/22/2024 | Bank Draft | 0.00 | 4,100.04 | DFT0009536 |
| 1229 | Pers (EFT) | 11/22/2024 | Bank Draft | 0.00 | 4,593.16 | DFT0009537 |
| 1229 | Pers (EFT) | 11/22/2024 | Bank Draft | 0.00 | 4,664.28 | DFT0009538 |
| 1149 | Internal Revenue Service | 11/22/2024 | Bank Draft | 0.00 | 12,908.50 | DFT0009539 |
| 1098 | EDD (EFT) | 11/22/2024 | Bank Draft | 0.00 | 4,241.69 | DFT0009540 |
| 1098 | EDD (EFT) | 11/22/2024 | Bank Draft | 0.00 | 1,281.82 | DFT0009541 |
| 1149 | Internal Revenue Service | 11/22/2024 | Bank Draft | 0.00 | 3,595.48 | DFT0009542 |
| 1149 | Internal Revenue Service | 11/22/2024 | Bank Draft | 0.00 | 10,356.05 | DFT0009543 |

Bank Code AP Bank Summary

| Payment Type | Payable Count | Payment Count | Discount | Payment |
|----------------|---------------|---------------|-------------|-------------------|
| Regular Checks | 69 | 44 | 0.00 | 685,265.39 |
| Manual Checks | 0 | 0 | 0.00 | 0.00 |
| Voided Checks | 0 | 3 | 0.00 | 0.00 |
| Bank Drafts | 48 | 48 | 0.00 | 200,998.03 |
| EFT's | 0 | 0 | 0.00 | 0.00 |
| Total | 117 | 95 | 0.00 | 886,263.42 |

Check Report

Date Range: 10/30/2024 - 11/22/2024

| Vendor Number | Vendor Name | Payment Date | Payment Type | Discount Amount | Payment Amount | Number |
|---------------|-----------------------------|--------------|--------------|-----------------|----------------|------------|
| 1645 | Aspire Retirement Solutions | 11/08/2024 | Bank Draft | 0.00 | 1,042.60 | DFT0009500 |
| 1645 | Aspire Retirement Solutions | 11/22/2024 | Bank Draft | 0.00 | 1,042.60 | DFT0009526 |

Bank Code PY Bank Summary

| Payment Type | Payable Count | Payment Count | Discount | Payment |
|----------------|---------------|---------------|-------------|-----------------|
| Regular Checks | 0 | 0 | 0.00 | 0.00 |
| Manual Checks | 0 | 0 | 0.00 | 0.00 |
| Voided Checks | 0 | 0 | 0.00 | 0.00 |
| Bank Drafts | 2 | 2 | 0.00 | 2,085.20 |
| EFT's | 0 | 0 | 0.00 | 0.00 |
| | 2 | 2 | 0.00 | 2,085.20 |

All Bank Codes Check Summary

| Payment Type | Payable Count | Payment Count | Discount | Payment |
|----------------|---------------|---------------|-------------|-------------------|
| Regular Checks | 69 | 44 | 0.00 | 685,265.39 |
| Manual Checks | 0 | 0 | 0.00 | 0.00 |
| Voided Checks | 0 | 3 | 0.00 | 0.00 |
| Bank Drafts | 50 | 50 | 0.00 | 203,083.23 |
| EFT's | 0 | 0 | 0.00 | 0.00 |
| | 119 | 97 | 0.00 | 888,348.62 |

Fund Summary

| Fund | Name | Period | Amount |
|------|--------------|---------|-------------------|
| 100 | GENERAL FUND | 10/2024 | 28,857.46 |
| 100 | GENERAL FUND | 11/2024 | 859,491.16 |
| | | | 888,348.62 |

| Account Number | Name | Date | Type | Amount | Reference |
|----------------|--------------------------------|------------|----------------------|--------------------|----------------|
| 102-0000979-02 | Jex, Brent and Faye | 11/13/2024 | Refund | \$ 124.01 | Check #: 17597 |
| 102-0001700-01 | Jackson, Roger and Cynthia | 11/13/2024 | Refund | \$ 116.55 | Check #: 17598 |
| 102-0001726-01 | Meyer, Anthony W | 11/13/2024 | Refund | \$ 601.97 | Check #: 17599 |
| 102-0001814-03 | 1-844-Exit-As-Is Inc | 11/13/2024 | Refund | \$ 109.69 | Check #: 17600 |
| 102-0001979-03 | Astle, Emily | 11/13/2024 | Refund | \$ 418.11 | Check #: 17601 |
| 102-0002520-02 | Ganschow, Michael W | 11/13/2024 | Refund | \$ 66.18 | Check #: 17602 |
| 102-0003451-01 | Verselle, Richard C | 11/13/2024 | Refund | \$ 111.35 | Check #: 17603 |
| 102-0007525-02 | Sohal, Paul and Nikki | 11/13/2024 | Refund | \$ 130.32 | Check #: 17604 |
| 102-0009408-03 | Evans, Malerie and Michael | 11/13/2024 | Refund | \$ 49.00 | Check #: 17605 |
| 102-0009461-03 | Bingenheimer, David | 11/13/2024 | Refund | \$ 114.55 | Check #: 17606 |
| 102-0009617-02 | Bedrossian, Berge and Jennifer | 11/13/2024 | Refund | \$ 117.12 | Check #: 17607 |
| 102-0010667-01 | Friis, Doris | 11/13/2024 | Refund | \$ 21.28 | Check #: 17608 |
| 103-0004080-02 | Baumgardner, John and Trista | 11/13/2024 | Refund | \$ 116.00 | Check #: 17609 |
| 106-0014881-01 | Lachini, Ronald A | 11/13/2024 | Refund | \$ 10.00 | Check #: 17610 |
| 112-1021241-01 | Westerson, Steven | 11/13/2024 | Refund | \$ 117.58 | Check #: 17611 |
| 112-1026502-01 | Kelly, David and Casandra | 11/13/2024 | Refund | \$ 791.97 | Check #: 17612 |
| 112-1027412-03 | Fields, Eva P | 11/13/2024 | Refund | \$ 242.10 | Check #: 17613 |
| 112-1028184-02 | Pagan, Sylvia | 11/13/2024 | Refund | \$ 100.00 | Check #: 17614 |
| 112-1030291-00 | Tim Lewis Communities | 11/13/2024 | Refund | \$ 117.51 | Check #: 17615 |
| 112-1030324-00 | Tim Lewis Communities | 11/13/2024 | Refund | \$ 116.82 | Check #: 17616 |
| 112-1030359-00 | Tim Lewis Communities | 11/13/2024 | Refund | \$ 116.82 | Check #: 17617 |
| 112-1030387-00 | Tower Group Holdings LLC | 11/13/2024 | Refund | \$ 117.66 | Check #: 17618 |
| 113-1026544-00 | LP, Taylor Village 2018 | 11/13/2024 | Refund | \$ 37.44 | Check #: 17619 |
| 212-1025382-02 | Rocklin Road LLC | 11/13/2024 | Refund | \$ 1,268.07 | Check #: 17620 |
| | | | TOTAL REFUNDS | \$ 5,132.10 | |

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
STAFF REPORT**

To: Board of Directors

From: Eric Nielsen, District Superintendent

Cc: Herb Niederberger, General Manager

Subject: Resolution 24-35 Notice of Completion for the
Emergency Replacement of Sewer Main I07-119

Meeting Date: December 5, 2024

Overview

The Sewer Main I07-119 Emergency Replacement Project included the removal and replacement of approximately 200 linear feet of 18-inch trunk sewer main and one manhole. The District awarded the Sewer Main I07-119 Emergency Replacement Project in October to Lafleur Excavating, Inc. and the project was substantially complete on November 8th, 2024. The original contract price was \$310,710.00. There was one change order for \$2,274.61 for added overnight security and additional vegetation removal. The project is ready for District acceptance.

A Notice of Completion has been prepared for the project with the assistance of District Legal Counsel. Once executed, the Notice of Completion will be filed at the Placer County Recorder's Office.

Recommendation

Staff recommends that the Board of Directors:

1. Accept the improvements constructed as the Sewer Main I07-119 Emergency Replacement Project.
2. Adopt Resolution 24-35 authorizing the General Manager to execute the Notice of Completion for the Sewer Main I07-119 Emergency Replacement Project.

Strategic Plan Priorities

This action is consistent with the SPMUD Mission:

Protecting public health and the water environment

This action is consistent with SPMUD Core Values:

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

Attachments:

1. 24-35 Resolution of Acceptance of the Sewer Main I07-119 Emergency Replacement Project
2. Notice of Completion – Sewer Main I07-119 Emergency Replacement Project

SOUTH PLACER MUNICIPAL UTILITY DISTRICT
RESOLUTION NO. 24-35
ACCEPTANCE OF THE SEWER MAIN I07-119
EMERGENCY REPLACEMENT PROJECT

WHEREAS, the South Placer Municipal Utility District (SPMUD) Board of Directors awarded the Sewer Main I07-119 Emergency Replacement Project (Project) construction contract in October of 2024 to Lafleur Excavating, Inc.; and

WHEREAS, Lafleur Excavating, Inc. constructed the Project per SPMUD standards and met the requirements of the contract documents for Project improvements.

NOW, THEREFORE BE IT RESOLVED, that the Board of Directors of the South Placer Municipal Utility District authorize the General Manager to execute the Notice of Completion for the Sewer Main I07-119 Emergency Replacement Project.

PASSED and ADOPTED at a Regular Meeting of the South Placer Municipal Utility District Board of Directors at Rocklin, CA this 5th day of December 2024.

Signed: _____
James Durfee, President of the Board of Directors

Attest: _____
Emilie Costan, Board Secretary

Recording Requested By
And Return To:

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

No Fee per Government
Code § 6103 and 27383

NOTICE OF COMPLETION

Notice is given by the SOUTH PLACER MUNICIPAL DISTRICT (the “District”), a public agency, 5807 Springview Drive, Rocklin California 95677, that the work known as SOUTH PLACER MUNICIPAL UTILITY DISTRICT/ Sewer Main I07-119 Emergency Replacement Project (near 5757 Shannon Bay Dr, Rocklin, CA) was considered by the District to be completed on the 8th day of November, 2023. The undersigned caused the work to be performed and the contract was made with Lafleur Excavating, Inc. (1588 Bedell Court Unit B Roseville, CA 95747), to construct approximately two hundred lineal feet of 18-inch trunk sewer and one sewer manhole. The surety for said Contractor is One Republic Surety Company (18500 W Corporate Drive, Suite 170, Brookfield, WI 53045) Said work is situated in the City of Rocklin, Placer County, State of California.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed at Rocklin, California, this 5th day of December 2024.

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

Herb Niederberger, General Manager

[Attach notary acknowledgment]

PROOF OF SERVICE DECLARATION

I, Eric Nielsen, declare that I served copies of the above NOTICE OF COMPLETION,

- a) By personally delivering copies to _____ at _____ on _____, _____, at _____, _____AM/PM.
- b) By Registered or Certified Mail, Express Mail or Overnight Delivery by an express service carrier, addressed to each of the parties at the address shown above on December 6, 2023.
- c) By leaving the notice and mailing a copy in the manner provided in § 415.20 of the California Code of Civil Procedure for service of Summon and Complaint in a Civil Action.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed at Rocklin, California, this 6th day of December 2024.

Signature of Person Making Service

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
STAFF REPORT**

To: Board of Directors

From: Herb Niederberger, General Manager

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

Subject: Adopt Ordinance No. 24-01 - An Ordinance Revising the District Sewer Code

Meeting Date: December 5, 2024

Overview

On November 7, 2024, the South Placer Municipal Utility District (District) Board of Directors: 1) Introduced the attached Ordinance No. 24-01 – An Ordinance Revising District Sewer Code, and 2) Conducted a public hearing for Ordinance 24-01, and 3) Following said public hearing and board deliberation, scheduled the adoption of Ordinance 24-01 for the meeting of the Board of Directors on December 5, 2024, such that the Ordinance will become effective on January 4, 2025.

Recommendation

1. Waive the second reading of Ordinance 24-01; and
2. Adopt Ordinance No. 24-01– An Ordinance Revising the District Sewer Code

Strategic Plan Priorities

- Maintain an excellent regulatory compliance record
- Prepare for the future and foreseeable emergencies
- Leverage existing and applicable technologies to improve efficiencies
- Provide exceptional value for the cost of sewer service

Related District Ordinances or Policies

District Sewer Code

Fiscal Impact

There is no direct fiscal impact associated with the adoption of this Ordinance.

Attachments

1. Ordinance No. 24-01 – An Ordinance Revising the District Sewer Code
2. Chapter 1 – Final
3. Chapter 2 – Final
4. Chapter 3 – Final
5. Chapter 4 – Final
6. Chapter 5 – Final
7. Appendix A – Final

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

ORDINANCE NO. 24-01

AN ORDINANCE REVISING THE DISTRICT SEWER CODE

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

SECTION 1

WHEREAS, the South Placer Municipal Utility District was formed and organized under the Municipal Utility District Act (the “MUD Act”) of the State of California (California Public Utilities Code Section 11501 et seq.), and is responsible for the collection and treatment of wastewater within its service area; and

WHEREAS, on May 3, 2018, the District adopted Ordinance 18-01 creating the South Placer Municipal Utility District Sewer Code (the “Sewer Code”). The Sewer Code compiled the District’s ordinances into one document and reference location, making the laws of the District more accessible, readable, and understandable to those persons governed by such laws, and by those persons administering such laws on behalf of the District; and

WHEREAS, from time to time, the District can modify the Sewer Code and incorporate such changes by subsequent Ordinance; and

WHEREAS, in the efforts of standardizing language and definitions, applying more consistent formatting and organization, adding additional and qualifying language regarding charges, easements, and encroachments, and updating reimbursement agreement term lengths, the District has made revisions

to all Chapters of the Sewer Code and has created Appendix A – Definitions; and

WHEREAS, the Policy and Ordinance Advisory Committee met on October 10, 2024, to discuss the proposed changes to the Sewer Code and recommended that the revisions be incorporated into an ordinance to be brought before the Board of Directors for consideration; and

WHEREAS, on November 7, 2024, and December 5, 2024, the Board conducted hearings on this ordinance to consider public testimony prior to its adoption.

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

SECTION 2

The Sewer Code is hereby amended in accordance with the Attachment hereto.

SECTION 3

This Ordinance shall go into effect on January 4, 2025.

SECTION 4

This Ordinance was introduced at a meeting of the Board of Directors held on the 7th Day of November 2024.

SECTION 5

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

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the South Placer Municipal Utility District on this 5th day of December 2024 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

Signed: _____

James Durfee, President of the Board of Directors

ATTEST:

Emilie Costan, Board Secretary

South Placer Municipal Utility District Code

CHAPTER 1 GENERAL PROVISIONS

| | |
|---|----------|
| CHAPTER 1.00 GENERAL | 3 |
| CHAPTER 1.01 DEFINITIONS | 3 |
| CHAPTER 1.05 CODE ADOPTION..... | 3 |
| 1.05.010 Code Adopted - Effective Day | 3 |
| 1.05.015 Purpose of Codification | 3 |
| 1.05.020 Title - Citation - Reference..... | 3 |
| 1.05.030 Repeal..... | 4 |
| 1.05.040 Continuity of Provisions..... | 4 |
| 1.05.050 Actions and Proceedings Continued | 4 |
| 1.05.060 Licenses and Permits Continued..... | 4 |
| 1.05.070 Reference | 4 |
| 1.05.080 Delegation..... | 4 |
| 1.05.090 Interpretation..... | 4 |
| 1.05.100 Applicability of Chapter..... | 5 |
| 1.05.110 Title, Chapter, and Section Headings | 5 |
| 1.05.130 Severability..... | 5 |
| 1.05.140 Application to Government Agencies..... | 5 |
| 1.05.150 Time of Day | 5 |
| 1.05.160 Liability..... | 5 |
| CHAPTER 1.10 JUDICIAL REVIEW OF DISTRICT DECISIONS | 5 |
| 1.10.010 State Law Applicable..... | 6 |
| 1.10.020 Judicial Review - 90-Day Limit..... | 6 |
| 1.10.030 Record Preparation - Costs..... | 6 |
| 1.10.040 Notice..... | 7 |
| CHAPTER 1.15 ADMINISTRATION..... | 7 |
| 1.15.010 Appeals..... | 7 |
| 1.15.020 Appeal Fee | 7 |
| 1.15.030 Appeal Hearings | 7 |

| | |
|--|-----------|
| 1.15.040 Actions on Appeals | 8 |
| 1.15.050 Notices | 8 |
| 1.15.060 Changes in Construction Contracts | 9 |
| CHAPTER 1.20 VOTING BY THE BOARD OF DIRECTORS | 9 |
| 1.20.010 Voting by the Board of Directors | 9 |
| CHAPTER 1.25 ENFORCEMENT | 10 |
| 1.25.005 Responsibility | 10 |
| 1.25.010 Violations | 10 |
| 1.25.020 Administrative Penalty | 10 |
| 1.25.030 Administrative Penalty Amounts | 11 |

CHAPTER 1 GENERAL PROVISIONS

CHAPTER 1.00 GENERAL

- A. This chapter in whole or in part is based on excerpts from Ordinances 09-01, 09-02, 15-01, 15-03, 17-01 and 17-03 adopted by the Board of Directors, and shall govern the use of public and private sewers and shall establish the rules and regulations for service and services rendered by the District.

CHAPTER 1.01 DEFINITIONS

- A. Appendix A of this Code, titled "Definitions" shall give meaning to the words and phrases as used in this Code, or any Chapter of this Code.

CHAPTER 1.05 CODE ADOPTION

1.05.010 Code Adopted - Effective Day

- A. This Code, as compiled from the ordinances of the South Placer Municipal Utility District, is the official code of the District. This Code shall take effect on the first day of the month following adoption. This Code shall be applicable and controlling with respect to all subjects included in this Code in lieu of all ordinances that are superseded and replaced by this Code. Three (3) copies of this Code shall be permanently retained on file with the Secretary of the Board of Directors for use and examination by the public.

1.05.015 Purpose of Codification

- A. The purpose of this Code is to compile in one document and place, the ordinances of the South Placer Municipal Utility District. Such compilation will make the laws of the District more accessible, readable and understandable to those persons governed by such laws, and by those persons administering such laws.

1.05.020 Title - Citation - Reference

- A. This Code shall be known as the "South Placer Municipal Utility District Sewer Code." It shall be sufficient to refer to this Code as the "South Placer Municipal Utility District Code" in any prosecution for violation of any provision of this Code in any proceeding at law or equity. It shall be sufficient to designate any ordinance adding to, amending, correcting, or repealing all/or any part of this Code as an addition to, amendment to, correction of, or repeal of the "South

Placer Municipal Utility District Code." References to this Code may be to the titles, chapters, sections, and subsections of the "South Placer Municipal Utility District Code" and such reference shall apply to that numbered title, chapter, section, or subsection as it appears in this Code.

1.05.030 Repeal

- A. This Code consists of all ordinances of the South Placer Municipal Utility District and the following ordinances are hereby repealed as of the effective date of this Code: Ordinances 09-01, 09-02, 15-01, 15-03, 17-01 and 17-04.

1.05.040 Continuity of Provisions

- A. The provisions of this Code, insofar as they are substantially the same as previously existing ordinance provisions relating to the same subject matter, shall be construed as restatements and continuations thereof and not as new enactments.

1.05.050 Actions and Proceedings Continued

- A. No actions or proceedings commenced before this Code takes effect, and no right accrued, is affected by the provisions of this Code, but all procedures thereafter taken shall conform to the provisions of this Code so far as possible.

1.05.060 Licenses and Permits Continued

- A. Any rights given by license, permit, or certificate under any ordinance repealed by this Code are not affected by the enactment of this Code or by such repeal; but such rights shall hereafter be exercised according to this Code.

1.05.070 Reference

- A. Whenever reference is made to any portion of this Code or of any other laws of the State or District, the reference applies to all amendments and additions now or hereafter made.

1.05.080 Delegation

- A. Whenever, by this Code, a power is granted to a public officer or a duty is imposed upon a public officer, the power may be exercised, or the duty performed by a deputy of the officer or by a person authorized pursuant to law by the officer unless expressly provided otherwise by this Code.

1.05.090 Interpretation

- A. In their interpretation and application, the provisions of this Code shall be held to be minimum requirements and shall be liberally construed in favor of the

governing body and shall not be deemed a limitation or repeal of any other powers granted by State statutes.

1.05.100 Applicability of Chapter

- A. Unless the provision or the context otherwise requires, the general provisions, rules of construction, and definitions set forth in this chapter shall govern the construction of this Code.

1.05.110 Title, Chapter, and Section Headings

- A. Title, chapter, and section headings do not govern, limit, modify, or in any way affect the scope, meaning, or intent of the provisions of any title, chapter, or section.

1.05.130 Severability

- A. If any title, chapter, section, subdivision, sentence, clause, phrase, or provision of this Code, or the application thereof, to any person or circumstances, is held to be unconstitutional or invalid by a court of competent jurisdiction, the remainder of this Code or the application of such provisions to other persons or circumstances shall not be affected thereby.

1.05.140 Application to Government Agencies

- A. The provisions of this Code shall apply to all government agencies, their officers, employees, or agents, to the extent authorized by law.

1.05.150 Time of Day

- A. Whenever a certain hour or time of day is specified in this Code, such hour or time shall be Pacific Standard Time or Pacific Daylight Savings Time, whichever is in current use in the District.

1.05.160 Liability

- A. No provision of this Code shall be construed as imposing upon the District any liability or responsibility for personal injury or property damage resulting from any activity or condition, that arises or exists by virtue of any provision or requirement of this Code, including construction, installation, or repair of any facility, equipment or property, or from any defect therein; nor shall the District or any officer or employee thereof be held as assuming any liability or responsibility by reason of any inspection authorized herein.

CHAPTER 1.10 JUDICIAL REVIEW OF DISTRICT DECISIONS

1.10.010 State Law Applicable

- A. Pursuant to the provisions of Section 1094.6 of the Code of Civil Procedure, the provisions of said section are made applicable to the decisions of the Board of Directors of the South Placer Municipal Utility District, and to the decisions of all other commissions, boards, officers, and agents of the South Placer Municipal Utility District, except where a limitation of actions is otherwise provided by this Code.

1.10.020 Judicial Review - 90-Day Limit

- A. Judicial review of any decision subject to the provisions of this Chapter and the Code of Civil Procedure Section 1094.6 may be had only if the Petition for Judicial Review is filed within ninety (90) days after the decision becomes final; provided, that pursuant to the provisions of Section 1094.6(d) of the Code of Civil Procedure, if the petitioner files a request for the record within ten (10) days after the date the decision becomes final, the time within which a petition for judicial review may be filed shall be extended to not later than the thirtieth (30th) day following the date on which the record is either personally delivered or mailed to the petitioner or their attorney of record, if they have one.

1.10.030 Record Preparation - Costs

- A. As provided in the Code of Civil Procedure Section 1094.6, any person who requests preparation of the administrative record shall be responsible for the payment of the actual costs of transcribing or otherwise preparing the record. Actual costs shall include, but not be limited to: the salary and fringe benefit rates of pay by the District or District personnel for time consumed in typing a transcript and reproducing, assembling, and compiling the transcript and exhibits; the unit cost (including pro-rated rental) of equipment utilized in reproduction; the cost of materials and supplies; and the cost to the District of having a transcript typed when testimony has been recorded by a court reporter. Each board, commission, officer, employee, or agent whose decision will be subject to the limitations established by this Chapter, may, from time to time, by resolution in the case of such boards and commissions and by written order in the case of such officers, employees, and agents, determine and promulgate unit costs of preparing the record.
- B. Before commencing preparation of a transcript or other record, the officer or employee responsible for preparation shall estimate the actual total cost. Preparation of the record shall not be commenced until the person requesting preparation of the record has deposited the full amount of the cost estimate.
- C. If the deposit exceeds the actual costs, the difference shall be refunded. If the actual cost exceeds the estimate, the difference shall be paid when the record is delivered.

- D. The limitations of action, shall not be extended pursuant to the provision of Section 1094.6(d) of the Code of Civil Procedures or Section 1.10.020 of this Code, beyond ninety (90) days after the decision becomes final unless the petitioner deposits pursuant to the provisions of Subsection B of this Section, the estimated actual total cost of preparing the transcript within ten (10) calendar days after they have been furnished with the written estimate of such cost.

1.10.040 Notice

- A. Every written decision or notice thereof to which the provisions of this Chapter and Section 1094.6 of the Code of Civil Procedure apply, shall refer to and be accompanied, by attachment, by a copy of the provisions of this Chapter.

CHAPTER 1.15 ADMINISTRATION

1.15.010 Appeals

- A. Unless otherwise expressly provided, if the applicant for any permit authorized or required by any title to this Code, the permittee, or other persons are dissatisfied with any determination made by the General Manager, or other officers or agents of the South Placer Municipal Utility District, regarding the interpretation or implementation of the provisions contained in any title to this Code, such person may appeal to the Board of Directors. Any such appeal shall be in writing, shall state the specific reasons therefore and grounds asserted for relief and shall be filed with the Secretary of the Board of Directors not later than twenty (20) calendar days after the date of the action being appealed. If an appeal is not filed within the time or in the manner prescribed above, the right to review the action against which the complaint is made shall be deemed to have been waived.

1.15.020 Appeal Fee

- A. The Board of Directors may by resolution adopt and, from time to time, amend a fee for the filing of appeals. Such fee shall be for the sole purpose of defraying costs incurred for the administration of appeals. The fee for an appeal shall be paid at the time of and with the filing of an appeal. No appeal shall be deemed valid unless the prescribed fee has been paid.

1.15.030 Appeal Hearings

- A. Immediately upon receipt of any Notice of Appeal filed within the said twenty (20) calendar day period, the Secretary of the Board of Directors shall mail copies thereof to each member of the Board of Directors.

- B. Not later than the next regularly scheduled meeting following thirty (30) calendar days after the date of filing an appeal within the time and in the manner prescribed by Section 1.15.010 of this Code, the Board of Directors shall either:
 - 1. Conduct a hearing for the purpose of determining whether the appeal should be granted. Written notice of the time, date, and place of the hearing shall be served upon the General Manager and the officer or agent whose determination is the subject of the appeal, the applicant or permittee, and the appellant not later than ten days preceding the date of the hearing; or
 - 2. Hear the appeal or set a time convenient to the Board for the hearing of such appeal.
- C. The aggrieved or appealing party, or their authorized representative, shall be personally present at the hearing of such appeal and failure of said aggrieved party or their authorized representative to appear at said hearing shall constitute sufficient grounds to affirm the decision of the General Manager.

1.15.040 Actions on Appeals

- A. The Board of Directors shall review the entire proceeding or proceedings relating to the act or decision being appealed, de novo, and may make any order it deems just and equitable, including the granting of any permit authorized or required by any title to this Code. Any hearing may be continued from time to time.
- B. At the conclusion of the hearing, the Board of Directors shall prepare a written decision that either grants or denies the appeal and contains findings of fact and conclusions. The written decision, including a copy thereof, shall be filed with the Secretary of the Board of Directors. The Secretary of the Board of Directors shall serve such decision on the applicant or permittee, the appellant, and the General Manager. The decision of the Board of Directors shall become final upon the date of filing and service of the written decision with respect to any appeal.

1.15.050 Notices

- A. All notices for public hearing shall be in conformance with Public Utility Code Section 14401, et seq, and Government Code Section 6060, et seq, unless otherwise specified.
- B. Except as otherwise specifically set forth, any notice authorized or required by this Code shall be deemed to have been filed, served, and effective for all purposes on the date when it is personally delivered in writing to the party to whom it is directed or deposited in the United States mail, first-class postage prepaid, and addressed to the party to whom it is directed.

- C. Except as otherwise specifically set forth, whenever a provision in this Code requires a public hearing to be conducted, notice of the time, date, place, and purpose of the hearing shall be published at least once not later than ten (10) calendar days in advance of the date of commencement of the hearing in a newspaper of general circulation which is published within the District. The same type of notice shall also be served on each permittee whose permit may be affected by the action taken at the conclusion of the hearing.

1.15.060 Changes in Construction Contracts

- A. The General Manager or their designee is hereby authorized on behalf of, and in the name of, the District to order changes, alterations, or additions of work being performed under construction contracts, and execute and authorize payment of such orders in accordance with the provisions of the Public Contract Code Section 20142. Change orders issued and executed pursuant to the authority conferred by this Section shall be in accordance with the monetary limits stated in the Public Contract Code Section 20142.

CHAPTER 1.20 VOTING BY THE BOARD OF DIRECTORS

1.20.010 Voting by the Board of Directors

- A. If action by the Board of Directors is a tie vote on any matter, whether or not the matter is before the Board on appeal, the Board may, following the tie vote and in advance of adjournment of the meeting during which the tie vote occurred, continue the matter for further consideration and determination to a time and date certain not later than thirty (30) calendar days following the date on which the tie vote occurred. If the matter is not continued for further consideration and determination in the manner specified above, such tie vote shall be deemed to constitute a denial or disapproval effective on the date the tie vote occurs of the matter (and in the case of an appeal, denial of the action requested by the application, as distinguished from denial of the appeal), and such action shall be deemed to be final and not subject to reconsideration. If during the meeting to which consideration and determination is continued pursuant to this section, another tie vote occurs, the matter shall, effective on the date of such continued meeting, be deemed denied in the manner described above and the action shall be deemed to be final in the manner prescribed above. During the meeting to which consideration and determination is continued pursuant to this section, no new or additional evidence shall be received or considered unless any public hearing required by law has been reopened and any notice thereof required by law has been given.

CHAPTER 1.25 ENFORCEMENT

1.25.005 Responsibility

- A. The General Manager is charged with enforcement of this Code and with the coordination of all District and District officials and departments in order to achieve its purpose. The General Manager may take such other steps and may apply to such court or courts as have jurisdiction to grant relief as will abate and restrain and enjoin any person from taking any action contrary to the provisions of this Code.

1.25.010 Violations

- A. Violating any provision contained in this Code is an infraction.
- B. Violating any provision of this Code following a violation notice from the District General Manager shall constitute a misdemeanor, and upon conviction, the violating person may be punished by a fine up to \$1,000 or imprisonment in the County jail for up to six (6) months, or both.
- C. Violating any provision of this Code constituting unauthorized use of District facilities is a public nuisance.
- D. Any violation of this Code may be remedied by injunction or other civil proceeding pursuant to direction by the Board of Directors.
- E. Violating any provision of this Code shall be subject to an administrative penalty as set forth in this Chapter.
- F. Each person commits a separate offense each and every day during any portion of which a violation of any provision of this Code is committed, continued, or permitted. Any violation persisting more than one (1) twenty-four (24) hour period is a continuing violation.
- G. The penalties and remedies authorized by this Chapter are cumulative and in addition to any other remedies or penalties authorized or imposed under any other provision of this Code or any other applicable law or regulation.

1.25.020 Administrative Penalty

- A. A notice of a violation and administrative penalty shall be provided according to Chapter 1.15 of this Code, except the publication requirements shall not apply. A notice of violation and administrative penalty shall be directed to the owner or occupant of the premises where the violation occurred.
- B. A party provided notice of a violation and administrative penalty may appeal the notice by filing a written appeal with the General Manager no later than twenty (20) days after the notice of violation and administrative penalty is issued. The

appeal must specify the grounds for appeal and shall provide the appellant's address and telephone number.

- C. Upon timely receipt of an appeal, the General Manager shall set the matter for a review hearing at the earliest practical date. The General Manager shall provide written notice of the hearing to the appellant no less than seven (7) days prior to the date of the hearing. At the hearing, a Hearing Officer meeting the pertinent qualifications of Government Code Sections 27720 et seq. shall hear relevant evidence presented by the appellant and District staff and may uphold, modify, or rescind the notice of violation and administrative penalty. The Hearing Officer shall provide the appellant a written determination, which shall be the final administrative determination of the matter. The Hearing Officer's determination shall advise that the time limit and manner for judicial review is governed by California Government Code 53069.4, or its successor statute.
- D. The failure of the owner or occupant of the premises where the violation occurred to file a timely notice of appeal shall constitute an irrevocable waiver of the right to appeal and a failure to exhaust the owner's and occupant's administrative remedies for the notice of violation and administrative penalty.
- E. Upon determination after an appeal that an administrative penalty shall be imposed, or upon issuance of a notice of violation and administrative penalty and expiration of the appeal period with no appeal filed, the administrative penalty amount shall be included on the bill for wastewater service provided to the premises where the violation occurred and shall be collected together with the wastewater service fees for the premises.

1.25.030 Administrative Penalty Amounts

- A. The following penalties may be imposed for any violation of this Code. Penalties identified in this section may be imposed to the owner of the premises where the violation occurs regardless of whether the violation is committed by the owner of the premises.
 - 1. First Violation - During Any Twelve (12) Month Period. No penalty shall be imposed, but a written notice describing the violation and the penalties for subsequent violations shall be issued to the owner and occupant (if different than the owner) of the premises where the violation occurred.
 - 2. Second Violation - During Any Twelve (12) Month Period. A penalty of \$100 shall be imposed.
 - 3. Third Violation - During Any Twelve (12) Month Period. A penalty of \$200 shall be imposed.
 - 4. Each Additional Violation - During Any Twelve (12) Month Period. A penalty of \$500 shall be imposed. (WAO-0092 § 4, 2015)

South Placer Municipal Utility District Code

CHAPTER 2 SEWER USE

| | |
|---|-----------|
| CHAPTER 2.00 GENERAL | 3 |
| CHAPTER 2.01 DEFINITIONS | 3 |
| CHAPTER 2.02 PUBLIC SEWER | 3 |
| 2.02.010 Permission Required | 3 |
| 2.02.020 Protect from Damage | 3 |
| 2.02.030 System Accessibility | 3 |
| 2.02.040 Connection to the Public Sewer Required | 4 |
| 2.02.050 Prohibited Discharges | 4 |
| 2.02.060 Preliminary Treatment | 6 |
| CHAPTER 2.03 CHARGES AND FEES | 6 |
| 2.03.010 Capacity Charges – General | 6 |
| 2.03.020 Capacity Charges – Commercial / Industrial | 7 |
| 2.03.030 Capacity Charges – High Strength-High Quantity Commercial / Industrial Users | 9 |
| 2.03.040 Capacity Charges – Residential | 10 |
| 2.03.050 Monthly Service Charges – General | 12 |
| 2.04.060 Monthly Service Charges – Commercial / Industrial | 13 |
| 2.03.070 Monthly Service Charges – Residential | 14 |
| 2.03.080 Lifeline Low-Income Rate Assistance Program | 15 |
| 2.03.090 Charges and Fees – Other Regulations | 15 |
| 2.03.100 Government Code 66013 | 16 |
| CHAPTER 2.04 APPLICATION PERMITS | 16 |
| 2.04.010 Compliance with District Regulations | 16 |
| 2.04.020 Classes of Applications | 16 |
| 2.04.030 Application for Permit | 16 |
| CHAPTER 2.05 SEWER DESIGN AND CONSTRUCTION REQUIREMENTS | 17 |
| 2.05.010 General | 17 |
| 2.05.020 Building Sewers | 17 |

2.05.030 Private Sewers 18

2.05.040 Public Sewers – Main Extensions..... 18

CHAPTER 2.06 VIOLATIONS 20

2.06.010 Public Nuisance..... 20

2.06.020 Notice to Correct..... 20

2.06.030 Costs and Expenses..... 21

2.06.040 Civil and Criminal Penalties 22

CHAPTER 2.07 MISCELLANEOUS PROVISIONS 24

2.07.010 Conflicts 24

2.07.020 Severability..... 24

2.07.030 Vested Contractual Rights Not Affected 24

2.07.040 Prior Ordinance Repealed 24

CHAPTER 2 SEWER USE

CHAPTER 2.00 GENERAL

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

CHAPTER 2.01 DEFINITIONS

- A. Appendix A of this Code, titled "Definitions" shall give meaning to the words and phrases as used in this Code, or any Chapter of this Code.

CHAPTER 2.02 PUBLIC SEWER

2.02.010 Permission Required

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

2.02.020 Protect from Damage

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

2.02.030 System Accessibility

- A. It is the customer's responsibility to ensure the Property Line Clean Out (PLCO) is readily accessible at all times. When a PLCO cannot be accessed by the District, the owner will be notified and shall correct the condition(s). If the issue is not rectified within thirty (30) days after notification, District staff will make the correction(s) and the customer will be responsible for actual costs incurred.

- B. Representatives of the District shall have the right of ingress to the customer's premises at reasonable hours for any purpose reasonably connected with the furnishing of sewer service.

2.020.040 Connection to the Public Sewer Required

- A. It is unlawful for the owner, occupant, or lessee of any lot or parcel of land situated within the District, which lot or parcel has thereon a building equipped with any plumbing fixture, to neglect or refuse to have any such buildings connected with the District wastewater collection system so that the drainage from each and every such plumbing fixture shall flow into the sewer; provided, that there is such a sewer in the street, alley or right-of-way near such lot or parcel of land and not more than 300 feet distant from such building. Domestic plumbing systems that incorporate nonpotable water reuse systems, such as gray water reuse systems, shall be exempt from this section provided that they are installed and constructed in accordance with local municipal ordinances or codes, the then-current provisions of California Plumbing Code, Chapter 16 - Alternate Water Sources For Nonpotable Applications and Chapter 16A - Nonpotable Water Reuse Systems, governing the construction, alteration, discharge, use, and repair of gray water systems.
- B. When ordered by the District, or when and where the state, county, or city public health department determines a health hazard exists or is imminent, the owner of all structures, as defined within this Code, situated within the limits of the District and abutting on any street, alley or right-of-way or in proximity thereto in which there is located a public sewer of the District, is hereby required at their expense to connect such structures directly with the proper public sewer in accordance with the provisions of this Code, within ninety (90) days after receipt of written, mailed notice to do so, provided said public sewer is within 300 feet of the nearest property line of the property containing such structures; unless otherwise waived by the General Manager upon exigent circumstances.
- C. In the event of a violation of this Chapter, the District may connect such structures to the public sewer and the owner or occupant of such structures shall be jointly and severally responsible to the District for the cost of such connection in addition to the regular Capacity Charge, monthly service charge and any other reasonable and necessary charges imposed by the District and such costs shall become a lien on the real property pursuant to the applicable provisions of the Health & Safety Code of the State of California.

2.02.050 Prohibited Discharges

- A. No person shall discharge or cause to be discharged any stormwater, surface water, groundwater, roof runoff, subsurface drainage, cooling water, refrigeration, or air conditioner cooling water, swimming pool drainage from single-family residences or industrial process waters to any public sewer.

- B. Except as hereinafter provided, no person shall discharge or cause to be discharged any of the following described waters, wastewaters, or wastes to any public sewers:
1. Any liquid or vapor having a temperature higher than 150 degrees F.
 2. Any water or waste that may contain more than 100 parts per million, by weight, of FOG.
 3. Any gasoline, benzene, naphtha, fuel oil, or other flammable, or explosive liquid, solid, or gas.
 4. Any garbage.
 5. Any discharge of wastes from recreational vehicles (RV) outside of permitted RV dump sites or camping sites.
 6. Any ashes, cinders, sand, mud, straw, shavings, metal, glass, rags, non-dispersible items, including wipes and "flushable wipes," feather, fur, plastic, wood, paunch manure, or any other solid or viscous substances capable of causing obstruction to the flow in sewers and/or causing or with the potential to cause SSO's or other interference with the proper operation of the sewage works.
 7. Any water or waste having a pH lower than 5.5 or higher than 9.0 or having any corrosive property capable of causing damage or hazard to the structures, equipment, and personnel of the sewage works.
 8. Any water or waste containing a toxic or poisonous substance in sufficient quantity to injure or interfere with any sewage treatment process, constitute a hazard to humans or animals, or create any hazard in the receiving waters of the sewage treatment plant.
 9. Any waters or waste containing suspended solids of such character and quantity that unusual attention or expense is required to handle such materials at the sewage treatment plant.
 10. Any noxious or malodorous gas or substance capable of creating a public nuisance.
- C. The admission into the public sewers of any wastewater or wastes generated from any nonresidential type use shall conform to SPMUD Ordinance 88-3, the District's ordinance adopting Chapter 14.26 of the Municipal Code of the City of Roseville relating to industrial wastewater.
- D. Discharge from FSEs shall be in conformance with Chapter 3 of this Code, establishing requirements regarding Fats, Oils and Grease (FOG).
- E. No provision of this Code shall be construed to prohibit any special agreement or

contract between the District and any non-residential user whereby waste of unusual strength, characteristic, or quantity as determined by this Code may be accepted for treatment, subject to payment, therefore. Any agreement made in accordance with this section shall conform to the provisions of this Code and Ordinance 88-3.

2.02.060 Preliminary Treatment

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

CHAPTER 2.03 CHARGES AND FEES

2.03.010 Capacity Charges – General

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

- D. In the event a structure is altered to produce more than a single EDU, an additional Capacity Charge shall be due for each additional EDU or portion thereof produced. Payment of such fees and charges shall be the responsibility of the real property owner. Alterations of an existing residential structure to construct an ADU or JADU within the meaning of California Government Code Section 66313, as amended, shall not be charged an additional Capacity Charge, except as otherwise permitted by state statute and as provided in this Code.
- E. In the event additional Capacity Charges become due from a structure previously connected to District's wastewater system, such charges shall become due immediately upon completion of the enlargement or alteration which results in additional Capacity Charges and in the event such charges are not paid when due, the amount of such charges shall constitute a lien against the respective lots or parcels of land to which the facilities are connected. Prior to making such fees or charges a lien, the District shall give notice to the owners of the lots or parcels of land affected pursuant to the provisions of Section 5474 of the Health and Safety Code.
- F. In the event a connection, change in use or alteration of any commercial structure, enlargement of any commercial structure, or change in number of equivalent dwelling units within a structure has been made in violation of the provisions of this Section, the real property owner where such connection, alteration, change, or enlargement has occurred shall be responsible to the District for the payment of Capacity Charges, and, in addition, may be required to disconnect the building sewer from the public sewer and reconnect to the public sewer under the District's supervision and shall be required to pay, in addition to such Capacity Charge, a reconnection charge in accordance with the District's Fee Schedule, together with all actual costs and expenses incurred by the District in making such reconnection. A basic Capacity Charge for each equivalent dwelling unit shall be fixed and established by ordinance/code and may be changed from time to time by the Board of Directors in accordance with provisions of Sections 12809 and 14401 of the Public Utilities Code and Section 66000 of the Government Code.

2.03.020 Capacity Charges – Commercial / Industrial

- A. Determination of Commercial or Industrial Equivalent Dwelling Units. For purposes of this Code, commercial or industrial EDU's shall be determined as follows:
 - 1. General Regulations
 - a. Not less than one (1) EDU per building.
 - b. Prescribed Capacity Charges apply only to the particular uses listed herein. Where multiple uses, and/or tenants within the meaning of this Code, are contained or can be contained in the same

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

- c. No refunding of previously paid Capacity Charges will be made where modifications are made to any structure that places it in a classification with a lower Capacity Charge rate.
- d. The real property owner shall be responsible for payment of any and all additional charges.

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

| | |
|---|--|
| 1. Low Occupancy User | |
| a) Parking Garage | per every 5 employees (NOT less than 1 EDU) |
| b) Regional Distribution Facilities | |
| c) Storage Buildings | |
| 2. Low-Density Users | |
| a) Church (w/o kitchen) | 1/6 EDU per 1,000 sq. ft. |
| b) Warehouse / Commercial Storage | |
| 3. Medium Density User | |
| a) Church (w/ kitchen & meeting hall) | 1/3 EUD per 1,000 sq. ft. |
| b) School (w/o cafeterias or gymnasiums w/ showers) | |
| c) Bowling / Entertainment Center (w/o kitchen) | |
| d) Day Care Center (w/o kitchen) | |
| e) Sports / Fitness Center (w/o showers) | |
| f) Retail Store | |
| g) Bank / Offices (other than medical / dental) | |
| h) Chiropractor / Counseling Office (w/ limited medical services) | |
| i) Theaters (theaters that provide dining services shall be considered FOG-producing FSE) | |
| j) Auditorium / Halls / Lodges | |

| | |
|--|--|
| 4. High Density User | |
| a) Barber / Beauty Shop / Nail Salon | |
| b) School (w/ cafeterias or gymnasiums w/ showers) | |
| c) Bowling / Entertainment Center (w/ kitchen) | |
| d) Day Care Center (w/ kitchen) | |
| e) Sports / Fitness Center (w/ showers) | |
| f) Medical / Dental Facility | 2/3 EDU per 1,000 sq. ft. |
| g) Service Station / Mechanic Shop | |
| h) Pet Grooming Center | |
| i) Veterinary Clinic | |
| j) Bars | |
| k) Coffee / Tea Shops / Kiosks (w/ limited food preparation) | |
| l) Ice Cream / Frozen Yogurt / Shaved Ice | |
| 5. Special Commercial User | |
| a) Car Wash (per automatic wash stall) | 8 EDU per unit |
| b) Car Wash (per self-service wash stall) | 2 EDU per unit |
| c) Laundromat | 2/3 EDU per washer |
| d) Market / Mini-Market (w/o disposal) | 2/3 EDU per 1,000 sq. ft. |
| e) Market / Mini-Market (w/ disposal) | 2 EDU per 1,000 sq. ft. |
| f) FSE (FOG producing establishment) | 2 EDU per 1,000 sq. ft. |
| g) FSE (low-FOG producing establishment w/ limited food preparation) | 1 EDU per 1,000 sq. ft. |
| h) FSE Outside / Overflow Dining Area (w/covered area) | 2 EDU per 1,000 sq. ft. |
| i) FSE Outside / Overflow Dining Area (w/o covered area, but fenced) | 1 EDU per 1,000 sq. ft. |
| j) Mortuaries | 2 EDU per 1,000 sq. ft. |
| k) Hospital | 1/2 EDU per licensed bed |
| l) Rest Home / Convalescent Hospital / Memory Care / Assisted Living | 1/3 EDU per licensed bed |
| m) Camping / Recreational Vehicle Site | 1/2 EDU per site |
| n) Recreational Vehicle Dump Site | 1 EDU per site |
| o) Hotel / Motel Unit (w/ kitchen) | 1 EDU per unit |
| p) Hotel / Motel Unit (w/o kitchen) | 1/2 EDU per unit |
| 6. Other Commercial / Industrial Users Not Listed | based on a study authorized by the General Manager |

2.03.030 Capacity Charges – High Strength-High Quantity Commercial / Industrial Users

- A. For commercial or industrial users having wastewater strength of greater than 300 mg/l BOD or COD and 50mg/l suspended solids, and/or a quantity of greater than or equal to 25,000 gallons per day (gpd), and/or requiring either special handling

or treatment, an EDU shall be determined as follows:

$$\text{EDU's} = \frac{\text{gpd}}{175} \left(0.61 + \frac{\text{BOD or COD}^{\text{mg/L}}}{300} (0.22) + \frac{\text{suspended solids}^{\text{mg/L}}}{500} (0.17) \right)$$

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

2.03.040 Capacity Charges – Residential

A. For purposes of this Code, Residential Equivalent Dwelling Units (EDUs) shall be determined as follows:

1. All dwelling units, including but not limited to single-family homes, duplexes, condominiums, mobile homes, and apartments shall be one (1) EDU per living unit, except for Accessory Dwelling Units (ADUs) and Junior Accessory Dwelling Units (JADUs).

B. ADU - As defined in California Government Code Section 66313:

Accessory Dwelling Unit” means an attached or a detached residential dwelling unit that provides complete independent living facilities for one or more persons and is located on a lot with a proposed or existing primary residence. It shall include permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family or multifamily dwelling is or will be situated. An accessory dwelling unit also includes the following:

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

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

1. An ADU shall not be considered a Residential EDU for the purposes of the assessment of a Capacity Charge, and shall not be assessed a Capacity Charge, provided the following conditions are met as specified in Government Code Section 66313 and the ADU complies with all requirements of the local agency having jurisdiction over the permitting and construction of the ADU in the District service area where it is located:
 - a. The ADU is not intended for sale separate from the primary residence and may be rented. If the ADU is built on a portion of the lot or parcel of land that is subsequently split from the primary residential parcel, the ADU shall be considered a separate Residential EDU for the purposes of the assessment of a Capacity

Charge.

- b. The ADU is either attached to the existing dwelling and located within the living area of the existing dwelling or detached from the existing dwelling and located on the same lot or parcel of land as the existing dwelling.
- c. The increased floor area of an attached ADU shall not exceed 50 percent of the existing living area, with a maximum increase in floor area of 1,200 square feet.
- d. The total area of floorspace for a detached ADU shall not exceed 1,200 square feet.

C. JADU - As defined in California Government Code Section 66313:

Junior Accessory Dwelling Unit” means a unit that is no more than 500 square feet in size and contained entirely within a single-family residence. A junior accessory dwelling unit may include separate sanitation facilities, or may share sanitation facilities with the existing structure.

- 1. A JADU shall not be considered a Residential EDU for the purposes of the assessment of a Capacity Charge, and shall not be assessed a Capacity Charge, provided the following conditions are met as specified in Government Code Section 66313 and the JADU complies with all requirements of the local agency having jurisdiction over the permitting and construction of the JADU in the District service area where it is located. A local agency JADU ordinance:
 - a. Limits the number of junior accessory dwelling units to one per residential lot or parcel of land zoned for single-family residences with a single-family residence built, or proposed to be built, on the lot or parcel of land.
 - b. Requires owner-occupancy in the single-family residence in which the junior accessory dwelling unit will be permitted. The owner may reside in either the remaining portion of the structure or the newly created junior accessory dwelling unit. Owner-occupancy shall not be required if the owner is another governmental agency, land trust, or housing organization.
 - c. Requires the recordation of a deed restriction, which shall run with the land, shall be filed with the permitting agency and submitted to the District, and shall include both of the following:
 - i. Prohibits the sale of the junior accessory dwelling unit separate from the sale of the single-family residence, including

a statement that the deed restriction may be enforced against future purchasers.

- ii. Restricts the size and attributes of the junior accessory dwelling unit that conforms with this section.
 - d. Requires a permitted junior accessory dwelling unit to be constructed within the walls of the proposed or existing single-family residence.
 - e. Requires a permitted junior accessory dwelling to include a separate entrance from the main entrance to the proposed or existing single-family residence.
 - f. Requires the permitted junior accessory dwelling unit to include an efficiency kitchen, which shall include all of the following:
 - i. A cooking facility with appliance(s) as defined by the International Building Code, latest edition.
 - ii. A food preparation counter and storage cabinets that are of reasonable size in relation to the size of the junior accessory dwelling unit.
- D. Any other living unit that is not an ADU or JADU shall be considered a Residential EDU and shall pay the appropriate Capacity Charge as authorized by this code.

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

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

2.03.050 Monthly Service Charges – General

- A. A monthly service charge for each equivalent dwelling unit shall be fixed and established by ordinance/code and may be changed from time to time by the Board of Directors in accordance with provisions of Sections 12809 and 14401 of the Public Utilities Code. The monthly service charge for multiple dwelling units shall be the basic EDU rate multiplied by the number of equivalent dwelling units.
- B. In the event a structure is altered to produce more than a single EDU,

including the addition of an ADU or JADU on the property, an additional monthly service charge shall be due for each additional EDU or portion thereof produced. Payment of such charges shall be the responsibility of the property owner.

- C. The property owner shall remain liable for the monthly service charge as long as the building sewer is connected to the public sewer system, regardless of vacancy. Before an owner can be removed from billing for monthly service charges, the building sewer shall be physically disconnected from the public system at the property line cleanout or point of connection with the public system in accordance with the District Specifications. Reconnection shall be made under the direction of the District. All work and costs shall be the responsibility of the owner and shall be inspected and approved by the District. In cases of vacancy where the property is not physically disconnected, the service charge shall be based on the classification of the last occupant(s) of the structure.

