



South Placer Wastewater Authority Board Meeting

April 24, 2025



SPWA REGULAR MEETING AGENDA

In accordance with the requirements of California Government Code section 54950 *et seq.*, notice is hereby given of the regular meeting of the Board of Directors of the South Placer Wastewater Authority at the following time and location:

Thursday, April 24, 2025
9:30 a.m.
City of Roseville
2005 Hilltop Circle
Meeting Room 3

AGENDA

CALL TO ORDER

ROLL CALL Directors: Karen Alvord (City of Roseville)
 Anthony DeMattei (County – Vice Chair)
 William Dickinson (SPMUD)
 Bonnie Gore (County)
 Pauline Roccucci (City of Roseville - Chair)

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS

APPROVAL OF MINUTES

Approval: Approval of the January 30, 2025, SPWA Board Meeting Minutes

CONSENT CALENDAR

Receive and File Items:

- a. Investment Report (*Teri*)
- b. SPWA Annual Financial Statements FY23-24 (*Teri*)
- c. Connection Fee Program Report (*Archana*)

PRESENTATIONS

- 1. Information: Rate Stabilization Fund Balances as of December 31, 2024 (*Teri*)

2. Information: Equivalent Dwelling Unit (EDU) Study Update (*Tracie*)
3. Information: Planning Process for Capacity (*Tracie*)
4. Resolution: Request to Modify South Placer Wastewater Service Area Boundary (*Tracie*)
5. Resolution: Request Additional Funding for the Dry Creek and Pleasant Grove Wastewater Treatment Plants Capacity Evaluation Project (*Tracie*)
6. Resolution: Approve Regular Meeting Dates and Times (*Sean and*)

Pam) **REPORTS/COMMENTS – BOARD MEMBERS/STAFF**

ADJOURNMENT

Note: The Board may take action on any matter, however listed on this Agenda, and whether or not listed on this Agenda, to the extent permitted by applicable law. Staff Reports are subject to change without prior notice.

Any disclosable public records related to an open session item on a regular meeting agenda and distributed by the Recording Secretary to all or a majority of the SPWA Board less than 72 hours prior to that meeting are available for public inspection during normal business hours at the City of Roseville Corporation Yard, 2005 Hilltop Circle, Roseville California 95747.

The meeting is accessible to the disabled. In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, please contact Voice:(916) 774-5770, TDD: (916) 774-5220. Requests must be made as early as possible.



Karen Alvord – Roseville
Anthony DeMattei – Placer County
Will Dickinson – SPMUD
Bonnie Gore – Placer County
Pauline Roccucci - Roseville

**MINUTES OF BOARD OF DIRECTORS' MEETING
January 30, 2025**

The regular meeting of the South Placer Wastewater Authority Board of Directors was called to order at 9:30 a.m. at the City of Roseville Corporation Yard, 2005 Hilltop Circle, Roseville, CA.

Directors Present:

Anthony DeMattei
Will Dickinson
Pauline Roccucci

Staff Present:

Osman Mufti, JPA Counsel
Sean Bigley, City of Roseville
Dennis Kauffman, Chief Financial Officer
Pam Walsh, Board Secretary

Directors Absent:

Karen Alvord
Bonnie Gore

Call To Order

Director Roccucci called the South Placer Wastewater Authority Board meeting to order at 9:50 a.m.

Roll Call

Present: DeMattei, Dickinson, Roccucci
Absent: Alvord, Gore

Pledge of Allegiance

Director Dickinson led the Pledge of Allegiance.

Public Comment

No public comments were received.

Election of Chair and Vice Chair

A vote was taken as follows:

MOTION by Director Dickinson, seconded by Director DeMattei, to elect Director Roccucci as Chair.

Vote: Ayes: DeMattei, Dickinson, Roccucci
 Nos: None
 Absent: Alvord, Gore

No public comments were received on this item.

MOTION by Director Dickinson, seconded by Director DeMattei, to elect Director DeMattei as Vice-Chair.