2.03.060 Monthly Service Charges – Commercial / Industrial

- A. The Determination of Monthly Service Charges for Commercial or Industrial EDUs shall be as follows:
 - 1. For purposes of this Code, the monthly service charge, which is billed quarterly, for Low Strength-Low Quantity commercial or industrial EDUs shall be determined in accordance with the classifications set forth in 2.03.020 of this Code.
 - 2. The monthly service charge, which is billed quarterly, for High Strength-High Quantity commercial or industrial EDUs shall be determined in accordance with the formula set forth in 2.03.030 of this Code.
 - a. In addition, special treatment and/or handling costs may be added as determined by the General Manager.
 - 3. In no case shall the monthly service charge for a structure be less than one (1) EDU per business. Quarterly service charge billings shall be in the name of and be the responsibility of the real property owner.
 - 4. Industrial processing plants and similar heavy or unusual uses not classified by the provisions of this Code shall be charged monthly service charges and fees as determined by the General Manager.
- B. Unoccupied Use – In cases of vacancy where commercial property is not physically disconnected from the sewer, the service charge shall be based on the classification of the last occupant(s) of the structure unless the owner makes written application for a change in use from “occupied” to “unoccupied”. A commercial property owner is, under certain conditions, eligible for a reduction in

monthly service charges for a building/space when a “change in use” from “occupied” to “unoccupied” occurs.

1. The building/space shall have been unoccupied for a continuous three-month (3 month) period immediately preceding the request for a change in use. Waiver or reduction in the ongoing service charge applicable for the last occupied use will not be made for this three-month or prior periods.
2. The property owner shall apply (on a form to be provided by the District) for the change in use from occupied to unoccupied for the reduction in the monthly service charge. Reapplication for the reduction in the monthly service charge shall be made by the owner on a quarterly basis. The Application for an ongoing unoccupied use shall be received by the District between the 15th and 21st day of the end month of the applicable billing quarter (i.e. March, June, September, December).
3. In the event a building/space remains unoccupied, and the owner does not reapply, the monthly service charge shall revert to the last occupied use.
4. The minimum charge for the unoccupied use shall be calculated at 1/3 EDU per 1,000 square feet (sq. ft.), (but not less than one (1) EDU per building/space when the square footage is less than 3,000 sq. ft).
5. The property owner shall promptly notify the District when re-occupancy occurs. This application terminates upon re-occupancy.
6. The property/customer account must be current (no past due balances) for the application to be considered.
7. The District shall be notified of any change in property ownership. Any Application and the terms and conditions in effect at the time of a transfer or sale of the property will be binding on the successor.

2.03.070 Monthly Service Charges – Residential

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

2.03.080 Lifeline Low-Income Rate Assistance Program

- A. Every qualified household shall receive a discount of \$5.00 per month on utility rates.
 - 1. The program will be limited on an annual basis to the first 500 households who apply to participate in the program and qualify under the income eligibility requirements. Staff shall establish a process to accept and select qualifying households. The process shall include a provision that should more than 500 households apply and qualify and additional District resources from delinquent fees are prudently available for use as determined by District staff such that additional eligible households may participate, the additional eligible households shall be selected by random lottery.
- B. Qualified Households – Only an owner-occupant of residential property who is currently billed as a customer of the District is eligible to apply. To qualify, the total combined gross annual income (based on the number of household members) of all persons residing in a dwelling unit must be at or below the amount currently in use by the Pacific Gas & Electric Company California Alternative Rates for Energy (CARE) program available for residential single-family occupants.
 - 1. Applicants must submit to the Administrative Services Department of the District proof of their eligibility in the CARE program to qualify.
 - 2. The total income of all adult residents in the household, who actually occupy the dwelling unit, must meet the income requirements for the CARE Program.
- C. Each household shall be required to re-qualify on an annual basis and shall submit the updated proof of PG&E CARE program eligibility to the District as part of the requalification.

2.03.090 Charges and Fees – Other Regulations

- A. Pursuant to the provisions of Section 12811 of the Public Utilities Code, all fees, tolls, rates, rentals or other charges established by the provisions of this Code may be collected by any lawful means including an action of law and all remedies for the collection and enforcement thereof are cumulative and may be pursued alternatively or consecutively.
- B. Pursuant to the provisions of Section 12811.1 of the Public Utilities Code, the owner of record of real property within the District is required to pay the fees, tolls, rates, rentals, or other charges for services rendered to a lessee, tenant, or other occupant of the property and those fees, tolls, rates, rentals and other charges that have become delinquent together with interest and penalties

thereon, will constitute a lien on the property when a certificate is filed in the Office of the County Recorder and such lien has the force, effect, and priority of a judgment lien.

- C. Any fees, rates, or charges imposed or established by the provisions of this (all) Code(s) shall not exceed the reasonable cost to the District of the rendition of the service for which the fee or charge is imposed.

2.03.100 Government Code 66013

- A. Capacity Charges or other similar fees may be imposed by the District pursuant to the provisions of Government Code 66013, as is current or as may be amended in the future.

CHAPTER 2.04 APPLICATION PERMITS

2.04.010 Compliance with District Regulations

- A. Any application to connect to the District's sewer system shall comply with all District specifications, codes, ordinances, rules, and regulations.
- B. All multiple residential complexes, commercial establishments, and other non-residential type use shall include a completed Declaration of Density form provided by the District. The Declaration of Density shall be completed by the real property owner at the time that sewer service is applied for.

2.04.20 Classes of Applications

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

2.04.030 Application for Permit

- A. In cases where connection is required to an existing lower lateral, the owner/applicant shall make application on the Sewer Permit form provided by the District and pay the applicable inspection fees in accordance with the District's Fee Schedule.
- B. In the case of subdivisions and/or construction of public sewer facilities to be dedicated to the District, no application shall be accepted by the District until said facilities have been constructed and accepted by the District, unless otherwise authorized by the General Manager.

- C. The plan check and inspection fees for construction of such public sewer facilities shall be paid in accordance with the District's Fee Schedule.
- D. In cases where the owner/applicant must construct an individual building sewer to an existing collector sewer, all procedures and work shall conform to applicable sections of the District Specifications. The owner/applicant shall be responsible for all fees and costs in accordance with the District's Fee Schedule.
- E. The Sewer Permit shall be supplemented by any other information considered pertinent by the General Manager.
- F. All Capacity Charges shall be paid at the time of application for service.
- G. No application for sewer service will be accepted without a copy of a valid building permit.

CHAPTER 2.05 SEWER DESIGN AND CONSTRUCTION REQUIREMENTS

2.05.010 General

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

2.05.020 Building Sewers

- A. All costs and expenses incidental to the installation and connection of any building sewer to the District's facilities shall be borne jointly and severally by the owner/applicant thereof and said owner/applicant shall indemnify the District from loss or damage that may directly or indirectly be occasioned to any party by the installation of the building sewer.
- B. A separate and independent building sewer shall be provided for every structure on a parcel; provided, however, that the provisions of this Section may be waived by the General Manager.
 1. If waived by the General Manager, two or more structures on a single parcel under one ownership may be served by the same common building sewer if it is unlikely, under local agency zoning and general plans, that the parcel can be subdivided in the future.
 2. If for any reason, the property is subsequently divided, each building is required to then be separately and independently connected to the public sewer. It shall be unlawful for the owner(s) of the subdivided property to thereafter continue to use in common the same building sewer.
 3. No additional structure(s) on a single parcel shall connect to or be served

through any other structure's building drain.

4. Any additional structure(s) on a single parcel where the wastewater must be lifted by artificial means for discharge shall be separately and independently connected to a collector sewer unless otherwise approved by the District.
- C. No backfill shall be placed until the work has been inspected by the District, and in the event of a violation of this requirement, the sewer facilities must be uncovered at the owner/applicant's expense, and the District shall have the right to disconnect said property from the District sewer system until such violation is corrected. The owner of said property shall pay to the District a Reconnection Charge in accordance with the District's Fee Schedule Resolution prior to the reconnection, together with all costs and expenses incurred by the District in making such reconnection.
 - D. Existing building sewers may be used in connection with new structures only when they are found, after examination and testing, to meet all of the requirements of the District Specifications. All examinations and testing shall be done by the real property owner under District inspection. Said owner shall be responsible for all associated costs for such examinations and testing and shall be responsible for correcting all deficiencies at their expense prior to making connection; provided however, that in cases when the building sewer lower lateral has previously been in service with the District, the District may opt to perform repairs on the lower lateral at its expense.
 - E. Any damage to the District sewer facilities caused as a result of the installation of a building sewer shall be the responsibility of the owner/applicant, and the owner/applicant shall be responsible for all costs incurred by the District.

2.05.030 Private Sewers

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

2.05.040 Public Sewers – Main Extensions

- A. Main Extensions. Each property owner is responsible for the installation of a

collector sewer across the property frontage or through the property, as the case may be, to serve additional land in the natural drainage or shed area. Said installation shall be made at the sole cost of the owner/applicant or developer of the property or property frontage.

- B. There shall be on file in the District's office a Master Plan or System Evaluation and Capacity Assurance Plan (SECAP) showing the District's existing and proposed trunk sewer system (Trunk Sewer Mains and Major Facilities) to accommodate future growth.
 - 1. In the event that the connection of a structure or property to the District's sewer system involves a main extension that forms a part of the District's existing or proposed trunk system (Trunk Sewer Mains or Major Facilities) as shown in the aforesaid Master Plan or SECAP, the District may participate in the cost of installation of said main extension to the extent that the amount or size of pipe and appurtenances involved constitute a benefit to the District generally and the cost of such main extension and appurtenances benefiting only the owner/applicant or developer of the property or structure shall be borne by such owner/applicant or developer.
 - 2. In the event that the connection of a structure or property to the District sewer system does not involve an extension to the District trunk system as shown by the aforesaid Master Plan or SECAP, said installation shall be made at the sole cost of the owner/applicant or developer.
- C. In the event the District requires that an owner/applicant or developer construct or reconstruct sewers of a size larger than would normally be required to serve the real property owner/applicant or developer, the District may agree in writing to participate in the cost of the oversizing of such facilities.
 - 1. In no event shall the District be obligated to participate in the cost of oversizing such facilities that have already been constructed and accepted by the District.
- D. The District may, at its discretion, negotiate and enter into a Credit or Reimbursement Agreement under the terms of Chapter 4 of this Code, whereby a property owner or developer may obtain credits in lieu of payment of Capacity Charges for the construction of Trunk Sewer Mains and Major Facilities (as defined in Appendix A of this Code) and/or seek reimbursement for the costs of construction of Trunk Sewer Mains and/or Major Facilities under the eligibility criteria set forth herein.
 - 1. In no event shall the District be obligated to consider, negotiate or enter into any Credit or Reimbursement Agreement for facilities that have already been constructed and accepted by the District.
- E. The District may, at its discretion, negotiate and enter into refund agreements

with the owner of lands in cases where such lands are being improved and the owner has or will install facilities that can be used for the benefit of property adjacent to but not participating in the original cost of construction. The amount of the refund agreement shall be computed solely upon the quantity of sewer actually installed using a Schedule of Values for Pipeline Construction Costs adopted by Board Resolution,

1. In no event shall the District be obligated to consider, negotiate or enter into any refund agreement for facilities that have already been constructed and accepted by the District.
 2. In no event shall the obligation assumed by the District pursuant to any refund agreement extend beyond the term of ten (10) years from the date of such agreement.
- F. All public sewer main extensions and/or installations shall be within public rights of way or properly granted/dedicated easements to the District.
- G. The District is to have permanent easements for all sewer facilities located outside the public right-of-way. This may require the conveyance of permanent easements at the time of property development or entitlement and will require a separate conveyance document. The widths of the required easement shall be in compliance with District specifications in effect at the time of development. Any existing substandard easements, within the limits of a proposed project shall be upgraded to current standards before approval of improvement plans, issuance of sewer permit, change of use, or other entitlement request.
- H. District funds representing basic Capacity Charges shall not be used for the purpose of financing or in any way participating in the cost of wastewater collection systems required by the District to be built by others.

CHAPTER 2.06 VIOLATIONS

2.06.010 Public Nuisance

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

2.06.020 Notice to Correct

- A. Any violation of this Code must be corrected by the record owner of the real property immediately upon notification by the General Manager to do so, and in the event such violation is not corrected within five (5) days after such notification, the District may pursue any remedy available to it under the law, including a

declaration that such violation constitutes a public nuisance. Such remedies include, but are not limited to, the following:

1. Issuance of Notices to Correct, Warnings of Non-Compliance, Notice of Violation, and Cease and Desist Orders. When the District finds that a discharge of wastewater is taking place or threatening to take place in violation of prohibitions or limits of this Sewer Code or wastewater source control requirements or the provisions of a wastewater discharge permit, the General Manager or their designated representative, may issue Notices to Correct, Warnings of Non-Compliance, Notice of Violation, and Cease and Desist Orders and direct that those persons not complying with such prohibitions, limits, requirements, or provisions (1) comply forthwith, (2) comply in accordance with a time schedule set by the General Manager or their designated representative, or (3) in the event of a threatened violation, take appropriate remedial or preventative action.
2. Requiring Discharger to Submit Schedule of Remedial or Preventive Measures. When the General Manager or their designated representative, finds that a discharge of wastewater is taking place or threatening to take place that violates or will violate prohibitions or limits prescribed by this Sewer Code or wastewater source control requirements or the provisions of a wastewater discharge permit, the General Manager or their designated representative, may require the discharger to submit for approval of the District, with such modifications as he deems necessary, a detailed time schedule of specific actions the discharger shall take in order to correct or prevent a violation of requirements.
3. Damage or Theft or Vandalism to Facilities. When the discharge of wastewater causes an obstruction, damage, or other impairment to District facilities, the District may recover costs from the discharger to correct the problem caused by the discharger. District facilities include, but are not limited to, pipes and appurtenances, manholes, cleanouts, lift stations, fences, gates, and access roads.
4. Termination of Service. The District may terminate or cause to be terminated wastewater disposal or wastewater service to any premises if a violation of any provision of this Sewer Code pertaining to control of wastewater is found to exist or if a discharge of wastewater causes or threatens to cause a condition of contamination, pollution, or nuisance, as defined in this Sewer Code. This provision is in addition to other statutes, rules, or regulations authorizing termination of service for delinquency in payment, or for any other reason.

2.06.030 Costs and Expenses

- A. Any costs and expenses incurred by the District in correcting violations and/or

pursuing any remedy available to it under the law, including all attorneys' fees, expert witness fees, laboratory testing fees, and all other related expenses, shall be the responsibility of the record owner of the real property.

2.06.040 Civil and Criminal Penalties

- A. Any person violating the provisions of this Code shall be subject to any and all existing criminal and civil penalties provided for under the laws of the State of California, and in addition thereto, shall be responsible to the District for any and all damages caused to the District by such violations. These include the following:
1. **Civil Liability Penalties.** Civil liability may be imposed by the District in the manner provided in this Section as follows:
 - a. In an amount that does not exceed \$1,000 for each day for knowingly or willfully failing or refusing to furnish technical or monitoring reports.
 - b. In an amount that does not exceed \$5,000 for each day of intentionally or negligently discharging hazardous waste, as defined in Section 25117 of the Health and Safety Code, knowingly falsifying any information provided in any furnished technical or monitoring report.
 - c. In an amount which does not exceed ten dollars (\$10) per gallon for discharges in violation of any of the District's cease and desist or other orders, or prohibitions issued, reissued, or adopted by the District.
 - d. In an amount that covers the costs of staff time and equipment and material costs.
 - e. For specific violations, the District may adopt a schedule of fines for appropriate offences that shall be adopted and updated by Resolution.
 2. **Criminal Penalties.** Civil liability may be imposed by the District in the manner provided in this Section as follows:
 - a. Any person who intentionally discharges wastewater in any manner, in violation of any order issued by the General Manager or their designee, which results in contamination, pollution, or a nuisance, as defined in this Ordinance, is guilty of a misdemeanor and may be subject to criminal penalties of not more than \$1,000 per day for each such violation, including, but not limited to, any violation of pretreatment standards or requirements.

- b. Any person who knowingly makes any false statement or representation in any record, report, plan, or other document filed with the District, or who falsifies, tampers with, or knowingly renders inaccurate any monitoring device or method required by the District, shall be punished by a fine of not more than \$25,000 or by imprisonment in the county jail for not more than six (6) months, or by both.

3. Civil Enforcement Remedies

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

4. Civil Enforcement Penalties

- a. Any person who fails to comply with any order issued by the District, including orders related to pretreatment standards or requirements, shall be subject to a civil penalty not to exceed \$10,000 for each day in which the discharge, violation, or refusal occurs.
- b. Any person who intentionally or negligently violates any Notice to Correct issued by the District for violation of rules regulating or prohibiting discharge of wastewater which causes or threatens to cause a condition of contamination, pollution, or nuisance, as defined in this article, may be liable civilly in a sum not to exceed \$25,000 for each day in which the violation occurs. The District's legal counsel, upon request of the District's Board of Directors, shall petition the Superior Court to impose, assess, and recover such sums.
- c. Injunction. Whenever a discharge of wastewater is in violation of the provisions of this Ordinance, including but not limited to violation of a pretreatment standard or requirement, or otherwise causes or threatens to cause a condition of contamination, pollution, or nuisance, or whenever non-discharge violations occur including failure to submit a required report or failure to allow the District's inspectors access to an industrial facility, the District may petition the Superior Court for the issuance of a preliminary or permanent injunction, or both, as may be appropriate, restraining the continuance of such violations.

B. Appeals

- 1. In accordance with Chapter 1.15.010 of this Code, any permit applicant, permit holder, or discharger affected by any action denying a permit

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

CHAPTER 2.07 MISCELLANEOUS PROVISIONS

2.07.010 Conflicts

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

2.07.020 Severability

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

2.07.030 Vested Contractual Rights Not Affected

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

2.07.040 Prior Ordinance Repealed

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

South Placer Municipal Utility District Code

CHAPTER 3 FATS, OILS AND GREASE

| | |
|---|-----------|
| CHAPTER 3.00 GENERAL | 3 |
| 3.00.001 Purpose | 3 |
| CHAPTER 3.01 DEFINITIONS | 3 |
| CHAPTER 3.02 REGULATIONS..... | 4 |
| 3.02.001 Fats, Oils and Grease Wastewater Discharge Permit (FOG WDP) Required | 4 |
| 3.02.002 Fats, Oils and Grease (FOG) Discharge Limitation | 4 |
| 3.02.003 Public Sewer Overflows, Public Nuisance, Abatement Orders, and Cleanup Costs | 4 |
| 3.02.004 Best Management Practices (BMPs) Required..... | 5 |
| 3.02.005 Prohibitions..... | 5 |
| 3.02.006 FOG Pretreatment Required..... | 6 |
| 3.02.007 Commercial Properties | 7 |
| 3.02.008 Grease Control Device Requirements | 7 |
| 3.02.009 Grease Control Device Maintenance Requirements..... | 7 |
| 3.02.010 Variance and Waiver of Requirement for Grease Control Device..... | 10 |
| CHAPTER 3.03 FEES..... | 12 |
| 3.03.001 Purpose | 12 |
| 3.03.002 Charges and Fees | 12 |
| 3.03.003 Grease Disposal Mitigation Fee..... | 12 |
| 3.03.004 Collection of Fees | 13 |
| CHAPTER 3.04 ADMINISTRATION..... | 13 |
| 3.04.001 FOG WDP Application | 13 |
| 3.04.002 FOG WDP Application Fee | 14 |
| 3.04.003 FOG WDP Conditions..... | 14 |
| 3.04.004 FOG WDP Modification of Terms and Conditions..... | 14 |
| 3.04.005 FOG WDP Duration and Renewal | 15 |
| 3.04.006 Exemption From FOG WDP | 15 |
| 3.04.007 Non-Transferability of a FOG WDP | 15 |

| | |
|---|-----------|
| 3.04.008 Facilities and Drawing Submittal Requirements..... | 16 |
| 3.04.009 Monitoring and Reporting Requirements | 16 |
| 3.04.010 Recordkeeping Requirements | 17 |
| 3.04.011 Falsifying Information or Tampering With Processes..... | 17 |
| 3.04.012 Inspections and Sampling Conditions..... | 17 |
| 3.04.013 Right of Entry | 18 |
| 3.04.014 Notification of Spill. | 18 |
| 3.04.015 Notification of Planned Changes..... | 19 |
| 3.04.016 Notification of FSE Closure..... | 19 |
| CHAPTER 3.05 ENFORCEMENT | 19 |
| 3.05.001 Harmful Discharge | 19 |
| 3.05.002 Determination of Non-Compliance with FOG WDP Conditions..... | 20 |
| 3.05.003 Compliance Schedule..... | 21 |
| 3.05.004 FOG WDP Suspension and/or Revocation..... | 21 |
| 3.05.005 Violation - Penalty..... | 22 |

CHAPTER 3 FATS, OILS AND GREASE

CHAPTER 3.00 GENERAL

3.00.001 Purpose

- A. This Chapter in whole or in part is based on excerpts from Ordinance 09-01 adopted by the Board of Directors on March 5, 2009, and shall govern the use of public and private sewers and establish the rules and regulations for the prevention of blockages of the sewer lines resulting from discharges of Fats, Oils and Grease (FOG) into the public sewer, and to specify appropriate FOG discharge requirements for Food Service Establishments (FSEs).
- B. The requirements of this Code shall supplement and be in addition to the requirements of the Districts Ordinance 01-01, and amendments updates, and/or replacements thereto, establishing rules and regulations for services rendered by South Placer Municipal Utility District, and the District's Ordinance 88-3, an ordinance adopting Chapter 14.26 of the Roseville Municipal Code related to Industrial Wastewater, and amendments thereto.
 - 1. This Code shall apply to both direct and indirect discharge of wastewater containing FOG carried to the public sewer.
 - 2. The provisions set forth in this Code are designed to ensure compliance with federal, state, and local laws and regulations, and to allow the District to meet applicable standards.
 - 3. This Code also establishes quantity and quality standards on all discharges containing FOG, which may alone or collectively cause or contribute to FOG accumulation in the sewer facilities causing or potentially causing or contributing to the occurrence of sanitary sewer overflows (SSOs).

CHAPTER 3.01 DEFINITIONS

- A. Appendix A of this Code, titled "Definitions," shall give meaning to the words and phrases as used in this Code, or any Chapter of this Code.
- B. Unless otherwise defined herein, terms related to water quality shall be as adopted in the latest edition of Standard Methods for Examination of Water and Wastewater, published by the American Public Health Association, the American Water Works Association, and the Water Environment Federation. Testing

procedures for waste constituents and characteristics shall be as provided in 40 Code of Federal Regulations 136.

CHAPTER 3.02 REGULATIONS

3.02.001 Fats, Oils and Grease Wastewater Discharge Permit (FOG WDP) Required

- A. No person shall discharge, or cause to be discharged, any wastewater from Food Service Establishments (FSEs) directly or indirectly into the public sewer without first obtaining a Fats, Oils and Grease Wastewater Discharge Permit (FOG WDP) pursuant to this Code.

3.02.002 Fats, Oils and Grease (FOG) Discharge Limitation

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

3.02.003 Public Sewer Overflows, Public Nuisance, Abatement Orders, and Cleanup Costs

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

owner or FSE to abate the condition causing immediate threat of injury to the health, safety, welfare, or property of the public, the Districts costs for such abatement shall be entirely borne jointly and severally by the FSE/Permittee/Property Owner, and individuals who are responsible officers or owners of the FSE and may constitute a debt to the District, due and payable upon the Districts demand for reimbursement of such costs.

3.02.004 Best Management Practices (BMPs) Required

A. Every FSE/Permittee/Property Owner shall implement BMPs in its operations in accordance with the requirements and guidelines established by the District, to minimize the discharge of FOG to the GCD and/or the public sewer. Detailed requirements for BMPs shall be specified in the FOG WDP and all FSE/Permittee/Property Owner as required, at a minimum, to comply with the BMPs set forth therein as well as any additional BMPs established by the General Manager. BMPs may include but are not limited to, kitchen practices and employee training procedures that are essential in minimizing FOG discharge to the public sewer. BMPs shall include but are not limited to the following:

1. Dry-wipe pots, pans, and work areas prior to washing.
2. Do not pour cooking residue directly into building drains or fixtures.
3. Dispose of food waste directly into the trash.
4. Do not dispose of food waste in the garbage disposal.
5. Collect waste oil and store it for recycling.
6. Do not pour waste oil into building drains or fixtures.
7. Clean floor mats inside the building over a utility sink.
8. Do not wash floor mats where water can run off directly into the storm drain.

3.02.005 Prohibitions

- A. FSEs/Permittees/Property Owners are prohibited from doing any of the following:
1. Installing food grinders or garbage disposals in the plumbing system or new construction. All FSEs that undergo a change in operations or remodeling shall remove any existing food grinders concurrent with such change or remodeling, except as otherwise expressly allowed by the General Manager.
 2. Introducing any additives into an FSE's plumbing system and/or grease control devices for the purpose of emulsifying FOG, and/or chemically treating FOG for grease remediation, or as a supplement to grease

control device maintenance, unless a specific written authorization from the District is first obtained.

3. Disposing of waste cooking oil into the public sewer.
4. Discharging wastewater with temperatures in excess of 140°F to the public sewer.
5. Connecting or discharging dishwashers directly to the sanitary sewer unless otherwise approved by the District.
6. Connecting or discharging food waste disposal units directly to the sanitary sewer. Any food waste disposal units allowed by the District must connect to a solids interceptor prior to discharging to a GCD.
7. Discharging wastes containing fecal materials from toilets, urinals, washbasins, or other fixtures to waste lines directed to grease interceptors and/or other Grease Control Devices, or vice versa.
8. Discharging FOG and solid materials removed from a Grease Control Device to the public sewer.
9. Operating a GCD(s) with FOG and solids accumulation exceeding its rated capacity as documented by the manufacturer through third-party test reports, or in the absence of that, twenty-five percent (25%) of the design hydraulic depth of the grease control device.
10. Discharging FOG and other pollutants above the local discharge limits set forth in the Roseville Municipal Code, Chapter 14.26, and amendments thereto, as adopted under District Ordinance 88-3.

3.02.006 FOG Pretreatment Required

A. Every FSE/Permittee/Property Owner shall, at the time of construction, remodel, and/or change in operations, install, operate, and maintain an approved type and adequately sized GCD in accordance with the District's Specifications, necessary to maintain compliance with the objectives of this Code, subject to the variance and waiver provisions of Chapter 3.02.010 of this Code. The GCD shall separate and remove FOG contained in wastewater from FSEs prior to discharge to the public sewer. Fixtures, equipment, and drain lines located in the food preparation and clean-up areas of any FSEs shall be connected to the GCD. Compliance shall be established as follows:

1. New construction of FSEs
 - a. Unless otherwise approved by the District, new construction of any FSE shall include complete installation of an adequately sized GCD, in accordance with the District's Specifications, exterior to the FSE, prior to commencing discharges of wastewater to the public

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

2. Existing FSEs

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

3.02.007 Commercial Properties

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

3.02.008 Grease Control Device Requirements

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

3.02.009 Grease Control Device Maintenance Requirements

- A. FSEs/Permittees/Property Owners shall maintain GCD(s) in efficient operating condition by periodic removal of the full content of the interceptor conducted by a liquid waste hauler licensed through the California Department of Food and Agriculture, which includes but is not limited to, wastewater, accumulated FOG,

floating materials, and solids.

- B. The District may require any FSE with a GCD to submit data and information necessary to establish the required maintenance frequency of the GCD.
- C. The required maintenance frequency for every FSE with a GCD shall be determined by one of the following methods:
 - 1. GCDs shall be fully pumped out and cleaned at a frequency such that the combined FOG and solids accumulation in the GCD does not exceed its rated capacity as documented by the manufacturer through third-party test reports, or in the absence of that, twenty-five percent (25%) of the total designed hydraulic depth of the grease interceptor. This is to ensure that the minimum hydraulic retention time and required available hydraulic volume are maintained to effectively intercept and retain FOG from being discharged to the public sewer.
 - 2. GCDs shall be fully pumped out and cleaned quarterly when the frequency as described in Chapter 3.02.009C.1 of this Code has not been established. The maintenance frequency shall be adjusted when sufficient data has been obtained to establish an average frequency based on the requirements described in Chapter 3.02.009C.1 of this Code, and guidelines adopted by the District pursuant to the FOG control program. The District may change the required maintenance frequency at any time to reflect changes in actual operating conditions in accordance with the FOG control program. Based on the actual generation of FOG from the FSE, the required maintenance frequency may increase or decrease.

The following maintenance requirements shall apply:

- a. Remove cover(s)
- b. Document the condition of GCD with digital pictures of the interior through each manhole/cover
- c. Remove all Fats, Oils and Grease (FOG), solids, food debris, and wastewater
- d. Clean all internal surfaces from the build-up of FOG or other residual materials (chemicals and/or degreasers are prohibited)
- e. Inspect all internal components, replace anything missing or broken and, when required by the manufacturer, ensure the flow control device is installed
- f. Document the condition of GCD when empty and cleaned with digital pictures of the interior through each manhole/cover

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

shall be responsible for any and all expenses of the District in undertaking such work, in addition to being subject to any enforcement action taken by the District as provided for in this Code.

3.02.010 Variance and Waiver of Requirement for Grease Control Device

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

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

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

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

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

1. Quantity of FOG discharge as measured or indicated by the size of the FSE based on water usage, menu, seating capacity, number of meals served, amount of on-site consumption of prepared food, number of plumbing fixtures, and other conditions that may reasonably be shown to

contribute to FOG discharges;

2. Adequacy of implementation of BMPs and compliance history;
3. Sewer size, grade, and condition based on visual and other information, FOG deposition in the sewer by the FSE, and history of maintenance and SSOs caused by FOG from the FSE;
4. Changes in operations that significantly affect FOG discharge; and
5. Any other condition that the District deems reasonably related to the generation of FOG discharges.

C. Waiver of GCD installation requirement with a grease disposal mitigation fee.

Where the installation of a GCD is not feasible, and no equivalent alternative pretreatment can be installed, an FSE may be granted a waiver of the GCD requirement upon the payment of a grease disposal mitigation fee as described in Chapter 3.03.003 of this Code. Additional requirements may also be imposed to mitigate the discharge of FOG into the public sewer. The General Manager's determination to grant the waiver upon the payment of a grease disposal mitigation fee will be based upon, but not limited to, an evaluation of the following conditions:

1. There is inadequate space for installation and/or maintenance of a GCD, or
2. There is inadequate slope for gravity flow between kitchen plumbing fixtures and the GCD and/or between the GCD and the sewer lateral or the public sewer, and
3. A variance from GCD installation to allow alternative pretreatment technology cannot be granted.

D. Application for variance or waiver of requirement for GCD.

An FSE may submit to the District a request in writing for a waiver or variance from the GCD requirement. The FSE bears the burden of demonstrating that the installation of a GCD is not feasible or otherwise required. Upon determination by the General Manager that reasons are sufficient to justify a variance or waiver, the FOG WDP will be issued or revised to include the variance or waiver and relieve the FSE from the requirement to install a GCD.

E. Terms and conditions of variance or waiver.

A variance or waiver shall contain the terms and conditions that serve as the basis for its issuance. A variance or waiver may be revoked by the General Manager at any time upon the determination that any of the terms or conditions for its issuance is not satisfied or if the conditions upon which the variance or

waiver was based have changed so that the justification for the variance or waiver no longer exists. The variance or waiver shall be valid so long as the FSE remains in compliance with the terms and conditions until the expiration date specified in the variance or waiver.

CHAPTER 3.03 FEES

3.03.001 Purpose

- A. It is the purpose of this section to provide for the recovery of costs from users of the public sewer for the implementation of the program established in this Code.

3.03.002 Charges and Fees

- A. The District may adopt charges and fees by resolution which may include, but are not limited to:
 - 1. Fees for reimbursement of costs or setting up and operating the District's FOG program.
 - 2. Fees for consistent removal by the District of pollutants otherwise subject to Federal Pretreatment Standards;
 - 3. Other fees the District may deem necessary to carry out the requirements contained in this Code.
- B. Costs incurred by the District as a result of required on-site sampling and analysis shall be reimbursed to the District by the FSE/Property Owner/Permittee.

3.03.003 Grease Disposal Mitigation Fee

- A. Any FSE that operates under a District-approved waiver, as provided in 3.02.010.C of this Code, without a GCD may be required to pay an annual grease disposal mitigation fee. The grease disposal mitigation fee is intended to cover the costs of increased maintenance of the public sewer, for inspection and cleaning of FOG that a usual and customary, and properly maintained, GCD would otherwise prevent from entering the public sewer. This section shall not be interpreted to allow new construction or an existing FSE undergoing remodeling and/or a change in operations to operate without an approved grease interceptor or a grease trap unless the General Manager has determined that it is impossible or impracticable to install and/or operate a GCD for the subject facility under the provisions of Chapter 3.02.010 of this Code.
- B. The grease disposal mitigation fee shall be adjusted periodically by the General Manager based on the estimated annual increased cost of maintaining the public sewer for inspection and removal of FOG and other viscous or solidifying agents attributable to the FSE resulting from the lack of a GCD.

3.03.004 Collection of Fees

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

CHAPTER 3.04 ADMINISTRATION

3.04.001 FOG WDP Application

- A. Any person required to obtain a FOG WDP for a FSE shall, jointly with the property owner, complete and file with the District, prior to commencing or continuing discharges, an application in a form prescribed by the General Manager.
- B. Site plans, floor plans, mechanical and plumbing plans, and details to show all sewers, GCD, or other pretreatment equipment and appurtenances with sizes, locations, and elevations, and a completed Grease Control Device Sizing and Selection Worksheet as provided in the District's Specifications, with product specifications for the proposed GCD, and manufacturer's third-party certified test report with incremental test data shall be submitted with the application.
- C. Other information related to the business operations and potential discharge may be requested to properly evaluate the FOG WDP application.
- D. After evaluation of the data furnished, the FOG WDP may be issued, subject to terms and conditions set forth in this Code and as otherwise determined by the General Manager.

3.04.002 FOG WDP Application Fee

- A. The FOG WDP application fee in accordance with the provisions of this Code shall accompany the submission of the FOG WDP application.

3.04.003 FOG WDP Conditions

- A. The issuance of a FOG WDP may include, but is not limited to, any of the following conditions or limits:
 1. Limits on the discharge of FOG and other pollutants.
 2. Requirements for proper operation and maintenance of GCDs.
 3. GCD maintenance frequency and schedule.
 4. Requirements for implementation of BMPs.
 5. Requirements for maintaining and reporting status of BMPs.
 6. Requirements for maintaining and submitting logs and records, including waste hauling records and waste manifests including the ultimate disposition of the waste that contains FOG.
 7. Requirements to self-monitor.
 8. Requirements to self-report.
 9. Requirements for the FSE to construct, operate and maintain, at its own expense, GCD(s) and sampling facilities.
 10. Additional requirements as otherwise determined to be reasonably appropriate by the General Manager to protect the public sewer or as specified by other regulatory agencies.
 11. Other terms and conditions which may be reasonably applied to ensure compliance with this Code

3.04.004 FOG WDP Modification of Terms and Conditions

- A. The terms and conditions of an issued FOG WDP may be subject to modification at the sole discretion of the General Manager during the life of the FOG WDP based on:
 1. The permittee's current or anticipated operating data;
 2. Changes in the requirements of state or federal regulatory agencies that oversee and monitor the District; or
 3. A determination by the General Manager that such modification is appropriate to further the objectives of this chapter and all applicable regulations.

- B. A permittee may request modification of the terms and conditions of an issued FOG WDP. Any request shall be made in writing stating the requested change and the reasons for the change. The General Manager shall review the request, make a determination on the request, and respond in writing.
- C. A permittee shall be informed by the District of any change in the FOG WDP limits, conditions, and/or requirements at least forty-five (45) days prior to the effective date of the change. Any changes or new conditions in the FOG WDP shall include a reasonable time schedule for compliance.

3.04.005 FOG WDP Duration and Renewal

- A. FOG WDPs shall be issued and renewed according to the conditions set in the FOG WDP. At least thirty (30) days prior to the expiration (if one exists) of the FOG WDP, the permittee shall apply for renewal and pay the applicable fees for the renewal of the WDP in accordance with the provision of this Code. A permittee shall also pay any delinquent invoices in full prior to any FOG WDP renewal.

3.04.006 Exemption From FOG WDP

- A. A limited food preparation establishment may be considered by the General Manager to be a low-FOG producing FSE and may be exempted from obtaining a FOG WDP. Exempt establishments shall be engaged only in reheating, hot holding, or assembly of ready to eat food products, provided that, in the District's determination the wastewater discharge does not contain a significant amount of FOG.
- B. An exemption from obtaining a FOG WDP shall be requested in writing. If the General Manager determines that the reasons for the request are valid, an exemption may be granted.
- C. A limited food preparation establishment may be required to follow the BMPs defined for all FSEs. A limited food preparation establishment that discharges FOG at any time in excess of the defined limits per Chapter 3.02.002 of this Code may be reclassified as an FSE and required to obtain a FOG WDP at the General Manager's discretion.

3.04.007 Non-Transferability of a FOG WDP

- A. A FOG WDP issued pursuant to this Code is for a specific FSE and for a specific operation and creates no vested rights. No holder of a FOG WDP shall assign, transfer, and/or sell the FOG WDP and/or use the FOG WDP on any property or premises or for any facilities, operations, and/or discharges not expressly encompassed within the FOG WDP.

3.04.008 Facilities and Drawing Submittal Requirements

- A. A FSE/Permittee/Property Owner shall submit facility site plans, mechanical and plumbing plans, and details to show all sewer locations and connections. The submittal shall be in a form and content acceptable to the General Manager for review of the existing or proposed GCD(s), monitoring facilities, metering facilities, and operating procedures. The review of the plans and procedures shall in no way relieve the FSE of the responsibility of modifying the facilities or procedures in the future as necessary to produce an acceptable discharge per Chapter 3.02.002 of this Code, and to meet the requirements of this Code or the requirements of any other regulatory agency.
- B. The District may require the drawings to be prepared by a California registered architect, civil, mechanical, or electrical engineer. If allowed by the General Manager, these drawings may be prepared by a qualified plumbing or mechanical contractor.

3.04.009 Monitoring and Reporting Requirements

- A. The District may require periodic reporting of the status of implementation of BMPs, in accordance with the FOG control program.
- B. The District may require visual monitoring at the sole expense of the FSE/Permittee/Property Owner to observe the actual conditions of the FSE's sewer lateral and sewer lines downstream. The District may require reports for self-monitoring of wastewater constituents and FOG characteristics of the permittee needed for determining compliance with any conditions or requirements as specified in the FOG WDP or this Code. Monitoring reports of the analyses of wastewater constituents and FOG characteristics shall be in a manner and form approved by the District and shall be submitted upon request of the General Manager. Failure by the permittee to perform any required monitoring, or to submit monitoring reports required by the General Manager constitutes a violation of this Code and shall be cause for the District to initiate all necessary tasks and analyses to determine the wastewater constituents and FOG characteristics for compliance with any conditions and requirements specified in the FOG WDP or in this Code. The permittee shall be responsible for any and all costs and expenses of the District in undertaking such monitoring analyses and preparation of reports.
- C. A FSE/Permittee/Property Owner shall self-report by electronically submitting, via email to the District, a copy of records (i.e., logbooks, manifests, receipts, invoices) provided at the time of each pump-out/cleaning/maintenance/repair of the GCD. Submitted records shall indicate, at a minimum, the date of service, a description of the services provided, and the volume of material removed from the GCD(s). Such information may also be submitted by the FSE/Permittee/Property Owner or their liquid waste hauler electronically as may

be required by the District.

- D. Other reports may be required, such as compliance schedule progress reports, FOG control monitoring reports, and any other reports deemed reasonably appropriate by the General Manager to ensure compliance with this Code.

3.04.010 Recordkeeping Requirements

- A. The permittee shall be required to keep all manifests, receipts, and invoices of all cleaning, maintenance, grease removal of/from the GCD, disposal carrier, and disposal site location for no less than three (3) years. The permittee shall, upon request, make the manifests, receipts, and invoices available to the District, any inspector, and/or any enforcement officer. These records may include but are not limited to:
 1. An on-site logbook of GCD cleaning and maintenance practices.
 2. A record of BMPs being implemented, including employee training.
 3. Copies of records and manifests of liquid waste hauling of GCD contents.
 4. Records of sampling data and sludge height monitoring for FOG and solids accumulation in the GCD(s).
 5. Records of any spills and/or cleaning of the sewer lateral.
 6. Any other information deemed appropriate by the General Manager to ensure compliance with this Code.

3.04.011 Falsifying Information or Tampering With Processes

- A. It shall be unlawful to make any false statement, representation, record, report, plan or other document that is filed with the District or to tamper with or knowingly render inoperable any GCD, monitoring device, or method or access point required under this Code.

3.04.012 Inspections and Sampling Conditions.

- A. The District may inspect or order the inspection and sample the wastewater discharges of any FSE/Permittee/Property Owner to ascertain that the requirements of this Code are being met and the permittee is complying with all conditions of the FOG WDP. The permittee shall allow access to the FSE/Permittee/Property Owner premises, during normal business hours, for purposes of inspecting the FSE's GCDs, reviewing the manifests, receipts, and invoices relating to the cleaning, maintenance, and inspection of the GCDs.
- B. The District shall have the right to place or order the placement on the property, containing an FSE, or other locations as determined by the General Manager, such devices as are necessary to conduct sampling or metering operations. Where an FSE/Permittee/Property Owner has security measures in force, the

permittee shall make necessary arrangements so that the District and/or an inspector shall be permitted to enter without delay for the purpose of performing their specific responsibilities.

- C. In order for the District to determine the wastewater characteristics of the discharger for purposes of determining compliance with FOG WDP requirements, the permittee shall make available for inspection and copying by the General Manager, an inspector, an enforcement officer, and/or service personnel, all notices, monitoring reports, waste manifests, and records including, but not limited to, those related to wastewater generation and wastewater disposal.

3.04.013 Right of Entry

- A. Users or permittees of properties where FSE wastewater is created or discharged shall allow the General Manager, an inspector, and/or an enforcement officer, reasonable access to all parts of the wastewater generating and disposal facilities for the purposes of inspection and sampling during all times the FSE is open, operating, or any other reasonable time. No persons or occupants of an FSE shall interfere with, delay, resist, or refuse entrance to the General Manager, an inspector, and/or an enforcement officer attempting to inspect any facility involved directly or indirectly with a discharge of wastewater to the public sewer. In the event of an emergency involving an actual or imminent SSO, the General Manager, an inspector, and/or an enforcement officer may immediately enter the property and may access adjoining businesses or properties that share a public sewer with an FSE in order to prevent or remediate the actual or imminent SSO.

3.04.014 Notification of Spill.

- A. In the event a permittee is unable to comply with any FOG WDP condition due to a breakdown of equipment, accidents, or human error or the permittee has reasonable opportunity to know that their discharge will exceed the discharge provisions of the FOG WDP or this Code, the user/permittee shall immediately notify the District by telephone at the number specified in the FOG WDP. If the material discharged to the public sewer has the potential to cause or result in sewer blockages or SSOs, the user/permittee shall immediately notify the District.
- B. Confirmation of this notification shall be made in writing to the District at the address specified in the FOG WDP postmarked no later than two (2) calendar days from the date of the incident. The written notification shall state the date of the incident, the reasons for the discharge or spill, what steps were taken to immediately correct the problem, and what steps are being taken to prevent the problem from recurring.

- C. Such notification shall not relieve the user/permittee of any expense, loss, damage, or other liability which may be incurred as a result of damage or loss to the District or any other damage or loss to persons or property; nor shall such notification relieve the permittee of any fees or other liability which may be imposed by this Code.

3.04.015 Notification of Planned Changes

- A. A permittee shall notify the District in writing at least sixty (60) days prior to any facility expansion or remodeling, or process modifications that may result in new or substantially increased FOG discharges or a change in the nature of the discharge. A permittee shall submit any information requested by the District for evaluation of the effect of such expansion or remodeling on the permittee's FOG discharge to the public sewer.

3.04.016 Notification of FSE Closure

- A. In the event that an FSE closes or suspends business operations, notification shall be provided to the District in writing within thirty (30) days of closure. The FSE/Permittee/Property Owner shall be responsible to ensure that any existing GCDs are cleaned in accordance with section Chapter 3.02.009C.2 of this Code.
- B. A GCD that has been abandoned in place or has been discontinued otherwise from further use, or to which no waste from a plumbing fixture is connected shall have the contents removed therefrom, the bottom perforated, and be completely filled with crushed rock, sand, controlled low strength material (CLSM), concrete, or other material as approved by the District.
- C. The General Manager may direct District staff to service GCD(s) if, in the determination of the General Manager, the FSE/Permittee/Property Owner has failed to comply with the requirements of this section after an FSE closure. The FSE/Permittee/Property Owner shall be responsible for any and all expenses of the District in undertaking such work, in addition to being subject to any enforcement action taken by the District as provided for in this Code.

CHAPTER 3.05 ENFORCEMENT

3.05.001 Harmful Discharge

- A. The District may, upon order of the General Manager, suspend the wastewater service or revoke a FOG WDP when such suspension or revocation is necessary in order to stop an actual or threatened discharge that presents or may present an imminent or substantial endangerment to the health or welfare of persons, to the environment, or which causes obstruction to the collection system or causes the District to violate any condition of its permits or Federal

and/or State regulations.

- B. Any FSE/Permittee/Property Owner notified of a suspension of the wastewater treatment service and/or revocation of a FOG WDP shall immediately stop or eliminate all nonconforming discharges to the public sewer. In the event of a failure of the FSE/Permittee/Property Owner to comply with the suspension order, the General Manager may take any and all such steps as he deems necessary, including immediate severance of the sewer connection, to prevent or minimize damage to the collection system. The District may reinstate the FOG WDP and/or the wastewater service upon proof of the elimination of the nonconforming discharge. A detailed written statement submitted by the FSE/Permittee/Property Owner describing the causes of the harmful discharge and the measures taken to prevent any future occurrence shall be submitted to the General Manager within fifteen (15) days of the date of occurrence of the discharge.

3.05.002 Determination of Non-Compliance with FOG WDP Conditions

A. Sampling and inspection procedures

1. Sampling and inspection of FSEs shall be conducted in the time, place, manner, and frequency determined at the discretion of the General Manager.
2. Noncompliance with FOG WDP discharge conditions or any discharge provisions of this Code may be determined by an inspection of the GCD and associated manifest and documentation, or analysis of a grab sample of the effluent of an FSE.
3. Any sample taken from a sample point, as determined representative by the District, is considered representative of the discharge to the public sewer.

B. Notice of Non-compliance/Notice of Violation

1. Any permittee found to be in violation of this Code and/or the FOG WDP terms and conditions may be issued a Warning of Non-Compliance in which there will be a specified time period to correct tile violation.
2. If the violation is not corrected within the specified time period the permittee will be issued a Notice of Violation, within a specified time period to correct the violation.
3. If the violation is not corrected within the time period specified in the Notice of Violation, the permittee shall be deemed to be in noncompliance.

C. Noncompliance Fee

1. Any permittee deemed by the General Manager to be in noncompliance with the terms and conditions specified in the FOG WDP or with any provision of this Code may be required to pay a noncompliance fee. The purpose of the noncompliance fee is to compensate the District for costs of additional inspection and follow-up, sampling, monitoring, laboratory analysis, treatment, disposal, and administrative processing incurred as a result of the noncompliance and shall be in addition to and not in lieu of any penalties as may be assessed pursuant to Chapter 3.05.005 of this Code. Noncompliance fees shall be in the amount determined by the General Manager.

3.05.003 Compliance Schedule

- A. Upon determination that a permittee is in noncompliance with the terms and conditions specified in the FOG WDP or any provision of this Code or needs to acquire and install a GCD, the District may require the permittee to enter a compliance schedule on terms and conditions specified by the General Manager.
- B. The compliance schedule may contain terms and conditions including but not limited to requirements for installation of a GCD and facilities, submittal of drawings or reports, audit of waste hauling records, BMPs and waste minimization practices, payment of fees, or other provisions to ensure compliance with this Code.
- C. If compliance is not achieved in accordance with the terms and conditions of a compliance schedule during its term, the General Manager may issue an order suspending or revoking the FOG WDP pursuant to Chapter 3.05.004 of this Code.

3.05.004 FOG WDP Suspension and/or Revocation

- A. The General Manager may suspend and/or revoke any FOG WDP when the District determines that a permittee:
 1. Fails to comply with the terms and conditions of a compliance schedule order.
 2. Knowingly provides a false statement, representation, record, report, or other document to the General Manager.
 3. Refuses to provide records, reports, plans, or other documents required by the General Manager to determine FOG WDP terms or conditions, discharge compliance, or compliance with this Code.
 4. Falsifies, tampers with, or knowingly renders inaccurate any monitoring

device or sample collection method.

5. Refuses reasonable access to the FSE for the purpose of inspection and monitoring.
6. Fails to make timely payment of all amounts owed to the District for all costs, charges, and fees required or imposed under this Code.
7. Causes obstruction, sewer blockages, or SSOs in the public sewer.
8. Violates GCD maintenance requirements, any condition or limit of its FOG WDP, or any provision of this Code.
9. Fails to report significant changes in operations, or wastewater constituents, and characteristics.

3.05.005 Violation - Penalty

- A. Any violation of this Code or the orders, rules, regulations, and permits issued under this Code is unlawful.
- B. Any user, discharger, and/or permittee in violation of this Code, or the orders, rules, regulations, and permits issued under this Code, may be ordered by the General Manager to cease and desist operations until the violation is corrected. Continuance of operations after notice to cease and desist has been furnished to the user, discharger, and/or permittee shall be unlawful and may result in the severance of the sewer connection. Each day in which any such violation shall continue shall be deemed a separate offense.
- C. The violation of any of the provisions of this Code, or the orders, rules, regulations, and permits issued under this Code, or the doing of any act prohibited or the failure or omission to do any act required by this Code, or the orders, rules, and regulations, and permits issued under this Code is a public nuisance and may be enjoined by the District.
- D. If any violation of this Code, or the orders, rules, regulations, and permits issued under this Code, causes damage to the District's wastewater system, the District may seek to recover civil damages from the user, discharger, owner, and/or permittee causing such damage.
- E. Civil Penalties. Pursuant to the authority of California Government Code Sections 54739 - 54740, any person who violates any provision of this Code shall be liable civilly for a sum not to exceed \$25,000 per violation, for each day in which such violations occur. Pursuant to the authority of the Clean Water Act, 33 U.S.C. Section 1251 et seq., any person who violates any provision of this Code shall be liable civilly for a sum not to exceed \$25,000 per violation, for each day in which such violations occur. Pursuant to California Government Code Sections 54740.5 and 54740.6, the District may

impose administrative fines up to the greater of \$5,000 per day or \$10 per gallon for discharge violations. Each violation and each day in which a violation occurs may constitute a new and separate violation of this Code and shall be subject to the penalties contained within.

- F. Criminal Penalties. Any person who violates any provision of this Code is guilty of a misdemeanor, which upon conviction is punishable by a fine not to exceed \$1,000 or imprisonment for not more than thirty (30) days, or both. Each violation and each day in which a violation occurs may constitute a new and separate violation of this Code and shall be subject to the penalties contained herein.
- G. The remedies and provisions of this section are cumulative and are in addition to any other remedy or provision of law.