Vote: Ayes: DeMattei, Dickinson, Roccucci
 Nos: None
 Absent: Alvord, Gore

No public comments were received on this item.

Approval of Minutes, September 12, 2024

A vote was taken as follows:

MOTION by Director Dickinson, seconded by Director DeMattei, to approve the September 12, 2024, minutes.

Vote: Ayes: DeMattei, Dickinson, Roccucci
 Nos: None
 Absent: Alvord, Gore

Consent Calendar

BEGINNING OF RECEIVE AND FILE ITEMS

Item A. Investment Review

Director Dickinson asked for clarification regarding the additional accumulated funds listed in the Investment Review report.

Chief Financial Officer, Dennis Kauffman, explained there were four different accounts listed.

He explained that the fund in the amount of \$34,809,537.33 is the project fund which was created in 2017 when the Authority issued bonds to fund a portion of the Pleasant Grove Wastewater Treatment Plant Expansion and Energy Recovery Project. The funds were not used because the Authority and the City of Roseville received a State Revolving Fund loan at a low interest rate. The bond proceeds have been maintained in a separate account earning interest invested in a government money market mutual fund. The money will be eligible to be used for future SPWA projects.

The fund in the amount of \$13,109,867.57 is bond reserves. When the Authority issues bonds to finance infrastructure, typically the bonds require a cash reserve account, in the event the Authority is unable to make a bond payment.

Funds in the amount of \$1,679.03 and \$660.16 are accounts held throughout the year. The funds receive money to pay the bonds' debt service payments, and they earn interest before the debt service payments are made.

Item B. Debt Review

No public comments received on these items.

END OF RECEIVE AND FILE ITEMS

Presentations

1. Appointment of SPWA Executive Director and Deputy Executive Director

SPWA General Counsel, Osman Mufti, presented on the appointment of South Placer Wastewater Authority (SPWA) Executive Director and SPWA Deputy Executive Director.

A vote was taken as follows:

MOTION by Director DeMattei, seconded by Director Dickinson, to elect Sean Bigley as Executive Director of the South Placer Wastewater Authority (Resolution 25-01).

Vote: Ayes: DeMattei, Dickinson, Roccucci
 Nos: None
 Absent: Alvord, Gore

No public comments were received on this item.

MOTION by Director Dickinson, seconded by Director DeMattei, to elect Devin Whittington as Deputy Executive Director of the South Placer Wastewater Authority (Resolution 25-02).

Vote: Ayes: DeMattei, Dickinson, Roccucci
 Nos: None
 Absent: Alvord, Gore

No public comments were received on this item.

2. Resolution: Approval of Dry Creek Wastewater Treatment Plant Electrical Capacity Assessment

City of Roseville Wastewater Utility Manager, Tracie Mueller, requested approval of a new project titled Dry Creek Wastewater Treatment Plant Electrical Capacity assessment with an overall project budget of \$600,000.

MOTION by Director Dickinson, seconded by Director DeMattei, to approve the Dry Creek Wastewater Treatment Plant Electrical Capacity Assessment (Resolution 25-03).

Vote: Ayes: DeMattei, Dickinson, Roccucci
 Nos: None
 Absent: Alvord, Gore

No public comments were received on this item.

3. Resolution: Approval of Additional Funding for the Dry Creek Wastewater Treatment Plant Operations and Laboratory Building Construction Project.

Mrs. Mueller requested authorization to approve increasing the Dry Creek Wastewater Treatment Plant Operations and Laboratory Building Construction Project's budget in the amount of \$2,554.00 for a total project budget of \$14,854,000.

Director Dickinson questioned the cost splits, which indicated 61% for SPWA funds and 31% for regional rehabilitation funds. Mrs. Mueller clarified this was an error in the staff report, and the correct amount should be 69% SPWA funds and 31% regional rehabilitation funds.

MOTION by Director DeMattei ,seconded by Director Dickinson, to approve additional funding for the Dry Creek Wastewater Treatment Plant Operations and Laboratory Building Construction Project's budget in the amount of \$2,554.00 for a total project budget of \$14,854,000, with the clarification that split costs are 69% SPWA funds and 31% regional rehabilitation funds.