South Placer Municipal Utility District Code

CHAPTER 4 CREDIT AND REIMBURSEMENT AGREEMENTS

| | |
|--|----------|
| CHAPTER 4.00 GENERAL | 2 |
| 4.00.001 Purpose | 2 |
| CHAPTER 4.01 DEFINITIONS | 2 |
| CHAPTER 4.02 APPLICATION..... | 2 |
| CHAPTER 4.03 CREDITS | 2 |
| 4.03.001 Construction Costs Allowable for Credit..... | 3 |
| 4.03.002 Competitive Bid Process..... | 3 |
| 4.03.003 Apportionment of Credit..... | 4 |
| 4.03.004 Capacity Charge Credit..... | 4 |
| 4.03.005 Divided Parcel Credit | 4 |
| 4.03.006 Designated Construction..... | 4 |
| 4.03.007 Public Financing District Credits | 4 |
| CHAPTER 4.04 REIMBURSEMENT AGREEMENTS | 5 |
| 4.04.001 Reimbursement Agreement Terms..... | 5 |
| 4.04.002 Public Financing District Reimbursements..... | 6 |
| CHAPTER 4.05 MISCELLANEOUS PROVISIONS..... | 7 |
| 4.05.001 Conflicts | 7 |
| 4.05.002 Severability | 7 |
| 4.05.003 Vested Contractual Rights Not Affected | 7 |

CHAPTER 4 CREDIT AND REIMBURSEMENT AGREEMENTS

CHAPTER 4.00 GENERAL

4.00.001 Purpose

This Chapter in whole or in part is based on excerpts from Ordinance 15-01 adopted by the Board of Directors on August 6, 2015, and shall govern the framework whereby a property owner or developer may obtain credits in lieu of payment of Capacity Charges for the construction of Major Facilities (as defined herein) and/or seek reimbursement for the costs of construction of Major Facilities under the eligibility criteria set forth herein. This Code shall further the policy of the Board of Directors of the District to provide alternative mechanisms to facilitate the construction and financing of District infrastructure.

CHAPTER 4.01 DEFINITIONS

- A. Appendix A of this Code, titled "Definitions," shall give meaning to the words and phrases as used in this Code, or any Chapter of this Code.

CHAPTER 4.02 APPLICATION

- A. Any owner or subdivider of real property who or which is required by the District to bear the costs of constructing and installing improvements that are dedicated to, or acquired for, public use and which contain supplemental size, capacity, numbers, or length which benefit or benefits property not owned by said owner or not within said subdivider's subdivision, may apply for credits and/or a reimbursement agreement pursuant to which such improvements shall be acquired or constructed and providing for reimbursement of the excess costs thereof from Benefitted Properties and/or the Benefit Area, as such may be determined by the District. Applications shall be made in the form and manner prescribed by the General Manager.

CHAPTER 4.03 CREDITS

- A. Upon application by the property owner or the property owner's authorized representative, the District may authorize credit for the construction of any eligible Trunk Sewer Mains or Major Facilities, described in Appendix A of this Code in lieu of payment of all, or a portion of, the Capacity Charge required. If

authorized, such credit shall be recognized only by prior written agreement between the parties, based upon the provisions hereinafter stated.

4.03.001 Construction Costs Allowable for Credit

- A. Trunk Sewer Mains: The amount of credit for the construction of Trunk Sewer Mains shall be computed solely upon the quantity of Trunk Sewer Main actually installed using a Schedule of Values for Pipeline Construction Costs adopted by Board Resolution, plus eight percent (8%) of that amount. The eight percent (8%) of the allowable credit is an offset for engineering costs. Competitive bidding or actual costs shall not be used as a basis for the credit determination. Credit for change orders shall be limited to an adjustment of creditable quantities to reflect actual final installed quantities. Credit shall not be allowed for other change orders or claims.
- B. Major Facilities: The amount of credit for construction of Major Facilities shall equal the actual cost of construction as determined under a construction contract awarded by the competitive bid process in accordance with California state law and District policy, plus eight percent (8%) of the actual cost of construction as an offset for engineering costs. This credit shall be allowed only if the actual cost of construction is the result of a competitive bidding process that is consistent with competitive bidding and prevailing wage requirements of the Public Contracts Code and Labor Code that would be imposed on the District as if it was contracting directly for the construction.
- C. Notwithstanding any provision herein to the contrary, credits shall not be allowed for costs incurred for the purpose of accelerating a development schedule, unless required by the District, and then only if the amount of such credit is approved in writing by the District Engineer prior to commencement of the work.
- D. Credits shall not be allowed for additional costs incurred when the proximate cause is an action or inaction of the owner, developer, or applicant, including but not limited to delays, lost productivity, change orders, and claims.

4.03.002 Competitive Bid Process

- A. Credit for actual cost when authorized herein shall only be allowed if:
 - 1. A project for the construction of an eligible Major Facility is advertised and awarded in the same manner and subject to the same laws and regulations as if the District was advertising and awarding the project, including but not limited to compliance with the California Labor and Public Contracts Codes, and incorporation into the construction contract documents the District Specifications then in effect. Projects shall be advertised for a minimum of thirty (30) days and shall not be advertised for bidding prior to approval of the improvement plans by the District and any

other jurisdiction for which approval is required. Project bids shall not include schedule acceleration or acceleration alternatives; and

2. All real property interests necessary to complete delivery of the Major Facilities to the District have been transferred to the District or other jurisdiction as appropriate.

4.03.003 Apportionment of Credit

- A. Credit for Major Facilities shall be uniformly apportioned among the parcels for which the Major Facilities were approved at the time of installation.

4.03.004 Capacity Charge Credit

- A. Credits allowed pursuant to this Code shall be applied toward a maximum of fifty percent (50%) of the amount of the Capacity Charges due for the real property to which the credit is apportioned. Allowable costs of construction of Major Facilities that exceed the amount of Capacity Charge credits allowed in this Chapter shall be reimbursed in accordance with Chapter 4.04.001 of this Code.

4.03.005 Divided Parcel Credit

- A. Where credit is allowed pursuant to this Code and apportioned to a particular parcel that is to be divided, the credit shall be apportioned uniformly among the divided parcels.

4.03.006 Designated Construction

- A. Unless otherwise determined by the Board, an owner of real property shall construct any Major Facility shown by the District to be designated for construction on that real property.

4.03.007 Public Financing District Credits

- A. Credits for Major Facilities financed by an assessment district, community facilities (Mello Roos) district, special tax district, or similar public infrastructure financing may be allowed by the District. The applicant shall immediately notify the District of any proposal to provide funding for construction of Major Facilities by a public infrastructure financing entity. The District may, at its sole discretion, redetermine and reassign credits for Capacity Charges based on the amount of public funding thereby provided.

Any credit allowed shall be for a pro-rata portion of those incidental expenses of the public infrastructure financing entity which are considered by the Board to be the ordinary expenses for construction of Major Facilities, and which are not incidental to and peculiar to the public infrastructure financing entity. Such incidental expenses for which credit shall not be allowed include, but are not limited to, attorneys' fees, preparation of legal descriptions, preparation of

documents, all expenses related to the sale of bonds, and other expenses required by the Placer County Treasurer or appropriate administrative authority.

CHAPTER 4.04 REIMBURSEMENT AGREEMENTS

4.04.001 Reimbursement Agreement Terms

- A. Where allowable costs of construction of Major Facilities exceed the amount of any Capacity Charge credits, then in that event the amount of such exceedance shall be reimbursed by the District to the entity which constructed the Major Facilities, provided:
1. The Major Facilities were constructed pursuant to plans approved by the District Engineer prior to commencement of any construction.
 2. The construction was not financed by a public infrastructure financing entity.
 3. Fee requirements, allowable credits, and reimbursable amounts all have been determined consistent with this Code.
 4. The applicant has paid all fees required by the Code.
 5. The reimbursement request was submitted in writing to the District prior to the final approval of an improvement plan, or where no improvement plan is filed, prior to commencement of any construction.
 6. A written reimbursement agreement has been executed by the party who executed the subdivision agreement with the County of Placer, City of Rocklin, or Town of Loomis. Where no subdivision map is to be filed and before the time the improvement plans for the real property are approved by the County of Placer, City of Rocklin, or Town of Loomis, the written reimbursement agreement shall be executed by the owner of the real property where the construction of the Major Facilities will occur.
 7. The written reimbursement agreement shall set forth the terms, conditions, amount of reimbursement, and time frame for reimbursement, including no prepayment penalties and interest per annum at the net County of Placer treasury pool rate for the prior fiscal year on the unpaid balance, with interest not beginning to accrue until sixty (60) days have passed from the date construction is accepted by the District and from the date of receipt by the District of releases of liens, claims, and encumbrances on the Major Facilities, a reimbursement invoice for an amount consistent with the terms of the reimbursement agreement, and all documents necessary to substantiate the actual costs.

8. Notwithstanding any other provisions contained herein, reimbursements will be made under the following terms:
 - a. Reimbursements less than \$1,000,000 shall be made within twelve (12) months of the execution of the reimbursement agreement.
 - b. Reimbursements greater than \$1,000,000, shall be made over a period of five (5) years, in such amounts and frequency as the District may determine in its sole and exclusive discretion, calculated from the date of execution of the reimbursement agreement.
9. The Board has approved the written reimbursement agreement.
10. The General Manager shall provide for the accounting of the collection and payment of reimbursement charges from the Benefit Area or Benefitted Property. Nothing herein contained shall require the District to segregate reimbursement charges collected by the District from general funds of the District or to maintain special funds or accounts for such charges.
11. The maximum term of any reimbursement agreement authorized by this Code shall be five (5) years. Upon expiration of the term, all obligations of the District thereunder to collect the reimbursement charge and to reimburse the applicant shall cease.

4.04.002 Public Financing District Reimbursements

- A. If reimbursement is sought from the District for the construction of Major Facilities financed by an assessment district, community facilities (Mello Roos) district, special tax district, or any similar public infrastructure financing entity, then any reimbursement from the District due there from shall be paid solely to the assessment district, community facilities (Mello Roos) district, special tax district, or any similar public infrastructure financing entity, or its successor, and not to the person constructing or causing the construction of the project. At no cost to the District, the person claiming entitlement to reimbursement shall have the entire burden of establishing to the District's complete satisfaction that the project is not constructed as a project of an assessment district, community facilities (Mello Roos) district, special tax district, or any similar public infrastructure financing entity. At no cost to the District, such District satisfaction may include, by way of illustration and not limitation, reimbursement conditioned upon indemnification, bond, mediation, judicial interpleader, and payment of District's actual attorney's fees. Notwithstanding the foregoing, the District Engineer may determine, in their sole discretion, that reimbursement may be made to the property owner who constructed the Major Facilities.

- B. If the construction of Major Facilities is financed by a public infrastructure financing entity and where the person, firm, or corporation seeking reimbursement has deposited cash into the incidental expense special deposit trust fund established for the financing of the assessment district, reimbursement may be allowed provided all provisions of this Code are met. The reimbursable amount shall be the lesser of the amount of the cash deposit or the amount by which the allowable costs for construction exceed the amount of any water development fee.
- C. By entering into a reimbursement agreement, the District shall not be deemed an insurer of payment to the applicant of any reimbursement charge or charges or otherwise guarantee the collection and payment over to the applicant of any reimbursement charge.

CHAPTER 4.05 MISCELLANEOUS PROVISIONS

4.05.001 Conflicts

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

4.05.002 Severability

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

4.05.003 Vested Contractual Rights Not Affected

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

South Placer Municipal Utility District Code

CHAPTER 5 ENCROACHMENTS ON DISTRICT EASEMENTS AND RIGHTS OF WAY

| | |
|--|----------|
| CHAPTER 5.00 GENERAL | 2 |
| 5.00.001 Purpose | 2 |
| CHAPTER 5.01 DEFINITIONS | 2 |
| CHAPTER 5.02 PROHIBITED ENCROACHMENTS..... | 2 |
| 5.02.001 Access | 2 |
| 5.02.002 Prohibited Encroachments..... | 2 |
| CHAPTER 5.03 GUIDELINES FOR PERMISSIBLE ENCROACHMENTS..... | 3 |
| CHAPTER 5.04 MISCELLANEOUS PROVISIONS..... | 4 |
| 5.04.001 Conflicts | 4 |
| 5.04.002 Severability | 4 |
| 5.04.003 Vested Contractual Rights Not Affected | 4 |

CHAPTER 5 ENCROACHMENTS ON DISTRICT EASEMENTS AND RIGHTS OF WAY

CHAPTER 5.00 GENERAL

5.00.001 Purpose

- A. This Chapter in whole or in part is based on excerpts from Ordinance 15-03 adopted by the Board of Directors on September 3, 2015, to establish the criteria whereby the District may grant a property owner permission to encroach on a District easement or right of way, either upon the request of a property owner or upon the discovery of an unlawful encroachment on District property or rights of way. District facilities are located within established easements, property held by the District in fee and rights of way located within roads, subdivisions, and undeveloped areas. The District's property and right-of-way interests must be protected and preserved at all times against unauthorized use, damage to District property and/or facilities, or hindrance of access to said facilities. The District may remove any encroaching structures from its property and rights of way at the property owner's expense. The purpose of this Chapter is to establish guidelines and requirements for certain types of encroachments that may be permitted.

CHAPTER 5.01 DEFINITIONS

- A. Appendix A of this Code, titled "Definitions," shall give meaning to the words and phrases as used in this Code, or any Chapter of this Code.

CHAPTER 5.02 PROHIBITED ENCROACHMENTS

5.02.001 Access

- A. The District must maintain access to its properties and rights of way so that it retains the immediate ability to construct, reconstruct, maintain, repair, test, inspect, relocate, and or operate any of its facilities.

5.02.002 Prohibited Encroachments

- A. The District may permit certain encroachments in its right of way so long as the encroacher completes an encroachment permit on a form prescribed by the General Manager and signs an encroachment agreement. The following are encroachments that are prohibited and subject to immediate removal:

1. Structures/buildings, whether above or below ground, that prohibit free and complete access to District facilities.
2. Deep-rooted trees. Shallow-rooted trees that grow no higher than fifteen (15) feet and have a mature root spread of no more than ten (10) feet may be permitted, provided the trees are planted no closer than twenty-five (25) feet from the closest edge of the District's pipeline. Bushes and shrubs are generally allowed where they do not block access and are no more than three (3) feet tall. Additionally, trees cannot make the District's easement impassable, even if they comply with the aforementioned criteria.
3. Large boulders.
4. Blasting and heavy equipment.
5. Permanent structures within ten (10) feet of a District facility that cannot be removed without damaging other buildings or improvements. This includes utility vaults, retaining and sound walls.

CHAPTER 5.03 GUIDELINES FOR PERMISSIBLE ENCROACHMENTS

- A. All requests for an encroachment permit are determined on a case-by-case basis depending on the recorded document that originally fixed the legal rights of the District, the location or anticipated location of District facilities, and any other factors that affect the District ownership, use, operation, and access to said facilities. All requests for an encroachment permit are subject to review and approval by the District Board of Directors.
- B. The applicant must execute and record an agreement satisfactorily to the District in all respects, which shall provide that the property owner shall indemnify and hold the District harmless for any damage to the District's facilities and also any damages to the encroachments, including all expenses incurred by the District, when removal by the District is required.
- C. The applicant must always supply the District with as-builts.
- D. Generally permissible items in an encroachment permit are as follows:
 1. Turf and other minor landscaping (trees and deep-rooted shrubs not permitted per above).
 2. Asphalt per District approved design.
 3. Concrete per District approved design.

- E. When an unauthorized use of a District property or easement is discovered, the General Manager shall give notice of the infraction to the person responsible.
- F. The decision on whether to permit an encroachment shall be at the sole discretion of the Board of Directors of the District.
- G. The District may order the immediate removal of any otherwise permitted encroachments in the event such encroachments impair District access, and the cost of such removal shall be borne by the property owner.

CHAPTER 5.04 MISCELLANEOUS PROVISIONS

5.04.001 Conflicts

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

5.04.002 Severability

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

5.04.003 Vested Contractual Rights Not Affected

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

South Placer Municipal Utility District Code

APPENDIX A – DEFINITIONS

Accessory Dwelling Unit (ADU): As defined in California Government Code Sections 66313, and as may be amended in the future.

Appeal: A request for a review of the General Manager's determination or action pursuant to, or in interpretation of, any provision of the South Placer Municipal Utility District Sewer Code.

Appellant: A person, as defined in Appendix A of the South Placer Municipal Utility District Sewer Code, who requests a review of the General Manager's determination or action, pursuant to, or in interpretation of, any provision of the South Placer Municipal Utility District Sewer Code.

Applicant: The owner or authorized agent of the owner who submits a request or application through processes outlined by the South Placer Municipal Utility District Sewer Code (Code), or by the South Placer Municipal District generally for permits, credits, or other applicable items pursuant to the provisions of this Code.,

Benefit Area: The area comprising all lands benefited by the improvements, or any portion thereof, acquired or constructed pursuant to the South Placer Municipal Utility District Sewer Code with respect to which a reimbursement agreement has been entered into.

Benefitted Property: Any parcel or parcels of improved or unimproved real property benefited by any improvement, or any portion thereof, acquired or constructed pursuant to the South Placer Municipal Utility District Sewer Code with respect to which a reimbursement agreement has been entered into.

Best Management Practices (BMPs): Activities, prohibitions, maintenance procedures, and other management practices to prevent or reduce the direct or indirect introduction of Fats, Oils and Grease (FOG) into the public sewer.

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

Board of Directors (Board): The legislative body of the South Placer Municipal Utility District.

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

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

Capacity Charge: A charge for public facilities in existence at the time a charge is imposed or charges for new public facilities to be acquired or constructed in the future that are of proportional benefit to the person or property being charged, including supply or capacity contracts for rights or entitlements, real property interests, and entitlements and other rights of the local agency involving capital expense relating to its use of existing or new public facilities. A “capacity charge” does not include a commodity charge. The Capacity Charge shall be paid to the South Placer Municipal Utility District (District) in lawful money of the United States by any person, for the privilege of connecting to the District’s facilities, whether such connection is voluntary or mandatory. The District’s facilities shall include local collection systems, trunk lines, treatment plants, and capacity.

Change in Operations: Any change in the ownership, food types, or operational procedures that have the potential to change the amount of Fats, Oils and Grease (FOG) discharged by Food Service Establishments (FSEs).

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

Code: The South Placer Municipal Utility District Sewer Code, as adopted by the Board of Directors, to govern the rules and regulations for services provided by the South Placer Municipal Utility District.

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

Collector Sewer: The public sanitary sewer main to which various buildings or private sewers are connected, owned, and operated by the South Placer Municipal Utility District.

Compliance Schedule: A time schedule, enforceable under the provisions of the South Placer Municipal Utility District Sewer Code that contains increments of progress (e.g. milestones, in the form of dates). These milestones shall be for the commencement and/or completion of major events leading to the construction and operation of additional pretreatment facilities or the implementation of policies, procedures, or

operational management techniques required for permittees to comply with all applicable federal, state, or local environmental regulations which may directly or indirectly affect the quality of the permittee's wastewater.

Customer: The building or property owner listed on the utility's records as the customer liable for payment of the sewer service or additional charges assessed on the sewer account.

Developer or Subdivider: Any person or business or business process, whose activities range from the renovation and re-lease of existing buildings to the purchase of raw land and the sale of developed land or parcels to others.

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

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

District Engineer: The District Engineer of the South Placer Municipal Utility District (District) as appointed by the General Manager, or any District employee or agent of the District authorized to act on their behalf.

District's Office (District Office): The main office for the South Placer Municipal Utility District, located at:

5807 Springview Drive
Rocklin, CA 95677

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

Domestic Wastewater: Wastes originating in a residential facility or dwelling.

Equivalent Dwelling Unit (EDU): The unit of measurement used to determine design and fee requirements based on the typical average flow and strength of wastewater from a single-family residential occupancy.

Fats, Oils and Grease (FOG): Non-petroleum organic polar compounds derived from animal or plant sources such as fats, non-hydrocarbons, fatty acids, soaps, waxes,

and oils that contain multiple carbon chain triglyceride molecules. These substances are detectable and measurable using analytical procedures established in the 40 CFR Part 136.

Fats, Oils and Grease (FOG) Control Program: The program developed by the South Placer Municipal Utility District, as required by, and pursuant to, State Water Resources Control Board Order No. 2006-0003, and any subsequent modifications.

Fats, Oils and Grease Wastewater Discharge Permit (FOG WDP): A permit issued by the South Placer Municipal Utility District, subject to the requirements and conditions established by the General Manager, authorizing a permittee to discharge wastewater from a Food Service Establishment (FSE) into the public sewer.

Fee Schedule: The fee schedule adopted by the South Placer Municipal Utility District Board of Directors annually to establish rates, charges, and other fees that may be imposed by the District.

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

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

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

General Manager: The General Manager as appointed by the Board of Directors of the South Placer Municipal Utility District (District) in accordance with the California Municipal Utility District Act (Public Utility Code commencing at Section 11501 et seq)

or any District employee or agent of the District authorized by the General Manager to act on their behalf to enforce the provisions of this code.

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

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

Grease Control Device (GCD): Any hydromechanical grease interceptor, grease removal device, gravity grease interceptor, mechanism, device, or process that attaches to, or is applied to, wastewater plumbing fixtures and lines, the purpose of which is to trap, collect or treat Fats, Oils and Grease (FOG) prior to it being discharged into the public sewer. A grease control device may also include any other proven method to reduce FOG subject to the approval of the General Manager.

Grease Removal Device (GRD): Any hydromechanical grease interceptor that automatically, mechanically removes non-petroleum Fats, Oils and Grease (FOG) from the interceptor, the control of which is automatically initiated. Grease Removal Devices (GRDs) shall be certified to ASME A112.14.4 and/or CSA B481.5.

Hot Spots: Areas in the collection system of sewer lines that must be cleaned or maintained frequently to avoid blockages of the public sewer caused by Fats, Oils and Grease (FOG).

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

- a. External flow control, with air intake (vent): directly connected.
- b. External flow control, without air intake (vent): directly connected.
- c. Without external flow control, directly connected.
- d. Without external flow control, indirectly connected.

Hydromechanical grease interceptors shall be certified to ASME A112.14.3, CSA B4811, and/or PDI G101.

Industrial Wastewater: The liquid wastes originating from industrial processing.

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

Junior Accessory Dwelling Unit (JADU): As defined in California Government Code Sections 66313, and as may be amended in the future.

Lower Lateral: That part of building sewer within the public right-of-way, extending from the property line, typically at the Property Line Cleanout (PLCO), to the public sewer, by gravity flow.

Manifest: The receipt that is retained by a permittee for the disposal of FOG, recyclable waste, and/or liquid waste.

Mobile Food Truck: A Food Service Establishment (FSE) that is readily moveable from place to place at all times during operation and shall include but not be limited to pushcarts, trailers, trucks, vans, or boats.

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

New Construction: Any structure planned or under construction where the sewer facilities have not been approved by the South Placer Municipal Utility District (District).

Non-Dispersible: Any item that requires more than twenty (20) seconds to begin to disperse, or break down, after contact with water. This includes “flushable products” that do not disperse, have structural strength, and do not tear easily, such as paper products, specifically paper towels and facial tissues, sanitary products such as baby wipes and other cleansing products that are indestructible and advertised as flushable but are non-dispersible.

Non-Residential Wastewater: Wastewater originating from sources other than residential discharges.

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

Occupant: A person or business enterprise that has a legal right to reside or occupy a premises at a given time, including but not limited to, a person holding property, especially land, in actual possession, tenant or lessee.

Permittee: The holder(s) of a permit issued by the South Placer Municipal Utility District subject to the requirements and conditions established in the South Placer Municipal

Utility District Sewer Code (Code) or as otherwise established by the General Manager, including but not limited to the holder(s) of a Fats, Oils, and Grease Wastewater Disposal Permit (FOG WDP) issued for a Food Service Establishment (FSE).

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

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

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

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

Property Line Cleanout (PLCO): The publicly owned clean out installed on the building sewer near the public right-of-way, within the public utility easement, intended for access of the publicly owned lower lateral.

Property Owner (Owner): The record owner of the real property being served or to be served by the South Placer Municipal Utility District's (District's) wastewater system, or their duly authorized agent. The record owner of such real property shall be billed and liable to the District for the payment of all authorized fees, rates, tolls, rentals, or other charges. Also referred to as owner, real property owner, etc.

Publicly Owned Treatment Works (POTW): A wastewater treatment plant as defined in Section 212 of the Clean Water Act (33 United States Code 1291). The South Placer Municipal Utility District's (District's) public sewer is a satellite wastewater collection system to the regional Publicly Owned Treatment Works (POTW) located in the City of Roseville.

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

Readily Accessible: Capable of being accessed quickly, and without obstruction, for maintenance, repair, or inspection without requiring the South Placer Municipal Utility District (District) or its agents, to uncover, remove obstacles or repair sewer facilities to use.

Real Property (Property): Land and anything permanently attached to it including buildings, roads, other infrastructure, and the rights associated with it.

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

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

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

Schedule of Values for Pipeline Construction Costs: A table adopted by the District annually that represents the new cost of construction for various sewer system assets.

Secretary of the Board of Directors: The Administrative Services Manager of the South Placer Municipal Utility District as appointed by the General Manager, or any District employee or agent of the District authorized to act on their behalf.

Service Charge: The periodic charge assessed to the property owner by the South Placer Municipal Utility District (District) for the capability of conveying, treating, and disposing of wastewater.

Sewer Facilities (Sewer System): Any and all facilities used for collecting, conveying, pumping, treating, and disposing of wastewater.

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

Sewer Permit: Written authorization from the South Placer Municipal Utility District to perform construction or maintenance on a building sewer.

Single Family Residence (SFR): Any free-standing structure used for residential occupancy and consisting of one dwelling unit (excluding any free-standing structure which is an Accessory Dwelling Unit (ADU) within the meaning of California Government Code and the South Placer Municipal Utility Sewer Code (Code)).

State: The State of California, inclusive of all legislative codes and regulations lawfully adopted.

Structure: A building or other constructed facility used for human occupancy, employment, recreation, or other purposes.

Suspended Solids: The total suspended matter that floats on the surface of, or is suspended in, water, wastewater, or other liquids, and is removable by laboratory

filtering.

Trunk Sewer Mains and Major Facilities: Trunk sewer upgrades and expansion facilities that have been identified by the South Placer Municipal Utility District's (District's) System Evaluation and Capacity Assurance Plan (SECAP) as necessary to serve new development within the District's service area boundaries and which in the General Manager's determination are suitable both in terms of size, scope, expense and general benefit to the District so as to be eligible for credits and/or reimbursements under the provisions of the South Placer Municipal Utility District Sewer Code.

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

Upper Sewer Lateral: That part of the building sewer that runs from two (2) feet outside the outer face of the building wall to the public right-of-way. The upper lateral is privately owned and maintained.

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

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

Wastewater Collection System: The pipe system and appurtenances for collecting and carrying water and water-carried wastes from domestic, non-residential, and industrial sources to a wastewater treatment plant (WWTP).

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

Wastewater Treatment Plant (WWTP): An arrangement of pipes, equipment, devices, tanks, and structures for treating wastewater and industrial wastes.

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

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

STAFF REPORT

To: Board of Directors
From: Emilie Costan, Administrative Services Manager
Cc: Herb Niederberger, General Manager
Subject: Fiscal Year 2023/24 District Financial Audit Report
Meeting Date: December 5, 2024

Overview

An independent audit of the District’s Financial Statements for the fiscal year ended June 30, 2024, was completed by the certified public accounting firm Mann, Urrutia & Nelson CPAs & Associates, LLP.

The Annual Comprehensive Financial Statements provide information about the finances of the District. The Management’s Discussion and Analysis (MD&A) precedes the financial section of the report and serves as an executive summary of the statements. As a part of the annual audit, the auditors are required to provide reasonable assurance that the financial statements of the District for the fiscal year ending on June 30, 2024, are free from material misstatement.

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

Recommendation

Staff recommends that the Board of Directors receive and file the Fiscal Year 2023/24 Audited Financial Statements.

Strategic Plan Goals

This action is consistent with SPMUD Strategic Plan Priorities:

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

Related District Ordinances and Policies

- Policy # 4048 – District General Counsel & Auditor
- Policy # 3115 – Fixed Asset Capitalization & Accounting Control

Fiscal Impact

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

Attachments

1. Independent Auditor's Report on Internal Control
2. Annual Comprehensive Financial Statements for the Fiscal Year Ending June 30, 2024
3. Auditor's Conclusion Letter



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and each major fund of the South Placer Municipal Utility District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the South Placer Municipal Utility District's basic financial statements, and have issued our report thereon dated November 22, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

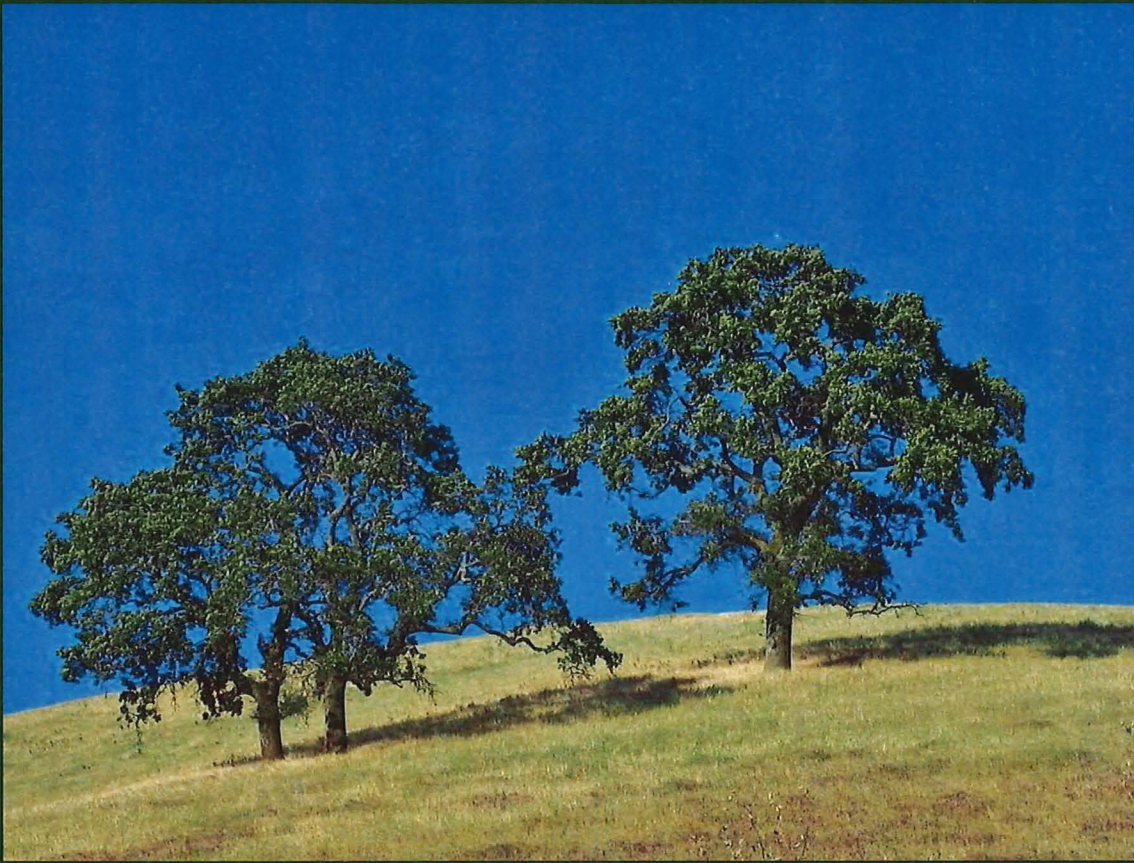
As part of obtaining reasonable assurance about whether the South Placer Municipal Utility District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which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

Purpose of this Report

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

MUN CPAs, LLP

MUN CPAs, LLP
Sacramento, California
November 22, 2024



SOUTH PLACER MUNICIPAL UTILITY DISTRICT

ANNUAL COMPREHENSIVE FINANCIAL REPORT



**FOR THE FISCAL YEAR
ENDING JUNE 30, 2024**

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

FISCAL YEAR ENDED JUNE 30, 2024



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

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

P **REPARE for the future.**

PREPARED BY THE ADMINISTRATIVE SERVICES DEPARTMENT

SOUTH PLACER MUNICIPAL UTILITY DISTRICT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2024

TABLE OF CONTENTS

| | <u>Page</u> |
|---|-------------|
| <u>INTRODUCTORY SECTION</u> | |
| Transmittal Letter | i - x |
| Board of Directors | xi |
| Organizational Chart | xii |
| District Strategic Priorities | xiii |
| <u>FINANCIAL SECTION</u> | |
| Independent Auditor's Report | 1 - 3 |
| Management's Discussion and Analysis | 4 - 20 |
| Basic Financial Statements: | |
| Statement of Net Position | 21 |
| Statement of Revenues, Expenses, and Changes in Net Position | 22 |
| Statement of Cash Flows | 23 - 24 |
| Notes to the Basic Financial Statements | 25 - 45 |
| Required Supplementary Information: | |
| Schedule of the District's Proportionate Share of the Net Pension Liability | 46 - 47 |
| Schedule of Contributions to the Cost Sharing Defined Benefit Pension Plan | 48 - 49 |
| Schedule of Changes to the Net OPEB Liability and Related Ratios | 50 - 51 |
| Schedule of Contributions to the OPEB Plan | 52 - 53 |
| Supplementary Information: | |
| Schedule of Operating Expenses | 54 |
| <u>STATISTICAL SECTION</u> | |
| Description | |
| Financial Trends Data | 56- 58 |
| Revenue Capacity Data | 59- 61 |
| Demographic & Economic Information | 62- 65 |
| Ten-Year Capital Spending | 66- 67 |
| Capacity Charge Report | 68 |



SOUTH PLACER MUNICIPAL UTILITY DISTRICT
5807 Springview Drive, Rocklin, California 95677
Phone: (916) 786-8555
Fax: (916) 786-8553

TRANSMITTAL LETTER

December 5, 2024

To the Honorable Board of Directors and Valued Constituents of the South Placer Municipal Utility District:

In accordance with the requirements of the Municipal Utility District Act of the State of California, (California Public Utilities Code Section 11501, et.al.), the South Placer Municipal Utility District (the District or SPMUD) staff submits to you the Annual Comprehensive Financial Report for the year ended June 30, 2024. The Annual Comprehensive Financial Report provides an assessment of the District's financial condition, informs readers about District services, provides details on infrastructure improvement and replacement projects, discusses current issues, and provides financial and demographic trend information. District Management is responsible for the preparation of this Annual Comprehensive Financial Report. This letter of transmittal is designed to complement the Management's Discussion and Analysis and should be read in conjunction with it.

FINANCIAL STATEMENTS AND INTERNAL CONTROLS

The District's financial statements were audited by MUN, CPAs, LLP. Management believes the Annual Comprehensive Financial Report is complete and accurate in all material respects. Management has established a comprehensive framework of internal controls that provide a reasonable basis to assert that these financial statements are fairly represented and are free from any material misstatements. Internal controls have inherent limitations but have been established such that the cost of the controls does not exceed the benefits derived from their implementation. The District has established these internal controls, implemented policies and procedures, and retained the services of an outside accountant to safeguard assets and ensure proper recording and reporting of transactions using Generally Accepted Accounting Principles.

DISTRICT OVERVIEW

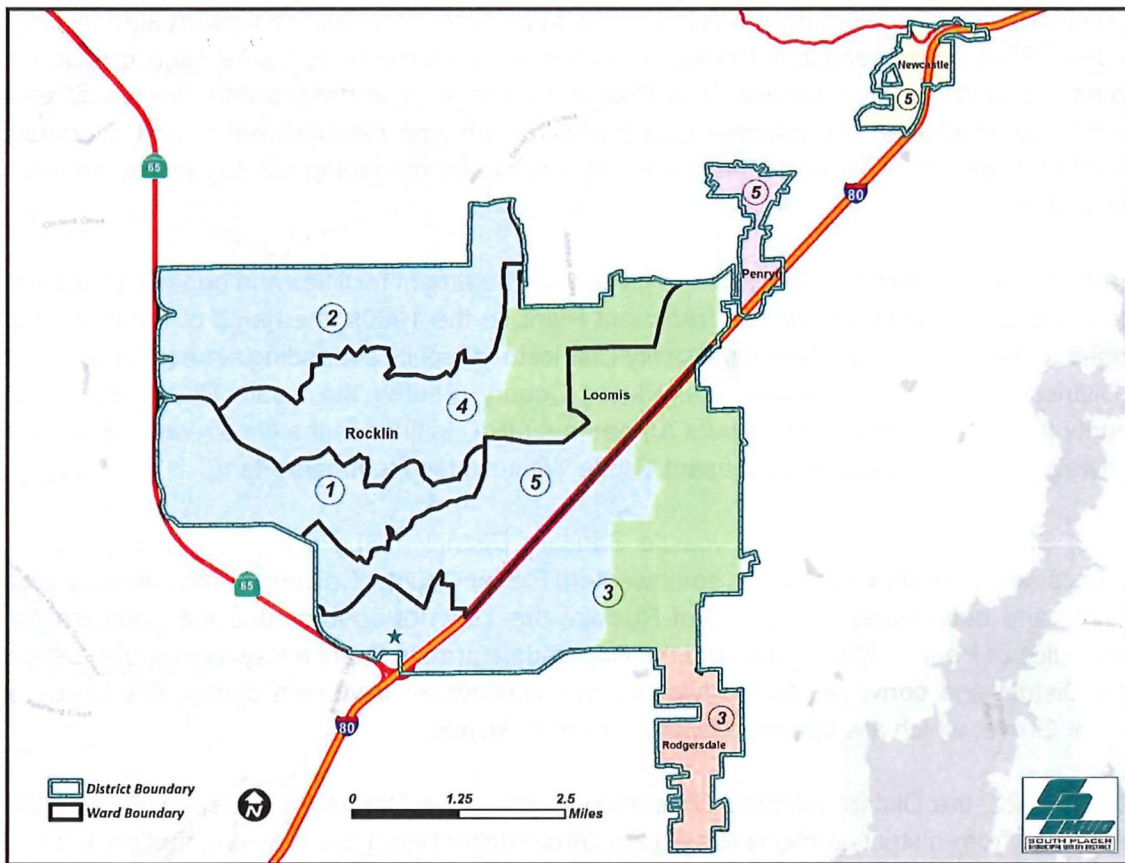
The District, originally called the Rocklin-Loomis Municipal Utility District, was created in 1956 to provide sanitary sewer service to Rocklin and Loomis. While the service area has expanded, this remains the District's core service. The District service area is divided into five wards and is governed by an elected five-member Board of Directors who establish policy and oversee the General Manager. The General Manager is responsible for managing the day-to-day operations of the District.

In the 1970s, the District decommissioned its sewage treatment facilities and began using the City of Roseville Dry Creek Wastewater Treatment Plant. In the 1980s, the name of the District was changed to the South Placer Municipal Utility District to reflect its expanding service area. In 2000, the District, the City of Roseville, and Placer County created the South Placer Wastewater Authority (SPWA) under a Joint Powers Agreement (JPA) to finance the construction of a second wastewater treatment plant, the Pleasant Grove Wastewater Treatment Plant.

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

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

FIGURE 1 – SPMUD BOUNDARIES



The South Placer Municipal Utility District service area covers thirty-one square miles. The District includes all of the incorporated limits of the City of Rocklin and Town of Loomis, plus portions of southern Placer County around the unincorporated communities of Penryn, Newcastle, and the Rodgersdale area of Granite Bay. Rocklin makes up 88% of the service area, Loomis is 9%, and 3% is in unincorporated Placer County. The District provides service to 26,433 connections or an equivalent population of about 86,965 people. This equates to 37,555 Equivalent Dwelling Units (EDU) (80% residential and 20% commercial) with an average dry-weather sewer flow of about 4.5 million gallons per day. The District collects the sewage and transports this through 292 miles of District-owned and operated sewer mains (from 4" to 42" diameter). The District maintains an additional 123 miles of lower laterals within its easements or public rights-of-way. Other assets include the Headquarters, Maintenance, and Corporation Yard facilities, 6,925 manholes/flushing branches, 13 lift stations, 11 metering sites, and related buildings, facilities, and equipment.

The SPMUD monthly service charge is a fixed amount that is billed quarterly and in arrears. Bills are due two months after the billing date. Quarterly bills unpaid by the due date are assessed a late fee. On June 1, 2023, the District adopted a new five-year Cost of Service and Rate Study and a Capacity Charge Study. The monthly service charge for Fiscal Year 2023/24 was \$37.44 per equivalent dwelling unit (EDU). The monthly late fee was \$2.50 per EDU, and the Local Sewer Capacity Charge to "connect" a home or business to the sewer system was \$4,915 per EDU.

INVESTING IN INFRASTRUCTURE

The District's customers have high expectations from the Board of Directors. They expect sewage to be collected and conveyed continuously, be treated efficiently, and be disposed of effectively. The District has developed a High-Risk Facilities Program that meets the requirements of provision D.13.vi.c of the Statewide General Waste Discharge Requirements for Sanitary Sewer Systems, Water Quality Order No. 2022-0103 (SSS WDRs), which requires sewer systems to develop a rehabilitation and replacement plan to identify and prioritize system deficiencies and implement short-term and long-term rehabilitation actions to address each deficiency. This program includes regular visual and TV inspections of manholes and sewer pipes and a system for ranking the condition of sewer pipes and scheduling rehabilitation. Rehabilitation and replacement focus on sewer pipes that are at risk of collapse or prone to more frequent blockages due to pipe defects. Finally, the rehabilitation and replacement plan includes a capital improvement plan that addresses the proper management and protection of sewer infrastructure assets.

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

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

LOCAL ECONOMIC CONDITIONS

The District boundaries are located in South Placer County. Placer County is in the northern portion of the Sacramento Valley and has an eastern border that touches the Nevada state line. Placer County continues to have population growth post-Covid 19. It is one of the top ten fastest-growing counties in the State. Placer

| |
|--------------------------------------|
| Population |
| County: Placer |
| 424,209 Persons |
| State: California 39,172,872 Persons |

Percent Population Change: 2020 to 2024
 County: Placer
4.81%
 State: California -0.92%

County has a population of 424,209¹ people and a labor force of 197,500. The median household income in Placer County is \$110,591. The unemployment rate is 4.6% compared with 5.2% in the State of California as a whole. Low

unemployment rates have continued to make it difficult to recruit new employees; however, the higher turnover rate experienced by the District over the last few years due to anticipated retirements has stabilized.

Inflation continued to be a major economic concern in Fiscal Year 2023/24. Based on the Bureau of Labor Statistics Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W): West Region Size

Median Household Income
 County: Placer
\$110,591
 State: California \$92,605

Class A, inflation grew 8.2% in Fiscal Year 2021/22, 3.1%² in Fiscal Year 2022/23, and an additional 2.8% in Fiscal Year 2023/24. The Federal Reserve continued to hold interest rates high to combat the rising inflation, ending with an average thirty-year fixed rate of 6.26%³.

ENTERPRISE OPERATIONS

The District finances sewer operations through user charges, property tax receipts, and other miscellaneous income. All charges are based upon an Equivalent Dwelling Unit (EDU), and the cost of providing the sewer service is allocated to each customer proportionate to the strength and flow of the wastewater generated in EDUs. An EDU is intended to represent the wastewater generated by a single residential consumer. Based upon previous strength and flow monitoring studies, one EDU is equivalent to 190 gallons of wastewater daily with a wastewater strength of less than 200 mg/1 B.O.D. and/or suspended solids. EDUs are calculated in accordance with Chapter 2 of the District Sewer Code. Service Charge revenues are derived from flat rates charged for sewer service, based on the EDUs assigned to each account.

The top priority of the District is to provide a level of service that meets state and federal regulatory requirements, and the demands and expectations of its customers. Customers of the District expect cost-effective reliable sewer operations, with minimal sewage spills that have the capacity to impact the environment. Furthermore, District customers have become accustomed to excellent customer service and response at a low cost. The District currently has the lowest monthly service charges for sewer service in the region.

In January 2017, the District's Lifeline Low-income Rate Assistance Program began. This program offers a monthly discount of \$5.00 to those owner-occupied residences that qualify for the PG&E

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

² Bureau of Labor Statistics

³ <https://finance.yahoo.com/personal-finance/mortgage-rates-today-june-30-100052095.html>

SPMUD Mission

PROTECT public health and the water environment.

PROVIDE efficient and effective sanitary sewer service.

PREPARE for the future.

providing quality sanitary sewer collection service while protecting and preserving our water environment and resources for future generations. The new plan consists of two parts. The first part is comprised of five Strategic Priorities with twelve associated work plans and action steps. The second part is comprised of seventy Performance Measures established using the Effective Utility Management (EUM) framework created by WEF (Water Environment Federation), the AWWA (American Water Works Association), and other professional organizations in the water and wastewater industry. The Strategic Plan will continue to be used as the blueprint to guide the annual budget process, District programs, and ensure the District remains focused on its mission to Protect, Provide, and Prepare.

CARE Program. Funding for this program is generated through the collection of late fees, charged to customers with delinquent utility accounts.

The District adopted a new Strategic Plan in September 2022. The 2023/2027 Strategic Plan will continue to confirm the District's Mission, Vision, and Core Values as a customer-driven utility dedicated to protecting public health by

SPMUD Vision

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

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

SPMUD Values

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

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

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

QUALITY: We will be dedicated to continuous improvement.

PUBLIC OUTREACH

The District conducts regular Board Meetings that are open to the public. The Boardroom audio and visual equipment was updated in Fiscal Year 2020/21 to allow hybrid, both remote and in-person, meetings of the South Placer Municipal Utility District Board of Directors. Meetings are normally held on the first Thursday of the month. Dates and meeting instructions can be found on the District website. The District's website continues to be updated to be more informative and easier to use and continues to provide information about

District activities. The website can be found at www.spmud.ca.gov. The District now utilizes an “engage” platform on its website that allows members of the public to sign up to be notified when agenda packets, newsletters, and job openings are posted online.

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

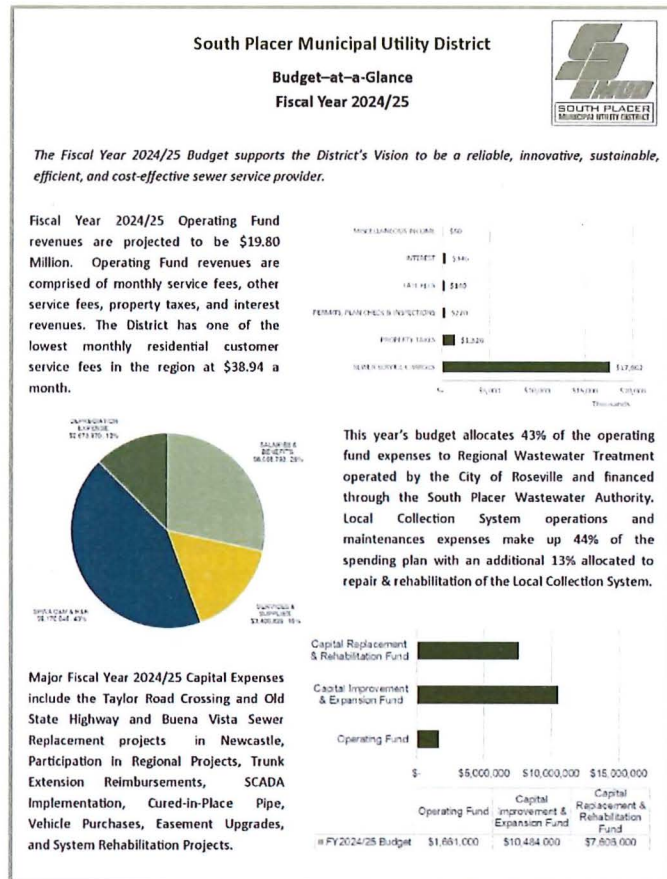
BUDGETARY CONTROLS

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

The District’s primary funding goals are:

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

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



LOOKING TO THE FUTURE

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

In Fiscal Year 2022/23, the District hired a consultant to perform a Wastewater Cost of Service Rate Study and a Capacity Fee Study. IB Consulting reviewed the financial health of the District and determined that the District was in a strong financial position with a healthy reserve balance. However, without a rate increase the annual net operating income would diminish over the years, and the District's Capital Improvement Plan (CIP) would draw down reserves below the District's minimum reserve requirements over the next five years. The District has completed an asset management replacement program for its collection system and lift stations. Much of the District's collection system was installed prior to 1970 and the assets are approaching the end of their useful life. A significant number of replacements will occur over the next decade, with a peak in the fiscal year 2033. The cost for currently identified capital replacement projects necessary over the next ten years is approximately \$42.59 million. The rehabilitation and replacement capital spending in fiscal year 2033 is expected to be funded through debt issuance.

The financial plan developed by the consultant utilizes a fifteen-year project model to establish rates for the next five years. The plan modifies the reserve requirement by eliminating the rate stabilization reserve and reducing the emergency reserve from \$3 million to \$1 million. The financial plan provides for modest rate increases and a long-term strategy to implement cost-containing strategies and issue debt to fund necessary capital replacements in Fiscal Year 2032/33. Monthly Service Charges were adopted by Ordinance 23-01 at the June 2023 District Board Meeting.

The consultant also completed a Capacity Fee Study based on the reasonable cost to accommodate additional demand from new development or the expansion of existing development. The incremental cost approach was used to determine the appropriate fee. The capacity charge was adopted by Ordinance 23-02 at the June 2023 District Board Meeting. The cost for currently identified necessary capital expansion projects is approximately \$80.41 million. One of the major components affecting salary and benefits is the District's objective of fully funding its obligations to CalPERS and the District's annual required contribution (ARC) for Other Post-Employment Benefits (OPEB). CalPERS' current discount rate or expected rate of return is 6.8%. CalPERS reported a net return on investments of -6.1% in Fiscal Year 2021/22 resulting in real asset valuation loss of 7.5%, and a net return on investment of 5.8% in Fiscal Year 2022/23. After two years of returns lower than the discount rate, CalPERS reported a preliminary net return of 9.3% in Fiscal Year 2023/24. In April 2024, the CalPERS Board approved a change to the Funding Risk Mitigation Policy to remove the automatic change to the discount rate when investment returns exceed the discount rate. The policy now outlines that the CalPERS Board will hold a discussion when the investment return at fiscal year-end exceeds the assumed rate of

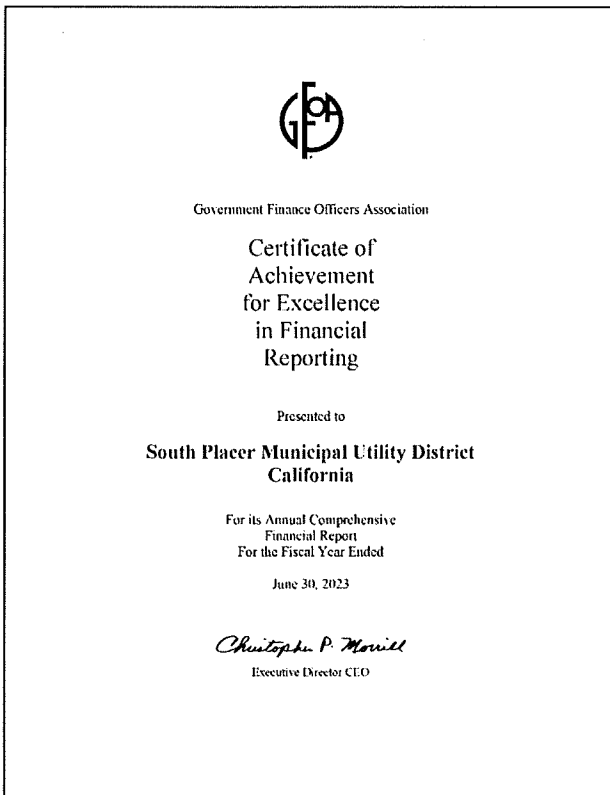
return by 2% or more. The CalPERS Board discussed lowering the discount rate in September 2024 and used their new discretion to leave the discount rate at 6.8%. The District continues to make additional contributions towards its CalPERS unfunded liability obligation which is expected to grow through at least 2035. Additionally, the District anticipates that total charges from SPWA will continue to rise, constituting over half of the expenses incurred by the District annually.

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

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

DISTRICT HONORS

In 2016, 2019, and 2022 the South Placer Municipal Utility District was awarded the District Transparency Certificate of Excellence by the Special District Leadership Foundation for outstanding efforts to promote transparency and good governance. To receive the award, which is granted for 3 years, the District demonstrated the completion of eight essential governance



transparency requirements, including conducting ethics training for all District Board members; properly conducting open and public meetings; and filing financial transactions and compensation reports with the State Controller in a timely manner. The District also fulfilled 15 website requirements, including providing readily available information to the public, such as board agendas, past minutes, current budget, and the most recent financial audit.

In 2020, the District was awarded the California Water Environment Association's (CWEA) highest honor in the State, the 2020 Collection System of the Year Award for a medium-sized system. In 2023, the Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the District for the first time, for its Annual Budget for the fiscal year

beginning July 01, 2023. The District also received the award for its Fiscal Year 2024/25 Annual Budget. The Distinguished Budget Presentation Award is the highest award in governmental budgeting.

Additionally, 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 annual comprehensive financial report for the fiscal year ended June 30, 2023. This was the fifth year that the District has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement is the highest form of recognition for governmental accounting and financial reporting, and its attainment represents a significant accomplishment by the District.

ANNUAL FINANCIAL REPORT CONTRIBUTING STAFF

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

Sincerely,



Herb Niederberger
General Manager

SOUTH PLACER MUNICIPAL UTILITY DISTRICT BOARD OF DIRECTORS



GERALD MITCHELL

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



WILLIAM DICKINSON

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



CHRISTY JEWELL

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



JAMES DURFEE

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



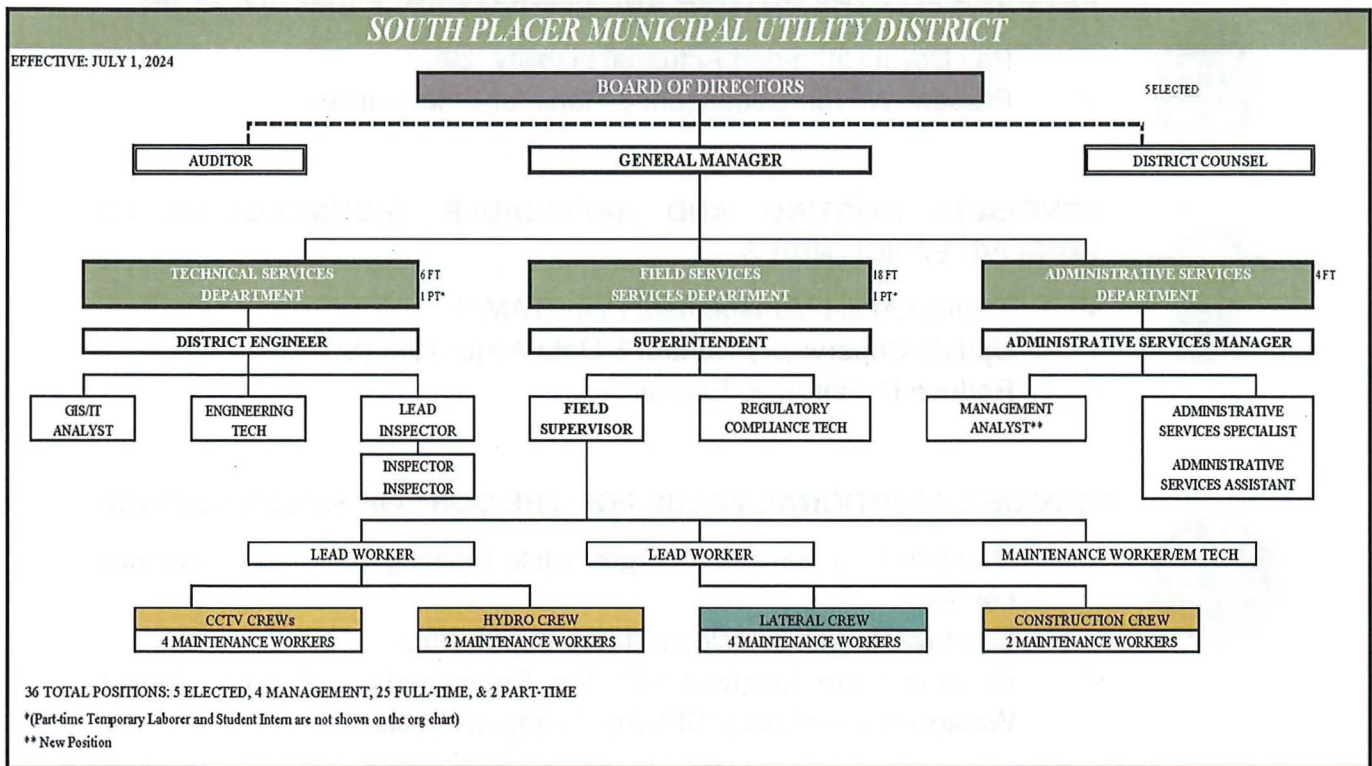
JAMES WILLIAMS

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

ORGANIZATION

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

Figure 2 – DISTRICT ORGANIZATIONAL CHART



SOUTH PLACER MUNICIPAL UTILITY DISTRICT

STRATEGIC PRIORITIES



MAINTAIN AN EXCELLENT REGULATORY COMPLIANCE RECORD

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



PREPARE FOR THE FUTURE AND FORESEEABLE EMERGENCIES

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



LEVERAGE EXISTING AND APPLICABLE TECHNOLOGIES TO IMPROVE EFFICIENCIES

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



PROVIDE EXCEPTIONAL VALUE FOR THE COST OF SEWER SERVICE

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



MAKE SPMUD A GREAT PLACE TO WORK

- ✓ Employee Recognition
- ✓ Team Building Events



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and each major fund of South Placer Municipal Utility District (the "District") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of South Placer Municipal Utility District, as of June 30, 2024, and the respective changes in financial position and, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of operating expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of operating expenses is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2024, on our consideration of the South Placer Municipal Utility District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the South Placer Municipal Utility District's internal control over financial reporting and compliance.

MUN CPAs, LLP

Sacramento, California
November 22, 2024

MANAGEMENT DISCUSSION AND ANALYSIS

For the Fiscal Year Ending June 30, 2024 (FY 2023/24)

The purpose of this Management's Discussion and Analysis (MDA) is to provide a fact-based summary of the financial status of the South Placer Municipal Utility District (the District or SPMUD) from a management perspective. This report provides information on the District's financial performance for the fiscal year beginning on July 1, 2023, and ending June 30, 2024 (FY 2023/24) and should be reviewed in conjunction with the audited financial statements, which follow this MDA.

FINANCIAL HIGHLIGHTS

The District adopts a five-year Strategic Plan. The purpose of the Strategic Plan is to describe and reaffirm the mission, vision, and core values of the District. It also outlines strategic priorities and combines those with work plans to direct the work of the District departments to implement the priorities. The District's Strategic Plan Priorities are to:

- Maintain an Excellent Regulatory Compliance Record.
- Prepare for the Future and Foreseeable Emergencies.
- Leverage Existing and Applicable Technologies to Improve Efficiencies.
- Provide Exceptional Value for the Cost of Service.
- Make the District a Great Place to Work.

These strategic priorities reflect the direction, insights, and expertise of the District Board of Directors and District staff. An annual progress report is presented to the Board of Directors. The Strategic Plan presents performance measures using the Effective Utility Management framework to provide a mechanism for reporting progress, identifying, and making course corrections, and ensuring accountability. The 2023-2027 Strategic Plan is available on the District website at <https://spmud.ca.gov/strategic-plan>.

In July 2022, the District hired a consultant to prepare a comprehensive Cost of Service and Rate Study that was accepted by the Board in March 2023. Monthly service charges were adopted on June 1, 2023. Acceptance of the Cost of Service and Rate Study will result in long-term stability while providing sufficient revenues to cover the necessary operations and maintenance programs, capital investment, and reserves to meet the utility's stated needs.

Table 1 compares major District growth metrics for the last two fiscal years. The District added 166 new customer accounts in FY 2023/24. Revenues from Sewer Service Charges increased by 5% due to the adoption of a 4% rate increase, and the addition of new customer accounts.

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

The District’s growth remained steady over the reporting period. The District has continued to invest in infrastructure as well as maintain a relatively stable amount of investment for the rehabilitation and replacement of aging facilities.

TABLE 1 – ANNUAL DISTRICT GROWTH

| Item | Unit | FY 2023/24 | FY 2022/23 | % Change |
|-------------------------|-----------------|-------------------|-------------------|-----------------|
| Service Charges | Dollars | \$ 17,103,804 | \$ 16,273,142 | 5.1% |
| Customer Accounts | Each | 25,133 | 24,967 | 0.7% |
| Equal Dwelling Units | EDU | 37,555 | 36,840 | 1.9% |
| Service Fee per EDU | Monthly | 37.44 | 36.00 | 4.0% |
| Annual Flow to WWTP | Million Gallons | 1,762 | 1,877 | -6.1% |
| Sewer Mains | Miles | 292 | 290 | 0.7% |
| Lower Service Laterals | Miles | 123 | 122 | 0.8% |
| Manhole/Flushing Branch | Each | 6,925 | 6,854 | 1.0% |
| Lift Stations | Each | 13 | 13 | 0.0% |
| Force Mains | Miles | 7 | 7 | 0.0% |

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

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

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

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

FINANCIAL ANALYSIS OF THE DISTRICT

Net Position

The Condensed Statement of Net Position as shown below in Table 2 shows the District is investing in capital assets and has no long-term debt⁴.

TABLE 2 – STATEMENT OF NET POSITION

| <u>ASSETS</u> | <u>FY 2023/24</u> | <u>FY 2022/23</u> | <u>\$Difference</u> | <u>% Change</u> |
|---|-----------------------|-----------------------|----------------------|-----------------|
| Current Assets | \$ 80,063,447 | \$ 74,792,834 | \$ 5,270,613 | 7% |
| Capital Assets | 122,782,635 | 118,079,205 | \$ 4,703,430 | 4% |
| Other Non-Current Assets | 3,425,665 | 3,156,947 | \$ 268,718 | 9% |
| Total Assets | 206,271,747 | 196,028,986 | \$ 10,242,761 | 5.2% |
| | | | | |
| Deferred Outflow of Resources | 5,128,527 | 5,994,013 | (865,486) | -14% |
| | | | | |
| <u>LIABILITIES</u> | | | | |
| Current Liabilities | 773,521 | 1,610,443 | (836,922) | -52% |
| Non-Current Liabilities | 9,415,402 | 9,305,793 | 109,609 | 1% |
| Total Liabilities | 10,188,923 | 10,916,236 | (727,313) | -7% |
| | | | | |
| Deferred Inflow of Resources | 1,493,802 | 1,843,727 | (349,925) | -19% |
| | | | | |
| <u>Net Position</u> | | | | |
| Net Investment in Capital Assets | 122,782,635 | 118,079,205 | 4,703,430 | 4% |
| Restricted for Section 115 Pension Trust | 3,425,665 | 3,156,947 | 268,718 | 100% |
| Unrestricted | 73,509,249 | 68,026,884 | 5,482,365 | 8% |
| Total Net Position | 199,717,549 | 189,263,036 | 10,454,513 | 6% |
| | | | | |
| Total Liabilities, Deferred Inflows of Resources, and Net Position | \$ 211,400,274 | \$ 202,022,999 | \$ 9,377,275 | 5% |

When comparing FY 2023/24 to FY 2022/23, Total Assets increased by \$10.24 million and Deferred Outflows decreased by \$0.86 million. Total Liabilities decreased by \$0.73 million while Deferred Inflows decreased by \$0.35 million. This resulted in an overall increase of \$10.45 million in Net Position.

Key components in the increase are as follows:

- Current Assets reflect a net increase of \$5.27 million, which is a result of lower-than-expected spending on wastewater treatment expense and higher investment earnings on the District's investment portfolio.

³For more information see the section titled Debt Administration.

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

- Capital assets net of accumulated depreciation increased by \$4.70 million in FY 2023/24. A total of \$1.71 million in new capital projects were completed for needed upgrades, replacements, and installation of new District facilities and equipment as well as \$5.77 million in sewer asset contributions from new development. The annual depreciation transfer (based on the prior year's depreciation expense) was \$2.33 million.
- Deferred outflows decreased by \$0.86 million reflecting the differences between the actuarial assumptions and actual results along with the differences between projected and actual earnings on investments in the Retirement Plan and OPEB Plan.
- Current liabilities from accounts payable and accrued payroll, benefits, and leave time decreased by \$0.84 million while long-term liabilities from total pension and OPEB liability increased by \$0.11 million in FY 2023/24.
- The decrease in deferred inflows of \$0.35 million also reflects changes in actuarial assumptions and investment earnings for pension and OPEB in FY 2023/24.

Pension Liability

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

An Actuarial Valuation report required by GASB 68, *Cost Sharing Multiple Employer Pension Plan* was completed by the District's Actuary, MacLeod Watts. The District's Total Pension Liability increased from \$24,502,219 (reported June 30, 2023, measured June 30, 2022) to \$24,980,798 (reported June 30, 2024, measured June 30, 2023). Over the same time, the Fiduciary Net Position increased from \$17,996,607 to \$18,577,540, yielding a fiscal year 2024 Net Pension liability of \$6,403,258. This increase was primarily due to CalPERS investment performance, additional payments to the District's unfunded liability, and assumption changes. Overall, the pension expense for fiscal year 2024 increased by \$214,230 from the prior year.

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

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

By joining the CEPPT fund, California public agencies can help partially finance pension contributions from investment earnings provided by CalPERS. The District is invested in Strategy 1 with an expected long-term return on trust assets of 4.5% per year. While these funds are not shown in the GASB 68 report, they are reflected as restricted funds in the Statement of Net Position. The pension liability for the year ended June 30, 2024, is summarized below in Tables 3 and 4. For more information on the District's pension plan, see Note 5 to the Financial Statements.

TABLE 3 – SUMMARY OF PENSION LIABILITY

| | For the Fiscal Year Ending June 30, 2024 |
|-------------------------------------|---|
| Total Pension Liability | \$ 24,980,798 |
| Fiduciary Net Position | 18,577,540 |
| Net Pension Liability (Asset) | 6,403,258 |
| Deferred (Outflows) of Resources | (3,061,189) |
| Deferred Inflows of Resources | 1,107,105 |
| Impact on Statement of Net Position | 4,449,174 |
| | |
| Pension Expense FYE 2023 | \$ 1,190,233 |

TABLE 4 – NET POSITION RELATED TO PENSIONS

| For Reporting Period at Fiscal Year End | 6/30/2024 | 6/30/2023 | Change (\$) |
|---|---------------------|---------------------|---------------------|
| Total Pension Liability | \$ 24,980,798 | \$ 24,502,219 | \$ 478,579 |
| Fiduciary Net Position | 18,577,540 | 17,996,607 | 580,933 |
| Net Pension Liability (Asset) | \$ 6,403,258 | \$ 6,505,612 | \$ (102,354) |
| <i>Deferred (Outflows) Inflows Due to:</i> | | | |
| Assumption Changes | \$ (386,593) | \$ (666,636) | \$ (1,053,229) |
| Plan Experience | (276,369) | (43,145) | 233,224 |
| Investment Experience | (1,036,747) | (1,191,653) | (154,906) |
| Changes in Proportions | 657,271 | 286,402 | (370,869) |
| Differences between actual contributions and proportionate share of contributions | (118,422) | 340,485 | 458,907 |
| Deferred Contributions | (793,224) | (1,178,900) | (385,676) |
| Net Deferred (Outflows) Inflows | (1,954,084) | (2,453,447) | \$ 499,363 |
| Impact on Statement of Net Position | \$ 4,449,174 | \$ 4,052,165 | \$ 397,009 |

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

Other Post-Employment Benefit Liability

An Actuarial Valuation report required by GASB 75, *Accounting and Financial Reporting for Post-employment Benefits other than Pensions (Other Post Employment Benefit Programs or OPEB)* was completed by the District's Actuary, MacLeod Watts. The District's Total OPEB Liability increased from \$8,401,569 (measured June 30, 2022) to \$8,881,381 (measured June 30, 2023). Over the same time, the Fiduciary Net Position increased from \$5,601,38 to \$5,799,237, yielding a Fiscal Year 2024 Net OPEB liability of \$3,012,144. Overall, the OPEB expense for fiscal year 2024 increased by \$211,963 from the prior year. The District has participated in a CalPERS OPEB trust, (CERBT) since 2008 to fund the total OPEB liability (including implicit subsidy). The District is invested in Strategy 2. The net OPEB liability reported in the Statement of Net Position for the year ended June 30, 2024, is summarized below in Tables 5 and 6. For more information on the District's OPEB, see Note 7 to the Financial Statements.

TABLE 5 – SUMMARY OF OPEB LIABILITY

| | For the Fiscal Year Ending June 30, 2024 |
|-------------------------------------|---|
| Total OPEB Liability | \$ 8,811,381 |
| Fiduciary Net Position | 5,799,237 |
| Net OPEB Liability (Asset) | 3,012,144 |
| Deferred (Outflows) of Resources | (2,067,338) |
| Deferred Inflows of Net Position | 386,697 |
| Impact on Statement of Net Position | \$ 1,331,503 |
| OPEB Expense FYE 2023 | \$ 726,799 |

TABLE 6 – NET POSITION RELATED TO OPEB

| For Reporting Period at Fiscal Year End | 6/30/2024 | 6/30/2023 | Change (\$) |
|--|-------------------------|-------------------------|-----------------------|
| Total OPEB Liability | \$ 8,811,381 | \$ 8,401,569 | \$ 409,812 |
| Fiduciary Net Position | 5,799,237 | 5,601,388 | 197,849 |
| Net OPEB Liability (Asset) | \$ 3,012,144 | \$ 2,800,181 | \$ 211,963 |
| <i>Deferred Resource (Outflows) Due to:</i> | | | |
| Assumption Changes | (468,917) | (646,826) | 177,909 |
| Plan Experience | (295,720) | (215,754) | (79,966) |
| Investment Experience | (804,063) | (949,586) | 145,523 |
| Deferred Contributions | (498,638) | (481,692) | (16,946) |
| Net Deferred Outflows | (2,067,338) | (2,293,858) | \$ 226,520 |
| <i>Deferred Resource (Inflows) Due to:</i> | | | |
| Assumption Changes | 6,650 | - | 6,650 |
| Plan Experience | 101,413 | 175,663 | (74,250) |
| Investment Experience | 278,634 | 421,356 | (142,722) |
| Net Deferred Inflows | 386,697 | 597,019 | \$ (210,322) |
| Impact on Statement of Net Position | \$ 1,331,503 | \$ 1,103,342 | \$ 228,161 |

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

REVENUES AND EXPENSES

As shown in Table 7, the total net position at year-end increased from \$189,263,036 to \$199,717,549 (\$10,454,513 or 6%).

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

| | FY 2023/24 | FY 2022/23 | \$Difference | % Change |
|--|-----------------------|-----------------------|-----------------------|--------------|
| Operating Revenues | | | | |
| Sewer Charges | \$ 17,103,804 | \$ 16,273,142 | \$ 830,662 | 5% |
| Connection Charges | 1,407,105 | 1,443,652 | \$ (36,547) | -3% |
| Permits, Fees & Inspections | 678,089 | 397,924 | \$ 280,165 | 70% |
| Total Operating Revenues | \$ 19,188,998 | \$ 18,114,718 | \$ 1,074,280 | 6% |
| Operating Expenses | | | | |
| Collection & Treatment | \$ 9,791,937 | \$ 10,676,878 | \$ (884,941) | -8% |
| Administrative & General | 3,084,503 | 2,912,702 | \$ 171,801 | 6% |
| Technical Services | 3,255,914 | 4,064,598 | \$ (808,684) | -20% |
| Depreciation | 2,601,119 | 2,330,061 | \$ 271,058 | 12% |
| Total Operating Expenses | \$ 18,733,473 | \$ 19,984,239 | \$ (1,250,766) | -6% |
| Operating Income (Loss) | \$ 455,525 | \$ (1,869,521) | \$ 2,325,046 | -124% |
| Non-Operating Revenues (Expenses) | | | | |
| Tax Revenue | \$ 1,241,515 | \$ 1,290,539 | \$ (49,024) | -4% |
| Gain (Loss) on Sale of Asset | 4,942 | 13,900 | \$ (8,958) | -64% |
| Interest Income | 2,981,351 | 1,617,338 | \$ 1,364,013 | 267% |
| Total Non-Operating Revenues | \$ 4,227,808 | \$ 2,921,777 | \$ 1,306,031 | 45% |
| Transfers & Capital Contributions | | | | |
| Capital Contributions | \$ 5,771,180 | \$ 1,578,826 | \$ 4,192,354 | 266% |
| Transfers In | 1,698,162 | 3,799,484 | \$ (2,101,322) | -55% |
| Transfers Out | (1,698,162) | (3,799,484) | \$ 2,101,322 | 15% |
| Total Transfers & Capital Contributions | \$ 5,771,180 | \$ 1,578,826 | \$ 4,192,354 | 266% |
| Change in Net Position | \$ 10,454,513 | \$ 2,631,082 | \$ 7,823,431 | 297% |
| Net Position, Beginning of Year | \$ 189,263,036 | \$ 186,253,620 | \$ 3,009,416 | 2% |
| Net Position, End of Year | \$ 199,717,549 | \$ 189,263,036 | \$ 10,454,513 | 6% |

The increase in the District's net position was primarily due to investment earnings and contributed capital. Development-related contributions and fees were higher than in the last fiscal year with several new development projects occurring in the Whitney Ranch area of Rocklin. Revenue from connection charges was \$1.41 million, which was similar to the prior year. Permit, fee, and inspection revenue was up \$0.28 million or 70% from the prior year. Developer-in-Kind capital contributions increased from \$1.58 million to \$5.77 million.

Operating expenses decreased 6% in FY 2023/24. Collection and Treatment and Technical Services expenses decreased by \$0.88 million and \$0.81 million, respectively, due to a true-up

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

credit of \$2.20 million from the City of Roseville from Fiscal Year 2022/23 for wastewater treatment expense. This credit was primarily due to scheduled repair and replacement projects that are planned but have not begun. Administrative and General expenses increased slightly due to inflation and professional services for programmed capital expenditures in Newcastle. Depreciation expense increased by 12%. The higher revenue coupled with lower operating expenses resulted in an operating income of \$0.45 million, an increase of \$2.32 million from the prior year. This operating income combined with non-operating income and developer-contributed capital resulted in an increase of \$10.45 million to the District's net position.

REVENUES

TABLE 8 – REVENUES

| Operating Fund | FY 2023/24 | FY 2022/23 | \$Difference | % Change |
|--|----------------------|----------------------|---------------------|-------------|
| Sewer service charges revenues | \$ 16,914,158 | \$ 16,089,510 | \$ 824,648 | 5% |
| Late fees | 131,816 | 129,800 | 2,016 | 2% |
| Low income (LIL) rate assistance | 57,830 | 53,832 | 3,998 | 7% |
| Permits, plan check fees & inspections | 585,030 | 263,345 | 321,685 | 122% |
| Property taxes | 1,241,515 | 1,290,539 | (49,024) | -4% |
| Miscellaneous revenue | 93,059 | 134,579 | (41,520) | -31% |
| Interest income | 483,129 | 340,185 | 142,944 | 30% |
| Gain/loss of sale of fixed asset disposal | 4,942 | 13,900 | (8,958) | |
| Operating Fund Less CEPPT Interest Earnings | \$ 19,511,479 | \$ 18,315,690 | \$ 1,195,789 | 7% |
| Interest income from CEPPT (Restricted) | \$ 276,150 | \$ 184,070 | \$ 92,080 | 50% |
| Total Operating Fund | \$ 19,787,629 | \$ 18,499,760 | \$ 1,287,869 | 7% |
| | | | | |
| Capital Improvement Program Fund | | | | |
| Sewer participation fees | \$ 1,407,105 | \$ 1,443,652 | \$ (36,547) | -3% |
| Interest income | 1,255,667 | 648,461 | 607,206 | 94% |
| Total CIP Fund | \$ 2,662,772 | \$ 2,092,113 | \$ 570,659 | 27% |
| | | | | |
| Capital Replacement Fund | | | | |
| Interest income | \$ 966,405 | \$ 444,622 | \$ 521,783 | 117% |
| Total Capital Replacement Fund | \$ 966,405 | \$ 444,622 | \$ 521,783 | 117% |
| Total Revenue | \$ 23,416,806 | \$ 21,036,495 | \$ 2,380,311 | 11% |

Table 8 provides additional detail on the Revenues shown in the Statement of Revenues, Expenses, and Changes in Net Position from the Financial Statements. Interest Income for District investments is included within the balance of each investment instrument as noted under Note 2 of the Financial Statements. Total District revenue reported for FY 2023/24 showed an increase of \$2.38 million (11%) from the previous year. The loan repayment for Newcastle Sanitary District (NSD) Project-Related Service Charges (PRSC) is included in Sewer Service Charges and reported as \$219,974 for FY 2023/24 (see Note 10 of the Financial Statements).

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

Operating Fund Revenues derived from customer service charges were up 5% from the prior year as a result of the 4% rate increase to monthly service charges and modest customer growth. Operating fund revenue derived from permits, plan check fees, and inspections also increased from FY 2022/23. Miscellaneous revenue, which is primarily comprised of credits and reimbursements and proceeds from the sale of surplus property, is included in permits, fees, and inspections in Table 7. Higher interest rates allowed the District to continue to collect higher interest income. Total Operating Fund Revenue used to fund ongoing operations, maintenance, and administrative functions of the District increased by \$1.19 million or 7% from the previous year.

Capital Fund Revenues in the Capital Improvement Program Fund increased by \$0.57 million or 27%. Capital Fund Revenues in the Capital Replacement Fund increased by \$0.52 million or 117%. These increases were due to higher interest income earned on the Capital Fund balances.

School Contracts

The District had legacy agreements with two schools in the District's service area. The first agreement was with Sierra College and dates back to 1959. The second agreement was with Placer Joint Union High School for the Del Oro campus and also dates back to 1959. These agreements prescribed billing procedures and charges that are substantially different than those adopted in the District Sewer Code. Sierra College paid the District monthly based on their water usage, and Del Oro paid the District annually based on their average daily attendance. This revenue was received as an unapplied credit in the billing system, and monthly fee increases were built into the manual calculations and manually reconciled. In Fiscal Year 2023/24, the District entered into a new agreement with Placer Joint Union High School for the Del Oro campus that moves the High School to standard billing in accordance with the District Sewer Code. The District continues to work with Sierra College on an agreement to conform their account to the District's standard billing practices.

INVESTMENTS

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

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

Fund (LAIF) as they mature depending on market conditions and quarterly performance. By October 2021, all fixed-income securities had matured with all funds transferred to other investment vehicles.

Due to market fluctuations and the unprecedented low-interest rates seen in 2020 and 2021, as the remaining fixed-income securities matured it did not make sense to move the funds into new medium-term or long-term investment vehicles. With interest rates rising in 2022 and 2023, as the Federal Reserve increased rates to combat persistently high inflation, short-term fixed-income funds began to provide consistent quarterly interest earnings resulting in an inverted curve whereby shorter-term investments were performing better than longer-term investments. The Federal Reserve had been indicating that it may begin lowering rates in 2024 with the first rate cut occurring in September of 2024. In preparation, the Board approved the investment of \$15 million in longer-term fixed-income securities through Wells Fargo Securities in April 2024. These non-callable fixed-income securities consist of a two-year bond with a coupon rate of 4.625% and a three-, four-, and five-year bond each with a coupon rate of 4.500%. The intent of these bonds is to reduce the risk to the District of interest rates returning to the previous low-rate environment and interest income correspondingly declining. The remaining investment funds continue to be held in short-term investment pools.

During the last fiscal year, interest remained high to combat persistently high inflation with short-term fixed-income funds continuing to provide consistent quarterly interest earnings and equity also performing well. The overall balance of the District's investment portfolio including unrestricted deposits in financial institutions and the District's CalPERS Section 115 Pension Trust increased by \$5.35 million (7.33%) from the prior year. Table 9 shows the balance of investments over the past two years.

TABLE 9 – INVESTMENTS

| Investment | Balance 06/30/2024 | Balance 06/30/2023 |
|---|---------------------------|---------------------------|
| Local Agency Investment Fund (LAIF) | \$ 26,331,860 | \$ 25,563,827 |
| Wells Fargo Fixed-Income Securities | 15,026,580 | - |
| California Class Prime Fund | 12,507,791 | 5,062,129 |
| CalTRUST Short-Term Investment Fund | 6,761,843 | 6,419,937 |
| Five Star Money Market | 6,317,822 | 6,097,695 |
| Placer County Treasury's Investment Pool | 5,569,472 | 25,460,827 |
| | <u>\$ 72,515,368</u> | <u>\$ 68,604,415</u> |
| LAIF Interest Receivable | \$ 285,925 | \$ - |
| Unrestricted Deposits in Financial Institutions | \$ 1,998,303 | \$ 1,117,558 |
| | <u>\$ 74,799,596</u> | <u>\$ 69,721,973</u> |
| CalPERS CEPP Trust- Restricted | \$ 3,425,665 | \$ 3,156,947 |
| TOTAL | <u>\$ 78,225,261</u> | <u>\$ 72,878,920</u> |

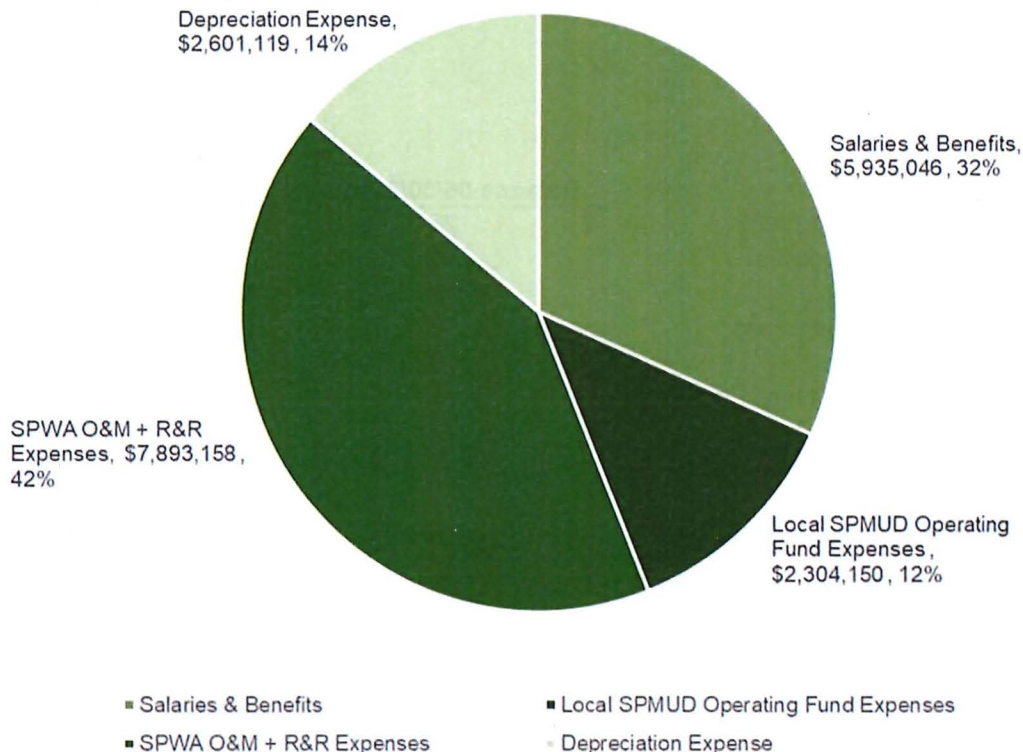
**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS – CONTINUED**

EXPENSES

Total Operating Fund Expenses decreased \$1.14 million (-6%) from \$19.88 million to \$18.73 million. This decrease reflects a true-up credit of \$2.20 million from Fiscal Year 2022/23 for Regional Wastewater Treatment Plant Operations and Maintenance and Rehabilitation and Replacement Expenses. This credit was primarily due to scheduled repair and replacement projects that are planned but have not begun. Fiscal Year 2023/24 expenses included increased spending on salaries and benefits primarily due to pension and retiree health liability adjustments, asphalt patch paving projects, professional services for future capital projects, property and liability and health insurance premium increases due to market conditions, and an overall high inflationary environment. Chart 1 and Table 10 show the District’s Operating Fund expenditures. Operating Fund Revenues of \$19.51 million were higher than Operating Fund Expenses of \$18.73 million.

The District has 37 approved personnel positions that include 5 elected, 2 contracted, 4 management, 1 supervisor, 1 part-time, and 24 full-time staff positions; there are currently 29 full-time employees. The Memorandum of Understandings (MOUs) for employees and managers were negotiated in FY 2022/23, and cover fiscal years 2023/24 and 2024/25. Cost of Living increases for both fiscal years are 2% in July and 1% in January, for a total Cost of Living increase of 3% per fiscal year.

CHART 1 – OPERATING FUND EXPENSES FY 2023/24



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

TABLE 10 – OPERATING FUND EXPENDITURES

| | FY 2023/24 | FY 2022/23 | \$Difference | % Change |
|--|----------------------|----------------------|--------------------|-------------|
| Salaries/Wages | \$ 2,999,196 | \$ 2,884,440 | 114,756 | 4% |
| FICA - Social Security | 221,625 | 214,556 | 7,069 | 3% |
| CalPERS Retirement & UAL | 746,883 | 1,179,706 | (432,823) | -37% |
| GASB 68 UAL Adjustment | 397,009 | (202,897) | 599,906 | -296% |
| Retirement 457 & 401a | 147,537 | 105,787 | 41,750 | 39% |
| Insurance Benefits | 800,790 | 755,812 | 44,978 | 6% |
| PERS OPEB | 393,845 | 379,945 | 13,900 | 4% |
| GASB 75 OPEB Adjustment | 228,161 | 73,148 | 155,013 | 212% |
| Sub Total Salaries & Benefits | \$ 5,935,046 | \$ 5,390,497 | 544,549 | 10% |
| Asphalt Paving | \$ 25,769 | \$ 4,950 | 20,819 | 421% |
| Archiving/Disaster Plan | - | 5,140 | (5,140) | -100% |
| Building & Grounds Maintenance | 41,225 | 38,090 | 3,135 | 8% |
| Computers/Office Furniture | 3,855 | 16,154 | (12,299) | -76% |
| Easement/Access Road Repl/Upgrades | 127,052 | 14,849 | 112,203 | 756% |
| Easement Acquisition | - | 36,967 | (36,967) | -100% |
| Election Expense | - | 30,094 | (30,094) | -100% |
| Gas & Oil Expenses | 70,816 | 63,707 | 7,109 | 11% |
| General Operating Supplies & Maintenance | 176,195 | 168,252 | 7,943 | 5% |
| Lateral Cameras | 21,994 | - | 21,994 | 0% |
| Legal Services | 96,940 | 293,830 | (196,890) | -67% |
| Lift Station & Flow Recorder Programs | 35,857 | 56,578 | (20,721) | -37% |
| Other Operating Expenses | 291 | (936) | 1,227 | -131% |
| Participation in Regional Projects | - | 78,192 | (78,192) | -100% |
| Professional Development | 42,233 | 32,431 | 9,802 | 30% |
| Professional Services | 378,536 | 274,578 | 103,958 | 38% |
| Property & Liability Insurance | 410,875 | 322,423 | 88,452 | 27% |
| Regulatory Compliance/Government Fees | 80,596 | 68,645 | 11,951 | 17% |
| Repair/Maintenance Agreements | 169,881 | 112,554 | 57,327 | 51% |
| Root Control Program | 73,709 | 56,513 | 17,196 | 30% |
| Safety Gear/Uniforms | 23,204 | 22,097 | 1,107 | 5% |
| Software/Data Acquisition | - | 25,113 | (25,113) | -100% |
| System Improvements | 643 | - | 643 | 0% |
| Utilities | 204,454 | 181,497 | 22,957 | 13% |
| Utility Billing/Banking Expense/Printing | 252,971 | 269,358 | (16,387) | -6% |
| Vehicle Repair and Maintenance | 67,054 | 60,609 | 6,445 | 11% |
| Sub Total Local SPMUD Operating Fund Expenses | \$ 2,304,150 | \$ 2,231,686 | 72,464 | 3% |
| RWWTP Maintenance & Operations | \$ 6,208,658 | \$ 7,314,424 | (1,105,766) | -15% |
| RWWTP Rehab & Replacement | 1,684,500 | 2,611,000 | (926,500) | -35% |
| Sub Total SPWA O&M + R&R Expenses | \$ 7,893,158 | \$ 9,925,424 | (2,032,266) | -20% |
| Total Operations Expense before Depreciation | \$ 16,132,354 | \$ 17,547,607 | (1,415,253) | -8% |
| Depreciation expense | 2,601,119 | 2,330,061 | 271,058 | 12% |
| Total Operating Fund Expenses | \$ 18,733,473 | \$ 19,877,668 | (1,144,195) | -6% |

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

CAPITAL EXPENDITURES

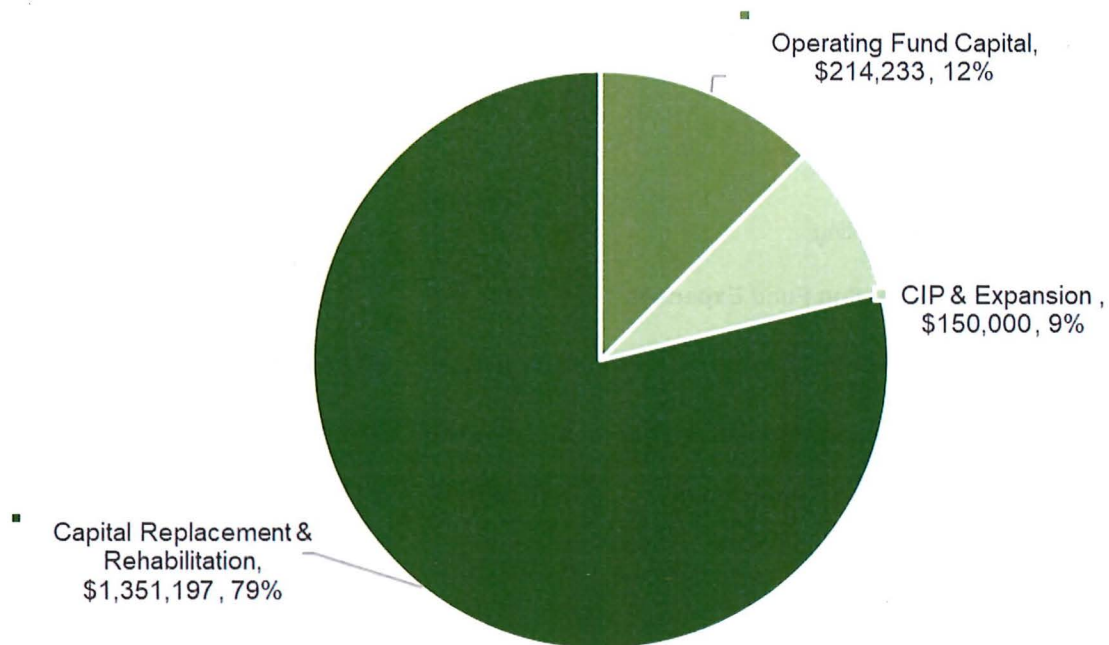
Capital Outlays are categorized into their respective fund centers. For example, those projects designated as Capital Replacement and Rehabilitation projects are funded by accumulated depreciation; those projects designated as Capital Improvement Projects (CIP) and Expansion Projects are funded through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

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

The District expended \$1.71 million in Capital Outlay during FY 2023/24. The majority of the funds expended were for the Corporation Yard Addition and Tenant Improvement Project, participation in regional projects, an expansion project at Del Rio / Del Mar, preliminary engineered for future lift station abandonments, the Newcastle Pond Liner Replacement Project, and Supervisory Control and Data Acquisition (SCADA) Design.

In fiscal year 2023/24, the District received \$5.77 million in sewer asset contributions from new development. This included approximately 1.86 miles of gravity sewer pipe, 0.77 miles of lower lateral pipe, and 68 manholes/flushing branches. Summaries of the District's FY 2023/24 Capital Projects are included in Chart 2, and Tables 11 and 12.

CHART 2 – CAPITAL FUND EXPENDITURES FY 2023/24



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

TABLE 11 – 5-YEAR CAPITAL INVESTMENT SUMMARY

| | <u>FY 2023/24</u> | <u>FY 2022/23</u> | <u>FY 2021/22</u> | <u>FY 2020/21</u> | <u>FY 2019/20</u> |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total Operating Fund Capital Improvements | \$ 214,233 | \$ 3,473,440 | \$ 405,380 | \$ 293,219 | \$ 118,277 |
| Total CIP & Expansion | \$ 150,000 | \$ 61,424 | \$ 124,732 | \$ 2,087,054 | \$ 500,346 |
| Total Replacement & Rehabilitation | \$ 1,351,197 | \$ 1,518,698 | \$ 958,034 | \$ 1,389,357 | \$ 918,263 |
| Total Capital Investment | \$ 1,715,430 | \$ 5,053,562 | \$ 1,488,146 | \$ 3,769,630 | \$ 1,536,886 |

TABLE 12 – DETAIL OF CAPITAL EXPENDITURES FY 2023/24

| | <u>Original Budget FY 2023/24</u> | <u>Budget Adjustments FY 2022/23</u> | <u>FUND 100</u> | <u>FUND 300</u> | <u>FUND 400</u> |
|-------------------------------------|---|--|-----------------------------------|----------------------------|---|
| | | | <u>Operating Fund Capital</u> | <u>CIP & Expansion</u> | <u>Capital Replacement & Rehabilitation</u> |
| Capital Improvements | | | | | |
| Computers/Office Furniture | 51,700 | - | 31,790 | - | - |
| Easement Access Road Replacement | 420,000 | - | - | - | - |
| Easement Acquisition | 87,000 | - | - | - | - |
| Easement Inspection Program | 15,000 | (15,000) | - | - | - |
| General Equipment | - | - | 11,541 | - | - |
| Lateral Cameras | 15,000 | 40,000 | 21,197 | - | - |
| Lift Station Flow Recorders | - | - | 43,593 | - | - |
| Newcastle Master Plan Improvements | 300,000 | - | - | - | - |
| Pipe Trailer Improvements | 15,000 | 3,000 | 22,173 | - | - |
| System Improvements | 290,000 | - | 83,939 | - | - |
| Expansion Projects | 4,490,000 | - | - | 150,000 | - |
| Foothill Trunk Project | 125,000 | - | - | - | - |
| Trunk Extension Reimbursement | 5,300,000 | - | - | - | - |
| CY Master Plan Capital Improvements | 663,000 | - | - | - | 594,023 |
| Cured In Place Pipe | 750,000 | - | - | - | - |
| Participation in Regional Projects | 1,280,000 | - | - | - | 149,766 |
| SCADA Design & Implementation | 490,000 | - | - | - | 302,127 |
| System Rehabilitation | 1,225,000 | 225,000 | 0 | - | 305,281 |
| Taylor Road Lift Station | 160,000 | - | - | - | - |
| Vehicle Purchases | 70,000 | - | - | - | - |
| Total Capital Improvements | \$ 15,746,700 | \$ 15,999,700 | \$ 214,233 | \$ 150,000 | \$ 1,351,197 |

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

DEBT ADMINISTRATION

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

In accordance with the SPWA debt indenture, the South Placer Municipal Utility District has covenanted to prescribe and collect rates and charges sufficient to yield net revenues at least

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

equivalent to 110% of its share of the debt service; however, the Funding Agreement established a Rate Stabilization Account to be used for the payment of debt service on the Bonds and other costs of the Authority. Monthly contributions of regional connection fees are deposited into the Rate Stabilization Account, and SPWA pays the debt service and other costs from the account on behalf of each member of SPWA, based on each member's proportionate share. Per the January 3, 2024, SPWA Board Report, as of December 31, 2023, the SPWA had outstanding debt in the amount of \$188.99 million. Per the June 6, 2024, SPWA Board Report, as of April 30, 2024, the District maintained a balance of \$66.51 million in the SPWA Rate Stabilization Account. The annual SPWA Debt assigned to the District was \$2.64 million.

SPWA has approved \$170 million in Capital Improvements and Treatment Upgrades at the Pleasant Grove and Dry Creek Wastewater Treatment Plants to prepare for regional growth, incorporate energy-related improvements, and maximize solids digestion. There are eleven active Capital Improvement Projects with \$117.06 million expended on improvements. SPWA is financing this construction through a blend of bond financing, State Revolving Fund loans, and cash payments from the SPWA Rate Stabilization Fund.

Newcastle Sanitary District Loan Repayment

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

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

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

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

5) Studies, reports, and designs related thereto.

To facilitate repayment of the loan, NSD/SPMUD designated a Project Related Capacity Charge (PRCC) payable by new connections within the NSBA made after the effective date of the NSBA. In addition, NSD/SPMUD designated a Project Related Service Charge (PRSC) as a special area service charge imposed on an EDU basis on the landowners/ customers in the NSBA area that are connected to the wastewater system for repayment to SPMUD of the Amount Repayable. The PRSC is a separate service charge, in addition to the normal monthly SPMUD service charge. Billing occurs quarterly on the regular SPMUD billing cycle. The PRSC is shown and included on the same bill as the normal SPMUD service charge bill. The collection and payment of the PRSC is subject to Division 6 of the Public Utilities Code of the State of California.

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

As of June 30, 2024, the current balance of the SPMUD loan under the Financing Agreement applicable to the NSBA was \$4,377,027. It is anticipated that the loan will be paid in full by 2053 (see Note 10 of the Financial Statements).

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

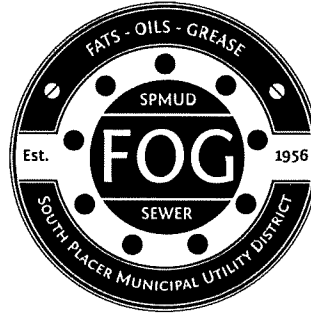
CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

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

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

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



**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024**

| | <u>Operating Fund</u> | <u>Capital Improvement Fund</u> | <u>Capital Replacement Fund</u> | <u>Total</u> |
|---|-----------------------|---|---|-----------------------|
| <u>ASSETS</u> | | | | |
| CURRENT ASSETS | | | | |
| Cash and cash equivalents (Note 2) | \$ 1,998,303 | \$ - | \$ - | \$ 1,998,303 |
| Investments (Note 2) | 12,087,061 | 34,521,435 | 25,906,872 | 72,515,368 |
| Accounts receivable | 5,205,941 | - | - | 5,205,941 |
| Interest receivable | 57,185 | 128,666 | 100,073 | 285,924 |
| Prepaid expenses | 57,911 | - | - | 57,911 |
| Total Current Assets | <u>19,406,401</u> | <u>34,650,101</u> | <u>26,006,945</u> | <u>80,063,447</u> |
| NON-CURRENT ASSETS | | | | |
| Capital assets, net (Note 3) | 122,782,635 | - | - | 122,782,635 |
| Investments - restricted (Note 2) | 3,425,665 | - | - | 3,425,665 |
| Total Non-Current Assets | <u>126,208,300</u> | <u>-</u> | <u>-</u> | <u>126,208,300</u> |
| TOTAL ASSETS | <u>145,614,701</u> | <u>34,650,101</u> | <u>26,006,945</u> | <u>206,271,747</u> |
| <u>DEFERRED OUTFLOWS OF RESOURCES</u> | | | | |
| Net pension liability (Note 5) | 3,061,189 | - | - | 3,061,189 |
| Net OPEB liability (Note 7) | 2,067,338 | - | - | 2,067,338 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | <u>5,128,527</u> | <u>-</u> | <u>-</u> | <u>5,128,527</u> |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | <u>\$ 150,743,228</u> | <u>\$ 34,650,101</u> | <u>\$ 26,006,945</u> | <u>\$ 211,400,274</u> |
| <u>LIABILITIES</u> | | | | |
| CURRENT LIABILITIES | | | | |
| Accounts payable | \$ 284,500 | \$ - | \$ - | \$ 284,500 |
| Other accrued liabilities | 245,924 | - | - | 245,924 |
| Compensated absences | 243,097 | - | - | 243,097 |
| Total Current Liabilities | <u>773,521</u> | <u>-</u> | <u>-</u> | <u>773,521</u> |
| NON-CURRENT LIABILITIES | | | | |
| Net pension liability (Note 5) | 6,403,258 | - | - | 6,403,258 |
| Net OPEB liability (Note 7) | 3,012,144 | - | - | 3,012,144 |
| Total Non-Current Liabilities | <u>9,415,402</u> | <u>-</u> | <u>-</u> | <u>9,415,402</u> |
| TOTAL LIABILITIES | <u>10,188,923</u> | <u>-</u> | <u>-</u> | <u>10,188,923</u> |
| <u>DEFERRED INFLOW OF RESOURCES</u> | | | | |
| Net pension liability (Note 5) | 1,107,105 | - | - | 1,107,105 |
| Net OPEB liability (Note 7) | 386,697 | - | - | 386,697 |
| TOTAL DEFERRED INFLOW OF RESOURCES | <u>1,493,802</u> | <u>-</u> | <u>-</u> | <u>1,493,802</u> |
| <u>NET POSITION</u> | | | | |
| Net investment to capital assets | 122,782,635 | - | - | 122,782,635 |
| Restricted for Section 115 pension trust | 3,425,665 | - | - | 3,425,665 |
| Unrestricted | 12,852,203 | 34,650,101 | 26,006,945 | 73,509,249 |
| TOTAL NET POSITION | <u>139,060,503</u> | <u>34,650,101</u> | <u>26,006,945</u> | <u>199,717,549</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION | <u>\$ 150,743,228</u> | <u>\$ 34,650,101</u> | <u>\$ 26,006,945</u> | <u>\$ 211,400,274</u> |

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

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED
JUNE 30, 2024**

| | <u>Operating Fund</u> | <u>Capital Improvement Fund</u> | <u>Capital Replacement Fund</u> | <u>Total</u> |
|---|------------------------------|---|---|------------------------------|
| <u>OPERATING REVENUE</u> | | | | |
| Sewer charges | \$ 17,103,804 | \$ - | \$ - | \$ 17,103,804 |
| Connection charges | - | 1,407,105 | - | 1,407,105 |
| Permits, fees, and inspections | <u>678,089</u> | <u>-</u> | <u>-</u> | <u>678,089</u> |
| Total Operating Revenues | <u>17,781,893</u> | <u>1,407,105</u> | <u>-</u> | <u>19,188,998</u> |
| <u>OPERATING EXPENSES</u> | | | | |
| Collection and treatment | 9,791,937 | - | - | 9,791,937 |
| Administrative and general | 3,084,503 | - | - | 3,084,503 |
| Technical services | 3,255,914 | - | - | 3,255,914 |
| Depreciation | <u>2,601,119</u> | <u>-</u> | <u>-</u> | <u>2,601,119</u> |
| Total Operating Expenses | <u>18,733,473</u> | <u>-</u> | <u>-</u> | <u>18,733,473</u> |
| Operating income (loss) | <u>(951,580)</u> | <u>1,407,105</u> | <u>-</u> | <u>455,525</u> |
| <u>NON-OPERATING REVENUE (EXPENSES)</u> | | | | |
| Tax revenue | 1,241,515 | - | - | 1,241,515 |
| Gain on sale of asset | 4,942 | - | - | 4,942 |
| Investment income | <u>759,279</u> | <u>1,255,667</u> | <u>966,405</u> | <u>2,981,351</u> |
| Total Non-operating Revenues | <u>2,005,736</u> | <u>1,255,667</u> | <u>966,405</u> | <u>4,227,808</u> |
| <u>TRANSFERS AND CAPITAL CONTRIBUTIONS</u> | | | | |
| Capital contributions | 5,771,180 | - | - | 5,771,180 |
| Transfers in (Note 4) | - | 486,798 | 1,211,364 | 1,698,162 |
| Transfers out (Note 4) | <u>(1,698,162)</u> | <u>-</u> | <u>-</u> | <u>(1,698,162)</u> |
| Total Transfers and Capital Contributions | <u>4,073,018</u> | <u>486,798</u> | <u>1,211,364</u> | <u>5,771,180</u> |
| CHANGE IN NET POSITION | 5,127,174 | 3,149,570 | 2,177,769 | 10,454,513 |
| NET POSITION, BEGINNING OF YEAR | <u>133,933,329</u> | <u>31,500,531</u> | <u>23,829,176</u> | <u>189,263,036</u> |
| TOTAL NET POSITION, END OF YEAR | <u>\$ 139,060,503</u> | <u>\$ 34,650,101</u> | <u>\$ 26,006,945</u> | <u>\$ 199,717,549</u> |

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

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED
JUNE 30, 2024**

| | <u>Operating Fund</u> | <u>Capital Improvement Fund</u> | <u>Capital Replacement Fund</u> | <u>Total</u> |
|--|---------------------------|---|---|---------------------|
| <u>CASH FLOWS FROM OPERATING ACTIVITIES</u> | | | | |
| Receipts from customers | \$ 17,583,291 | \$ 1,407,105 | \$ - | \$ 18,990,396 |
| Payments to suppliers | (11,713,480) | - | - | (11,713,480) |
| Payments to employees | <u>(4,625,015)</u> | <u>-</u> | <u>-</u> | <u>(4,625,015)</u> |
| Net Cash Provided by Operating Activities | <u>1,244,796</u> | <u>1,407,105</u> | <u>-</u> | <u>2,651,901</u> |
| <u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u> | | | | |
| Tax revenue | 1,241,515 | - | - | 1,241,515 |
| Transfers to capital funds | (1,698,162) | - | - | (1,698,162) |
| Transfers from operating fund | <u>-</u> | <u>486,798</u> | <u>1,211,364</u> | <u>1,698,162</u> |
| Net Cash Provided by (Used for) Noncapital Financing Activities | <u>(456,647)</u> | <u>486,798</u> | <u>1,211,364</u> | <u>1,241,515</u> |
| <u>CASH FLOWS FROM CAPITAL RELATED FINANCING ACTIVITIES</u> | | | | |
| Acquisition and construction of capital assets | <u>(1,537,144)</u> | <u>-</u> | <u>-</u> | <u>(1,537,144)</u> |
| Net Cash Used for Capital Related Financing Activities | <u>(1,537,144)</u> | <u>-</u> | <u>-</u> | <u>(1,537,144)</u> |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES</u> | | | | |
| Interest and dividends income | 702,092 | 1,127,001 | 866,332 | 2,695,425 |
| Proceeds from sale of capital assets | 8,719 | - | - | 8,719 |
| Purchase of Investments | (1,054,663) | (3,470,904) | (2,427,696) | (6,953,263) |
| Sale of investments | <u>1,973,592</u> | <u>450,000</u> | <u>350,000</u> | <u>2,773,592</u> |
| Net Cash Provided by (Used for) Investing Activities | <u>1,629,740</u> | <u>(1,893,903)</u> | <u>(1,211,364)</u> | <u>(1,475,527)</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | <u>880,745</u> | <u>-</u> | <u>-</u> | <u>880,745</u> |
| CASH AND CASH EQUIVALENTS - JULY 1, 2023 | <u>1,117,558</u> | <u>-</u> | <u>-</u> | <u>1,117,558</u> |
| CASH AND CASH EQUIVALENTS - JUNE 30, 2024 | <u>\$ 1,998,303</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,998,303</u> |

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

SOUTH PLACER MUNICIPAL UTILITY DISTRICT
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED
JUNE 30, 2024

| | Operating Fund | Capital Improvement Fund | Capital Replacement Fund | Total |
|--|---------------------|--------------------------------|--------------------------------|---------------------|
| <u>RECONCILIATION OF OPERATING INCOME</u> | | | | |
| <u>(LOSS) TO NET CASH PROVIDED BY</u> | | | | |
| <u>OPERATING ACTIVITIES</u> | | | | |
| OPERATING INCOME (LOSS) | \$ (951,580) | \$ 1,407,105 | \$ - | \$ 455,525 |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities: | | | | |
| Depreciation expense | 2,601,119 | - | - | 2,601,119 |
| Changes in assets and liabilities: | | | | |
| Decrease in deferred inflows | (349,925) | - | - | (349,925) |
| Increase in deferred outflows | 865,486 | - | - | 865,486 |
| Increase in accounts receivable | (198,602) | - | - | (198,602) |
| Decrease in prepaid expenses | 5,611 | - | - | 5,611 |
| Decrease in other accrued liabilities | (149,748) | - | - | (149,748) |
| Decrease in accounts payable | (720,993) | - | - | (720,993) |
| Increase in compensated absences | 33,819 | - | - | 33,819 |
| Decrease in net pension liability | (102,354) | - | - | (102,354) |
| Increase in net OPEB liability | 211,963 | - | - | 211,963 |
| Total adjustments | 2,196,376 | - | - | 2,196,376 |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | \$ 1,244,796 | \$ 1,407,105 | \$ - | \$ 2,651,901 |
| <u>NON-CASH CAPITAL ACTIVITIES</u> | | | | |
| Non-cash capital contributions | \$ 5,771,180 | \$ - | \$ - | \$ 5,771,180 |

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

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

Basis of Presentation

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

Basis of Accounting

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

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

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

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

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

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

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

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Reporting

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

Cash and Cash Equivalents

For the purpose of cash flows the District defines cash and cash equivalents as short-term, highly liquid investments that are both readily convertible to known amounts of cash or with original maturities of three months or less from the date of acquisition. This includes the District's deposits in financial institutions.