Vote: Ayes: DeMattei, Dickinson, Roccucci
 Nos: None
 Absent: Alvord, Gore

No public comments were received on this item.

4. Information: Capital Improvement Projects Update

Mrs. Mueller provided a summary of the progress and financial status of the ongoing SPWA capital improvement projects.

No Public Comments were received on this item.

Reports/Comments – Board Members/Staff

Sean Bigley, Executive Director for SPWA, announced he will not be at the June Board meeting due to a prior commitment; therefore, Devin Whittington, Deputy Executive Director for SPWA, will be staffing that meeting in Mr. Bigley's absence.

Director Roccucci requested that the Directors be polled to assess whether there may be more desirable dates and times to schedule the SPWA Board meetings.

Adjournment

The meeting was adjourned at 11:20 am

Pauline Roccucci
Chair

Pamela Walsh
Secretary to the Board

Item A

Amsitt.



AUTHORITY COMMUNICATION

TO: South Placer Wastewater Authority Board of Directors **DATE:** April 10, 2025

FROM: Teri Quinlan – Accounting Manager

AUTHORITY COMMUNICATION NO.: AC 25-14

SUBJECT: Investment Review

For SPWA Board Meeting 3/24/2025

ACTION REQUESTED

None required. This is an information item.

BACKGROUND

The following report details the performance of the Authority's investments through February 2025.

INVESTMENTS

The Schedule of Investments for February 2025 is attached to this report. The yield to maturity on the invested funds was 3.808%.

Additional Accumulated Funds

The additional accumulated funds, in the amount of \$48.3M, is a combination of:

- \$ 35,187,854 in the Authority's wastewater project fund held by the fiscal agent
- \$ 13,252,348 in the Authority's bond reserve fund held by the fiscal agent
- \$ 1,697 in the Authority's principal fund held by the fiscal agent
- \$ 667 in the Authority's interest fund held by the fiscal agent

Submitted by:

Teri L. Quinlan

Digitally signed by Teri L.
Quinlan
Date: 2025.04.16 11:40:38
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Teri Quinlan
Accounting Manager

Approved by:

**Dennis
Kauffman**

Digitally signed by Dennis
Kauffman
Date: 2025.04.17 08:33:31
-07'00'

Dennis Kauffman
Chief Financial Officer



A handwritten signature in blue ink, appearing to read "Sean Bigley", is positioned above a horizontal line.

Sean Bigley
Executive Director

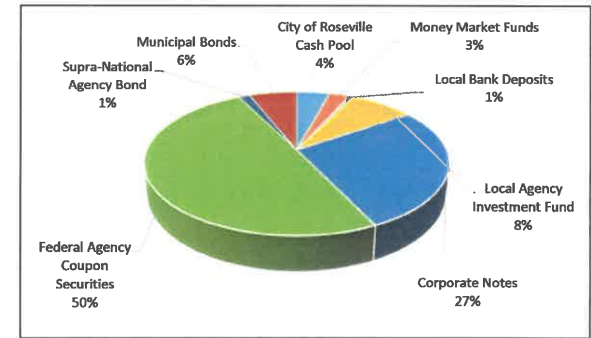


**Performance | Total Portfolio Summary
February 2025**

Benchmark Performance	2/28/2025	11/30/2024
Average Portfolio Yield	3.808	3.807
2Yr CMT	3.990	4.130
LAIF	4.333	4.477