Fair Value Inputs, Methodologies and Hierarchy

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

- Level 1 - Unadjusted price quotations in active markets/exchanges for identical assets or liabilities that are accessible to the District.
- Level 2 - Other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market corroborated inputs.)
- Level 3 - Unobservable inputs based on the best information available in the circumstance, to the extent observable inputs are not available (including each Fund's own assumptions used in determining the fair value of investments).

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

Receivables and Payables

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

Prepaid Expenses

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

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

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

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

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

Capital Contributions

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

Net Position

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

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

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

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

Compensated Absences

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

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes

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

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

Pensions

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

Other Postemployment Benefits (OPEB)

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

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

| | |
|--------------------|--------------------------------|
| Valuation Date | June 30, 2023 |
| Measurement Date | June 30, 2023 |
| Measurement Period | June 30, 2022 to June 30, 2023 |

Deferred Outflows/Inflows of Resources

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

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

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Participation Agreements

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

Use of Estimates

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

Subsequent Events

Subsequent events have been evaluated through November 22, 2024, which is the date the financial statements were issued.

Implementation of Government Accounting Standards Board Statements

Effective July 1, 2023, the District implemented the following accounting and financial reporting standards:

Governmental Accounting Standards Board Statement No. 99

In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for guarantees. Application of this statement had no material impact on the District's financial statements for the year ended June 30, 2024.

Governmental Accounting Standards Board Statement No. 100

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections - An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Application of this statement had no material impact on the District's financial statements for the year ended June 30, 2024.

Future Government Accounting Standards Board Statements

These statements are not effective until July 1, 2024 or later and may be applicable for the District. However, the District has not determined the effects, if any, on the financial statements.

Governmental Accounting Standards Board Statement No. 101

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The primary objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and amending certain previously required disclosures. The requirements of this statement are effective for the District's year ending June 30, 2025.

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Accounting Standards Board Statement No. 102

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The primary objective of this Statement is to provide users of governmental financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. A concentration is defined as a lack of diversity related to an aspect of a significant inflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. The requirements of this statement are effective for the District's year ending June 30, 2026.

Governmental Accounting Standards Board Statement No. 103

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this statement are effective for the District's year ending June 30, 2026.

Governmental Accounting Standards Board Statement No. 104

In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The objectives of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital asset note disclosures required by Statement 34, and also requires additional disclosures for capital assets held for sale. The requirements of this statement are effective for the District's year ending June 30, 2026.

NOTE 2: CASH AND INVESTMENTS

The components of the District's cash and cash equivalents and investments at June 30, 2024 are as follows:

Cash and cash equivalents:

| | |
|---|---------------------|
| Unrestricted deposits in financial institutions | \$ <u>1,998,303</u> |
| Total cash and cash equivalents | <u>1,998,303</u> |

Investments:

| | |
|--|-----------------------------|
| Fixed income securities | 15,026,580 |
| Money market funds | 6,317,822 |
| CalTRUST Investment Fund | 6,761,843 |
| Placer County Treasury's Investment Pool | 5,569,472 |
| California CLASS | 12,507,791 |
| Local Agency Investment Fund (LAIF) | <u>26,331,860</u> |
| Total investments | <u>72,515,368</u> |
| California Employer's Pension Prefunding Trust (CEPPT) | <u>3,425,665</u> |
| Total investments-restricted | <u>3,425,665</u> |
| Total cash and investments | \$ <u>77,939,336</u> |

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2024**

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Authorized Investments of the District

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

| Authorized Investment Type | Maximum Maturity | Maximum Percentage of Portfolio | Maximum Investment in One Issuer |
|---|------------------|---------------------------------|----------------------------------|
| Investment pools authorized under CA statute governed by Government Code: | | | \$40 Million |
| Local Agency Investment Fund (LAIF) | N/A | 75% | No Limit |
| Placer County Treasurer's Investment Pool | N/A | 75% | No Limit |
| Investment Trust of CA (CalTRUST) | N/A | 75% | No Limit |
| CalPERS CEPPT Fund | N/A | 75% | No Limit |
| California CLASS | N/A | 75% | No Limit |
| Bank savings account | N/A | 75% | No Limit |
| Federal agencies | 5 years | 25% | No Limit |
| Commercial paper | 180 days | 15% | No Limit |
| Negotiable certificates of deposits | 180 | 20% | No Limit |
| Repurchase agreements | 180 Days | 20% | No Limit |
| U.S. Treasury obligations | 5 years | No Limit | No Limit |
| Any other allowed investments under CGC 53601 | Limited | 20% | No Limit |
| Fixed income securities | N/A | 20% | No Limit |
| Money market funds | N/A | 20% | No Limit |

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2024**

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Disclosure Relating to Interest Rate Risk

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

Information about the sensitivity of the fair values of the District's investments (including investments held by bond trustees) to market rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity as of June 30, 2024:

| | Remaining Maturity | | |
|--|----------------------|----------------------|----------------------|
| | 12 months or less | 1-5 years | Fair Value |
| Fixed income securities | \$ 3,763,007 | \$ 11,263,573 | \$ 15,026,580 |
| Money market funds | 6,317,822 | - | 6,317,822 |
| CalTRUST Investment Fund | 6,761,843 | - | 6,761,843 |
| Placer County Treasury's Investment Pool | 5,569,472 | - | 5,569,472 |
| California CLASS | 12,507,791 | - | 12,507,791 |
| Local Agency Investment Fund (LAIF) | <u>26,331,860</u> | <u>-</u> | <u>26,331,860</u> |
| | <u>61,251,795</u> | <u>11,263,573</u> | <u>72,515,368</u> |
| CalPERS CEPP Trust | <u>-</u> | <u>3,425,665</u> | <u>3,425,665</u> |
| | <u>\$ 61,251,795</u> | <u>\$ 14,689,238</u> | <u>\$ 75,941,033</u> |

Custodial Credit Risk

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

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2024**

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of an investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the investment policy, or debt agreements, and the actual rating as of the year ended June 30, 2024 for each investment type.

| | Total | Rating as of Year End | | |
|--|----------------------|-----------------------|---------|-----------|
| | | S&P | Moody's | N/A |
| Money market funds | \$ 6,317,822 | AAAm | | |
| CalTRUST Short Term Investment Fund | 6,761,843 | AAf | | |
| Placer County Treasury's Investment Pool | 5,569,472 | | | Not rated |
| California CLASS | 12,507,791 | AAAm | | |
| Fixed income securities | 15,026,580 | AA+ | | |
| Local Agency Investment Fund (LAIF) | <u>26,331,860</u> | | | Not rated |
| Total investments | <u>72,515,368</u> | | | |
| CalPERS CEPP Trust | <u>3,425,665</u> | | | Not rated |
| Total investments-restricted | <u>3,425,665</u> | | | |
| Total | <u>\$ 75,941,033</u> | | | |

Concentration of Credit Risk

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

Investment in State Investment Pool and Other Investments

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

The District is a voluntary participant in the Placer County Treasurer's Investment Portfolio that is administered by the Placer County Treasurer. Its primary objectives are to safeguard the principal of the funds under its control and to meet any liquidity needs of the depositor. Maximizing the rate of return is performed consistent with the objectives of safeguarding principal and meeting liquidity needs. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio under its control.

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2024**

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

The District is a voluntary participant in the California Cooperative Liquid Assets Securities System (CLASS). California CLASS is a Joint Powers Authority created by public agencies to provide a convenient method for agencies to pool their assets for investment purposes. California CLASS is governed by a Board of Trustees made up of experienced local agency executives. The Board sets overall policies for the program and selects and supervises the activities of the investment manager and other agents. Following the investment policy direction established by the Board of Trustees, the primary objective of the investment manager is to safeguard the principal. The secondary objective shall be to meet the liquidity needs of the participants, and the final objective shall be to maximize the yield in a manner consistent with the first two objectives. The objective of the investment policy is to obtain the best possible return commensurate with the degree of risk that participants are willing to assume in obtaining such return. The District invests in the California CLASS Prime Fund. The average monthly yield at June 30, 2024 was 5.4006%.

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF which are recorded on an amortized cost basis.

The District has a trust fund account managed by California Employers' Pension Prefunding Trust (CEPPT) Fund. This fund is a Section 115 trust fund dedicated to prefunding employer contributions to defined benefit pension systems for eligible California public agencies. The Section 115 Trust was established as a means to set aside monies to fund the District's pension obligations. Contributions to the Section 115 trust are irrevocable, the assets are dedicated to providing benefits to plan members, and the assets are protected from creditors of the District. In accordance with generally accepted accounting principles, the assets in the Section 115 Trust are not considered to have present service capacity as plan assets and are therefore considered restricted assets of the District rather than plan assets. Accordingly, the Section 115 Trust's assets are recorded as restricted for pension benefits rather than assets of the pension plan during the measurement of the net pension liability. The assets held in trust will be considered pension plan assets at the time they are transferred out of the Trust into the pension plan.

Investment Valuation

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

The following tables set forth by level, within the fair value hierarchy, the District's assets at fair value as of June 30, 2024.

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|----------------------------|---------------------|----------------------|----------------|----------------------|
| Fixed income securities | \$ - | \$ 15,026,580 | \$ - | \$ 15,026,580 |
| Money market funds | <u>6,317,822</u> | <u>-</u> | <u>-</u> | <u>6,317,822</u> |
| Total assets at fair value | <u>\$ 6,317,822</u> | <u>\$ 15,026,580</u> | <u>\$ -</u> | <u>\$ 21,344,402</u> |

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2024**

NOTE 3: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2024 was as follows:

| | <u>July 1, 2023</u> | <u>Additions</u> | <u>Deletions</u> | <u>Transfers</u> | <u>June 30, 2024</u> |
|---|-----------------------|---------------------|--------------------|--------------------|-----------------------|
| Capital assets not being depreciated | | | | | |
| Land | \$ 1,174,184 | \$ - | \$ - | \$ - | \$ 1,174,184 |
| Construction in Progress | <u>4,319,244</u> | <u>666,489</u> | <u>-</u> | <u>(4,055,902)</u> | <u>929,831</u> |
| Total capital assets not depreciated | <u>5,493,428</u> | <u>666,489</u> | <u>-</u> | <u>(4,055,902)</u> | <u>2,104,015</u> |
| Capital assets being depreciated | | | | | |
| Buildings | 3,648,302 | 474,138 | - | 4,055,902 | 8,178,342 |
| Sewer System | 135,595,752 | 6,037,404 | - | - | 141,633,156 |
| Equipment | 1,987,488 | 114,091 | (14,817) | - | 2,086,762 |
| Office Furniture | 159,898 | 16,202 | (18,990) | - | 157,110 |
| Vehicles | <u>2,384,046</u> | <u>-</u> | <u>(19,797)</u> | <u>-</u> | <u>2,364,249</u> |
| Total capital assets being depreciated | <u>143,775,486</u> | <u>6,641,835</u> | <u>(53,604)</u> | <u>4,055,902</u> | <u>154,419,619</u> |
| Less: accumulated depreciation | | | | | |
| Buildings | (2,502,445) | (288,555) | - | - | (2,791,000) |
| Sewer System | (25,722,894) | (1,875,438) | - | - | (27,598,332) |
| Equipment | (1,410,508) | (161,457) | 11,040 | - | (1,560,925) |
| Office Furniture | (149,852) | (11,102) | 18,990 | - | (141,964) |
| Vehicles | <u>(1,404,010)</u> | <u>(264,567)</u> | <u>19,799</u> | <u>-</u> | <u>(1,648,778)</u> |
| Total accumulated depreciation | <u>(31,189,709)</u> | <u>(2,601,119)</u> | <u>49,829</u> | <u>-</u> | <u>(33,740,999)</u> |
| Capital Assets, net | <u>\$ 118,079,205</u> | <u>\$ 4,707,205</u> | <u>\$ (33,805)</u> | <u>\$ -</u> | <u>\$ 122,782,635</u> |

Depreciation expense for the year ended June 30, 2024 totaled \$2,601,119.

NOTE 4: INTERFUND TRANSACTIONS

Transfers between funds during the year ended June 30, 2024 were as follows:

| <u>Transfer From</u> | <u>Transfer To</u> | <u>Description of Transfer</u> | <u>Amount</u> |
|----------------------|--------------------------|----------------------------------|---------------------|
| Operating Fund | Capital Improvement Fund | Other expenses | \$ 486,798 |
| Operating Fund | Capital Replacement Fund | Other expenses | <u>1,211,364</u> |
| | | Total Interfund Transfers | <u>\$ 1,698,162</u> |

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2024**

NOTE 5: DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan Description

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

Benefits Provided

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

| Hire date | Miscellaneous | | |
|---|--------------------------------------|---|--|
| | Tier I Prior to April 20, 2012 | Tier II April 20, 2012 to December 31, 2012 | Tier III On or after January 1, 2013 |
| Benefit formula | 2.7% @ 55 | 2% @ 55 | 2% @ 62 |
| Benefit vesting schedule | 5 years service | 5 years service | 5 years service |
| Benefit payments | Monthly for life | Monthly for life | Monthly for life |
| Retirement age | 50-55 | 50-55 | 52-67 |
| Monthly benefits, as a % of eligible compensation | 2.7% | 2.0% | 2.0% |
| Required employee contribution rates | 8.00% | 7.00 | 7.75% |
| Required employer contribution rates | 15.95% | 11.84% | 7.68% |
| Required UAL contribution | \$457,782 | \$0 | \$0 |

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2024**

NOTE 5: DEFINED BENEFIT PENSION PLAN (CONTINUED)

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the CalPERS actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The District's contributions to the Plan for the year ended June 30, 2024 were \$793,224.

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

As of June 30, 2024, the District reported a net pension liability of \$6,403,258 for its proportionate share of the net pension liability of the Plan.

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2023, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2022 and 2023 measurement dates was as follows:

| Measurement Period Ending | Miscellaneous |
|------------------------------|---------------|
| Proportion - June 30, 2022 | 0.1390% |
| Proportion - June 30, 2023 | 0.1281% |
| Change - Increase (Decrease) | (0.0109%) |

For the year ended June 30, 2024, the District recognized pension expense of \$1,190,233. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Pension contributions subsequent to measurement date | \$ 793,224 | \$ - |
| Net difference between projected and actual earnings on plan investments | 1,036,747 | - |
| Changes in assumptions | 386,593 | - |
| Differences between expected and actual experience | 327,112 | 50,743 |
| Adjustment due to differences in proportions | 217,913 | 875,184 |
| Difference between actual contributions made by the employer and the employer's proportionate share of the risk pool's total contribution | 299,600 | 181,178 |
| Total | \$ 3,061,189 | \$ 1,107,105 |

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2024**

NOTE 5: DEFINED BENEFIT PENSION PLAN (CONTINUED)

\$793,224 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

| <u>Year Ended June 30,</u> | | | |
|----------------------------|----|---------|--|
| 2025 | \$ | 307,045 | |
| 2026 | \$ | 58,418 | |
| 2027 | \$ | 765,647 | |
| 2028 | \$ | 29,750 | |

Actuarial Assumptions

The total pension liabilities in the June 30, 2023 actuarial valuations were determined using the following actuarial assumptions:

| | |
|----------------------------------|--|
| Valuation Date | June 30, 2022 |
| Measurement Date | June 30, 2023 |
| Actuarial Cost Method | Entry-Age Normal Cost Method |
| Actuarial Assumptions: | |
| Discount Rate | 6.90% |
| Price Inflation | 2.30% |
| Wage inflation | 2.8% |
| Salary Increases | Varies by entry age and service |
| Investment Rate of Return | 6.80% net of pension plan investment and administrative expenses, includes inflation. |
| Mortality (1) | Derived Using CalPERS membership data for all funds |
| Post Retirement Benefit Increase | Contract COLA up to 2.30% until purchasing power protection allowance floor on purchasing power applies. |

(1) The mortality table used was developed based on CalPERS' specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2000 to 2019. Pre-retirement and Post-retirement mortality tables include 15 years of projected mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2021 that can be found on the CalPERS website.

Change in Assumptions

For the measurement period ending June 30, 2023, there were no changes in assumptions.

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 6.90 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 6.90 percent will be applied to all plans in the Public Employees' Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS website under the GASB 68 section.

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2024**

NOTE 5: DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

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

| <u>Asset Class</u> | <u>Assumed Asset Allocation</u> | <u>Real Return (a)</u> |
|--------------------------------|---------------------------------|------------------------|
| Global Equity - Cap-Weighted | 30.0% | 4.54% |
| Global Equity Non-Cap-Weighted | 12.0% | 3.84% |
| Private Equity | 13.0% | 7.28% |
| Treasury | 5.0% | 0.27% |
| Mortgage-backed Securities | 5.0% | 0.50% |
| Investment Grade Corporates | 10.0% | 1.56% |
| High Yield | 5.0% | 2.27% |
| Emerging Market Debt | 5.0% | 2.48% |
| Private Debt | 5.0% | 3.57% |
| Real Assets | 15.0% | 3.21% |
| Leverage | (5.0%) | (0.59%) |

(a) An expected price inflation of 2.30% used for this period.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

| | <u>1% Decrease (5.90%)</u> | <u>Current Discount Rate (6.90%)</u> | <u>1% Increase (7.90%)</u> |
|-----------------------|--------------------------------|--|--------------------------------|
| Net Pension Liability | \$ <u>9,781,805</u> | \$ <u>6,403,258</u> | \$ <u>3,622,424</u> |

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2024**

NOTE 6: DEFERRED COMPENSATION PLAN

Employees of the South Placer Municipal Utility District may elect to participate in a deferred compensation plan, as defined in the Internal Revenue Code Section 457. The contributions to the plan are voluntary. All amounts of compensation deferred under the plan, all property and rights purchased with these amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employees or beneficiaries) solely the property and rights of the employees and their beneficiaries. No part of the principal or income of the trust shall revert to the employer or be used for or diverted for purposes other than for the exclusive benefit of participants and their beneficiaries. The District has selected CalPERS and Empower as the third party administrators of the plan assets. Due to the fact that the District does not administer these plans, the plan activities are not included in the District financial statements. The District matches up to a maximum per pay period based on the most current contract with the General Manager and the most current Memorandum of Understanding with all other employees. The District's annual pension cost for the matching contributions under the 457 deferred compensation plan was \$147,537.

NOTE 7: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Description of the Plan

South Placer Public Utility District's Post-Retirement Healthcare Plan is a defined benefit healthcare plan administered by CalPERS. CalPERS provides medical insurance benefits and life insurance benefits to eligible retirees and their eligible dependents. The California Employers' Retiree Benefit Trust (CERBT) administers the Plan, an agent multiple-employer trust arraignment established to provide economies of scale and efficiency of administration to public agencies that hold assets used to fund OPEB obligations. CERBT provides an annual financial report that can be found on the CalPERS website.

The District approved post retirement health insurance benefits for all of its employees effective July 1, 2007 under the Public Employees' Medical and Hospital Care Act (PEMHCA). Retirement eligibility is determined based on a minimum of reaching age 50 with at least 5 years of employment with the District. For an employee retiring with 5 or more years of service with SPMUD, the District will contribute the health benefit cost for the retiree and family members up to 100% of the greater of the CalPERS family rate for Kaiser. A retiree with less than 5 complete years of service with the District receives no benefit, unless they have previous employment qualifying them for CalPERS retirement, in which case they are eligible to receive the CalPERS minimum at the time of retirement. The CalPERS minimum is set by law. The retiree is on the same medical plan as the District's active employees, however monthly rates for coverage of covered active and retired employees are computed separately. As of June 30, 2024, there were 26 retired employees who qualified for the healthcare plan. The District also provides a life insurance benefit for each former employee with ten or more years of service who retires from the District. The amount of the life insurance benefit is \$15,000 (\$25,000 in the case of District management employees).

Employees Covered

As of the June 30, 2023 actuarial valuation, the following current and former employees were covered by the benefit terms under the Plan:

| | |
|--|-----------|
| Active employees | 29 |
| Inactive employees currently receiving benefits | 26 |
| Inactive employees entitled to, but not yet receiving benefits | 1 |
| Total | 56 |

Contributions

The District's policy is to fully fund the actuarially determined contribution. The District makes the contributions on behalf of the participants. For the year ended June 30, 2024, the District contributed \$498,638.

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2024**

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

Net OPEB Liability

The District's net OPEB liability ("NOL") was measured as of June 30, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2023 based on the following actuarial methods and assumptions:

| | |
|----------------------------|--|
| Valuation Date | June 30, 2023 |
| Funding Method | Entry Age Normal Cost, level percent pay |
| Asset Valuation Method | Fair value of assets |
| Long Term Return on Assets | 5.65% as of June 30, 2023 |
| Discount Rates | 5.65% as of June 30, 2023 |
| Participants Valued | Only current active employees and retired participants and covered dependents are valued. No future entrants are considered in this valuation. |
| Assumed Wage Inflation | 3.00% per annum |
| Salary Increases | 3.00% per annum |
| General Inflation Rate | 2.50% per annum |
| Mortality Improvement | MacLeod Watts Scale 2022 applied generationally |
| Healthcare Trend Rate | 6.50% per annum |

Changes in Assumptions

For the measurement period ending June 30, 2023, changes in assumptions include a decrease in the investment rate of return from 5.72% to 5.65% and a change to the healthcare trend rate from 5.60% to 6.50%. In addition, the mortality tables were updated from 2017 to 2021.

Discount Rate

The discount rate used to measure the total OPEB liability was 5.65% based on an assumption that contributions would be sufficient to fully fund the obligation over a period not to exceed 30 years.

Expected Long-term Return on Trust Assets

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

| CERBT Strategy 2 | Target Allocation | Years 1-5 | | | Years 6-20 | | |
|--|-------------------|-----------------------------------|-----------------------------------|-------------------------|-----------------------------------|---|----------------------------|
| | | General Inflation Rate Assumption | 1-5 Year Expected Rate of Return* | Compound Return Yrs 1-5 | General Inflation Rate Assumption | 6-20 Year Expected Real Rate of Return* | Compound Return Years 6-20 |
| Global Equity | 34 % | 2.40 % | 4.40 % | 6.80 % | 2.30 % | 4.50 % | 6.80 % |
| Fixed Income | 41 % | 2.40 % | (1.00)% | 1.40 % | 2.30 % | 2.20 % | 4.50 % |
| Global Real Estate (REITs) | 17 % | 2.40 % | 3.00 % | 5.40 % | 2.30 % | 3.90 % | 6.20 % |
| Treasury Inflation Protected Securities (TIPS) | 5 % | 2.40 % | (1.80)% | 0.60 % | 2.30 % | 1.30 % | 3.60 % |
| Commodities | 3 % | 2.40 % | 0.80 % | 3.20 % | 2.30 % | 1.20 % | 3.50 % |
| Volatility | 9.90 % | weighted | | 4.20 % | weighted | | 5.90 % |

* Real rates of return come from a geometric representation of returns that assume a general inflation rate of 2.5%

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2024**

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

Changes in the OPEB Liability

To determine the June 30, 2023 (measurement period) net OPEB liability, the District used a roll-forward technique for the total OPEB liability. The fiduciary net position is based on the actual June 30, 2023 fiduciary net position. The following table shows the results of the rollforward.

| | Total OPEB Liability (a) | Plan Fiduciary Net Position (b) | Net OPEB Liability/(Asset) (c) = (a) - (b) |
|----------------------------|--------------------------------|---------------------------------------|--|
| Balance at June 30, 2023 | \$ 8,401,569 | \$ 5,601,388 | \$ 2,800,181 |
| Service cost | 275,011 | - | 275,011 |
| Interest cost | 482,524 | - | 482,524 |
| Expected investment income | - | 320,353 | (320,353) |
| Employer contributions | - | 481,692 | (481,692) |
| Administrative expenses | - | (1,605) | 1,605 |
| Benefit payments | (481,692) | (481,692) | - |
| Assumption changes | (7,592) | - | (7,592) |
| Plan experience | 141,561 | - | 141,561 |
| Investment experience | <u>-</u> | <u>(120,899)</u> | <u>120,899</u> |
| Net change during 2023-24 | <u>409,812</u> | <u>197,849</u> | <u>211,963</u> |
| Balance at June 30, 2024 | <u>\$ 8,811,381</u> | <u>\$ 5,799,237</u> | <u>\$ 3,012,144</u> |

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

The following represents the Net OPEB Liability of the District if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate, for measurement period ended June 30, 2023:

| | 1% Decrease (4.65) | Current Discount Rate (5.65%) | 1% Increase (6.65%) |
|--------------------|-----------------------|-------------------------------------|------------------------|
| Net OPEB Liability | <u>\$ 4,233,454</u> | <u>\$ 3,012,144</u> | <u>\$ 2,016,592</u> |

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

The following represents the net OPEB liability of the District if it were calculated using health care cost trend rates that are one percentage-point lower or one percentage-point higher than the current rate, for measurement period ended June 30, 2023:

| | 1% Decrease | Current Healthcare Cost Trend Rate | 1% Increase |
|--------------------|---------------------|---|---------------------|
| Net OPEB Liability | <u>\$ 1,993,607</u> | <u>\$ 3,012,144</u> | <u>\$ 4,364,859</u> |

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2024**

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

Recognition of Deferred Outflows and Deferred Inflows of Resources

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

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

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

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

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

For the year ended June 30, 2024, the District recognized OPEB expense of \$726,799. As of year ended June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| OPEB contributions subsequent to measurement date | \$ 498,638 | \$ - |
| Changes of assumptions | 468,917 | 6,650 |
| Net difference between projected and actual earnings on OPEB plan investments | 804,063 | 278,634 |
| Differences between expected and actual experience | 295,720 | 101,413 |
| Total | \$ 2,067,338 | \$ 386,697 |

\$498,638 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the subsequent period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as follows:

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2024**

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

| For the Year Ending June 30, | Recognized Net Deferred Outflows (Inflows) of Resources |
|---------------------------------|---|
| 2025 | \$ 259,034 |
| 2026 | \$ 254,846 |
| 2027 | \$ 432,882 |
| 2028 | \$ 184,377 |
| 2029 | \$ 16,621 |
| Thereafter | \$ 34,243 |

NOTE 8: JOINT POWERS AGREEMENT

On October 1, 2000, the South Placer Wastewater Authority (the "Authority") was created to finance and construct the new Pleasant Grove treatment plant along with expanding facilities at the Dry Creek plant and other regional facilities. The Authority is made up of the City of Roseville, Placer County, and South Placer Municipal Utility District. The composition of the Board of Directors for the Authority is two directors appointed by the City of Roseville, two directors appointed by Placer County and one director appointed by South Placer Municipal Utility District. The agreement provides that the City will own and operate the regional facilities. The Authority originally issued a total of \$179,775,000 of fixed and variable rate bonds and later refunded to obtain more favorable interest rates in a combination of fixed, SIFMA Index and variable rate bonds. The agreement was also amended effective October 1, 2012. South Placer Municipal Utility District's proportionate share decreased from its original allocation of 25% to 22.43% for the shared operating costs and debt service on these bonds. Bond payments are funded by regional connection fees charged by the District and remitted to the City of Roseville. Total connection fees collected by the District and paid to the Authority under this agreement, for the year ended June 30, 2024 was \$2,842,593. The financial statements for the South Placer Wastewater Authority are available online at: https://www.roseville.ca.us/government/departments/finance/general_accounting_department/south_placer_wastewater_authority.

The District is responsible for its share of maintenance and operation expenses incurred at the Regional Treatment plants based on the volume of flow from District lines as a percentage of total volume of flow into the plants. The total amount calculated for South Placer Municipal Utility District during the year ended June 30, 2024 for maintenance and operation expenses was \$6,208,658 and an additional \$1,684,500 for the District's share of rehab project costs.

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

The following is a summary of the most current audited financial information for SDRMA as of June 30, 2023 (the most recent information available):

| | |
|---|----------------|
| Total assets and deferred outflows of resources | \$ 148,239,191 |
| Total liabilities and deferred inflows of resources | \$ 76,717,988 |
| Net assets | \$ 71,521,203 |
| Operating and non-operating revenue | \$ 100,738,904 |
| Operating expense | \$ 96,560,830 |

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

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2024**

NOTE 9: COMMITMENTS AND CONTINGENCIES

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

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

At June 30, 2024, the District had commitments with respect to various engineering services and construction projects.

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

| <u>Project Name</u> | <u>Max Reimbursement</u> | <u>EDUs Benefited</u> |
|---------------------------------|------------------------------|-----------------------|
| Sierra College Lift Station | \$ 1,094,218 | 612 |
| Rocklin 60 - Phase I | \$ 68,255 | 999 |
| Rocklin 60 - Phase II | \$ 139,621 | 999 |
| Granite Bluff | \$ 36,856 | 40 |
| Massie Trust - 3264 Taylor Road | \$ 185,614 | 80 |
| The Lands of Perona | \$ 25,470 | 5 |

NOTE 10: FUTURE REVENUES FROM FORMER NEWCASTLE SANITARY DISTRICT CUSTOMERS

In August 2010 as part of an agreement with Newcastle Sanitary District (NSD), the District loaned NSD \$5,237,307 to make improvements to NSD's wastewater system so its service area could receive wastewater service through the District. In order to facilitate repayment of the loan NSD charged a Project Related Participation Fee (PRPF) for new connections and a Project Related Service Charge (PRSC) to existing customers within NSD's service area. On September 5, 2013 the District and NSD entered into agreements relating to the annexation of the NSD service area to the District. Since NSD no longer exists as a separate legal entity, the receivable was removed from the District's Statement of Net Position. However, the PRSC will still be collected from former NSD customers until the outstanding balance of the loan is paid off. The net present value of the amount of future revenues to be collected totaled \$4,377,027 as of June 30, 2024.

Required Supplementary Information

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

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
For the Measurement Period Ended June 30
LAST 10 YEARS***

| | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> |
|---|--------------|--------------|--------------|--------------|
| Proportion of the net pension liability | 0.12805 % | 0.13903 % | 0.16476 % | 0.13007 % |
| Proportionate share of the net pension liability | \$ 6,403,258 | \$ 6,505,612 | \$ 3,128,464 | \$ 5,486,625 |
| Covered payroll | \$ 2,679,762 | \$ 2,465,037 | \$ 2,595,337 | \$ 2,473,520 |
| Proportionate share of the net pension liability as a percentage of covered payroll | 238.95 % | 263.92 % | 120.54 % | 221.81 % |
| Plan fiduciary net position as a percentage of the total pension liability | 74.37 % | 76.70 % | 86.37 % | 74.33 % |

Benefit changes: In 2015, benefit terms were modified to base public safety employee pensions on a final three-year average salary instead of a final five-year average salary.

Changes in assumptions: In 2024 and 2023, there were no changes. In November 2021, the CalPERS Board of Administration adopted new investment portfolios as well as several changes to actuarial assumptions. For PERF C, these changes were implemented in the June 30, 2021, actuarial valuations for funding purposes. Included in these changes were assumptions for inflation, the discount rate, and administrative expenses, as well as demographic assumptions including changes to mortality rates. The inflation assumption was reduced from 2.50 percent to 2.30 percent, the administrative expense assumption was reduced from 0.15 percent to 0.10 percent, and the discount rate was reduced from 7.00 percent to 6.80 percent. As a result, for financial reporting purposes, the discount rate for the PERF C was lowered from 7.15 percent to 6.90 percent in 2022. In 2021, 2020 and 2019, there were no changes. In 2018, the demographic assumptions and inflation rate were changed in accordance with the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

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

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

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
For the Measurement Period Ended June 30
LAST 10 YEARS***

| | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|--------------|--------------|--------------|--------------|--------------|
| Proportion of the net pension liability | 0.12642 % | 0.12327 % | 0.11996 % | 0.11759 % | 0.11430 % |
| Proportionate share of the net pension liability | \$ 5,062,627 | \$ 4,645,508 | \$ 4,728,860 | \$ 4,084,964 | \$ 2,403,545 |
| Covered payroll | \$ 2,354,398 | \$ 2,217,714 | \$ 1,897,932 | \$ 1,772,689 | \$ 1,582,401 |
| Proportionate share of the net pension liability as a percentage of covered payroll | 215.03 % | 209.47 % | 249.16 % | 230.44 % | 151.89 % |
| Plan fiduciary net position as a percentage of the total pension liability | 74.92 % | 73.31 % | 73.31 % | 74.06 % | 78.40 % |

SOUTH PLACER MUNICIPAL UTILITY DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CONTRIBUTIONS TO THE COST SHARING DEFINED BENEFIT PENSION PLAN
For the Year Ended June 30
LAST 10 YEARS*

| | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> |
|---|---------------------|---------------------|------------------|------------------|
| Contractually required contribution (actuarially determined) | \$ 666,279 | \$ 711,161 | \$ 601,352 | \$ 628,962 |
| Contributions in relation to the actuarially determined contributions | <u>(793,224)</u> | <u>(1,178,900)</u> | <u>(601,352)</u> | <u>(628,962)</u> |
| Contribution deficiency (excess) | <u>\$ (126,945)</u> | <u>\$ (467,739)</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered payroll | \$ 2,791,900 | \$ 2,679,762 | \$ 2,465,037 | \$ 2,595,337 |
| Contributions as a percentage of covered employee payroll | 23.86 % | 26.54 % | 24.40 % | 24.23 % |

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

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

**SCHEDULE OF CONTRIBUTIONS TO THE COST SHARING DEFINED BENEFIT PENSION PLAN
For the Year Ended June 30
LAST 10 YEARS***

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

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

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

| | 2023 | 2022 |
|---|---------------------|---------------------|
| Total OPEB Liability | | |
| Service cost | \$ 275,011 | \$ 267,001 |
| Interest | 482,524 | 465,381 |
| Difference between expected and actual experience | 141,561 | - |
| Changes in assumptions | (7,592) | - |
| Benefit payments | (481,692) | (399,699) |
| Net change in total OPEB liability | 409,812 | 332,683 |
| Total OPEB liability, beginning | 8,401,569 | 8,068,886 |
| Total OPEB liability, ending (a) | \$ 8,811,381 | \$ 8,401,569 |
| Plan Fiduciary Net Position | | |
| Contributions - employer | \$ 481,692 | \$ 516,227 |
| Net investment income | 199,454 | (799,892) |
| Benefit payments | (481,692) | (399,699) |
| Administrative expenses | (1,605) | (1,607) |
| Other expenses | - | - |
| Net change in plan fiduciary net position | 197,849 | (684,971) |
| Plan fiduciary net position, beginning | 5,601,388 | 6,286,359 |
| Plan fiduciary net position, ending (b) | \$ 5,799,237 | \$ 5,601,388 |
| District's net OPEB liability, ending (a) - (b) | \$ 3,012,144 | \$ 2,800,181 |
| Plan fiduciary net position as a percentage of the total OPEB liability | 65.82 % | 66.67 % |
| Covered-employee payroll** | \$ 2,679,762 | \$ 2,694,000 |
| District's net OPEB liability as a percentage of covered-employee payroll | 112.40 % | 103.94 % |

Notes to Schedule:

Changes of assumptions: In 2023, the discount rate decreased from 5.72% to 5.65% based on information from CalPERS on expected trust returns and the healthcare trend rate increased from 5.60% to 6.50%. In 2022 there were no changes. For the measurement period June 30, 2021, the discount rate and long-term return on assets was 5.72% based on information from CalPERS regarding the assumed rate of return for CERBT Strategy 2 and the District's projected benefit cashflows. In 2020, the discount rate and long-term return on assets was 6.40%. In 2019, the discount rate and long-term return on assets increased from 6.35% to 6.40%. In 2018, the discount rate and long-term return on assets decreased from 6.73% to 6.35%.

* Schedule is intended to show information for ten years. Fiscal year 2018 was the first year of implementation. The schedule above is only seven years as shown. Additional years' information will be displayed as it becomes available.

** Contributions are not based on measure of pay.

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

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

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

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

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

| | 2024 | 2023 |
|---|---------------------|---------------------|
| Actuarially Determined Contribution (ADC) | \$ 424,872 | \$ 416,158 |
| Contributions in relation to the ADC | <u>(498,368)</u> | <u>(481,692)</u> |
| Contribution deficiency (excess) | <u>\$ (73,496)</u> | <u>\$ (65,534)</u> |
| Covered-employee payroll*** | <u>\$ 2,791,900</u> | <u>\$ 2,679,762</u> |
| Contributions as a percentage of covered-employee payroll | 17.85% | 17.98% |

* Schedule is intended to show information for ten years. Fiscal year 2018 was the first year of implementation. The schedule above is only seven years as shown. Additional years' information will be displayed as it becomes available.

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

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

SOUTH PLACER MUNICIPAL UTILITY DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION

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

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

Supplementary Information

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
SCHEDULE OF OPERATING EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024**

| | <u>Administrative and General</u> | <u>Collection and Treatment</u> | <u>Technical Services</u> | <u>Total</u> |
|-------------------------------------|---------------------------------------|-------------------------------------|-------------------------------|-----------------------------|
| OPERATING EXPENSES | | | | |
| Salaries and Benefits | \$ 1,702,968 | \$ 2,351,334 | \$ 1,009,325 | \$ 5,063,627 |
| CalPERS UAL | 397,009 | 316,273 | 158,137 | 871,419 |
| Insurance | 410,875 | - | - | 410,875 |
| Professional Services | 107,542 | 5,486 | 265,758 | 378,786 |
| Vehicle Expenses | - | 137,870 | - | 137,870 |
| Professional Development | 14,468 | 26,362 | 1,402 | 42,232 |
| Legal | 96,940 | - | - | 96,940 |
| Utility Billing / Banking Expenses | 244,749 | - | - | 244,749 |
| Operating Supplies | 109,952 | 193,584 | 131,399 | 434,935 |
| Capital Expenses | - | 284,381 | 4,498 | 288,879 |
| Uniform Expenses | - | 22,309 | 895 | 23,204 |
| Buildings / Utilities | - | 245,680 | - | 245,680 |
| RWWTP Expenses | <u>-</u> | <u>6,208,658</u> | <u>1,684,500</u> | <u>7,893,158</u> |
| EXPENSES BEFORE DEPRECIATION | <u>\$ 3,084,503</u> | <u>\$ 9,791,937</u> | <u>\$ 3,255,914</u> | <u>16,132,354</u> |
| Depreciation | | | | <u>2,601,119</u> |
| TOTAL OPERATING EXPENSES | | | | <u>\$ 18,733,473</u> |

SOUTH PLACER MUNICIPAL UTILITY DISTRICT
STATISTICAL SECTION
FOR THE FISCAL YEAR ENDED
JUNE 30, 2024

STATISTICAL SECTION

For the Fiscal Year Ending June 30, 2024 (FY 2023/24)

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

TABLE OF CONTENTS

FINANCIAL TRENDS DATA

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

Table S1 Changes in Net Position

Table S2 Net Position by Component

Table S3 EDU Connections by Fiscal Year

REVENUE CAPACITY DATA

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

Table S4 Delinquent Accounts – Total Sewer Service Charges

Table S5 Monthly Sewer Rates & Local Capacity Charges

Figure 1 – Rate Comparison of Placer County Sewer Service Providers

DEMOGRAPHIC & ECONOMIC INFORMATION

These schedules contain demographic information for Placer County

Table S6 Ten Largest District Customers

Table S7 County Demographics and Economic Statistics

Table S8 Placer County Largest Employers

Table S9 Top Ten Taxpayers in Placer County

OPERATING INFORMATION

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

Table S10 Ten-Year Capital Spending

Table S11 Capacity Charge Report

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

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
STATISTICAL SECTION
FOR THE FISCAL YEAR ENDED
JUNE 30, 2024**

**TABLE S1 – CHANGES IN NET POSITION
(Last 10 Years)**

| | <u>FY 2023/24</u> | <u>FY 2022/23</u> | <u>FY 2021/22</u> | <u>FY 2020/21</u> | <u>FY 2019/20</u> |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Operating Revenues | | | | | |
| Sewer Charges | \$ 17,103,804 | \$ 16,273,142 | \$ 15,955,824 | \$ 15,605,794 | \$ 15,383,211 |
| Connection Charges | 1,407,105 | 1,443,652 | 3,476,886 | 2,933,779 | 1,415,952 |
| Permits, Fees & Inspections | 678,089 | 397,924 | 717,688 | 546,273 | 253,247 |
| Total Operating Revenues | <u>\$ 19,188,998</u> | <u>\$ 18,114,718</u> | <u>\$ 20,150,398</u> | <u>\$ 19,085,846</u> | <u>\$ 17,052,410</u> |
| Operating Expenses | | | | | |
| Collection & Treatment | \$ 9,791,937 | \$ 10,676,878 | \$ 8,119,944 | \$ 8,113,323 | \$ 8,326,375 |
| Administrative & General | 3,084,503 | 2,912,702 | 1,627,236 | 2,020,046 | 2,126,601 |
| Technical Services | 3,255,914 | 4,064,598 | 2,790,803 | 1,924,508 | 2,399,482 |
| Depreciation | 2,601,119 | 2,330,061 | 2,218,607 | 2,065,934 | 1,889,287 |
| Total Operating Expenses | <u>\$ 18,733,473</u> | <u>\$ 19,984,239</u> | <u>\$ 14,756,591</u> | <u>\$ 14,123,811</u> | <u>\$ 14,741,745</u> |
| Operating Income (Loss) | <u>\$ 455,525</u> | <u>\$ (1,869,521)</u> | <u>\$ 5,393,807</u> | <u>\$ 4,962,035</u> | <u>\$ 2,310,665</u> |
| Non-Operating Revenues (Expenses) | | | | | |
| Tax Revenue | \$ 1,241,515 | \$ 1,290,539 | \$ 1,190,070 | \$ 1,173,961 | \$ 1,083,897 |
| Gain (Loss) on Sale of Asset | 4,942 | 13,900 | 21,993 | (36,147) | - |
| Interest Income | 2,981,351 | 1,617,338 | (967,245) | 670,185 | 1,602,378 |
| Interest Expense | - | - | - | - | - |
| Total Non-Operating Revenues | <u>\$ 4,227,808</u> | <u>\$ 2,921,777</u> | <u>\$ 244,818</u> | <u>\$ 1,807,999</u> | <u>\$ 2,686,275</u> |
| Transfers & Capital Contributions | | | | | |
| Capital Contributions | \$ 5,771,180 | \$ 1,578,826 | \$ 9,919,851 | \$ 5,143,394 | \$ 9,854,903 |
| Transfers In | 1,698,162 | 3,799,484 | 2,977,721 | 3,288,071 | 5,968,828 |
| Transfers Out | (1,698,162) | (3,799,484) | (2,977,721) | (3,288,071) | (5,968,828) |
| Total Transfers & Capital Contributions | <u>\$ 5,771,180</u> | <u>\$ 1,578,826</u> | <u>\$ 9,919,851</u> | <u>\$ 5,143,394</u> | <u>\$ 9,854,903</u> |
| Change in Net Position | <u>\$ 10,454,513</u> | <u>\$ 2,631,082</u> | <u>\$ 15,558,476</u> | <u>\$ 11,913,428</u> | <u>\$ 14,851,843</u> |
| Net Position, Beginning of Year | <u>\$ 189,263,036</u> | <u>\$ 186,253,620</u> | <u>\$ 170,695,144</u> | <u>\$ 158,781,716</u> | <u>\$ 143,929,873</u> |
| Prior Period Adjustment | <u>\$ -</u> | <u>\$ 378,334</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Net Position, End of Year | <u>\$ 199,717,549</u> | <u>\$ 189,263,036</u> | <u>\$ 186,253,620</u> | <u>\$ 170,695,144</u> | <u>\$ 158,781,716</u> |

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
STATISTICAL SECTION
FOR THE FISCAL YEAR ENDED
JUNE 30, 2024**

CHANGES IN NET POSITION – continued

| | <u>FY 2018/19</u> | <u>FY 2017/18</u> | <u>FY 2016/17</u> | <u>FY 2015/16</u> | <u>FY 2014/15</u> |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Operating Revenues | | | | | |
| Sewer Charges | \$ 14,336,548 | \$ 12,694,346 | \$ 11,196,600 | \$ 10,911,091 | \$ 10,758,026 |
| Connection Charges | 2,574,427 | 2,520,400 | 4,700,227 | 1,443,773 | 888,198 |
| Permits, Fees & Inspections | 533,932 | 338,446 | 475,524 | 443,885 | 274,971 |
| Total Operating Revenues | <u>\$ 17,444,907</u> | <u>\$ 15,553,192</u> | <u>\$ 16,372,351</u> | <u>\$ 12,798,749</u> | <u>\$ 11,921,195</u> |
| Operating Expenses | | | | | |
| Collection & Treatment | \$ 5,462,230 | \$ 7,406,709 | \$ 6,756,711 | \$ 6,476,122 | \$ 6,403,314 |
| Administrative & General | 1,889,641 | 1,745,033 | 2,226,083 | 1,269,273 | 1,332,209 |
| Technical Services | 3,173,059 | 3,237,207 | 2,443,940 | 2,106,383 | 1,818,102 |
| Depreciation | 1,658,424 | 1,423,548 | 1,343,872 | 1,381,819 | 1,163,361 |
| Total Operating Expenses | <u>\$ 12,183,354</u> | <u>\$ 13,812,497</u> | <u>\$ 12,770,606</u> | <u>\$ 11,233,597</u> | <u>\$ 10,716,986</u> |
| Operating Income (Loss) | <u>\$ 5,261,553</u> | <u>\$ 1,740,695</u> | <u>\$ 3,601,745</u> | <u>\$ 1,565,152</u> | <u>\$ 1,204,209</u> |
| Non-Operating Revenues (Expenses) | | | | | |
| Tax Revenue | \$ 993,704 | \$ 929,449 | \$ 874,218 | \$ 790,587 | \$ 686,237 |
| Gain (Loss) on Sale of Asset | 13,707 | 63,498 | (27,186) | - | - |
| Interest Income | 1,832,865 | 321,933 | 193,023 | 825,604 | 513,964 |
| Interest Expense | (116,477) | (119,120) | (120,912) | (122,564) | (129,039) |
| Total Non-Operating Revenues | <u>\$ 2,723,799</u> | <u>\$ 1,195,760</u> | <u>\$ 919,143</u> | <u>\$ 1,493,627</u> | <u>\$ 1,071,162</u> |
| Transfers & Capital Contributions | | | | | |
| Capital Contributions | \$ 7,071,156 | \$ 6,680,289 | \$ 2,819,904 | \$ 1,957,751 | \$ 2,651,181 |
| Transfers In | 6,359,937 | 5,469,970 | 4,128,264 | 2,451,218 | 1,027,284 |
| Transfers Out | (6,359,937) | (5,469,970) | (4,128,264) | (2,451,218) | (1,027,284) |
| Total Transfers & Capital Contributions | <u>\$ 7,071,156</u> | <u>\$ 6,680,289</u> | <u>\$ 2,819,904</u> | <u>\$ 1,957,751</u> | <u>\$ 2,651,181</u> |
| Change in Net Position | <u>\$ 15,056,508</u> | <u>\$ 9,616,744</u> | <u>\$ 7,340,792</u> | <u>\$ 5,016,530</u> | <u>\$ 4,926,552</u> |
| Net Position, Beginning of Year | <u>\$ 128,873,365</u> | <u>\$ 120,878,621</u> | <u>\$ 113,537,829</u> | <u>\$ 108,521,299</u> | <u>\$ 106,767,165</u> |
| Prior Period Adjustment | <u>\$ -</u> | <u>\$ (1,622,000)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (3,172,418)</u> |
| Net Position, End of Year | <u>\$ 143,929,873</u> | <u>\$ 128,873,365</u> | <u>\$ 120,878,621</u> | <u>\$ 113,537,829</u> | <u>\$ 108,521,299</u> |

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
STATISTICAL SECTION
FOR THE FISCAL YEAR ENDED
JUNE 30, 2024**

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

| For the Fiscal Year Ending June 30, | Business-Type Activities | | | Total Net Position |
|--|-------------------------------------|--------------|---------------|--------------------|
| | Net Investment in Capital Assets | Restricted | Unrestricted | |
| 2024 | \$ 122,782,635 | \$ 3,425,665 | \$ 73,509,249 | \$ 199,717,549 |
| 2023 | \$ 118,079,205 | \$ 3,156,947 | \$ 68,026,884 | \$ 189,263,036 |
| 2022 | \$ 113,805,543 | \$ 3,006,902 | \$ 69,441,175 | \$ 186,253,620 |
| 2021 | \$ 104,924,074 | \$ 3,440,903 | \$ 62,330,167 | \$ 170,695,144 |
| 2020 | \$ 98,277,454 | \$ - | \$ 60,504,262 | \$ 158,781,716 |
| 2019 | \$ 89,388,724 | \$ - | \$ 54,541,149 | \$ 143,929,873 |
| 2018 | \$ 75,520,052 | \$ - | \$ 53,353,313 | \$ 128,873,365 |
| 2017 | \$ 61,229,199 | \$ - | \$ 59,649,422 | \$ 120,878,621 |
| 2016 | \$ 58,393,543 | \$ - | \$ 55,144,286 | \$ 113,537,829 |
| 2015 | \$ 57,266,134 | \$ - | \$ 51,255,165 | \$ 108,521,299 |

SOUTH PLACER MUNICIPAL UTILITY DISTRICT
 STATISTICAL SECTION
 FOR THE FISCAL YEAR ENDED
 JUNE 30, 2024

TABLE S3 – EQUIVALENT DWELLING CONNECTIONS BY FISCAL YEAR

| For the Fiscal Year Ending June 30, | Total EDU'S | Increase | % Increase |
|---|-------------|----------|------------|
| 2024 | 37,555 | 715 | 1.94% |
| 2023 | 36,840 | 829 | 2.25% |
| 2022 | 36,011 | 689 | 1.91% |
| 2021 | 35,322 | 463 | 1.31% |
| 2020 | 34,859 | 685 | 1.97% |
| 2019 | 34,174 | 729 | 2.13% |
| 2018 | 33,445 | 620 | 1.85% |
| 2017 | 32,825 | 991 | 3.02% |
| 2016 | 31,834 | 593 | 1.86% |
| 2015 | 31,241 | 341 | 1.09% |
| 2014 | 30,900 | 230 | 0.74% |
| 2013 | 30,670 | 315 | 1.03% |
| 2012 | 30,355 | 106 | 0.35% |
| 2011 | 30,249 | 125 | 0.41% |
| 2010 | 30,124 | 505 | 1.68% |
| 2009 | 29,619 | 104 | 0.35% |
| 2008 | 29,515 | 385 | 1.30% |
| 2007 | 29,130 | 465 | 1.60% |
| 2006 | 28,665 | 1,044 | 3.05% |
| 2005 | 27,790 | 836 | 3.01% |
| 2004 | 26,954 | 783 | 2.95% |

SOUTH PLACER MUNICIPAL UTILITY DISTRICT
 STATISTICAL SECTION
 FOR THE FISCAL YEAR ENDED
 JUNE 30, 2024

TABLE S4 – DELINQUENT ACCOUNTS – TOTAL SEWER CHARGES

| For Fiscal Year Ending June, 30, | Delinquent Receivables | Delinquent Accounts | Total Sewer Charges | % Delinquent |
|--|---------------------------|------------------------|------------------------|-----------------|
| 2024 | \$ 588,364 | 1,137 | \$ 17,103,804 | 3.44% |
| 2023 | \$ 438,256 | 1,026 | \$ 16,273,142 | 2.69% |
| 2022 | \$ 350,989 | 909 | \$ 15,955,824 | 2.20% |
| 2021 | \$ 371,323 | 931 | \$ 15,527,905 | 2.39% |
| 2020 | \$ 355,843 | 896 | \$ 15,383,211 | 2.31% |
| 2019 | \$ 296,622 | 831 | \$ 14,336,548 | 2.07% |
| 2018 | \$ 336,459 | 845 | \$ 12,344,700 | 2.73% |
| 2017 | \$ 257,783 | 852 | \$ 11,196,600 | 2.30% |
| 2016 | \$ 271,300 | 890 | \$ 10,911,100 | 2.49% |
| 2015 | \$ 244,165 | 820 | \$ 10,758,000 | 2.27% |

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

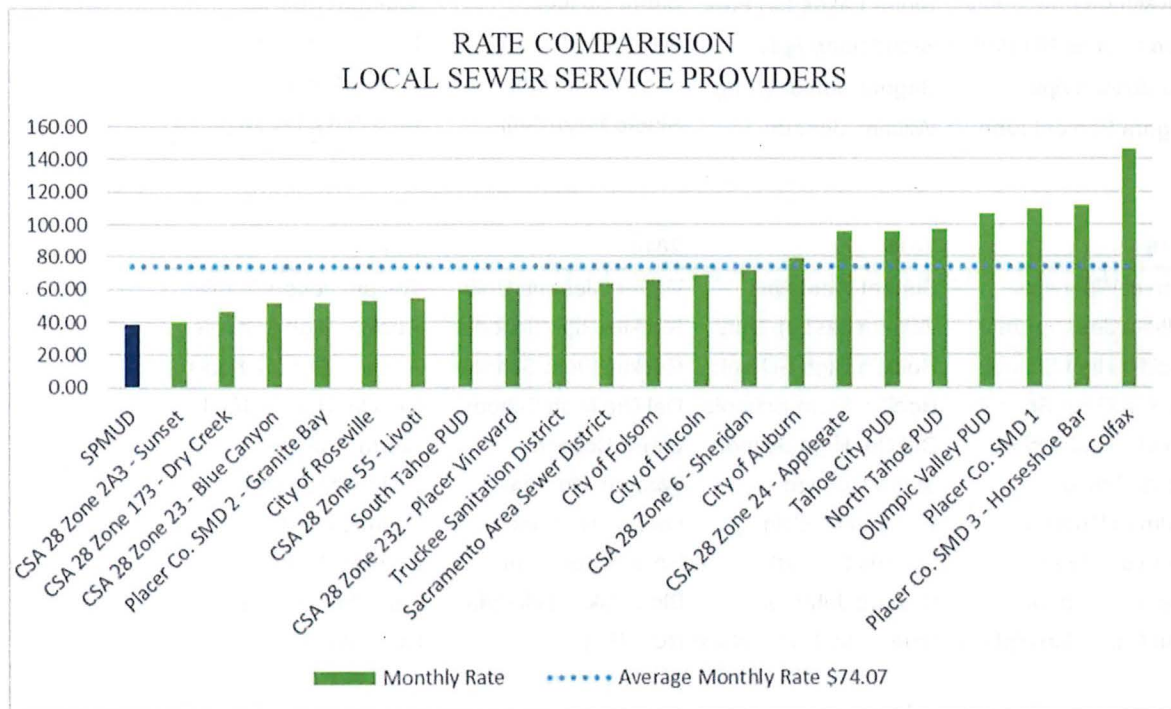
**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
STATISTICAL SECTION
FOR THE FISCAL YEAR ENDED
JUNE 30, 2024**

TABLE S5 – MONTHLY SEWER RATES & LOCAL CAPACITY CHARGES

| For the Fiscal Year Ending June 30, | Sewer Service Rates per Month | Local Sewer Capacity Charges |
|--|--|---|
| 2024 | \$ 37.44 | \$ 4,915 |
| 2023 | \$ 36.00 | \$ 4,827 |
| 2022 | \$ 36.00 | \$ 4,330 |
| 2021 | \$ 36.00 | \$ 4,129 |
| 2020 | \$ 36.00 | \$ 4,014 |
| 2019 | \$ 34.00 | \$ 3,923 |
| 2018 | \$ 31.00 | \$ 3,750 |
| 2017 | \$ 28.00 | \$ 3,750 |
| 2016 | \$ 28.00 | \$ 3,000 |
| 2015 | \$ 28.00 | \$ 3,000 |
| 2014 | \$ 28.00 | \$ 2,100 |

Below is a comparison showing the rates charged by other sanitary providers in the region. South Placer Municipal Utility District has the lowest monthly rate with the average rate being \$74.07.

FIGURE 1 – RATE COMPARISON



**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
STATISTICAL SECTION
FOR THE FISCAL YEAR ENDED
JUNE 30, 2024**

TABLE S6 – TEN LARGEST DISTRICT CUSTOMERS LAST 12 YEARS

| 2024 | 2023 | 2022 | 2021 |
|-----------------------|-----------------------|-----------------------|-----------------------|
| Meridian Apts | Meridian Apts | Meridian Apts | Meridian Apts |
| Rocklin Ranch Apts | Rocklin Ranch Apts | Rocklin Ranch Apts | Rocklin Ranch Apts |
| Sunset Summit Apts | Sunset Summit Apts | Sunset Summit Apts | Sunset Summit Apts |
| Rocklin Elem. Schools | Rocklin Elem.Schools | Garnet Creek Apts | Garnet Creek Apts |
| Garnet Creek Apts | Garnet Creek Apts | Rocklin Elem.Schools | Rocklin High Schools |
| Rocklin High Schools | Rocklin High Schools | Rocklin High Schools | Villa Serena Apts |
| Villa Serena Apts | Villa Serena Apts | Villa Serena Apts | Sierra Lakes MH Park |
| Sierra Lakes MH Park | Sierra Lakes MH Park | Sierra Lakes MH Park | Rocklin Elem.Schools |
| Blue Oaks Town Center | Winstead Apts | Winstead Apts | Broadstone Apts |
| Winstead Apts | Sierra Gateway Apts | Sierra Gateway Apts | Ansel Park Sr Living |
| 2020 | 2019 | 2018 | 2017 |
| Meridian Apts | Meridian Apts | MW Investment | Sunset West Apts |
| Rocklin Ranch Apts | Rocklin Ranch Apts | Sunset West Apts | William Jessup Univ |
| Sunset Summit Apts | Sunset Summit Apts | William Jessup Univ | Rocklin High Schools |
| Garnet Creek Apts | Garnet Creek Apts | Rocklin High Schools | Rocklin Elem.Schools |
| Rocklin High Schools | Rocklin High Schools | Rocklin Elem.Schools | Del Oro High School |
| Villa Serena Apts | Senior Living | Del Oro High School | Sierra College |
| Rocklin Elem.Schools | Sierra Lakes MH Park | Sierra College | Walmart Rocklin |
| Sierra Lakes MH Park | Broadstone Apts | Walmart (Rocklin) | Loomis RV Park |
| Broadstone Apts | Sagora Senior Living | Loomis RV Park | Howard Johnson |
| Sagora Senior Living | William Jessup | Studio Movie Grill | Blue Oaks Marketplace |
| 2016 | 2015 | 2014 | 2013 |
| Sunset West Apts | Sunset West Apts | William Jessup Univ | William Jessup Univ |
| William Jessup Univ | William Jessup Univ | Rocklin High Schools | Rocklin High Schools |
| Rocklin High Schools | Rocklin High Schools | Rocklin Elem.Schools | Rocklin Elem.Schools |
| Rocklin Elem.Schools | Rocklin Elem.Schools | Del Oro High School | Del Oro High School |
| Del Oro High School | Del Oro High School | Sierra College | Sierra College |
| Sierra College | Sierra College | Walmart Rocklin | Walmart Rocklin |
| Walmart Rocklin | Walmart Rocklin | Loomis RV Park | Loomis RV Park |
| Loomis RV Park | Loomis RV Park | Howard Johnson | Howard Johnson |
| Howard Johnson | Howard Johnson | Blue Oaks Marketplace | Blue Oaks Marketplace |
| Blue Oaks Marketplace | Blue Oaks Marketplace | RC Willey | RC Willey |

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
STATISTICAL SECTION
FOR THE FISCAL YEAR ENDED
JUNE 30, 2024**

TABLE S7 – DEMOGRAPHICS AND ECONOMIC STATISTICS

| Fiscal Year Ending June 30, | Placer County Workforce | Number of Employed | Number of Unemployed | Unemployment Rate % | District Population | Median Household Income |
|--|--|-------------------------------|---------------------------------|--------------------------------|--------------------------------|--|
| 2024 | 197,500 | 188,400 | 9,100 | 4.6% | 86,965 | 110,591 |
| 2023 | 194,300 | 186,900 | 7,400 | 3.8% | 85,775 | 109,895 |
| 2022 | 191,800 | 185,500 | 6,300 | 3.3% | 84,591 | 104,226 |
| 2021 | 186,900 | 176,900 | 10,000 | 5.3% | 76,672 | 95,371 |
| 2020 | 181,000 | 167,000 | 14,000 | 7.7% | 76,136 | 89,691 |
| 2019 | 186,600 | 180,400 | 6,200 | 3.3% | 68,415 | 84,357 |
| 2018 | 183,900 | 177,800 | 6,100 | 3.3% | 68,325 | 80,728 |
| 2017 | 179,800 | 171,800 | 8,000 | 4.5% | 66,525 | 76,600 |
| 2016 | 176,800 | 167,900 | 8,900 | 5.0% | 64,974 | 71,435 |
| 2015 | 175,800 | 164,800 | 11,000 | 6.3% | 63,324 | 70,490 |
| 2014 | 175,800 | 162,300 | 13,500 | 7.7% | 62,790 | 70,100 |

Source: State of California, Employment Development Department & Placer County

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
STATISTICAL SECTION
FOR THE FISCAL YEAR ENDED
JUNE 30, 2024**

TABLE S8 – PLACER COUNTY LARGEST EMPLOYERS

| 2024 | | 2014 | |
|---|------------------|--------------------------------|------------------|
| Business or Organization | No. of Employees | Business or Organization | No. of Employees |
| Sutter Health | 6,672 | Sutter Health | 3,890 |
| Kaiser Permanente | 6,094 | Kaiser Permanente | 3,826 |
| Placer County | 2,669 | Palisades Tahoe | 2,500 |
| Thunder Valley Casino Resort | 2,400 | Thunder Valley Casino Resort | 2,391 |
| Sierra Joint Community College District | 1,900 | Placer County | 2,300 |
| Roseville City School District | 1,783 | Hewlett Packard | 2,230 |
| City of Roseville | 1,386 | City of Roseville | 1,254 |
| Palisades Tahoe | 1,321 | PRIDE Industries | 1,164 |
| Safeway | 1,217 | Roseville City School District | 1,006 |
| Pacific Gas & Electric | 1,120 | Sate of California | 940 |

Source: *Sacramento Business Journal*, July 2024 & June 2014

SOUTH PLACER MUNICIPAL UTILITY DISTRICT
 STATISTICAL SECTION
 FOR THE FISCAL YEAR ENDED
 JUNE 30, 2024

TABLE S9 – TOP TEN TAXPAYERS – PLACER COUNTY

| <u>Taxpayer Name</u> | <u>Total Tax</u> | <u>Net Taxable Value</u> |
|---|------------------|--------------------------|
| Pacific Gas & Electric Company | \$ 19,403,576 | \$ 1,085,757,129 |
| Roseville Shoppingtown LLC | \$ 5,666,095 | \$ 544,478,818 |
| Liberty Utilities (Calpeco Electric), LLC | \$ 3,089,764 | \$ 173,047,528 |
| Cellco Partnership | \$ 2,555,957 | \$ 143,150,794 |
| John Mourier Construction INC | \$ 2,204,143 | \$ 95,629,248 |
| Briet Wave MF SC Owner LLC | \$ 1,730,010 | \$ 167,411,317 |
| Harvest-USIV LLC & Harvest-USHII LLC | \$ 1,639,466 | \$ 118,137,848 |
| Bickford Improvement Company LLC | \$ 1,615,474 | \$ 11,752,341 |
| Roseville Fountains LP | \$ 1,582,569 | \$ 79,544,505 |
| Tri Pointe Homes Holdings INC | \$ 1,521,527 | \$ 50,945,039 |

Source: *Placer County*

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
STATISTICAL SECTION
FOR THE FISCAL YEAR ENDED
JUNE 30, 2024**

TABLE S10 – TEN-YEAR CAPITAL SPENDING - FY 2014/15 TO FY 2023/24

| Capital Project Review | FY 2023/24 | FY 2022/23 | FY 2021/22 | FY 2020/21 | FY 2019/20 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Archiving/Disaster Plan | \$ - | \$ - | \$ - | \$ - | \$ 7,200 |
| Board Room Upgrades | - | - | - | 8,945 | - |
| Lateral Cameras | 21,197 | 29,770 | - | 13,860 | - |
| CCTV Software & Equipment | - | - | - | 13,076 | - |
| Computers/Office Furniture | 31,790 | - | 30,502 | 4,481 | 22,278 |
| Corp Yard Improvements | 594,023 | 3,390,996 | 574,403 | 145,252 | 58,180 |
| Cured in Place Pipe/System Rehab | - | - | - | 481,432 | 13 |
| Data Acquisition | - | - | - | 610 | 897 |
| District Participation in Regional Projects | 149,766 | 643,658 | 306,681 | 24,360 | - |
| Easement Acquisitions, Repairs, and Upgrades | - | 16,900 | - | 1,284 | 26,527 |
| Energy Upgrades | - | - | - | - | - |
| Emergency Bypass Equipment | - | - | 48,200 | - | - |
| Expansion Projects | 150,000 | - | - | - | - |
| Foothill Trunk Project | - | - | 185,405 | 2,511,379 | 989,186 |
| General Equipment | 11,541 | 14,016 | 8,411 | 23,114 | 5,998 |
| HRF Creek Crossings | - | 38,954 | - | - | - |
| Lift Station Flow Recorders | 43,593 | 13,576 | - | - | - |
| Lift Station Rehab/ Pump Replacement | - | - | - | - | 1,693 |
| Lower Clover Valley Trunk Design | - | 61,424 | 5,375 | - | - |
| Lower Loomis Diversion Trunk Project | - | - | - | - | 27,673 |
| Newcastle Master Plan Improvements | - | 30,288 | 6,464 | 123,902 | 400 |
| Pipe Trailer Improvements | 22,173 | 8,929 | - | - | - |
| Rocklin 60 Reimbursement | - | - | - | 314,306 | - |
| Safety Equipment & Training Aids | - | - | - | - | - |
| SCADA | 302,127 | 246,032 | 86,064 | - | 73,396 |
| System Improvements & Rehabilitation | 389,220 | 320,180 | 7,980 | - | - |
| Telephone & Communication Replacements | - | - | - | - | - |
| Vehicle Purchases and Upgrades | - | 238,839 | 228,661 | 98,490 | 323,446 |
| Total Capital Improvements | \$ 1,715,430 | \$ 5,053,562 | \$ 1,488,146 | \$ 3,764,490 | \$ 1,536,886 |
| Cumulative Spending (10 years) | \$ 1,715,430 | \$ 6,768,992 | \$ 8,257,138 | \$ 12,021,628 | \$ 13,558,515 |

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
STATISTICAL SECTION
FOR THE FISCAL YEAR ENDED
JUNE 30, 2024**

TEN-YEAR CAPITAL SPENDING - FY 2014/15 TO FY 2023/24 – continued

| Capital Project Review | FY 2018/19 | FY 2017/18 | FY 2016/17 | FY 2015/16 | FY 2014/15 |
|--|---------------------|---------------------|---------------------|-------------------|---------------------|
| Archiving/Disaster Plan | \$ 22,120 | \$ - | \$ - | \$ - | \$ - |
| Board Room Upgrades | - | - | - | 6,057 | - |
| Lateral Cameras | - | 20,677 | 6,424 | - | 28,204 |
| CCTV Software & Equipment | - | - | - | - | - |
| Computers/Office Furniture | 58,608 | 9,516 | 17,978 | 4,255 | 81,135 |
| Corp Yard Improvements | 42,014 | 13,104 | 48,088 | 120,029 | 57,505 |
| Cured in Place Pipe/System Rehab | 363,429 | 778,148 | - | 220,000 | 495,584 |
| Data Acquisition | 4,585 | 4,002 | 8,821 | 20,915 | 33,297 |
| District Participation in Regional Projects | 102,032 | 240,058 | - | - | - |
| Easement Acquisitions, Repairs, and Upgrades | 18,274 | 22,623 | 29,091 | 35,000 | 30,740 |
| Energy Upgrades | 24,128 | - | - | - | - |
| Emergency Bypass Equipment | - | - | - | - | - |
| Expansion Projects | - | - | - | - | - |
| Foothill Trunk Project | 13,484 | 16,974 | 85,535 | 216,414 | - |
| General Equipment | 16,373 | 106,256 | 75,715 | 35,983 | 24,635 |
| HRF Creek Crossings | - | - | 38,954 | - | - |
| Lift Station Flow Recorders | 13,022 | - | - | - | 29,744 |
| Lift Station Rehab/ Pump Replacement | - | - | - | 4,415 | 34,817 |
| Lower Clover Valley Trunk Design | 9,777 | 12,149 | 45,330 | - | - |
| Lower Loomis Diversion Trunk Project | 2,635,603 | 6,690,017 | 643,627 | 43,119 | 69,998 |
| Newcastle Master Plan Improvements | 8,105 | 222,695 | 59,256 | - | - |
| Pipe Trailer Improvements | 5,972 | - | - | 40,000 | - |
| Rocklin 60 Reimbursement | 157,153 | - | 314,306 | - | - |
| Safety Equipment & Training Aids | 4,763 | - | - | - | 1,945 |
| SCADA | - | - | - | - | 205,867 |
| System Improvements & Rehabilitation | 18,113 | 64,575 | 6,795 | - | 9,982 |
| Telephone & Communication Replacements | 175,267 | - | - | 6,500 | 8,300 |
| Vehicle Purchases and Upgrades | - | 908,821 | 200,609 | 3,366 | 310,384 |
| Total Capital Improvements | \$ 3,692,822 | \$ 9,109,615 | \$ 1,580,529 | \$ 756,053 | \$ 1,422,137 |
| Cumulative Spending (10 years) | \$ 17,251,337 | \$ 26,360,952 | \$ 27,941,481 | \$ 28,697,534 | \$ 30,119,671 |

SOUTH PLACER MUNICIPAL UTILITY DISTRICT
 STATISTICAL SECTION
 FOR THE FISCAL YEAR ENDED
 JUNE 30, 2024

TABLE S11 – CAPACITY CHARGE REPORT

| | |
|--|--------------------------|
| Beginning Balance July 1, 2023 | \$ 31,500,531 |
| Revenue & Expense True-up Transfers from Prior Year | \$ 972,228 |
| Revenue & Expense Transfers Current Year | \$ 930,000 |
| Cash flow from investing activities | \$ 1,230,540 |
| Unrealized Investment Gain/Loss | \$ 16,802 |
| | \$ 3,149,570 |
| Ending Balance June 30, 2024 | \$ 34,650,101 |
| FY 2023/24 Revenue | |
| Local Participation Fees Collected | \$ 1,407,105 |
| Total Revenue | \$ 1,407,105 |
| FY 2023/24 Expenditures | |
| Del Rio/Del Mar Sewer Expansion | \$ 65,440 |
| Sierra College Lift Station Abandonment | \$ 69,482 |
| Cameo Court Lift Station Abandonment | \$ 17,411 |
| Total Expenditures | \$ 152,332 |
| Revenues Less Expenditures | \$ 1,254,773 |
| Transfers from Operating to Capital Expansion | |
| Revenue & Expense Transfers Current Year | \$ 930,000 |
| 2024 Revenue & Expense Additional True-up Transfer | \$ 324,773 |
| Total Transfers | \$ 1,254,773 |



November 22, 2024

To the Board of Directors
South Placer Municipal Utility District

We have audited the financial statements of the business-type activities and each major fund of South Placer Municipal Utility District (the District) for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 27, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

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

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

Depreciation – Management's estimate of depreciation is based on the District's capitalization policy.

Net pension liability & net other post-employment benefit (OPEB) liabilities – Management's estimate of the net pension liability and net OPEB liability is based on actuarial valuations.

We evaluated the methods, assumptions, and data used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no such misstatements.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 22, 2024.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

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

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

Restriction on Use

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

Very truly yours,

MUN CPAs, LLP

MUN CPAs, LLP

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
STAFF REPORT**

To: Board of Directors

From: Eric Nielsen, District Superintendent

Cc: Herb Niederberger, General Manager

Subject: Adoption of Resolution 24-36 Professional Services Agreement with DKS Associates to Prepare a Fleet Transition Master Plan

Meeting Date: December 5, 2024

Overview

The District maintains a fleet of approximately twenty-five (25) light-, medium-, and heavy-duty vehicles to support the work programs the District performs to provide the promised level of service to its customers. All of these vehicles are internal combustion engines (ICE) that run on either gasoline or diesel.

The Advanced Clean Fleet (ACF) Regulation was adopted by the California Air Resources Board (CARB) in April 2023. The ACF has multiple regulatory components. One of which is the requirement that state and local government fleets (e.g., the District) must replace their medium- and heavy-duty vehicles with zero-emission vehicles (ZEVs) over prescribed timelines.

District staff have been following the communications and educational materials provided by CARB to understand the implications of the ACF. Staff have also been corresponding with industry experts who assist government entities in complying with the ACF requirements. Transitioning portions of the District’s fleet to ZEVs is complex and includes many variables and considerations (i.e., battery electric and/or alternative fuel, charging/refueling availability, pre-design of charging infrastructure, charging/refueling strategies based on duty cycles, determination of the total cost of ownership, and identification of potential funding sources).

Staff posted a request for proposals (RFP) to the public through its e-procurement site on October 25, 2024. Proposals were due on November 22, 2024. Through that process the District selected the proposal of DKS Associates to prepare a fleet transition master plan to outline and recommend a course of action that complies with the regulatory requirements in a cost-effective way.

Recommendation

Staff recommends that the Board of Directors adopt Resolution 24-36 Professional Services Agreement with DKS Associates to prepare a fleet transition master plan.

Strategic Plan Goals

This action is consistent with the District's Strategic Priorities:

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

Related Board Ordinances and Policies

This action is in conjunction with the following District Policies:

- Policy 3150 – Purchasing Policy

Fiscal Impact

DKS Associates submitted a proposal to complete the efforts to prepare a Fleet Transition Master Plan in an amount of \$99,905. This cost is included in the FY24/25 Fund 100 budget.

Attachments:

1. Resolution 24-36 Professional Services Agreement with DKS Associates
2. Exhibit A – Professional Services Agreement with DKS Associates

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

RESOLUTION NO. 24-36

**AUTHORIZATION FOR THE GENERAL MANAGER TO EXECUTE A
PROFESSIONAL SERVICES AGREEMENT WITH DKS ASSOCIATES
TO PREPARE A FLEET TRANSITION MASTER PLAN**

WHEREAS, the Advanced Clean Fleet (ACF) regulation adopted by the California Air Resources Board (CARB) in April 2023 requires the District to transition portions of its fleet to zero-emission vehicles (ZEV); and

WHEREAS, the District allocated funding in Fund 100 in the FY24/25 budget to retain professional services to assist with assessing available options, planning compliance efforts, and evaluating the associated total cost of ownership; and

WHEREAS, DKS Associates possesses the technical expertise and experience required to prepare a fleet transition master plan to meet regulatory requirements and assess the total cost of ownership of its fleet assets.

NOW, THEREFORE BE IT RESOLVED, the South Placer Municipal Utility District Board of Directors authorizes the General Manager to execute a Professional Services Agreement incorporated herein as Exhibit “A” with DKS Associates for professional engineering services to prepare a fleet transition master plan in an amount not to exceed \$99,905.

PASSED AND ADOPTED at a Meeting of the South Placer Municipal Utility District Board of Directors at Rocklin, CA this 5th day of December 2024.

Signed: _____

James Durfee, President of the Board of Directors

Attest: _____

Emilie Costan, Board Secretary



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

PROFESSIONAL SERVICES AGREEMENT

AGREEMENT TERM: 1 year

EXECUTED:

Provide Professional Services for the project know as:

Fleet Transition Master Plan

DISTRICT: South Placer Municipal Utility District
DISTRICT REPRESENTATIVE: Eric Nielsen
(916) 786-8555; enielsen@spmud.ca.gov

CONTRACTOR: DKS Associates
CONTRACTOR REPRESENTATIVE:
Gurbir Antaal
(916) 368-2000; Gurbir.antaal@dksassociates.com

SERVICES:

The undersigned agrees to complete the work specified in strict accordance with the General Provisions, Scope of Work and Pricing incorporated herein within the time specified in the proposal.

Total agreement amount shall not exceed \$ 99,905.00

This includes all applicable taxes and fees. Proof of insurance, as described in the General Provisions, has been provided to the District.

Name and address of Contractor:

DKS Associates
428 J Street, Suite 340
Sacramento, CA 95814

The person signing this Contract for Contractor represents and warrants that he or she has read, understands, and agrees to all the Contract terms and is fully authorized to sign this Contract on behalf of the Contractor and to bind the Contractor to the performance of the Contract's obligations.

Signature of person authorized to sign:

Print Name:
Title:
Date:

NOTICE OF AWARD (This section for District use only)

You are directed to proceed with the work upon receipt of this award.

Print Name: Title:
Signature: Date:

GENERAL PROVISIONS

1. **SCOPE OF SERVICES:** Contractor shall do all work, attend all meetings, and carry out all activities necessary to complete all services described in the attached proposal included as part of this Agreement. This Agreement and its exhibits, attached or incorporated by reference, shall be known as the “Agreement Documents.” The Contractor enters into this Agreement as an independent contractor and not as an employee of the District.
2. **TIME OF PERFORMANCE:** The Services described in this Contract shall be provided for until the completion of the project or one year, which ever comes first. The services are to commence upon execution and receipt of this Agreement and shall be completed in a prompt and timely manner in accordance with the conditions of the Agreement.
3. **COMPENSATION:** Payments shall be paid monthly upon completion of services for a total amount not to exceed \$ 99,905.00. The District reserves the right to perform any of these services with its own staff or to retain other contractors to perform the services. “Reimbursable Expenses” are limited to actual expenditures of the Contractor for expenses that are necessary for the proper satisfaction of the Contract and are only payable if specifically authorized in advance in writing by the District. No additional charges will be allowed unless specified in the Contract, including charges for transportation, fuel, containers, packing, or disposal. Contractor is responsible for supplying invoices and all documentation necessary to verify invoices to the District’s satisfaction. Invoices shall be emailed to ap@spmud.ca.gov or mailed to 5807 Springview Drive, Rocklin, CA 95677.
4. **TERMINATION:** This Agreement may be terminated, without cause, at any time by the District or Contractor upon ten days written notice. Contractor shall be compensated for all services provided for in the Agreement to that date. District shall be entitled to all work created pursuant to the Agreement.
5. **CHANGES:** District or Contractor may request changes to the scope of services to be performed. Such changes must be authorized in advance by the District in writing. Mutually agreed to changes shall be incorporated in written amendments to this Agreement.
6. **PROPERTY OF THE DISTRICT:** It is mutually agreed that all work or materials prepared under this Agreement shall become the property of the District. The District shall have full ownership and control, including ownership of any copyrights, of all information prepared, produced, or provided by Contractor under this Contract. In this Contract, the term “information” means and includes any and all work product, submittals, reports, plans, specifications, and other deliverables consisting of documents, writings, handwritings, typewriting, printing, photostating, photographing, computer models, and any other computerized data and every other means of recording any form of information, communications, or representation, including letters, works, pictures, drawings, sounds, or symbols, or any combination thereof.
7. **CONFIDENTIALITY:** During performance of this Agreement, the contractor may gain access to and use District information. The contractor agrees to protect all District Information and treat it as strictly confidential, and further agrees that they shall at no time, either directly or indirectly, divulge, disclose, or communicate in any manner any District information to any third party without the prior written consent. In addition, the contractor shall comply with all policies governing the use of the District network and technology systems.
8. **NOTIFICATION OF MATERIAL CHANGES IN BUSINESS:** Contractor agrees that if it experiences any material changes in its business, including a reorganization, refinancing, restructuring, leveraged buyout,

bankruptcy, name change, or loss of key personnel, it will immediately notify the District of the changes. Contractor also agrees to immediately notify the District of any condition that may jeopardize the scheduled delivery or fulfillment of Contractor's obligations to the District under this Contract.

9. WARRANTY: Contractor warrants that it has the expertise or has experts available to perform the services set forth in this Agreement in a manner consistent with accepted standards of its profession. It warrants that it will perform said services in a legal manner in conformance with all applicable laws and guidelines.
10. STANDARD OF PERFORMANCE: Contractor shall perform in the manner and according to the standards currently observed by a competent practitioner of Contractor's profession in California and in compliance with all requirements of this Contract. All products that Contractor delivers to District under this Contract must be prepared in a professional manner and conform to the standards of quality normally observed by a person currently practicing in Contractor's profession.

Contractor shall designate a Project Manager as its representative in all matters relating to the Agreement. The Project Manager shall remain in such capacity unless and until he is removed at the request of the District or replaced with the written permission of the District.

11. CERTIFICATE OF COMPLIANCE WITH LABOR CODE 3700: Section 3700 of the Labor Code requires every employer to be insured against liability for workers compensation or to undertake self-insurance in accordance with the provisions of that code, and the Contractor will comply with such provisions before commencing with any work of this Agreement.
12. INTEREST IN AGREEMENT: Contractor covenants that neither it nor any of its employees has an interest in this Agreement which would conflict in any manner or degree with the performance of its services hereunder.
13. NEGLIGENCE: Contractor shall be responsible for performing the work in a safe and skillful manner consistent with generally accepted standards and shall be liable for its own negligence and the negligent acts of its employees. District shall have no right of control over the manner in which the work is done but only as to its outcome and shall not be charged with the responsibility of preventing risk to any of Contractor's employees.
14. INDEMNITY: Contractor shall indemnify, defend, and hold harmless the District, its officers, officials, agents and employees from and against any and all claims, costs, losses and expenses arising out of or in connection with the performance of work or failure to comply with the obligations contained in the Agreement Documents, except such loss or damage which was caused by the active negligence or willful misconduct of the District.
15. INSURANCE REQUIREMENTS: Contractor agrees to have and maintain the policies set forth in Exhibit A entitled "INSURANCE REQUIREMENTS," which is attached hereto and incorporated herein. All policies, endorsements, certificates, and/or binders shall be subject to approval by the District as to form and content. These requirements are subject to amendment or waiver only if so approved in writing by the District. A lapse in any required insurance coverage during this Agreement shall be a breach of this Agreement.
16. SEVERABILITY: If a court with jurisdiction rules that any portion of this Contract or its application to any person or circumstance is invalid or unenforceable, the remainder of this Contract will not be affected thereby and will remain valid and enforceable as written, to the greatest extent permitted by law.

17. FACILITIES AND EQUIPMENT: Contractor shall, at its sole cost and expense, furnish all facilities and equipment that may be required for the contractor to perform services pursuant to this Agreement.
18. LICENSES AND PERMITS: Contractor represents and warrants that Contractor has, and shall maintain at all times during the term of this Contract at its sole cost and expense, all licenses, permits, qualifications, and approvals of any nature that are legally required for Contractor to practice its profession or fulfill the terms of this Contract, including any required certification issued by the California Secretary of State.
19. MISCELLANEOUS PROVISIONS:
- A. Contractor shall not engage in unlawful employment discrimination.
 - B. Information received from the contractor will be disclosed upon receipt of a request under the California Public Records Act; however, if any information is set apart and clearly marked “trade secret” when provided to the District, the District shall give notice of any request for disclosure. The contractor shall have five (5) days from the date of notification to enter into an agreement with the District, providing for the defense of, and complete indemnification and reimbursement of all costs incurred by the District in any legal action to compel disclosure of the information. The contractor shall have sole responsibility for defense of the “trade secret” designation.
 - C. This Agreement and its exhibits constitute the entire agreement between the parties relative to the services herein and no modifications shall be effective unless and until such modification is in writing and signed by both parties.
 - D. Contractor shall maintain and make available to District accurate records of all its costs and receipts with respect to any work under this Agreement for six months after the final payment under this Agreement.
 - E. Contractor will not assign, transfer, convey, or otherwise dispose of the contract, or right, title of interest, or power to execute such a contract to any person, any other bank, firm, or corporation without previous consent in writing of the District.

Exhibit A INSURANCE REQUIREMENTS

Contractor shall procure and maintain for the duration of the contract, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the Contractor, his agents, representatives, employees or subcontractors.

MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

1. **Commercial General Liability (CGL):** Insurance Services Office (ISO) Form CG 00 01 covering CGL on an “occurrence” basis, including products and completed operations, property damage, bodily injury, and personal & advertising injury with limits no less than **\$2,000,000** per occurrence. The general aggregate limit shall be twice the required occurrence limit.
2. **Automobile Liability:** ISO Form Number CA 00 01 covering any auto (Code 1), or if Contractor has no owned autos, hired, (Code 8) and non-owned autos (Code 9), with a limit no less than **\$1,000,000** per accident for bodily injury and property damage.
3. **Workers’ Compensation:** as required by the State of California, with Statutory Limits, and Employer’s Liability Insurance with limit of no less than **\$1,000,000** per accident for bodily injury or disease.
4. **Professional Liability (Errors and Omissions):** Insurance appropriate to the Contractor’s profession, with a limit of no less than **\$2,000,000** per occurrence or claim, **\$2,000,000** aggregate. (**Professional Services Contracts ONLY**)

If the Contractor maintains broader coverage and/or higher limits than the minimums shown above, the District requires and shall be entitled to the broader coverage and/or the higher limits maintained by the contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the District.

OTHER INSURANCE PROVISIONS

The insurance policies are to contain, or be endorsed to contain, the following provisions:

Additional Insured Status

The District, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor’s insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of **both** CG 20 10, CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37 if a later edition is used).

Primary Coverage

For any claims related to this contract, the **Contractor’s insurance coverage shall be primary and non-contributory** and at least as broad as ISO CG 20 01 04 13 as respects the District, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the District, its officers, officials, employees, or volunteers shall be in excess of the Contractor’s insurance and shall not contribute to it. This requirement shall also apply to any Excess or Umbrella liability policies.

Umbrella or Excess Policy

The Contractor may use Umbrella or Excess Policies to provide the liability limits as required in this agreement. This form of insurance will be acceptable provided that all of the Primary and Umbrella or Excess Policies shall provide all of the insurance coverages herein required, including, but not limited to, primary and non-contributory, additional insured, Self-Insured Retentions (SIRs), indemnity, and defense requirements. The Umbrella or Excess policies shall be provided on a true “following form” or broader coverage basis, with coverage at least as broad as provided on the underlying Commercial General Liability insurance. No insurance policies maintained by the Additional Insureds, whether primary or excess, and which also apply to a loss covered hereunder, shall be called upon to contribute to a loss until the Contractor’s primary and excess liability policies are exhausted.

Notice of Cancellation

Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the District.

Waiver of Subrogation

Contractor hereby grants to the District a waiver of any right to subrogation which any insurer of said Contractor may acquire against the District by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the District has received a waiver of subrogation endorsement from the insurer.

Self-Insured Retentions

Self-insured retentions must be declared to and approved by the District. The District may require the Contractor to purchase coverage with a lower retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or the District. The CGL and any policies, including Excess liability policies, may not be subject to a self-insured retention (SIR) or deductible that exceeds \$5,000 unless approved in writing by the District. Any and all deductibles and SIRs shall be the sole responsibility of Contractor or subcontractor who procured such insurance and shall not apply to the Indemnified Additional Insured Parties. The District may deduct from any amounts otherwise due the Contractor to fund the SIR/deductible. Policies shall NOT contain any self-insured retention (SIR) provision that limits the satisfaction of the SIR to the Named. The policy must also provide that Defense costs, including the Allocated Loss Adjustment Expenses, will satisfy the SIR or deductible. The District reserves the right to obtain a copy of any policies and endorsements for verification.

Acceptability of Insurers

Insurance is to be placed with insurers authorized to conduct business in the state with a current A.M. Best’s rating of no less than A:VII, unless otherwise acceptable to the District.

Claims Made Policies

If any of the required policies provide claims-made coverage:

1. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained, and evidence of insurance must be provided ***for at least five (5) years after completion of the contract of work.***

3. If coverage is canceled or non-renewed, and not replaced *with another claims-made policy form with a Retroactive Date prior to* the contract effective date, the Contractor must purchase “extended reporting” coverage for a minimum of *five (5)* years after completion of work.

Verification of Coverage

Contractor shall furnish the District with original certificates and amendatory endorsements or copies of the applicable policy language affecting coverage required by this clause **and a copy of the Declarations and Endorsements Pages of the CGL and any Excess policies listing all policy endorsements**. All certificates and endorsements and copies of the Declarations & Endorsements pages are to be received and approved by the District before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor’s obligation to provide them. The District reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time. The District reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

Special Risks or Circumstances

The District reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

ATTACHMENT 1: Proposal Cover Page

South Placer Municipal Utility District

PROPOSAL COVER PAGE

Proposal for Consulting Services to Complete a Fleet Transition Master Plan

Submissions Must Be Received Prior To 4:30 P.M. (Pacific Standard Time) on November 22, 2024

Submit proposal (electronically, in PDF format) to enielsen@spmud.ca.gov.

Name and Address of Proposer Submitting Information

Vendor Name: DKS Associates

Contact: Gurbir Antaal 916.382.4400 // gurbir.antaal@dksassociates.com

Street Address: 428 J Street Suite 340

City, State, Zip: Sacramento CA, 95814

Phone Number: 916.368.2000

Email: marketing@dksassociates.com

CONTENTS

- SECTION A ▶**
SUBMITTAL COVER SHEET 1

- SECTION B ▶**
LETTER OF TRANSMITTAL 3

- SECTION C ▶**
PROPOSAL SIGNATURE 5

- SECTION E ▶**
COMPANY INFORMATION / QUALIFICATIONS EXPERIENCE 7

- SECTION F ▶**
WORK PLAN & SCHEDULE 18

- SECTION G ▶**
FEE SCHEDULE 23

- EXHIBIT H ▶**
SAMPLES 24

- EXHIBIT I ▶**
CLIENT REFERENCES 27

- EXHIBIT J ▶**
CONFLICTS OF INTEREST 30

- APPENDIX ▶**
AGREEMENT REVIEW, & WORK SAMPLES 31



COVER LETTER

NOVEMBER 22, 2024

ERIC NIELSEN
 SOUTH PLACER MUNICIPAL UTILITY DISTRICT
 5807 Springview Drive
 Rocklin, CA 95677



428 J STREET SUITE 340
 SACRAMENTO, CA 95814
 916.368.2000
 P#25453-000

SUBJECT: CONSULTING SERVICES TO COMPLETE A FLEET TRANSITION MASTER PLAN

Dear Mr. Nielsen,

DKS Associates (DKS) is excited to submit our proposal for the South Placer Municipal Utility District Fleet Transition Master Plan. We are eager to collaborate with SPMUD and contribute our expertise to this transformative project aimed at reducing transportation carbon emissions by transitioning the fleet to zero-emission vehicles in compliance with the Advanced Clean Fleets (ACF) rule.

DKS IS UNIQUELY QUALIFIED FOR THIS PROJECT We are an employee-owned transportation and planning firm with a 45-year history of innovation, including over six years of market-leading EV charger planning and installation design. As documented in the attached proposal, DKS has performed over 70 fleet electrification transition master plans and dozens of other electromobility planning and engineering projects in California, Washington and elsewhere. We are local with an office in Sacramento, where Senior Electromobility Engineer Gurbir Antaal, PE is based. Gurbir who will serve as Project Manager has managed or played a significant role on every one of these fleet transition projects since 2019, including for the City of Roseville's fleet.

DKS SPECIALIZES IN PLANNING FLEET ELECTRIFICATION FOR MUNICIPAL UTILITY FLEETS Our team has extensive experience planning fleet electrification for municipal utility districts and similar agencies across California and Washington. In California, we have worked with organizations such as the East Bay Municipal Utility District, Sacramento Municipal Utility District, Metropolitan Water District, Anaheim Public Utilities, Union Sanitary District, and Orange County Waste & Recycling. We also collaborate with city and county agencies, including those in Poway, Redding, and Nevada County, focusing on water and wastewater fleet operations.

In Washington, our projects include Snohomish County Public Utilities, King County Solid Waste Division, King County Wastewater Treatment Division, and Tacoma Public Utilities. Through these engagements, we have developed advanced tools and methodologies and built a team of electromobility planners, data analysts, and engineers with in-depth knowledge of municipal utility fleet operations. Our expertise covers the selection of appropriate light, medium, and heavy-duty EVs, as well as the strategic planning and installation of charging infrastructure, including necessary electrical upgrades and hardware/software integration tailored to utility fleet operations.

DKS UNDERSTANDS that the purpose of this project will be to provide actionable guidance to help SPMUD's fleet transition to all-EV operations. Upon completion of this project, SPMUD will know which existing fleet assets should be replaced by suitable EV replacement models along with a phased implementation plan that meets the District's operational needs and complies with the Advanced Clean Fleets (ACF) rule. SPMUD's facilities manager will know the resulting electrical load at each fleet domicile facility, so that electrical upgrades can be coordinated with local utilities, and charging infrastructure can be deployed concurrent with EV acquisition in a way that minimizes peak loads to reduce demand charges and capital costs. Last but not least, SPMUD's budget office will know the estimated capital investments, operating costs, and total cost of ownership of future EV fleets as well as potential funding and financing options in order to request appropriate funding and be positioned for potential grant and financial incentive programs.

DKS is headquartered in Portland, Oregon; however, this project will be led out of our Sacramento, California, office. DKS does not plan to use any subconsultants for this project.

This proposal is a firm offer for at least a ninety (90) day period. **Richard Hutchinson, PE, PTOE** is authorized to negotiate a contract with SPMUD, **Gurbir Antaal, PE** will serve as the primary point of contact throughout the consultant selection process. **Mike Usen, AICP** will serve as the Principal-in-Charge for this project to direct and oversee the Quality Assurance/Quality Control (QA/QC) measure, including technical review of all deliverables.

Please feel free to reach out to **Gurbir Antaal** at **916.382.4400** or **gurbir.antaal@dksassociates.com** with any questions or for further information. We look forward to the possibility of partnering with SPMUD to support the transition to a sustainable, zero-emission fleet that meets the District's operational needs and complies with ACF. Thank you for considering our proposal.

Sincerely,



Gurbir Antaal, PE

Project Manager

gurbir.antaal@dksassociates.com || 916.382.4400



Mike Usen, AICP

Principal-in-Charge,

National Director for Electromobility

Mike.usen@dksassociates.com || 206.436.0557

ATTACHMENT 2: Proposal Signature Form

South Placer Municipal Utility District

PROPOSAL SIGNATURE FORM

Proposal for Consulting Services to Complete a Fleet Transition Master Plan

All Proposers must complete and sign this section. *Failure to complete and sign this section will result in rejection of the proposal.*

Proposer Name: DKS Associates

Contact: Gurbir Antaal 916.382.4400 // gurbir.antaal@dksassociates.com

Business Address: 428 J Street, Suite 340

City, State, Zip: Sacramento, CA 95814

Phone Number: 916.368.2000


Email: marketing@dksassociates.com

Type of Business: Corporation Individual (doing business under own name)
 Partnership Individual (doing business using a firm name)
 Joint Venture (attach Joint Venture Agreement)

Federal Tax ID Number: ██████████

The undersigned, as proposer, certifies that the only persons or parties interested in this Proposal as principals are those named herein as proposer; that this qualification statement is made without collusion with any other person, firm, or corporation; that in submitting this Proposal the proposer has examined all terms, conditions, and requirements set forth in the Request for Proposal; that the proposer proposes and agrees that if this Proposal is accepted, the proposer will execute and fully perform the contract for which Proposals are called; that the proposer will perform all the work and/or furnish all the materials specified in the contract, in the manner and time therein prescribed, and according to the requirements as therein set forth; and that the proposer will take in full payment therefor, the prices set forth in the contract.

Print Name: Richard Hutchinson Title: Contracting Officer & Vice President

Signature: 

Address (if different than business address above): 1970 Broadway #740 Oakland CA, 94612



DKS Principals List

| Names of Principals | Address |
|----------------------------|--|
| Peter Coffey | 1050 SW 6th Avenue, Suite 600 Portland, Oregon 97204 |
| Chris Maciejewski | 1050 SW 6th Avenue, Suite 600 Portland, Oregon 97204 |
| Mike Thomas | 1050 SW 6th Avenue, Suite 600 Portland, Oregon 97204 |
| Carl Springer | 1050 SW 6th Avenue, Suite 600 Portland, Oregon 97204 |
| Brian Copeland | 1050 SW 6th Avenue, Suite 600 Portland, Oregon 97204 |
| John Bosket | 428 J Street, Suite 340 Sacramento, CA 95814 |
| Randy Johnson | 1050 SW 6th Avenue, Suite 600 Portland, Oregon 97204 |
| Nate Schroeder | 1050 SW 6th Avenue, Suite 600 Portland, Oregon 97204 |
| Jennifer Hoffman | 1050 SW 6th Avenue, Suite 600 Portland, Oregon 97204 |
| Kasey DeLucia | 1050 SW 6th Avenue, Suite 600 Portland, Oregon 97204 |
| Katrina Williams | 1050 SW 6th Avenue, Suite 600 Portland, Oregon 97204 |
| Scott Mansur | 117 Commercial Street NE, Suite 310 Salem, OR 97301 |

| Names of Principals | Address |
|----------------------------|---|
| Richard Hutchinson | 1970 Broadway, Suite 740 Oakland, CA 94612-2219 |
| Eric Shimizu | 719 Second Avenue, Suite 1250 Seattle, WA 98104-1706 |
| Wintana Miller | 719 Second Avenue, Suite 1250 Seattle, WA 98104-1706 |
| Brian Chandler | 719 Second Avenue, Suite 1250 Seattle, WA 98104-1706 |
| Mike Usen | 719 Second Avenue, Suite 1250 Seattle, WA 98104-1706 |
| Jim Damkowitch | 428 J Street, Suite 340 Sacramento, CA 95814 |
| Terry Klim | 1970 Broadway, Suite 740 Oakland, CA 94612-2219 |
| David Mahama | 1970 Broadway, Suite 740 Oakland, CA 94612-2219 |
| Renee Hurtado | Prinicpal305 Camp Craft Road, Suite 525 West Lake Hills, TX 78746 |
| James Schwerdtfeger | 305 Camp Craft Road, Suite 525 West Lake Hills, TX 78746 |
| Alice Chen | 1970 Broadway, Suite 740 Oakland, CA 94612-2219 |
| Larry White | 704 E. United Heritage Court, Suite 204 Meridian, ID 83642 |

COMPANY INFORMATION & QUALIFICATION EXPERIENCE

DKS OVERVIEW

FOUNDED IN 1979, DKS is an employee-owned transportation planning and engineering firm with over 45 years of expertise serving public agencies across the United States. With a multidisciplinary team of 160+ professionals across offices in Sacramento, Oakland, Anaheim, Portland (headquarters), Seattle, Boise, and Austin. DKS is dedicated to shaping smarter, more sustainable transportation experiences.