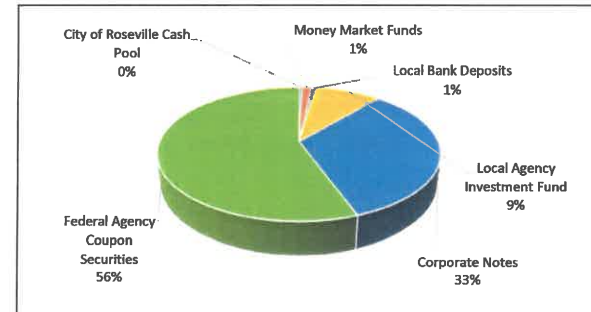
FEBRUARY 2025

Asset Category	Compliance % of Portfolio	YTM/C 365	Days to Maturity	Par Value	Market Value	Book Value
City of Roseville Cash Pool	4.16%	2.432	1	8,864,493	8,864,493	8,864,493
Money Market Funds	2.51%	3.990	1	5,343,660	5,343,660	5,343,660
Local Bank Deposits	0.62%	4.740	1	1,326,859	1,326,859	1,326,859
Local Agency Investment Fund	8.06%	4.333	1	17,166,584	17,166,584	17,166,584
	15.35%	0.580	1	32,701,597	32,701,597	32,701,597
Corporate Notes	27.43%	3.971	911	58,750,000	58,184,114	58,418,654
Federal Agency Coupon Securities	49.79%	3.665	797	107,162,000	105,634,085	106,050,565
Supra-National Agency Bond	1.41%	4.500	1080	3,000,000	2,986,350	3,000,000
Municipal Bonds	6.02%	4.166	1,489	13,145,000	12,713,774	12,812,188
	84.65%	3.228	752	182,057,000	179,518,323	180,281,407
TOTAL PORTFOLIO Average	100.00%	3.808	752	214,758,597	212,219,920	212,983,004



NOVEMBER 2024

Asset Category	Compliance % of Portfolio	YTM/C 365	Days to Maturity	Par Value	Market Value	Book Value
City of Roseville Cash Pool	0.36%	2.446	1	729,185	729,185	729,185
Money Market Funds	1.15%	4.300	1	2,344,983	2,344,983	2,344,983
Local Bank Deposits	0.65%	4.900	1	1,311,621	1,311,621	1,311,621
Local Agency Investment Fund	8.36%	4.477	1	16,969,227	16,969,227	16,969,227
	10.51%	0.464	1	21,355,017	21,355,017	21,355,017
Corporate Notes	31.02%	3.713	844	63,401,000	62,581,335	63,000,824
Federal Agency Coupon Securities	52.17%	3.697	873	107,162,000	105,126,097	105,953,025
Municipal Bonds	6.30%	4.166	1,579	13,145,000	12,719,621	12,790,350
	89.49%	3.343	816	183,708,000	180,427,053	181,744,199
TOTAL PORTFOLIO Average	100.00%	3.807	816	205,063,017	201,782,069	203,099,216






**Monthly Investment Report
Portfolio Management
Portfolio Summary
February 28, 2025**

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM/C
City of Roseville Cash Pool*	8,864,493.21	8,864,493.21	8,864,493.21	4.16	1	1	2.432
Money Market Funds	5,343,660.32	5,343,660.32	5,343,660.32	2.51	1	1	3.990
Local Bank Deposits	1,326,859.34	1,326,859.34	1,326,859.34	0.62	1	1	4.740
Local Agency Investment Funds	17,166,583.84	17,166,583.84	17,166,583.84	8.06	1	1	4.333
Corporate Notes	58,750,000.00	58,184,113.50	58,418,653.66	27.43	1,650	911	3.971
Federal Agency Coupon Securities	107,162,000.00	105,634,085.06	108,050,564.98	49.79	1,735	797	3.665
Supra-National Agency Bond	3,000,000.00	2,986,350.00	3,000,000.00	1.41	1,626	1,080	4.500
Municipal Bonds	13,145,000.00	12,713,774.40	12,812,188.38	6.02	1,697	1,489	4.166
Investments	214,758,596.71	212,219,919.67	212,983,003.73	100.00%	1,444	752	3.806

Total Earnings	February 28 Month Ending	Fiscal Year To Date
Current Year	659,212.89	5,293,846.58
Average Daily Balance	212,776,283.61	209,870,013.63
Effective Rate of Return	4.04%	3.79%

*Estimated balance at month-end
Market values provided by US BANK, and LAIF

THIS SCHEDULE OF INVESTMENTS IS IN COMPLIANCE WITH THE INVESTMENT POLICY AS ESTABLISHED AND SUFFICIENT FUNDS WILL BE AVAILABLE TO MEET CASH FLOW REQUIREMENTS FOR THE NEXT SIX MONTHS.