As mobility and our climate change, we strive to advance the goal of reducing mobile-source greenhouse gas (GHG) emissions as well as to improve the resiliency of vital transportation infrastructure to the impacts of climate degradation. One of the most measurable ways we help clients reduce GHG emissions is through our comprehensive suite of Electromobility planning and design services. DKS plans municipal-scale EV charging programs and designs site-scale charging infrastructure, assisting clients with financing and permitting. Specifically, DKS' Electromobility infrastructure services include planning and design for public and transit agency fleet electrification, public charging infrastructure master planning and public, fleet, residential and workplace charging infrastructure siting and installation design.



KEY STAFF OVERVIEW

We have curated a dynamic team of seasoned professionals, each wielding extensive expertise in EV charger siting analysis, property suitability analysis, charging infrastructure, fleet transition analysis, economic funding analysis, implementation planning, and plan preparation. This collective team has a proven track record of successfully collaborating on transportation projects for public agencies throughout California.

Project Manager Gurbir Antaal, PE, combines his electrical engineering background with his transportation operations expertise on every transportation electrification project. He uses his wide variety of skills to analyze EV charging requirements for municipal fleets, review electrical drawings, and calculate electrical loads for EV charging. His relevant project experience includes work for both power providers and dozens of public agencies.

Gurbir will provide overall direction to the team and will be supported by **Thomas Paddon, PMP** who will lead the fleet electrification efforts, ensuring all fleet needs are met within the project's scope. Supporting Thomas are Steffen Coenen and Owen Wang, who will focus on infrastructure planning, charger siting analysis, and operational strategy development, bringing a data-driven and practical approach to the project.

Principal-in-Charge Mike Usen, AICP who leads DKS's electromobility practice, will oversee the project to provide an exceptional client experience and will personally review each deliverable to confirm quality. The entire team has worked together on multiple similar projects and will meet regularly as part of this project to ensure collaboration and communication and track progress of each task, subtask, deliverable, schedule and budget using Smartsheet, our preferred online project management platform. The DKS team will use this tool to track tasks, deadlines, staff responsibilities, budgets, and other aspects of the project.

Resumes of the team's project experience are summarized on the following pages as well as a chart highlighting our teams select Electromobility project experience.

The DKS team's vast expertise in electromobility and our proven track record of successfully managing similar projects position us as an ideal partner for SPMUD. With a focus on collaboration, innovation, and meticulous attention to detail, we are committed to supporting SPMUD in achieving its sustainability goals and advancing its fleet electrification initiatives.



KEY DIFFERENTIATORS

DKS has extensive experience planning alternative fuel vehicle transitions, as well as planning EV charging infrastructure. Based on this experience, which includes extensive evaluation of alternative fuel vehicle operations for nearly every imaginable fleet duty cycle, the relative economics and availability of alternative fuel vehicle models and industry trends, we expect that BEV technology will continue to dominate light-duty and most medium-duty ZEV applications due to more favorable economics, supply chain and other logistical advantages. The most suitable role for hydrogen is powering fleet vehicles with extreme duty cycles, especially heavy-duty mission-critical assets such as fire apparatus and snow plows.

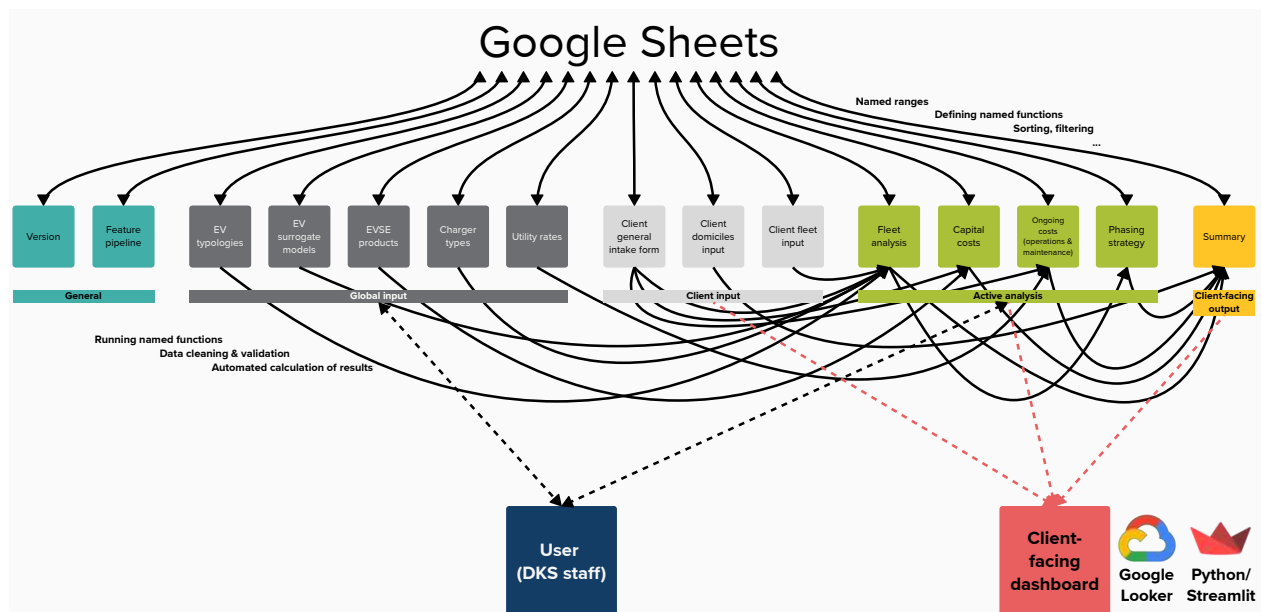
GRANTS & INCENTIVES

SPMUD needs a comprehensive and actionable plan to guide the installation of EV chargers for use by fleet vehicles. DKS has had repeated success in securing additional project funding on EV projects. For example, our South San Francisco EV Charging Masterplan helped the City win \$1.5 million of in-kind contributions from multiple third-party EV charger providers allowing the City to achieve its vehicle electrification goals for a fraction of the infrastructure investment and realize a return equal to 15 times its investment in consulting services and infrastructure costs. An even more relevant example is the Sacramento EV Implementation Blueprint, which directly led to the City of Sacramento winning \$2 million in Phase 2 funding from the California Energy Commission (CEC)

to implement the EV Blueprint, one of only four projects statewide that were funded. Most recently, after the completion and adoption of the San Joaquin COG Alternative Fuels Vision Plan (AFVP) by DKS, San Joaquin COG was one of a limited number of agencies to be awarded a federal Charging and Fueling Infrastructure (CFI) program grant in the amount of \$15 million. This grant, called “Expanding Electrification for All in San Joaquin County”, will utilize the awarded funding to provide charging infrastructure for traditionally underserved communities in San Joaquin County.

DKS FLEELET (DKS FLEET ELECTRIFICATION TOOL)

Leveraging the experience and best practices gained over the course of dozens of fleet transition plans, DKS developed an in-house, cloud-based tool called FLEELET (diagram below) that streamlines in-depth assessments of municipal and other vehicle fleets for electrification. The tool allows us to efficiently develop recommendations on appropriate fleet charging infrastructure and transition phasing based on vehicle data including odometer readings, VINs, model years, typical daily dwell times, and more. The tool is flexible with respect to its inputs and has proven successful in supporting the creation of multiple different fleet electrification plans by DKS. The tool’s scope covers a multitude of vehicle types and operational needs, including light-, medium-, and heavy-duty alternative fuel vehicles and off-road equipment.

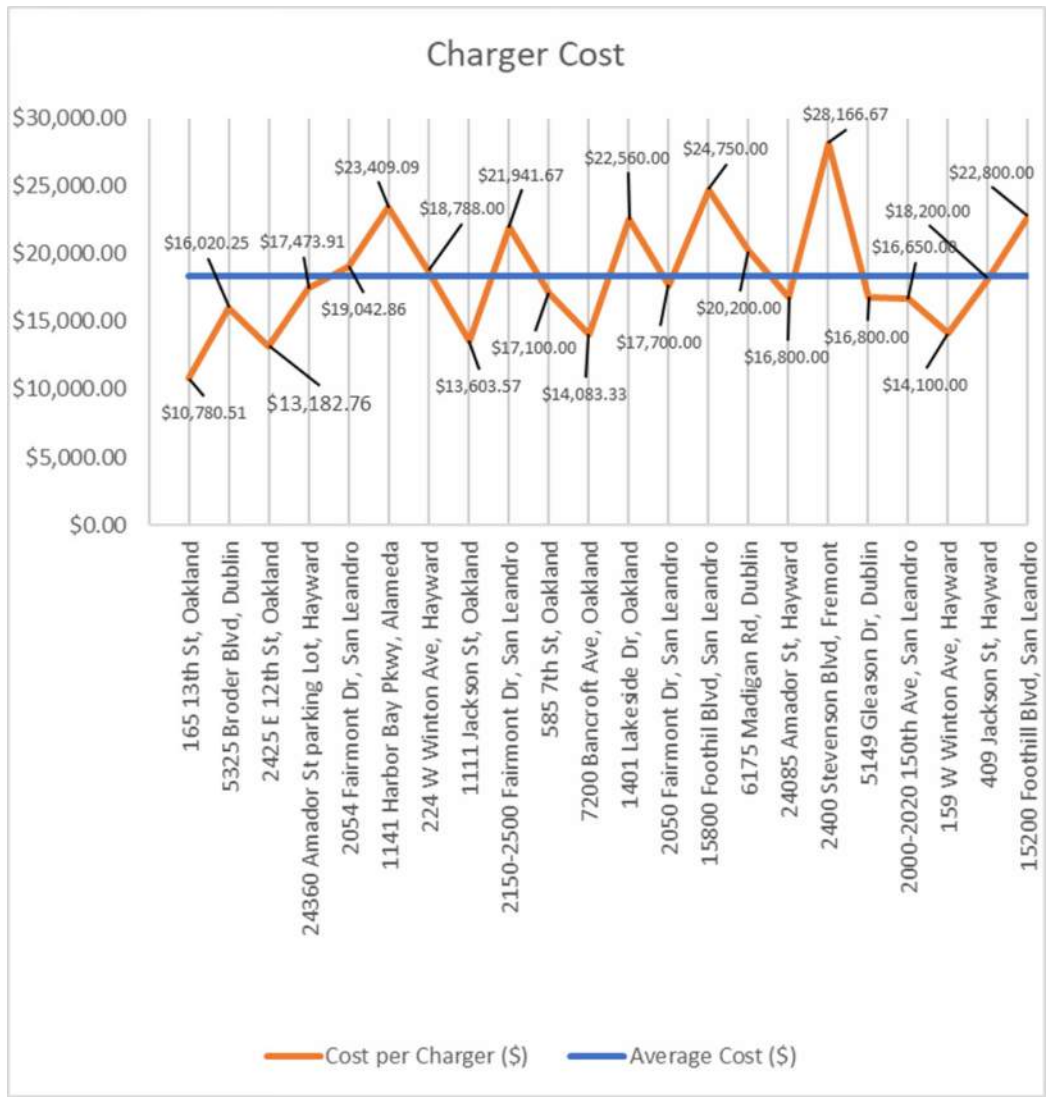


CHARGING INFRASTRUCTURE COST ESTIMATION TOOL

DKS has developed tools and best practices to efficiently and accurately estimate both capital expenses (CAPEX) as well as operational and maintenance expenses (OPEX) for charging infrastructure. Integrated with DKS’s FLEELET workstream, our cost estimation tools generate reliable planning level estimates of EV charging infrastructure capital and operating costs. Due to specific site conditions and varying need for electrical capacity upgrades, the cost of installing and operating charging infrastructure can vary wildly between fleet depots. As part of our charging analysis, we consider the per-EV cost of installed chargers and recommend the most cost

effective charging strategies that meet each fleet’s operational needs. As illustrated by the following images from similar fleet electrification plans performed by DKS, we work with fleet and facilities managers to recommend the best locations for charging at each site, especially at facilities selected to serve as charging hubs in the future.

DKS assesses not only facility-level capital costs for fleet charging infrastructure, but will also provide valuable insights to each fleet operator, such as costs on a per-charger or per-EV basis, that can inform decision-making and prioritization of different sites.



SECTION E ► COMPANY INFORMATION & QUALIFICATION EXPERIENCE

SELECT DKS ELECTROMOBILITY PROJECT QUALIFICATIONS CHART

| Client/Project Name | Key Staff Involved | Stakeholder Engagement | Assess Challenges & Opportunities | Charging Infrastructure Strategy | Implementation Strategy | Fleet Transition Analysis |
|---|--|------------------------|-----------------------------------|----------------------------------|-------------------------|---------------------------|
| East Bay MUD Fleet Alternative Fuel Vehicle Program Implementation Plan | Mike Usen, Gurbir Antaal, Steffen Coenen, Thomas Paddon | ● | ● | ● | ● | ● |
| Nevada County ZEV Transition Plan | Mike Usen, Gurbir Antaal, Steffen Coenen | ● | ● | ● | ● | ● |
| Shasta County Fleet Electrification Transition Plan | Mike Usen, Gurbir Antaal, Steffen Coenen | ● | ● | ● | ● | ● |
| INYO County Public Works, Electric Vehicle Charging Infrastructure Network Plan - Planning Services | Mike Usen, Gurbir Antaal, Steffen Coenen, Thomas Paddon | ● | ● | ● | ● | ● |
| Elk Grove Infrastructure Plan for Fleet Electrification | Mike Usen, Gurbir Antaal, Steffen Coenen, Thomas Paddon | ● | ● | ● | ● | ● |
| City of Redding Fleet Electrification Transition Plan | Mike Usen, Gurbir Antaal, Steffen Coenen | ● | ● | ● | ● | ● |
| EV Transition Planning for King County Fleet Services Division | Mike Usen, Gurbir Antaal, Steffen Coenen, Owen Wang | ● | ● | ● | ● | ● |
| Roseville Fleet Electrification | Gurbir Antaal, Mike Usen, Thomas Paddon | ● | ● | ● | ● | ● |
| Calveras County Council of Governments/EV Charging Infrastructure (EVCI) Implementation Plan | Mike Usen, Gurbir Antaal, Steffen Coenen | ● | ● | ● | ● | ● |
| Lawrence Berkely National Lab Fleet Electrification Plan | Mike Usen, Steffen Coenen, Will McKenzie, Gurbir Antaal | | ● | ● | ● | ● |
| Antioch ZEV Assessment | Thomas Paddon, Gurbir Antaal, Mike Usen | ● | ● | ● | ● | ● |
| California State University, East Bay Fleet Electrification Plan | Mike Usen, Steffen Coenen, Will McKenzie | | ● | ● | ● | ● |
| Ava Community Energy Fleet Electrification (15 public and up to 50 private fleets) | Thomas Paddon, Mike Usen, Gurbir Antaal, Owen Wang, Steffen Coenen | ● | ● | | ● | ● |
| City of Davis/EV Charging Infrastructure | Thomas Paddon, Mike Usen, Gurbir Antaal | ● | ● | ● | ● | ● |
| City of Elk Grove Infrastructure Plan for Fleet Electrification | Mike Usen, Gurbir Antaal, Steffen Coenen, Thomas Paddon | ● | ● | ● | ● | ● |
| San Jose Fleet Electrification Workplace and Public Charging Plan | Mike Usen, Gurbir Antaal, Steffen Coenen, Thomas Paddon | ● | | ● | ● | ● |
| City of South San Francisco EV Charging Station Masterplan | Mike Usen | ● | ● | ● | ● | ● |



MIKE USEN | PRINCIPAL-IN-CHARGE

Master of Urban Planning, University of Washington
BA, Environmental Studies, University of Vermont

Mike leads DKS's company-wide electric vehicle charging infrastructure planning and design practice assisting sustainability directors, facilities managers, and fleet

operators from multiple public agencies plan smart electric vehicle charging infrastructure. Mike's relevant expertise includes multiple aspects of electric vehicle charging infrastructure master planning for light-medium, and heavy-duty electric vehicles. Fleet electrification clients include municipalities, ports, electric utilities, transit systems, regional transportation agencies, school districts, and universities. Mike has led electrification planning for dozens of agencies and over 65 separate fleets, addressing thousands of vehicles at hundreds of facilities.

FLEET ELECTRIFICATION PROJECTS

- East Bay Municipal Utility District, CA
- Anaheim Public Utilities, CA
- Orange County Waste & Recycling, CA
- Snohomish County Public Utilities, WA
- King County Solid Waste Division, WA
- King County (Wastewater Treatment Division), WA
- Tacoma Public Utilities, WA
- Union Sanitary District, CA
- Ava Community Energy Fleet Electrification Study, Alameda County, CA
- Elk Grove Infrastructure Plan for Fleet Electrification, CA
- Antioch ZEV Assessment, Antioch, CA
- City of Fremont Fleet Electrification Study, CA



GURBIR ANTAAL, PE | PROJECT MANAGER

MS, Electrical & Computer Engineering, McMaster University, Canada

Bachelors in Electronics & Communication Engineering, Punjab Technical University, India

Gurbir is DKS's most experienced electromobility engineer,

particularly with fleet electrification projects. Gurbir combines his electrical engineering background with his transportation operations expertise on every transportation electrification project and uses his wide variety of skills to analyze electric vehicle charging requirements for municipal fleets. Gurbir has served as a trusted advisor for EV-focused projects to public agencies throughout California and Washington State. He can promptly communicate with his public agency clients and truly understand their needs. His relevant project experience includes work for both power providers and public agencies. He can also convey technical information to a broad audience in an understandable, approachable manner.

FLEET ELECTRIFICATION PROJECTS

- City of Davis EV Charging Infrastructure Phase 1, CA
- Elk Grove Infrastructure Plan for Fleet Electrification, CA
- City of Roseville Fleet Electrification, CA
- City of Bothell Fleet Electrification, WA
- City of Hayward Employee Charging Analysis, CA
- City of Redding Fleet Electrification, CA
- Ava Community Energy Municipal Fleet Electrification Studies, CA
- City of Fremont Fleet Electrification Study, CA



THOMAS PADDON | SENIOR ELECTROMOBILITY ENGINEER

MA, Management, University of Redlands

BA, French/International Business, University of South Florida

Thomas has recently joined DKS from Frontier Energy, and

has been providing project management for clean transportation projects for over five years. Thomas is an expert in electromobility work and has been leading fleet transition planning and vehicle electrification efforts since 2021. He manages several multiyear fleet transition projects for utility clients, which includes managing schedules and deliverables from stakeholders, clients, subcontractors, and vendors. He has developed various economic and TCO models for different fleet and market segments, and visually presents results using Power BI digital dashboards and interactive planning tools for each client.

FLEET ELECTRIFICATION PROJECTS

- City of Davis Fleet Transition, CA
- City of Elk Grove Fleet Transition, CA
- City of Spokane Fleet Transition, WA
- City of Duluth Fleet Transition, MN
- City of Roseville Fleet Transition, CA
- City of Hayward Fleet Transition, CA
- City of Antioch Fleet Transition, CA
- City of San Jose Fleet Transition, CA
- East Bay Municipal Utility District Fleet Transition, CA
- City of Oakland Fleet Transition, CA



STEFFEN COENEN | JUNIOR ELECTROMOBILITY ENGINEER

B.Sc. & M.Sc., Physics, RWTH Aachen University, Germany
M.Sc., Transportation Engineering, University of Washington, Seattle

Steffen is a transportation electrification and decarbonization subject matter expert and data scientist. Steffen leads the development of DKS’s analytical tools for EV charging, specializing in technically challenging electrification use cases such as charging large fleets of heavy-duty specialized EVs with on-site power constraints, developing models for predicting EV adoption, charger utilization, and charging site selection prioritization. Originally from Germany with two degrees in physics, he has exceptionally strong quantitative and data analytical skills. Steffen also has a Master’s degree in Transportation Engineering from the University of Washington in Seattle where he studied electric vehicle adoption patterns and supported state-level charging infrastructure planning for WSDOT. He is experienced in data analysis, EV charging infrastructure planning, and carbon emission assessments, and is passionate about the overall need to decarbonize the transportation sector and how that challenge intersects with the energy sector.

FLEET ELECTRIFICATION PROJECTS

- East Bay Municipal Utility District, CA
- Anaheim Public Utilities, CA
- Orange County Waste & Recycling, CA
- Snohomish County Public Utilities, WA
- King County Solid Waste Division, WA
- King County (Wastewater Treatment Division), WA
- Tacoma Public Utilities, WA
- Fleet Electrification Phase 2 for King County Facilities Management Division (WA)
- City of San José Fleet Transition Plan
- Nevada County ZEV Transition Plans
- City of Elk Grove Fleet Electrification Plan



OWEN WANG | JUNIOR ELECTROMOBILITY ENGINEER

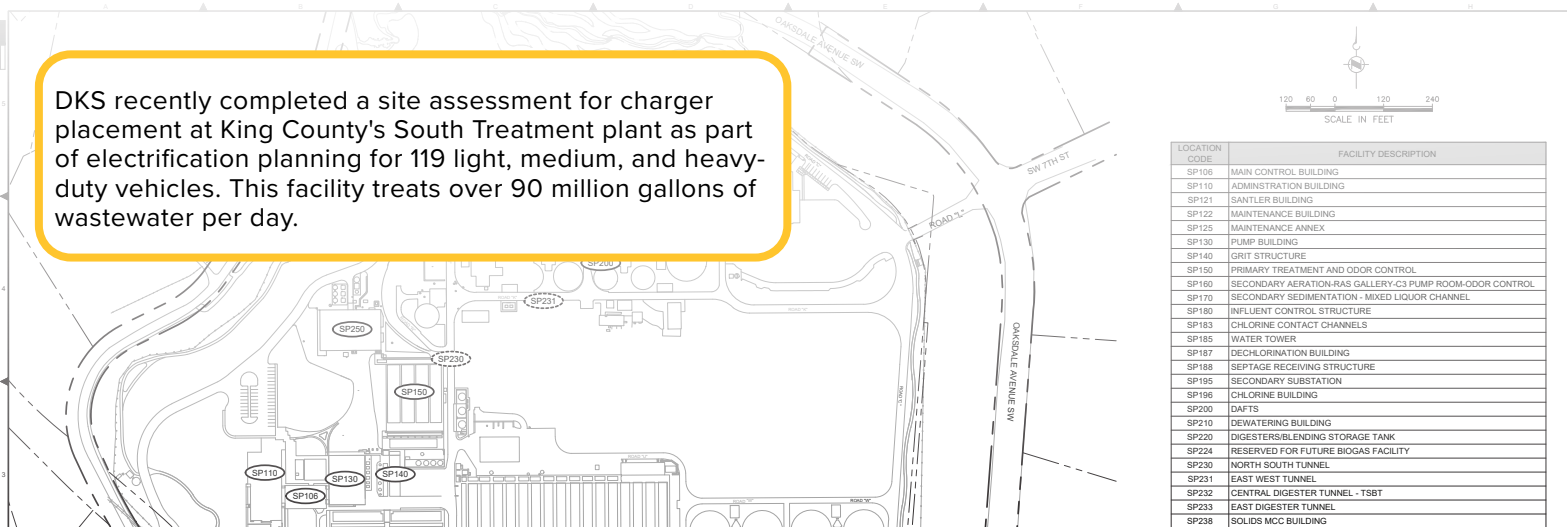
BS, Electrical Engineering, University of Washington

Owen applies his electrical engineering background and transportation design experience to fleet electrification projects. On most of DKS’s fleet electrification projects, Owen takes the lead role in performing the charging analysis including evaluation of multiple potential charging strategies, evaluating fleet facilities for electrical capacity, conducting site visits, estimating project costs, and developing fleet implementation strategies for charging infrastructure deployment by phase. Owen also has experience coordinating with utility providers such as PSE, SCL, SnoPUD, and PG&E to provide electrical infrastructure needs and utility service upgrades.

FLEET ELECTRIFICATION PROJECTS

- East Bay Community Energy Municipal Fleet Electrification
- Redding ZEV Fleet Plan
- Snohomish County Public Utility District (SnoPUD) Fleet Transition Planning (WA)
- Tacoma Electric Vehicle Supply Equipment Siting Study (WA)
- Kirkland Fleet Electrification (WA)
- Bainbridge Island EVSE Evaluation (WA)
- Tillamook County Kiwanda Corridor EV Charger Installation Design (OR)

DKS recently completed a site assessment for charger placement at King County's South Treatment plant as part of electrification planning for 119 light, medium, and heavy-duty vehicles. This facility treats over 90 million gallons of wastewater per day.

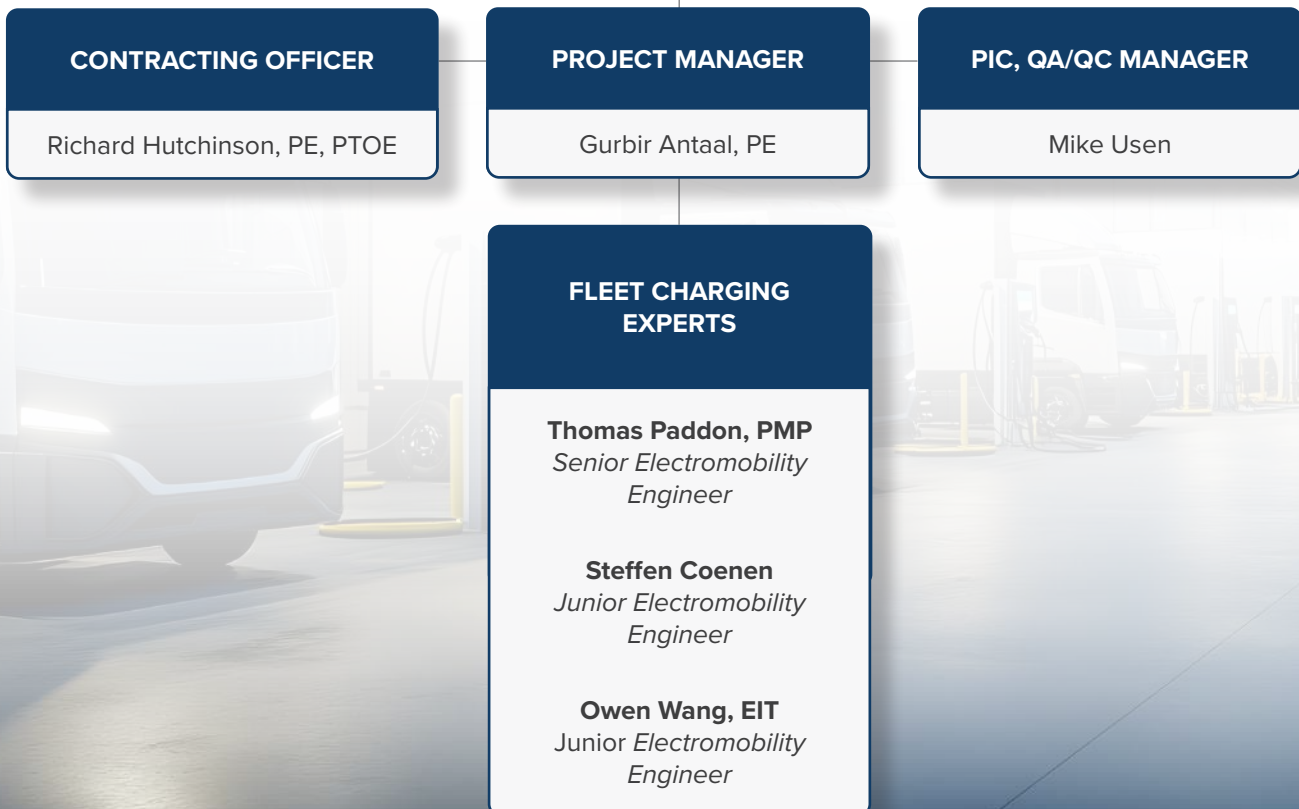
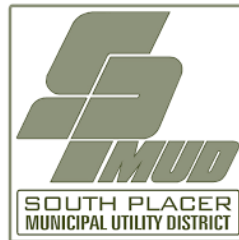


| LOCATION CODE | FACILITY DESCRIPTION |
|---------------|--|
| SP106 | MAIN CONTROL BUILDING |
| SP110 | ADMINISTRATION BUILDING |
| SP121 | SANTLER BUILDING |
| SP122 | MAINTENANCE BUILDING |
| SP125 | MAINTENANCE ANNEX |
| SP130 | PUMP BUILDING |
| SP140 | GRIT STRUCTURE |
| SP150 | PRIMARY TREATMENT AND ODOR CONTROL |
| SP160 | SECONDARY AERATION-RAS GALLERY-C3 PUMP ROOM-ODOR CONTROL |
| SP170 | SECONDARY SEDIMENTATION - MIXED LIQUOR CHANNEL |
| SP180 | INFLUENT CONTROL STRUCTURE |
| SP183 | CHLORINE CONTACT CHANNELS |
| SP185 | WATER TOWER |
| SP187 | DECHLORINATION BUILDING |
| SP188 | SEPTAGE RECEIVING STRUCTURE |
| SP195 | SECONDARY SUBSTATION |
| SP196 | CHLORINE BUILDING |
| SP200 | DAFTS |
| SP210 | DEWATERING BUILDING |
| SP220 | DIGESTER/BUILDING STORAGE TANK |
| SP224 | RESERVED FOR FUTURE BIOGAS FACILITY |
| SP230 | NORTH SOUTH TUNNEL |
| SP231 | EAST WEST TUNNEL |
| SP232 | CENTRAL DIGESTER TUNNEL - TSBT |
| SP233 | EAST DIGESTER TUNNEL |
| SP238 | SOLIDS MCC BUILDING |



ORGANIZATIONAL CHART

Our project team for the SPMUD Fleet Transition Master Plan is composed of fleet transition professionals with a proven track record of zero-emission and alternative fuel vehicle planning for municipal utilities and other public agencies. **Mike Usen, AICP** serving as Principal-in-Charge, brings over 20 years of leadership in electromobility and has led over 70 electromobility master plans, addressing thousands of vehicles at hundreds of facilities. His expertise ensures strategic oversight and adherence to SPMUD's goals. **Gurbir Antaal, PE** serving as Project Manager, combines his engineering background and EV charging infrastructure experience, having directed projects for municipal fleets, including site evaluations and electrical load analyses for numerous utilities in California and Washington and local cities like Roseville and Elk Grove. **Thomas Paddon**, serving as Senior Electromobility Engineer, specializes in fleet transition planning, having led or supported projects such as the Antioch ZEV Assessment and fleet electrification for 14 municipal fleets in Alameda County. **Steffen Coenen**, Junior Electromobility Engineer, has contributed to EV adoption and energy analyses for complex projects like the Northern California Megaregion Freight ZEV Study, East Bay Municipal Utility District and eight other utility fleets, providing actionable insights into energy needs and charger optimization. **Owen Wang, EIT** Junior Electromobility Engineer, delivers expertise in designing charging solutions, contributing to projects such as the City of Davis Electrify Yolo initiative and Elk Grove fleet electrification. Together, this team's extensive experience and commitment to innovation align perfectly with SPMUD's vision for advancing cost-effective, sustainable transportation in compliance with ACF. Our team structure and the pivotal roles each member fulfills are outlined below.



OUR EXPERIENCE

DKS is a leader in advancing sustainable transportation through our expertise in electrification planning and implementation. With over 45 years of experience, we have partnered with public agencies across California and the broader West Coast to deliver impactful fleet electrification and other alternative fuel solutions. Our portfolio includes over 70 fleet transition plans and infrastructure projects for cities, counties, and institutions, emphasizing efficiency, equity, and resilience.

Notably, DKS has collaborated extensively with agencies in Northern California, such as Yolo, Shasta, and Nevada Counties, on ZEV transition strategies that align with Advanced Clean Fleets (ACF) regulations. Our work has ranged from municipal-scale electrification masterplans to site-specific charging infrastructure design, ensuring seamless integration of electric vehicles (EVs) into existing

fleet operations while maximizing funding opportunities through grants and rebates.

We bring comprehensive technical, and planning expertise to every project. This includes innovative tools for charger siting analysis, energy modeling, and implementation phasing that optimize cost-effectiveness. Our recent efforts, such as the Electrify Yolo initiative and fleet electrification for the City of Roseville, highlight our ability to address complex challenges while delivering tailored, actionable solutions.

DKS is well-equipped to support SPMUD's EV initiatives with a proven approach that integrates stakeholder collaboration, advanced technology, and a deep understanding of regional and local needs. Our commitment to shaping a smarter transportation experience positions us as a strategic partner in transitioning to a sustainable, zero-emission future.

FLEET ELECTRIFICATION PROJECTS

CITY OF ROSEVILLE FLEET ELECTRIFICATION, CA

DKS and Frontier are helping the City of Roseville transition to an all-EV fleet by planning vehicle replacement and charger installation. This includes determining the fleet vehicle charging needs and resulting energy requirements in kWh. DKS modeled each of the City of Roseville's 661 light, medium and heavy-duty municipal fleet vehicles and determined the replacement schedule. DKS also performed site evaluation of all 13 fleet facilities including two large corporation yards and 5 fire stations to vet preliminary recommendations and recommend charger installation locations and estimate project costs by installation phase.

Key Personnel: Mike Usen, Gurbir Antaal, Thomas Paddon, Owen Wang

CITY OF REDDING FLEET ELECTRIFICATION TRANSITION PLAN, CA

The goal of this project was to develop a long-term master plan to transition the City of Redding's fleet vehicles to battery and fuel cell electric vehicles. The plan needed to meet Redding's needs to be fiscally prudent, enable Redding Electric Utility (REU) to meet projected electricity demand, and to comply with California's Advanced Clean Fleets regulation. DKS's role on this Frontier Energy-led team is to evaluate charging strategies for fleet vehicles at each domicile as well as opportunities for the fleet to use public charging. DKS is also developing EV charging strategies for each domicile location that include take-home fleet vehicles, and provide conceptual layouts for EV charging stations with identified implementation phasing.

Key Personnel: Mike Usen, Gurbir Antaal, Steffen Coenen, Owen Wang

SHASTA COUNTY FLEET ELECTRIFICATION TRANSITION PLAN, CA

The goal of this project is to develop a long-term master plan to transition Shasta County's large and diverse vehicle fleet to battery, plug-in hybrid, and fuel cell electric vehicles. The plan must consider that many Shasta County buildings are old and leased, and cannot be upgraded to meet the power demands of EVs and that County vehicles can travel hundreds of miles daily. DKS's role on this Frontier Energy-led team is to evaluate charging strategies for fleet vehicles at each domicile and to determine opportunities for the fleet to use public charging; develop an EV charging strategy at each domicile location that included take-home fleet vehicles, and provide conceptual layouts for EV charging stations at fleet domiciles with a phased approach to implementation.

Key Personnel: Mike Usen, Gurbir Antaal, Owen Wang, Steffen Coenen

ORANGE COUNTY WASTE & RECYCLING ZEV FLEET REPLACEMENT PLANNING, CA

The goal of this project is to develop a master plan to assist Orange County Waste and Recycling (OCWR) comply with California's Advanced Clean Fleets rule. DKS' role on this TetraTech-led team is to evaluate charging strategies for fleet vehicles at each domicile and opportunities for the fleet to use public charging; develop an EV charging strategy at each domicile location including take-home fleet vehicles, and provide conceptual layouts for EV charging stations at fleet domiciles with identified phasing.

Key Personnel: Mike Usen, Steffen Coenen



ELK GROVE INFRASTRUCTURE PLAN FOR FLEET ELECTRIFICATION ELECTRIC VEHICLE, CA

DKS and Frontier supported the City of Elk Grove reduce the City's greenhouse gas and vehicle emissions by planning electric vehicle charging infrastructure for use by the City's fleet vehicles, City staff vehicles, and public vehicles at City facilities. DKS recently completed the final plan for installation of chargers sufficient to maintain fleet readiness and responsiveness. This plan anticipates phased implementation to accommodate additional electric vehicles being added to the City fleet and becoming more prevalent among City staff and the public. In addition to fleet EV charging, the plan addresses use of City-owned properties for installation of public charging infrastructure, including specific recommendations and conceptual design for multiple sites.

Key Personnel: Mike Usen, Gurbir Antaal, Thomas Paddon, Steffen Coenen, Owen Wang

NEVADA COUNTY ZERO EMISSION VEHICLE TRANSITION PLAN, CA

DKS and Frontier prepared this fleet zero emission vehicle transition plan to address the charging needs at 23 Nevada County facilities for fleets including the Sheriff's office, roads, sanitation, motor pool, and transit. In addition to the County itself, we are planning electrification for Grass Valley, Nevada City, and the Town of Truckee. This plan addresses the infrastructure needs for power delivery and charging, hydrogen storage and distribution, maintenance needs, and capital replacement considerations for each fleet. Our analysis and recommendations also include evaluating County-owned facilities for public charging needs. Tasks include establishing a Project Advisory Committee, evaluation of existing conditions, preparation of a 20-year phased Vehicle and Equipment Replacement Plan, and presentation of the plan to Nevada County Board of Supervisors.

Key Personnel: Mike Usen, Gurbir Antaal, Steffen Coenen, Owen Wang

CITY OF SAN JOSÉ FLEET ELECTRIFICATION, WORKPLACE AND PUBLIC CHARGING PLAN, CA

DKS and Frontier are planning EV charging infrastructure for the City's fleet, as well as the general public, including employees at prioritized sites around the city. As part of fleet electrification analysis, DKS is developing charging strategies and recommendations for each fleet site including the number and types of EV chargers needed at each facility and potential for stub-outs for future EVSE as well as identifying strategies to minimize electrical demand, and for back-up power and resiliency. DKS is also exploring opportunities to install public/employee charging at prioritized fleet facilities to optimize infrastructure investments. On the public charging side, DKS is evaluating 15 community sites for the parking lot configuration and turnover in the parking spaces. For both, DKS is identifying optimal locations for installing charging stations, coordinating with PG&E about electrical capacity and infrastructure for EV chargers.

Key Personnel: Mike Usen, Gurbir Antaal, Thomas Paddon, Steffen Coenen, Owen Wang

EAST BAY MUNICIPAL UTILITY DISTRICT, CA

DKS is planning fleet electrification planning for East Bay Municipal Utility District's fleet of 971 vehicles assigned to 28 separate facilities located throughout the Bay Area and in San Joaquin, Calaveras and Amador Counties. The primary focus of this project is compliance with California's Advanced Clean Fleets rule mandating electrification of all medium and heavy-duty vehicles. DKS' role on the project includes assessing existing conditions and review of industry trends, assessment of needs and analysis of gaps, estimating project costs and determining potential barriers to fleet electrification, and assisting with financing strategies and mechanisms for project implementation. We will also assist by preparing corresponding sections of the phased fleet electrification master plan.

Key Personnel: Mike Usen, Gurbir Antaal, Thomas Paddon, Steffen Coenen, Owen Wang

SNOPUD FLEET ELECTRIFICATION SUPPORT, WA

DKS is part of a team that was recently selected to provide fleet electrification support to public agencies within SnoPUD's service territory in partnership with fleet directors and other key stakeholders. DKS' role will be to analyze their current fleet and facilities and develop 10-year transportation electrification plans that promote market interest in electric vehicles and demonstrates the benefits associated with fleet electrification during and after conversion. The Program will address major fleet electrification barriers by providing fleet managers with necessary technical services and allows the utility district to help influence the flexible load potential.

Key Personnel: Mike Usen, Gurbir Antaal, Thomas Paddon, Steffen Coenen, Owen Wang



WORK PLAN & SCHEDULE

DKS has developed and refined the following scope of work during the course of dozens of fleet transition projects. We have customized this based on SPMUD's RFP, though in some cases, we have adjusted the order of specific subtasks to improve efficiency.

TASK 1: PROJECT MANAGEMENT

Provide quality client service by maintaining frequent client and internal team communications, regular updates and accurate invoicing.

SUBTASKS

- 1.1 Prepare project workplan and manage project progress
- 1.2 Prepare for and conduct regularly-scheduled project team meetings and provide meeting minutes
- 1.3 Provide monthly invoices and progress reports

ASSUMPTIONS

- Approximately 7-month of project duration
- 4 one-hour and 8 half-hour virtual meetings

DELIVERABLES

- Meeting agenda and minutes
- Invoices and progress reports

TASK 2: EVALUATE VEHICLE FLEET FOR ELECTRIFICATION

Determine which ICE-powered vehicles can be replaced by battery electric vehicles (EVs) and/or alternative fuels for all fleet sizes and evaluate the anticipated electrical energy needs.

SUBTASKS

- 2.1 Review SPMUD'S existing fleet Utilization Policy and/or vehicle replacement criteria and timeframe
- 2.2 Evaluate existing fleet inventory to identify options for vehicle replacement timeframe and identify vehicle classes unsuitable for EV/alternative fuel vehicle replacement within this timeframe
- 2.3 Identify market-ready (and soon to be market-ready) EVs/alternative fuel vehicles to replace existing ICE-powered fleet vehicles

2.4 Evaluate existing fleet fuel consumption, duty cycle, dwell time and other data to estimate theoretical electrical demands from EV charging at each charging location

2.5 Compute the total cost of ownership (TCO) of the fleet following conversion to EVs including upfront and lifecycle costs

2.6 Prepare conceptual vehicle replacement timeframe in compliance with ACF and post online via dashboard

ASSUMPTIONS

- The analysis will focus on planning vehicle replacement and charging infrastructure for the SPMUD'S 25 existing fleet vehicles at up to five fleet domicile locations including estimated electrical loads for medium-duty and heavy-duty and specialty vehicles in the report
- DKS to receive all fleet data at one time before proceeding with the analysis. If there are new or additional information added after the analysis has begun, that would be considered additional scope, effort and schedule, which can be negotiated between the consultant and the client
- The TCO analysis will only include light-duty vehicle fleet due to current EV model availability

DELIVERABLES

- Memo summarizing interim summary of fleet analysis

TASK 3: EVALUATE FACILITY ELECTRICAL CAPACITY

Evaluate feasibility of each fleet domicile location for charging infrastructure installation for charging in the near term as well as capacity expansion and asset optimization for both chargers and vehicles in the mid and longer terms.

SUBTASKS

- 3.1 Review fleet domicile facility electrical drawings to determine potential constraints and data gaps
- 3.2 Review inventory of existing charging stations used for fleet, employees, and visitors

3.3 Interview Fleet and Facility staff for information on vehicle usage, needs and plans for fleet and facility changes

3.4 Review utility bills (12 months) to determine actual electrical consumption at each facility

3.5 Calculate available electrical capacity for each facility and estimate costs to upgrade

3.6 Assess reliability of grid and need for backup power and energy storage in collaboration with local electrical utilities

ASSUMPTIONS

- DKS to receive all information at one time before proceeding with the analysis. If there are new or additional information added after the analysis has begun, that would be considered additional scope, effort and schedule, which can be negotiated between the consultant and the client

DELIVERABLES

- Memo summarizing facility existing conditions and interim analysis of facility electrical capacity

TASK 4: CHARGING STRATEGY OPTIONS AND BUDGET ESTIMATES

Evaluate alternative charging strategies and technologies.

SUBTASKS

4.1 Identify and evaluate potential alternative EV charging strategies

4.2 Interview departmental managers regarding charging operations, especially for mission-critical vehicles

4.3 Prepare recommendations addressing the most suitable alternative charging strategies

4.4 Identify quantity of EV chargers by type and size per fleet domicile

4.5 Determine the most optimum locations for installing charging stations

4.6 Conduct field visits to inspect fleet facilities and vet conceptual recommendations

4.7 Conduct liaison with local electric utilities regarding needed power upgrades and charger incentives

4.8 Identify and assess backup power needs and technologies

ASSUMPTIONS

- Clients to provide all data requested and provide access to field review of service panel if needed
- Estimates provided will be an order of magnitude analysis intended for planning-level budgetary guidance

DELIVERABLES

- Draft charging strategy recommendations memo and online dashboard

TASK 5: PROJECT COSTS AND FINANCING STRATEGY

Summarize estimated fleet electrification implementation costs and potential funding opportunities, identifying cost saving opportunities (See *efficiency and optimization* summarized below).

SUBTASKS

5.1 Estimate cost of electrical system upgrades and backup power options

5.2 Estimate cost of infrastructure maintenance, replacement costs, and management of charging stations

5.3 Identify existing and potential future grants, rebates and other incentives for EVs and EV charging infrastructure

ASSUMPTIONS

- Planning level costs for budgeting purposes

DELIVERABLES

- Draft memo summarizing estimated project costs including capital expenditure, operating costs and potential future grants, rebates and other incentives

TASK 6: ANALYSIS AND RECOMMENDATIONS

Analyze findings and benchmark against best practices.

SUBTASKS

6.1 Provide recommendations that will improve operations, reduce costs, and address the goal of the District's fleet management program

6.2 Identify and assess possible barriers and constraints to recommendations and recommend solutions

6.3 Determine the cost of service and compare against agencies of similar size and scope including current and former DKS clients

6.4 Develop alternative phasing strategies for implementation of charging and supporting infrastructure over time

ASSUMPTIONS

- Recommendations comprised of both strategic and site-specific recommendations

DELIVERABLES

- Draft memo summarizing recommendations, solutions to barriers and constraints, cost comparison, and phasing strategy alternatives

TASK 7: PREPARE REPORT

Compile the work product from each subsequent task into a comprehensive phased master plan report intended to guide charger deployment at SPMUD'S fleet facilities.

SUBTASKS

7.1 Prepare draft report for client review and update online dashboard

7.2 Conduct presentation of preliminary findings and recommendations

7.3 Finalize report based on client feedback

7.4 Conduct presentation of final report and recommendations to SPMUD'S management

7.5 Prepare and conduct briefing to SPMUD'S senior management summarizing recommendations

ASSUMPTIONS

- Report will be approximately 50-75-pages submitted digitally
- Presentation to consist of approximately 30 slides

DELIVERABLES

- Draft and final reports and online dashboard
- Presentation on key findings, implementation considerations and recommendations



EFFICIENCY AND OPTIMIZATION

As SPMUD is about to discover, transitioning to an EV/ alternative energy fleet can be more expensive than continuing to operate a fleet of gas and diesel vehicles in the near term. This is largely due to the costs associated with purchasing and installing charging infrastructure, especially the facility-specific electrical infrastructure upgrades needed to power the chargers. Obsessed with a desire for efficiency, DKS is committed to identifying and recommending ways to minimize capital investments that will make this transition as easy and inexpensive as possible. Ten examples of methods we employ to optimize cost-effectiveness include:

- Careful analysis of fleet fueling operations in close collaboration with feet and facility managers.
- Identifying the most cost-effective fleet facilities for charging infrastructure installation by evaluating per-EV charging costs.
- Detailed operational analysis of vehicle energy use patterns to determine optimal charging strategies.
- Use of load management technology to reduce peak power demand to reduce cost of electrical upgrades and utility demand charges.
- Evaluation of multiple alternative charging strategies including shared use of charging infrastructure based on fleet vehicle energy demands.
- Detailed fleet energy analysis to determine specific EV charger speeds most appropriate to each vehicle duty cycle.
- Strategic siting of charging infrastructure to reduce cost and maximize charging convenience.
- Use of expandable modular, charging infrastructure architecture.
- Use of bidirectional DC chargers for resiliency and cost-effective HD EV charging.
- ACF-compliant implementation phasing to spread investments over time and delay purchase of ZEVs until more cost effective and mission-suitable ZEVs are available.

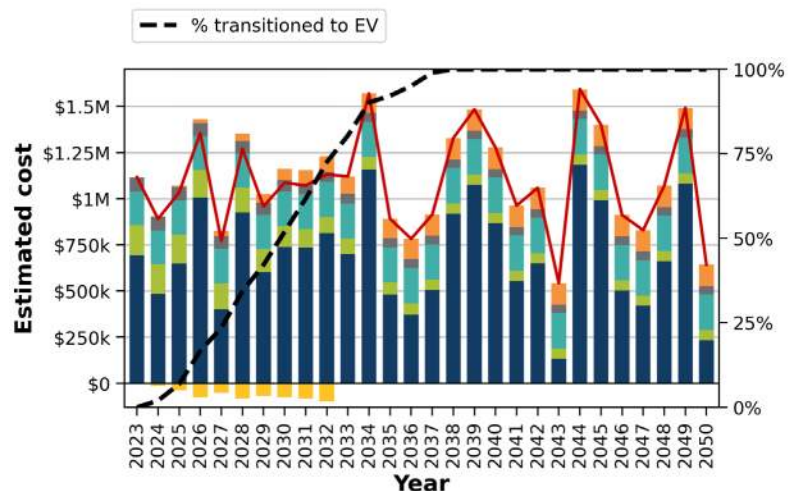


ONLINE DASHBOARD

Our online interactive dashboard empowers fleet managers to make data-driven decisions as they plan and manage their transition to EVs. It offers detailed insights and visualizations across several key areas:

- **Total Cost of Ownership (TCO):** Assess the financial implications of fleet electrification, including associated costs and savings.
- **Charger Installation Recommendations:** Access phased installation plans organized by facility to strategically deploy charging infrastructure.
- **Advanced Clean Fleet (ACF) Compliance Tool:** Linked to our extensive EV database, this tool helps fleet managers maintain regulatory compliance and also ensures that chargers are installed when and where they are needed.
- **Fuel Cost Comparisons:** Compare cost savings between traditional fuels and EV alternatives.
- **EV Procurement Timeline:** Visualize and manage EV acquisition budgets and timelines effectively.
- **Charging Infrastructure Cost Assumptions:** Review detailed assumptions for all associated costs related to charger installations.
- **Interactivity:** Customize and simulate diverse transition strategies over specific timeframes to align with operational and sustainability goals.

This dashboard serves as an invaluable resource for fleet managers, helping them navigate the complexities of transitioning their fleets.



PROJECT SCHEDULE

Here is our project schedule for SPMUD's Fleet Electrification Master Plan.






| Task / Title | 2025 | | | | | | |
|---|------|-----|-----|-----|-----|-----|------|
| | Jan | Feb | Mar | Apr | May | Jun | July |
| Task 1 Project Management | KO | CI | CI | CI | CI | CI | CI |
| Task 2 Evaluate Vehicle Fleet for Electrification | | ● | | | | | |
| Task 3 Evaluate Vehicle Fleet for Electrification | | | ● | | | | |
| Task 4 Charging Strategy Options and Budget Estimates | | | | ● | | | |
| Task 5 Project Costs and Financing Strategy | | | | ● | | | |
| Task 6 Analysis and Recommendations | | | | ● | | | |
| Task 7 Prepare Report | | | | | ● | ● | ● |

Expected NTP to receive week of December 23, 2024

Meetings/Milestones

KO Kick-Off Meeting January 2nd, 2025

CI Check In Meetings

-  Draft Memo
-  Draft Memo & Present Online Dashboard
-  Draft Report, Final Online Dashboard & Presentation to SPMUD Management
-  Final Report
-  Final Presentation to SPMUD Management

FEE SCHEDULE

| | DKS | | | | | Total DKS Hours by Task | DKS Labor Cost by Task |
|---|---------------------|-----------------|---------------------------------|---------------------------------|-----------|-------------------------|------------------------|
| | Principal-In-Charge | Project Manager | Senior Electromobility Engineer | Junior Electromobility Engineer | Admin | | |
| Standard Billing Rates | \$ 330.00 | \$ 250.00 | \$ 260.00 | \$ 200.00 | \$ 145.00 | | |
| TASK 1 PROJECT MANAGEMENT | | | | | | 48 | \$11,280.00 |
| 1.1 Prepare project workplan and manage project progress | | 6 | | | 2 | 8 | \$1,790.00 |
| 1.2 Prepare for and conduct regularly scheduled project team meetings and provide meeting minutes | 6 | 12 | 4 | 8 | 2 | 32 | \$7,910.00 |
| 1.3 Provide monthly invoices and progress reports | | 4 | | | 4 | 8 | \$1,580.00 |
| TASK 2 EVALUATE VEHICLE FLEET FOR ELECTRIFICATION | | | | | | 63 | \$14,900.00 |
| 2.1 Review SPMUD'S existing fleet Utilization Policy and/or vehicle replacement criteria and timeframe | | 1 | | 1 | | 2 | \$450.00 |
| 2.2 Evaluate existing fleet inventory to identify options for vehicle replacement timeframe and identify vehicle classes unsuitable for EV/alternative fuel vehicle replacement within this timeframe | 1 | 2 | 2 | 16 | | 21 | \$4,550.00 |
| 2.3 Identify market-ready (and soon to be market-ready) EVs/alternative fuel vehicles to replace existing ICE-powered fleet vehicles | | | | 4 | | 4 | \$800.00 |
| 2.4 Evaluate existing fleet fuel consumption, duty cycle, dwell time and other data to estimate theoretical electrical demands from EV charging at each charging location | 1 | 2 | 16 | | | 19 | \$4,990.00 |
| 2.5 Compute the total cost of ownership (TCO) of the fleet following conversion to EVs including upfront and lifecycle costs | | 1 | 4 | 4 | | 9 | \$2,090.00 |
| 2.6 Prepare conceptual vehicle replacement timeframe in compliance with ACF | 1 | 1 | 4 | 2 | | 8 | \$2,020.00 |
| TASK 3 EVALUATE FACILITY ELECTRICAL CAPACITY | | | | | | 71 | \$15,655.00 |
| 3.1 Review fleet domicile facility electrical drawings to determine potential constraints and data gaps | 1 | 4 | | 16 | 2 | 23 | \$4,820.00 |
| 3.2 Review inventory of existing charging stations used for fleet, employees, and visitors | | 1 | | 2 | | 3 | \$650.00 |
| 3.3 Interview Fleet and Facility staff for information on vehicle usage, needs and plans for fleet and facility changes | 1 | 3 | | 2 | | 6 | \$1,480.00 |
| 3.4 Review utility bills (12 months) to determine actual electrical consumption at each facility | | 2 | | 2 | 1 | 5 | \$1,045.00 |
| 3.5 Calculate available electrical capacity for each facility and estimate costs to upgrade | | 8 | | 16 | | 24 | \$5,200.00 |
| 3.6 Assess reliability of grid and need for backup power and energy storage in collaboration with local electrical utilities | 2 | 4 | 4 | 4 | | 10 | \$2,460.00 |
| TASK 4 CHARGING STRATEGY OPTIONS AND BUDGET ESTIMATES | | | | | | 82 | \$19,060.00 |
| 4.1 Identify and evaluate potential alternative EV charging strategies | 1 | 2 | | 12 | | 15 | \$3,230.00 |
| 4.2 Interview departmental managers regarding charging operations, especially for mission-critical vehicles | 1 | 2 | 2 | 2 | | 7 | \$1,750.00 |
| 4.3 Prepare recommendations addressing the most suitable alternative charging strategies | 1 | 4 | | 8 | | 13 | \$2,930.00 |
| 4.4 Identify quantity of EV chargers by type and size per fleet domicile | | 2 | | 4 | | 6 | \$1,300.00 |
| 4.5 Determine the most optimum locations for installing charging stations | 1 | 2 | | 4 | | 7 | \$1,630.00 |
| 4.6 Conduct field visits to inspect fleet facilities and vet conceptual recommendations; | | 12 | | | | 12 | \$3,000.00 |
| 4.7 Conduct liaison with local electric utilities regarding needed power upgrades and charger incentives | | 4 | | 8 | | 12 | \$2,600.00 |
| 4.8 Identify and assess backup power needs and technologies | 4 | 2 | | 4 | | 10 | \$2,620.00 |
| TASK 5 PROJECTED COSTS AND FINANCING STRATEGY | | | | | | 31 | \$7,390.00 |
| 5.1 Estimate cost of electrical system upgrades and backup power options | 1 | 2 | | 8 | | 11 | \$2,430.00 |
| 5.2 Estimate cost of infrastructure maintenance, replacement costs, and management of charging stations | 1 | 2 | 2 | 6 | | 11 | \$2,550.00 |
| 5.3 Identify existing and potential future grants, rebates and other incentives for EVs and EV charging infrastructure | 1 | | 8 | | | 9 | \$2,410.00 |
| TASK 6 ANALYSIS AND RECOMMENDATIONS | | | | | | 44 | \$10,610.00 |
| 6.1 Provide recommendations that will improve operations, reduce costs, and address the goal of the District's fleet management program | 1 | 4 | 4 | 8 | | 17 | \$3,970.00 |
| 6.2 Identify and assess possible barriers and constraints to recommendations and recommend solutions | 2 | 2 | | 4 | | 8 | \$1,960.00 |
| 6.3 Determine the cost of service and compare against agencies of similar size and scope including current and former DKS clients | 2 | 4 | 1 | 4 | | 11 | \$2,720.00 |
| 6.4 Develop alternative phasing strategies for implementation of charging and supporting infrastructure over time | 2 | 2 | | 4 | | 8 | \$1,960.00 |
| TASK 7 PREPARE REPORT | | | | | | 87 | \$20,910.00 |
| 7.1 Prepare draft report for client review | 4 | 4 | 4 | 20 | | 32 | \$7,360.00 |
| 7.2 Conduct presentation of preliminary findings and recommendations | 4 | 1 | | 4 | | 9 | \$2,370.00 |
| 7.3 Finalize report based on client feedback | 6 | 4 | 2 | 20 | | 32 | \$7,500.00 |
| 7.4 Conduct presentation of final report and recommendations to SPMUD'S management | 4 | 1 | | 4 | | 9 | \$2,370.00 |
| 7.5 Prepare and conduct briefing to SPMUD'S senior management summarizing recommendations | 2 | 1 | | 2 | | 5 | \$1,310.00 |
| Sub-Total | 51 | 108 | 53 | 203 | 11 | 313 | \$99,805.00 |
| Expenses | | | | | | | |
| Mileage, Lodging & Perdiem (per GSA) | | | | | | | \$100.00 |
| Grand Total | | | | | | | \$99,905.00 |



**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
RESOLUTION NO. 24-37
A RESOLUTION COMMENDING HERB NIEDERBERGER
UPON HIS RETIREMENT**

WHEREAS, Mr. Herb Niederberger, General Manager, is retiring after ten years of outstanding and superlative service at the South Placer Municipal Utility District; and

WHEREAS, during his tenure, Herb was instrumental in the development of the District Policy Manual, District Sewer Code, numerous District initiatives that have increased efficiency, financial solvency, safety, and professionalism at the District; and

WHEREAS, the District has benefitted greatly from Herb’s integrity, knowledge, experience, dedication, and sense of humor; and

WHEREAS, after ten years of outstanding service, Herb will be retiring from the District on December 30, 2024.

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

That this Board does hereby extend to Herb Niederberger its sincere gratitude and appreciation for his dedicated and selfless service to the South Placer Municipal Utility District and wishes him all the best in his retirement.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of South Placer Municipal Utility District on this 5th day of December 2024, by the unanimous vote of the Board.

Signed:

James Durfee, President of the Board of Directors

Attest:

Emilie Costan, Board Secretary

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

RESOLUTION NO. 2438

A RESOLUTION COMMENDING JAMES WILLIAMS FOR HIS DEDICATED SERVICE AS
DIRECTOR OF WARD 5

WHEREAS, Mr. James Williams served as a member of the Board of Directors for Ward 5 of the South Placer Municipal Utility District for 24 years from 2001 to 2024; and

WHEREAS, during his tenure on the Board, Director Williams served five times as Board President and five times as the Board Vice-President; and

WHEREAS, during his tenure on the Board, Director Williams served on numerous District advisory committees including but not limited to the Fee and Finance Advisory Committee, Infrastructure Advisory Committee, and Architectural Advisory Committee; and

WHEREAS, during his tenure on the Board, Director Williams represented the District on the South Placer Wastewater Authority and the Loomis 2x2 Committee; and

WHEREAS, Director Williams was instrumental in numerous District initiatives that have increased efficiency, safety, and professionalism at the District; and

WHEREAS, the District has benefitted greatly from Director Williams’ knowledge, experience, dedication, and integrity.

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

That this Board does hereby extend to James Williams its sincere gratitude and appreciation for his dedicated service to the South Placer Municipal Utility District and wishes him all the best in the future.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of South Placer Municipal Utility District on this 5th day of December 2024, by the unanimous vote of the Board.

Signed:

James Durfee, President of the Board of Directors

Attest: _____

Emilie Costan, Board Secretary

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

RESOLUTION NO. 24-39

**A RESOLUTION COMMENDING JAMES DURFEE FOR HIS
DEDICATED SERVICE AS DIRECTOR OF WARD 4**

WHEREAS, Mr. James Durfee served as a member of the Board of Directors for Ward 4 of the South Placer Municipal Utility District for 4 years from 2021 through 2024; and

WHEREAS, during his tenure on the Board, Director Durfee served as Board President and Vice-President; and

WHEREAS, during his tenure on the Board, Director Durfee served on numerous District advisory committees including but not limited to the Personnel Advisory Committee, Infrastructure Advisory Committee, and Fee and Finance Advisory Committee; and

WHEREAS, during his tenure on the Board, Director Durfee represented the District on the Loomis 2x2 Committee; and

WHEREAS, Director Durfee was instrumental in numerous District initiatives that have increased efficiency, safety, and professionalism at the District; and

WHEREAS, the District has benefitted greatly from Director Durfee’s knowledge, experience, dedication, and integrity.

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

That this Board does hereby extend to James Durfee its sincere gratitude and appreciation for his dedicated service to the South Placer Municipal Utility District and wishes him all the best in the future.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of South Placer Municipal Utility District on this 5th day of December 2024, by the unanimous vote of the Board.

Signed:

Christy Jewell, Vice-President of the Board of Directors

Attest: _____
Emilie Costan, Board Secretary

GENERAL MANAGER REPORT

To: Board of Directors
From: Herb Niederberger, GM
Date: December 5, 2024
Subject: General Manager Monthly Staff Report – November 2024

1) DEPARTMENT REPORTS

Attached are the monthly status reports for the Board’s information:

- A. Administrative Services Department,
- B. Field Services Department, and
- C. Technical Services Department.

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

2) INFORMATION ITEMS

- A. On November 5, 2024, the General Manager and District Superintendent, Eric Nielsen, participated in the Joint Economic Development and Government Affairs meeting conducted by the Loomis Basin Chamber of Commerce.
- B. On November 6, 2024, the General Manager and District Superintendent, Eric Nielsen, joined Director Mitchell and Director-Elect Arney at the Rocklin Chamber of Commerce Government Relations Committee meeting to listen to a debrief of the recent election results.
- C. The General Manager was out of the office November 11 through 15, 2024.
- D. On November 19, 2024, the General Manager and District Superintendent, Eric Nielsen, participated in a check-in with the SPWA partners to hear an update of other utilities efforts pertaining to the EDU study.
- E. On November 21, 2024, the current class of Leadership Rocklin met in the District’s training room to hear the General Manager, and District Superintendent, Eric Nielsen, present information regarding essential operations and maintenance of District facilities to the attendees as part of their Transportation and Infrastructure element. The District Engineer, Carie Huff, was in attendance to answer questions.
- F. On November 26, 2024, the General Manager joined other District personnel in the annual decorating of the Koinonia Family Services Homes for Teens in the Short-Term Residential Treatment Program.

G. On November 27, 2023, the General Manager joined other District personnel and participated in the Day-Before-Thanksgiving Day Parade in Loomis.

H. Advisory Committee Meetings:

- i. On November 20, 2024, the Fee and Finance Advisory Committee met to hear briefings on a) year-end results budgets vs. actuals; b) FY 23/24 audit findings; c) annual (CERBT) and (CEPPT) performance; d) investment allocations and recommendations; e) a proposal to use CEPPT earnings to pay down pension Unfunded Actuarial Liabilities (UAL); f) Newcastle replacement funding – fund 100 v. Fund 400; and g) review of the Depreciation Allocation Policy (# 3130).

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

| PO Req# | Date | Vendor | Description | Amount |
|----------------|-------------|---------------|------------------------------------|---------------|
| 449 | 11/21/2024 | Aquanuity | Aqua Pro Asset Management Software | \$13,000 |

4) **LONG RANGE AGENDA**

January 2025

- Swearing in of new Directors
- Selection of Officers
- Presidential Appointments to Advisory Committees
- Sierra College Payment Agreement
- Sierra College Partners Out-of-Area Service Agreement
- Approve GM 2025 Goals

February 2025

- Quarterly Investment Report
- Mid-Year Budget Adjustments
- Revision to Board Policy 3251

March 2025

- SMMP Audit Update

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: December 5, 2024

Fee & Finance Advisory Committee Meeting

The Administrative Services Manager and Management Analyst attended the annual Fee & Finance Advisory Committee to review the fiscal health of the District including the fiscal year 2023/24 budget to actual review and anticipated audit findings. The committee discussed investment allocations, an additional payment against the District's CalPERS Tier I unfunded accrued liability obligations from the CEPP Trust, the annual depreciation transfer, and the source of funding for Newcastle capital projects. Several of these items will be brought to the full Board as part of the mid-year budget adjustments in February.

Recruitment

The Administrative Services Manager posted the recruitment for the District Superintendent position. The application period is open from November 8th through December 1st.

CalPELRA Conference

The Administrative Services Manager attended the annual CalPELRA Conference in Monterey the week of November 11th. She attended employee and labor relations courses on new case law, new legislation, CalPERS legal trends and compliance, best practices for leave administration, and team building and leadership.

District Outreach Events

The Administrative Services team participated in the Koinonia Holiday Event and the Loomis Day Before Thanksgiving Parade.

November Monthly Investment Transactions per GC §53607

DEPOSITS, TRANSFERS, OR WITHDRAWALS

| | |
|----------------|--|
| CalTRUST: | None |
| CA CLASS: | None |
| LAIF: | None |
| Placer County: | None |
| Wells Fargo: | Transferred \$250K in WF interest income held in WF MM to a 12-mo CD |
| Five Star MM: | None |

ITEM VII. FSD REPORT

To: Board of Directors
From: Eric Nielsen, District Superintendent
Cc: Herb Niederberger, General Manager
Subject: Field Services Department Monthly Report
Meeting Date: December 5, 2024

Department Overview

This section provides the Board an update on the news and major tasks from the Field Services Department (FSD).

1. Supervisory Control and Data Acquisition (SCADA) Replacement

- a. The Notice of Award was approved by the Board at the November meeting and has been issued to the Contractor. The contract is being executed.
- b. The Notice to Proceed is anticipated to be December 2, 2024.

2. Emergency Sewer Replacement

- a. Activities related to the emergency replacement of approximately 200-ft of 18” diameter sewer trunk concluded on November 11, 2024. The notice of completion for the project is being presented to the board during the December meeting.

3. Workplace Violence Prevention Plan and Related Policies

- a. Implementation of two software systems (an emergency communication system and an anonymous reporting system) began on October 8, 2024, and is now complete.
- b. Training for various employee groups on the use of the system will occur during the month of December.

4. Patch Pavement Restoration

- a. B&M Builders, Inc. has completed all pavement restoration activities.

5. Zero-Emission Fleet Transition

- a. The District issued a request for proposals for a ZEV Fleet Transition Master Plan on October 25, 2024. The intent of this Master Plan is to explore options for vehicle replacement schedules, investigate ZEV technologies, evaluate charging alternatives, identify available grant funding, and outline possible exemptions.
- b. Responses were received on November 22, 2024.
- c. The budget includes funds for these professional services. A contract is being presented at the December board meeting for approval.

6. Sewer System Management Plan (SSMP) Audit

- a. Staff are soliciting proposals for professional services to assist with the audit of the District’s SSMP. The completed audit is due February 2, 2025.

Reporting

This section provides the Board an overview of the Field Services Department operations and maintenance activities through 10/31/2024. The work listed is not all inclusive.

1. Lost Time Accidents/Injuries (OSHA 300)

- a. Zero (0)
 - i. 2984 days (8.2 years) without a Lost Time Accident/Injury
- b. Workers Compensation Claims over the last twelve (12) months
 - i. One (1)

2. Safety/Training/Professional Development

- a. Field Services employees participated in training for the following:
 - i. Bypass Pump Operation
 - ii. Portable Generator Operation
 - iii. Material Handling
 - iv. Standard Operating Procedures

3. Customer Service Calls

- a. Response Time Goals over the Last 12 Months

| | Goal | Average | Success Rate |
|---------------------------|--------------|---------|--------------|
| During Business Hours | < 30 minutes | 22 min | 94% |
| During Non-Business Hours | < 60 minutes | 40 min | |

Service Calls - October

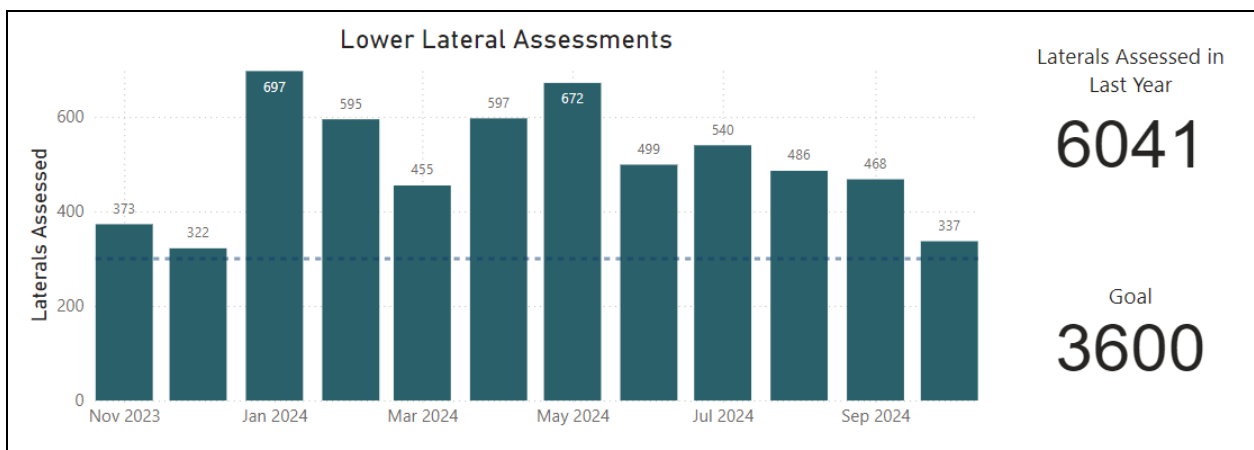
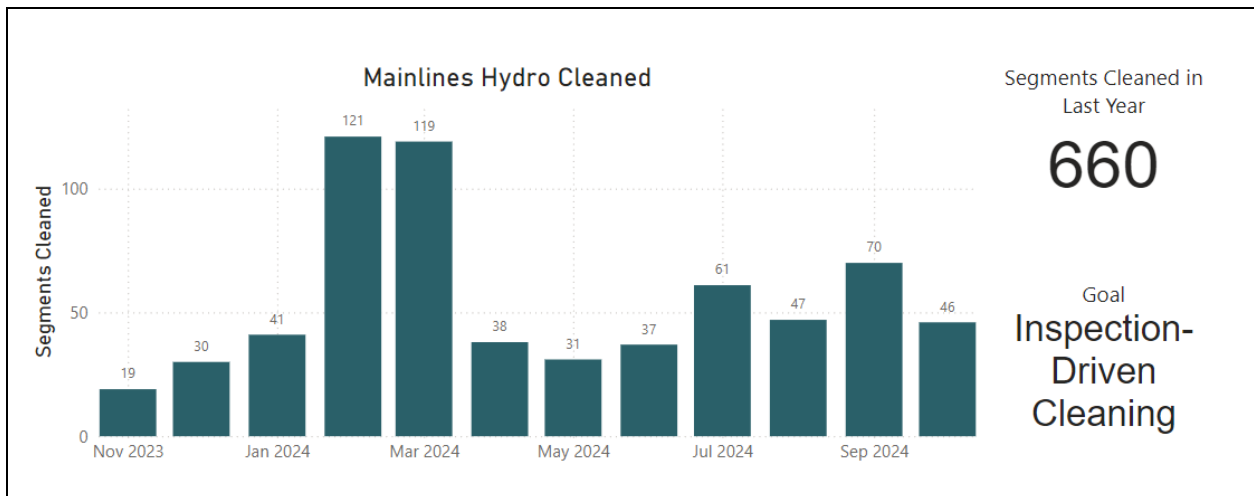
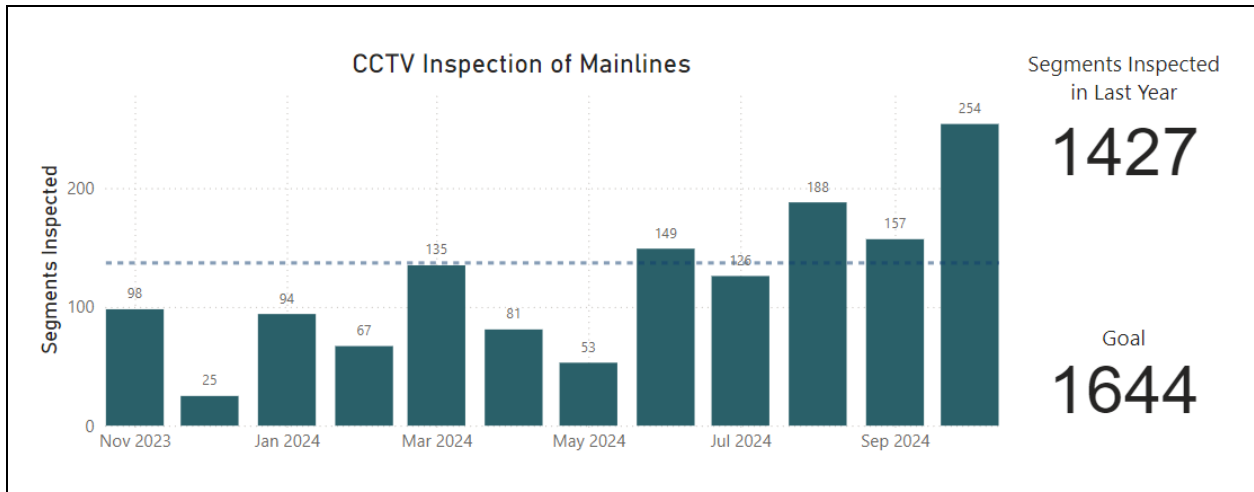
| Responsibility | Spill | Stoppage | Odor | Alarm | PLSD | Misc |
|----------------------|----------|----------|----------|-------|----------|----------|
| SPMUD Responsibility | 1 | 2 | | | | |
| PCWA | | | | | | 1 |
| Owner Responsibility | | 5 | 1 | | 5 | 3 |
| Total | 1 | 7 | 1 | | 5 | 4 |

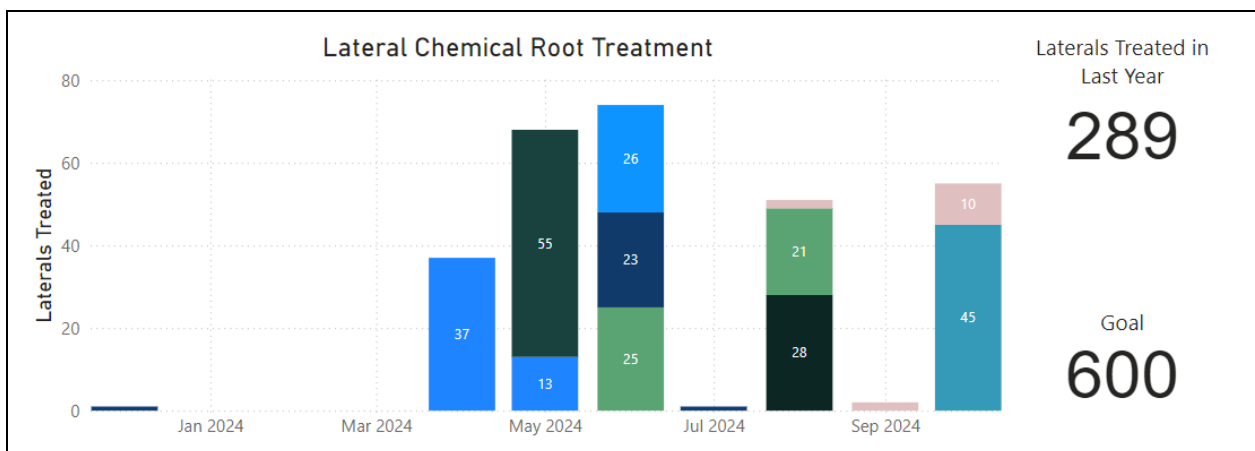
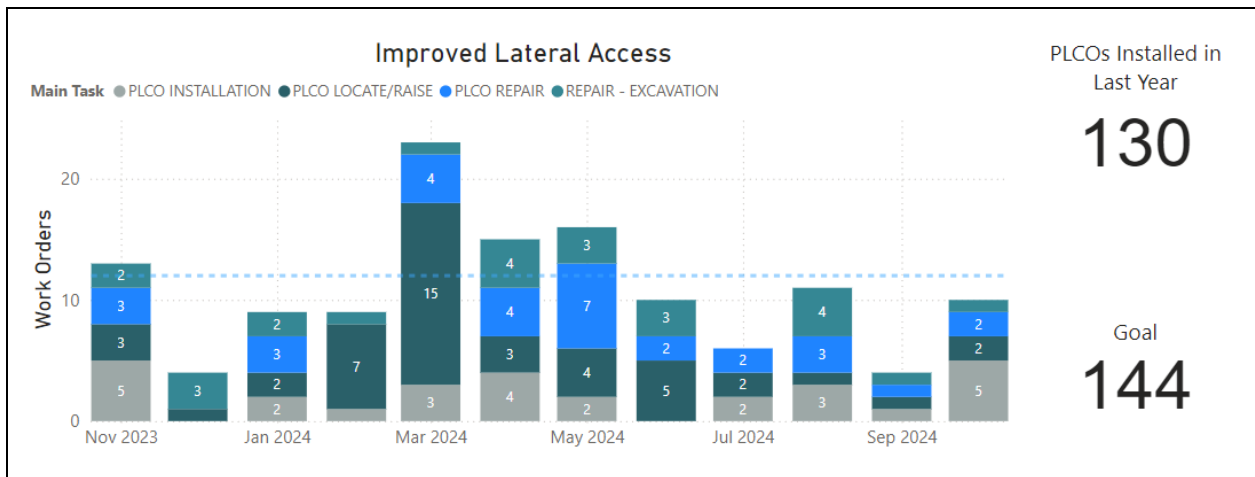
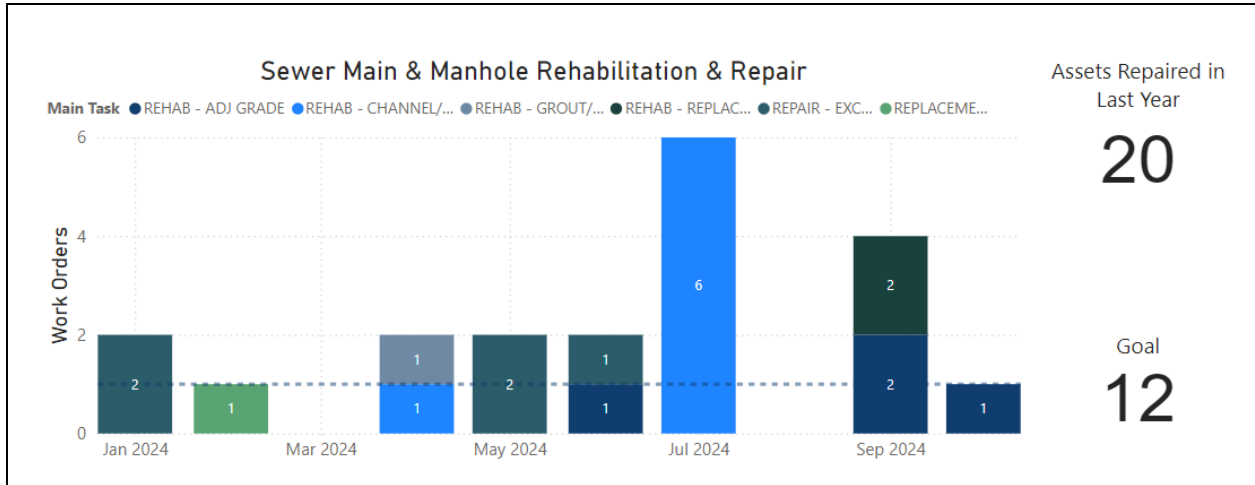
Total Service Calls

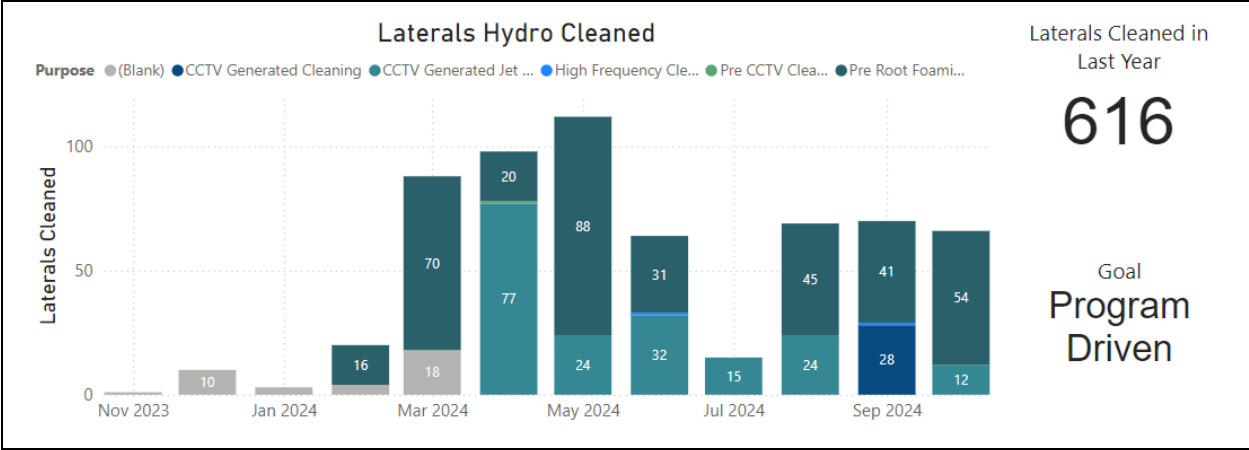
18

4. Production

- a. The information provided below shows the work performed in key areas of focus. It does not represent all the work completed in the department.







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: December 5, 2024

TSD Updates:

- ❖ The District is a Toys for Tots drop-off site. New, unwrapped toys may be dropped off in the District's lobby until December 22nd.
- ❖ The District Engineer and GIS/IT Analyst attended the California Alliance for Sewer System Excellence (CASSE) General Meeting on November 6th. The meeting included information on Cybersecurity, the SacSewer Drone Pilot Program, Confined Space Programs, and the WDR Update.
- ❖ TSD staff participated in the Employee Engagement Committee (EEC) meeting on November 12th. The Employee Engagement Committee is planning for the District's Holiday Team Building Event on December 19th at 11:30 am.
- ❖ TSD staff participated in the development coordination meeting on November 19th to discuss development projects. Representatives from the City of Rocklin, the Town of Loomis, and AT&T attended the meeting.
- ❖ The District Engineer participated in the Fee and Finance Committee meeting on November 20th to review FY23/24 Budget to Actuals, Audit Findings, CERBT and CEPPT Performance including using CEPPT investment earnings to pay down CalPERS UAL and Investment Allocations.
- ❖ TSD staff participated in the regional GIS day on November 20th.
- ❖ The District Engineer attended the Leadership Rocklin Transportation and Infrastructure presentation on November 21st hosted at the District.
- ❖ The District Engineer attended the Monument Springs Bridge Preliminary Design and Constructability review on November 25th. Coordination is required for sewer improvements on the bridge and to the existing lift station due to grade changes at the intersection of Monument Springs Drive and Hidden Glen Drive. The District Engineer is proposing that the sewer improvement and easement acquisition be funded through a refund agreement with the City of Rocklin whereby future connections that benefit from the improvements will pay a pro-rated share that is then reimbursed to the City of Rocklin. The refund agreement will be brought to the District's board for consideration once the costs have been determined.

- ❖ District staff decorated the Koinonia school and group homes for the holiday season on November 26th.
- ❖ District staff participated in the Loomis Day Before Thanksgiving Parade on November 27th.
- ❖ The second quarter commercial audit of FY2024/25 is in process.
- ❖ TSD staff is continuing the audit of laterals in GIS with billing accounts in Tyler at the direction of the board in August. To date, staff have identified one property in Newcastle that is connected to the District's sewer system but is not on billing. Staff will be billing the property owner for the last three years per Policy 3160 – Utility Billing Reconciliation and Payment Policy. This audit process will occur over the next year.
- ❖ TSD continues to work on updates to the District's Standard Specifications and Improvement Standards for Sanitary Sewer to align with the Sewer Code updates and Chapter 4 – Wastewater Pump Stations. Staff provided comments on the last submittal from WaterWorks Engineers (WWE) on November 26th. The final version will be presented to the Board in early 2025.

Northwest Rocklin Sewer Annexation Construction Project (formerly known as Atherton Trunk)

The City approved a resolution to authorize the City Manager to purchase the sewer easements at the October 22nd City Council meeting. Since that time, the City has indicated that coordination with the property owners is ongoing, and the City anticipates the easements will be finalized the week of December 2nd.

There are multiple development applications for projects (Stanford Ranch 6.8 Apartments, Quick Quack Lonetree, and Chapa-De Health Center) upstream of the Northwest Rocklin Sewer Annexation Construction Project that propose to connect to the District's sewer system. The District has noted in responses to the City of Rocklin that connections will be approved on a case-by-case basis pending acceptance of the Northwest Rocklin Sewer Annexation Project.

District Capital Projects:

- 1. Sewer Main I07-119 Emergency Replacement Project, Rocklin:**
Construction was completed on November 8th.
- 2. Sierra College Trunk and Lift Station Abandonment, Rocklin: no update.**
- 3. Cameo Court Trunk and Lift Station Abandonment, Rocklin:** District staff reviewed the preliminary design report and met with WaterWorks Engineers, the design engineer, on November 13th. District staff provided feedback on the alternatives and will be meeting with the City of Roseville to discuss the potential connection on November 25th.
- 4. PCWA / Newcastle Construction Cooperation Project**
PCWA submitted draft front end and technical specifications for review by the District. Staff is reviewing the specifications and providing content.
- 5. Jack in the Box Sewer Replacement Project: no update.**
- 6. Del Rio Court and Delmar Sewer Extension Project: no update.**

7. Taylor Road Crossing, Newcastle: no update.

8. Main Street, Newcastle: no update.

Proposed Annexation of the Castle City Mobile Home Park in Newcastle

As previously reported, the District is required to submit the funding application and manage the project, including funding until reimbursed by the State of California. Sanbell (previously Coleman Engineering) submitted the draft application for District review. Staff reviewed the application and provided comments to Sanbell. Staff will present additional information about the project in the coming months with a request for direction from the board.

Local Agency Formation Commission (LAFCO)

The District received the draft Municipal Services Review and Sphere of Influence Study on November 13th. The District provided comments to RSG on November 27th. LAFCO anticipates the Administrative Draft MSR will be presented to the LAFCO Board on January 8th for comments and feedback.

FOG Program

The District's FOG Inspector conducted seven core sample inspections of grease control devices (GCDs) in October at the following locations:

- 5400 Crossings Drive
- 5406 Crossings Drive
- 5410 Crossings Drive
- Buckhorn BBQ, 5430 Crossings Drive
- Urban Rolls, 5428 Crossings Drive
- Mindscape, 5424 Crossings Drive
- In-N-Out Burger, 5490 Crossings Drive

During the inspection at In-N-Out Burger, the FOG Inspector observed that the inlet tee of the GCD was holding water, indicating a blockage preventing proper drainage. Using a core sampler, the inspector identified significant food debris as the cause of the obstruction. This prompted a kitchen inspection to identify potential BMP (Best Management Practices) deficiencies contributing to the issue. The inspector noted debris in a hand sink and excessive debris in a grate drain used for cleaning floor mats. The Environmental Services Specialist for In-N-Out Burger was promptly informed of the findings. She arranged for the GCD to be serviced immediately by their grease hauler and confirmed plans to address BMP training with management and staff to prevent recurrence.

Additionally, District staff conducted a final inspection for a newly installed GCD at Raku Sushi in Rocklin, marking the completion of this establishment's compliance with the District's Tenant Improvement process.

Lastly, three Food Service Establishments (FSEs) are actively working to resolve Warnings of Non-Compliance issued in June:

- **Via Roma:** Approved plans to replace its existing GCD with a new hydromechanical unit.
- **Pho Cali:** Construction to replace the GCD is scheduled to begin at the end of November.
- **Tokyo Dori:** After a condition assessment, it was determined that the new GCD could be relocated outside the building. Although this is often a challenge due to existing infrastructure, the plumbing contractor successfully developed a design to facilitate external installation.

The District continues to monitor these projects closely to ensure timely compliance and proper implementation of the required improvements.

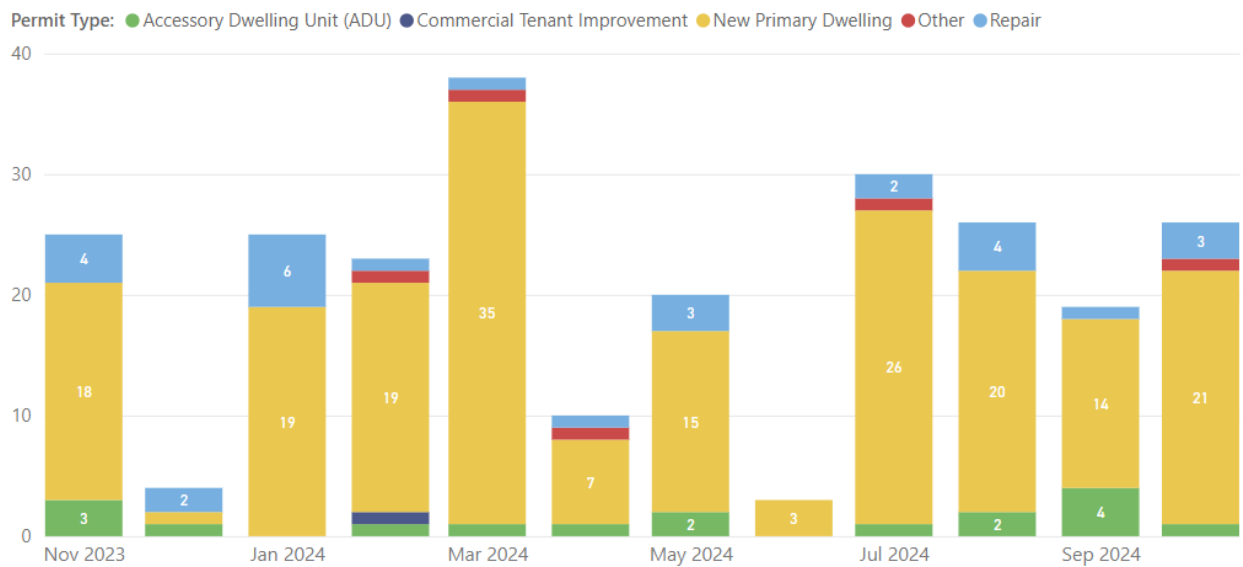
Industrial Pretreatment

The District contracted with H&R Plumbing to complete manhole rehabilitation at two manholes downstream of Moksa Brewing Company. H&R Plumbing will be installing the Mainstay Composite Liner which is a two-component system consisting of a high-strength restoration mortar and an epoxy corrosion barrier coating that cure simultaneously. The channels will also be treated so that they are more resistant to corrosion from the brewery waste stream. The work will occur in early December for an amount of \$12,900. TSD staff are working with business owners to mitigate flow during construction.

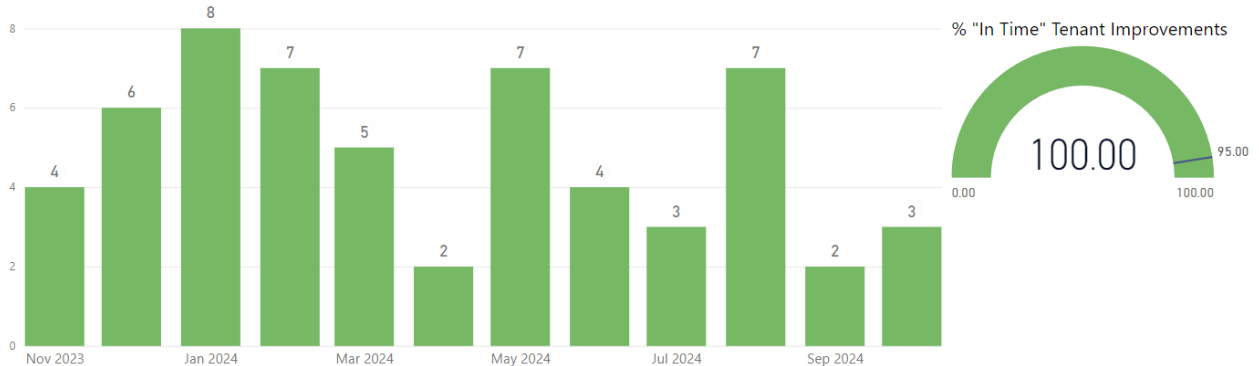
Department Performance Indicators

The following charts depict the efforts and performance of the department in the following areas of work as of October 31, 2024. The charts are being created in a new reporting tool that directly connects to the District’s data, improving the timeliness of reporting efforts and leveraging the District’s investment in technology. Additional charts may be added in the future for other areas of work in the department.

Sewer Permits - Completed - Monthly Totals

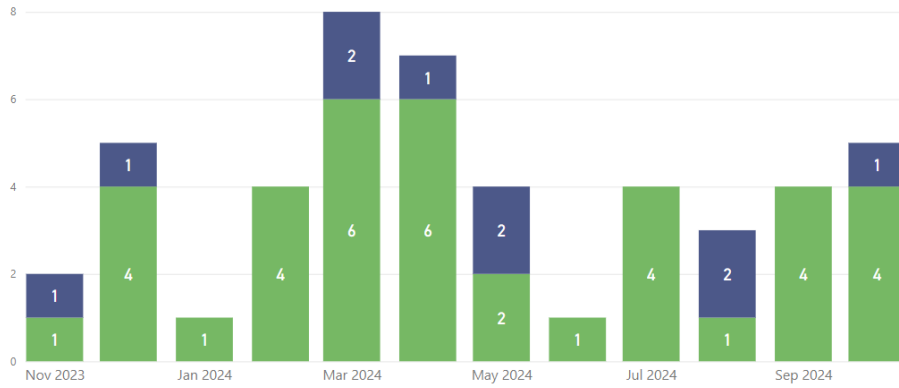


Tenant Improvement Reviews Completed - Monthly Totals



Plan Checks Completed - Monthly Totals

● Plan Checks ● Sign Plans

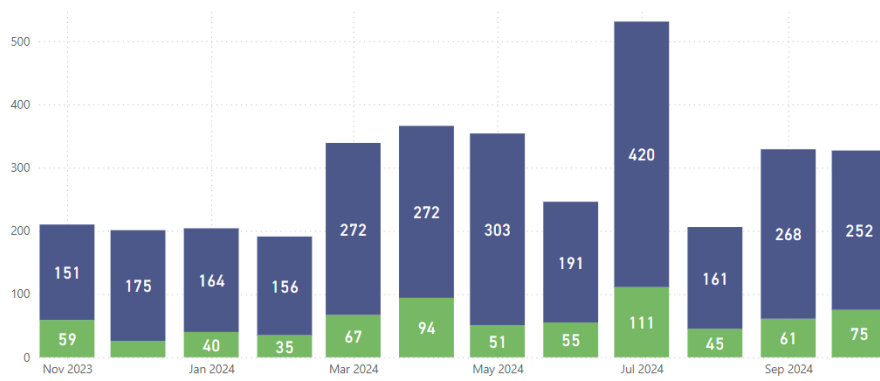


% "In Time" Plan Checks

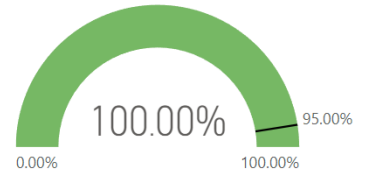


811 Responses

● Office ● Field

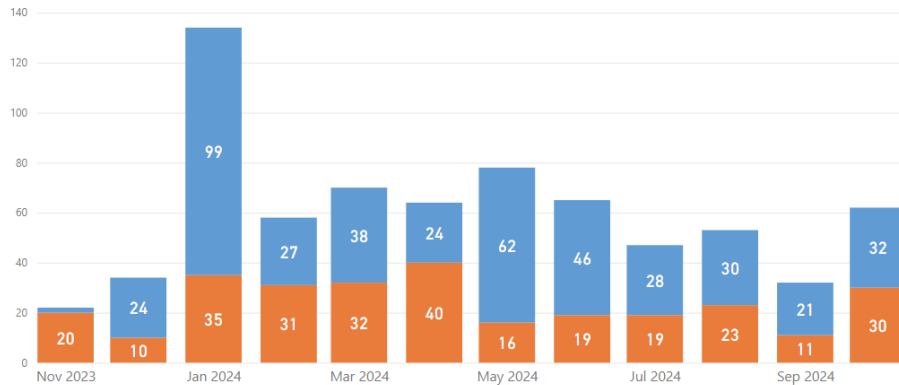


% "In Time" Responses



Building Sewer Inspections - Monthly Totals

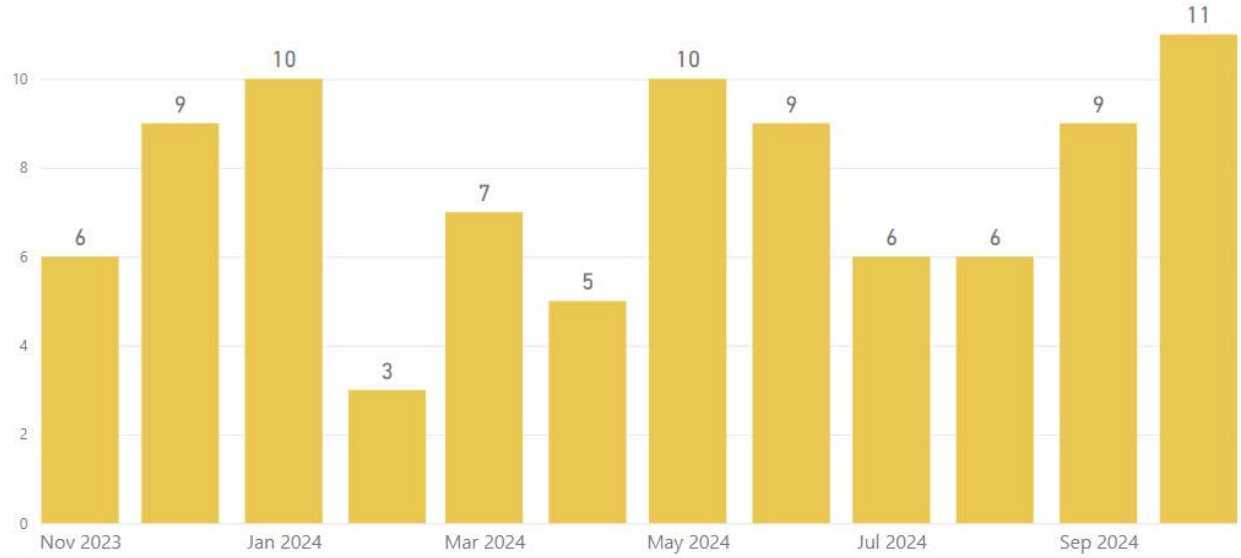
● Rough Inspections ● Final Inspections



% "In Time" Inspections

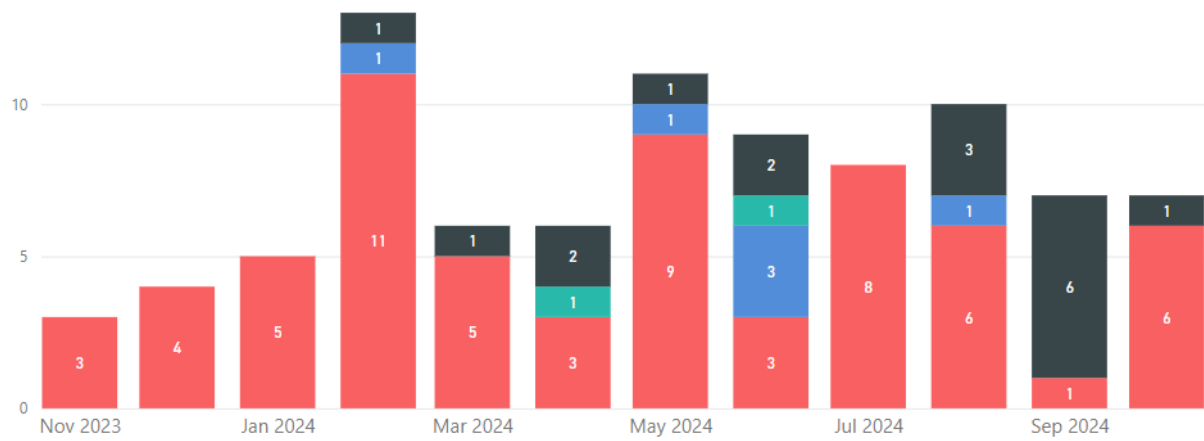


FOG Pickups - Monthly Totals



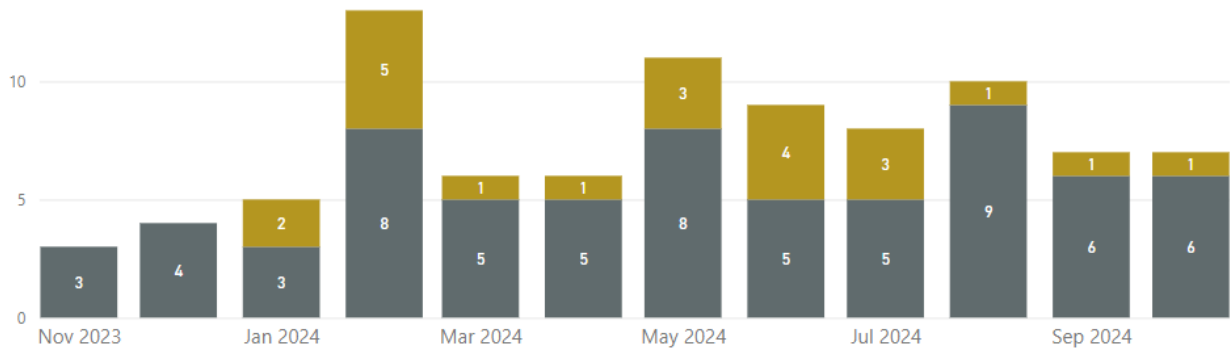
Grease Interceptor Inspections

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

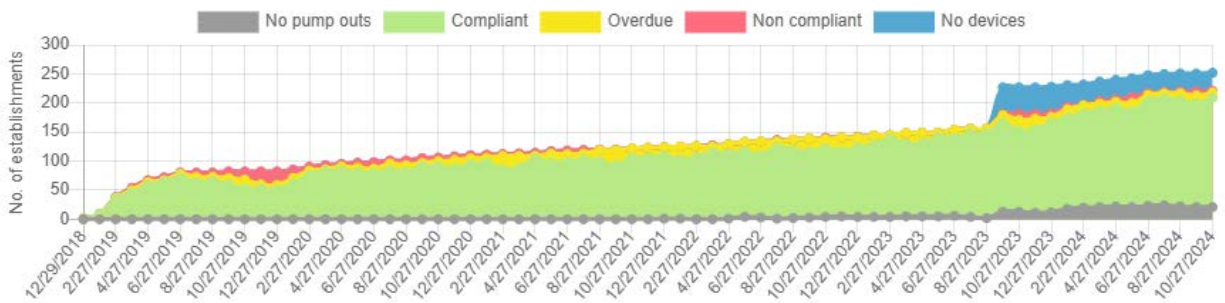


Interceptor Inspection Results

Compliance ● Compliant ● Non-compliant



FOG Compliance History



SwiftComply updated the program to include facilities that do not have a grease control device. This blue area indicates food service establishments that either have no devices or have not been investigated or inspected yet.