 Sean Bigley, Executive Director 4/8/2025

 DATE
 Dennis Kauffman Digitally signed by Dennis Kauffman
Date: 2025.04.07 11:02:04 -07'00'

 Dennis Kauffman, Chief Financial Officer

**Monthly Investment Report
Portfolio Management
Interest Earnings Summary
February 28, 2025**

	February 28 Month Ending	Fiscal Year To Date
CD/Coupon/Discount Investments:		
Interest Collected	377,525.87	3,506,703.10
Plus Accrued Interest at End of Period	1,647,238.10	1,647,238.10
Less Accrued Interest at Beginning of Period	(1,518,486.56)	(1,185,620.76)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	<u>506,277.41</u>	<u>3,968,320.44</u>
Adjusted by Premiums and Discounts	56,452.23	426,331.11
Adjusted by Capital Gains or Losses	0.00	28,190.09
Earnings during Periods	<u>562,729.64</u>	<u>4,422,841.64</u>
Pass Through Securities:		
Interest Collected	0.00	0.00
Plus Accrued Interest at End of Period	0.00	0.00
Less Accrued Interest at Beginning of Period	(0.00)	(0.00)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	<u>0.00</u>	<u>0.00</u>
Adjusted by Premiums and Discounts	0.00	0.00
Adjusted by Capital Gains or Losses	0.00	0.00
Earnings during Periods	<u>0.00</u>	<u>0.00</u>
Cash/Checking Accounts:		
Interest Collected	0.00	0.00
Plus Accrued Interest at End of Period	9,724,776.75	9,724,776.75
Less Accrued Interest at Beginning of Period	(9,628,293.50)	(8,853,971.81)
Interest Earned during Period	<u>96,483.25</u>	<u>870,804.94</u>
Total Interest Earned during Period	602,760.66	4,839,125.38
Total Adjustments from Premiums and Discounts	56,452.23	426,331.11
Total Capital Gains or Losses	0.00	28,190.09
Total Earnings during Period	<u>659,212.89</u>	<u>5,293,646.58</u>



Monthly Investment Report
Fund 001 - SPWA
Investments by Fund
February 28, 2025

City of Roseville CA

CUSIP	Investment #	Issuer	Purchase Date	Remaining Cost	Par Value	Market Value	Current Rate	YTM/C 380	YTM/C 385	Maturity Days To Date Maturity
City of Roseville Cash Pool*										
SYS10048	10048	City of Roseville Cash Pool	07/01/2024	8,864,493.21	8,864,493.21	8,864,493.21	2.432	2.398	2.432	1
Subtotal and Average				8,864,493.21	8,864,493.21	8,864,493.21		2.399	2.432	1
Money Market Funds										
431114503	10434	US BANK	07/01/2024	5,343,660.32	5,343,660.32	5,343,660.32	3.990	3.935	3.990	1
Subtotal and Average				5,343,660.32	5,343,660.32	5,343,660.32		3.935	3.990	1
Local Bank Deposits										
FSB	10746	FIVE STAR BANK	07/01/2024	662,821.99	662,821.99	662,821.99	4.470	4.408	4.470	1
RCB	10745	RIVER CITY BANK	07/01/2024	664,037.35	664,037.35	664,037.35	5.010	4.941	5.010	1
Subtotal and Average				1,326,859.34	1,326,859.34	1,326,859.34		4.675	4.740	1
Local Agency Investment Funds										
40-31-001	10032	Local Agency Investment Fund	07/01/2024	17,166,583.84	17,166,583.84	17,166,583.84	4.333	4.273	4.333	1
Subtotal and Average				17,166,583.84	17,166,583.84	17,166,583.84		4.274	4.333	1
Corporate Notes										
023135CF1	10694	AMAZON	06/03/2022	2,149,548.50	2,150,000.00	2,112,009.50	3.300	3.258	3.304	04/13/2027 773
023135BC9	10718	AMAZON	09/16/2022	2,881,740.00	3,000,000.00	2,925,480.00	3.150	3.983	4.038	08/22/2027 904
06048WK41	10690	Bank of America Corp	11/25/2020	2,000,000.00	2,000,000.00	1,938,920.00	0.650	0.712	0.722	11/25/2025 269
110122CN6	10719	BRISTOL MYERS SQUIBB	09/16/2022	1,946,860.00	2,000,000.00	1,973,500.00	3.200	3.914	3.968	06/15/2026 471
14913UAQ3	10771	CATERPILLAR FINANCIAL SE	10/03/2024	2,040,760.00	2,000,000.00	1,991,560.00	4.375	3.856	3.910	08/16/2029 1,629
14913UAX8	10782	CATERPILLAR FINANCIAL SE	02/11/2025	1,514,790.00	1,500,000.00	1,522,725.00	4.800	4.509	4.572	01/08/2030 1,774
166764BW9	10691	CHEVRON CORP NOTE	04/28/2021	1,028,570.00	1,000,000.00	994,320.00	1.554	0.821	0.832	05/11/2025 71
166764BD1	10695	CHEVRON CORP NOTE	06/03/2022	2,520,900.00	2,500,000.00	2,482,800.00	3.326	3.026	3.068	11/17/2025 261
532457CQ9	10781	ELI LILLY CO	11/14/2024	2,474,875.00	2,500,000.00	2,482,250.00	4.200	4.374	4.435	08/14/2029 1,627
458140AX8	10698	INTEL CORP	06/24/2022	1,955,340.00	2,000,000.00	1,936,000.00	3.150	3.603	3.653	05/11/2027 801
24422EXB0	10776	JOHN DEERE CAP MTN	01/08/2024	1,533,225.00	1,500,000.00	1,529,790.00	4.950	4.343	4.403	07/14/2028 1,231
46625HQW3	10699	JP MORGAN CHASE CORP NOTES	06/21/2022	1,939,600.00	2,000,000.00	1,978,660.00	3.300	4.118	4.175	04/01/2026 396
571676AT2	10736	MARS INC	06/20/2023	2,491,500.00	2,500,000.00	2,497,950.00	4.550	4.564	4.627	04/20/2028 1,146
58933YBC8	10738	MERCK & CO INC	09/12/2023	2,692,500.00	3,000,000.00	2,839,410.00	1.700	4.853	4.717	06/10/2027 831

Data Updated: SET_001: 03/26/2025 15:00
 Run Date: 03/26/2025 - 15:00

Portfolio SPWA
 AP
 FI (PRF_FI) 7.3.11
 Report Ver. 7.3.11

**Fund 001 - SPWA
Investments by Fund
February 28, 2025**

CUSIP	Investment #	Issuer	Purchase Date	Remaining Cost	Par Value	Market Value	Current Rate	YTM/C 360	YTM/C 365	Maturity Date	Days To Maturity
Corporate Notes											
30303M8L9	10730	META PLATFORMS INC	06/20/2023	2,493,750.00	2,500,000.00	2,527,250.00	4.600	4.593	4.656	05/15/2028	1,171
30303M8L9	10739	META PLATFORMS INC	10/17/2023	1,961,060.00	2,000,000.00	2,021,800.00	4.600	5.011	5.080	05/15/2028	1,171
57629W4T4	10765	MASSMUTUAL MTN	07/11/2024	3,047,550.00	3,000,000.00	3,068,340.00	5.150	4.715	4.781	05/30/2029	1,551
641062BA1	10722	NESTLE HOLDINGS INC	09/16/2022	1,997,880.00	2,000,000.00	1,996,800.00	4.000	3.986	4.041	09/12/2025	195
654106AJ2	10700	NIKE INC	06/03/2022	2,454,350.00	2,500,000.00	2,426,425.00	2.750	3.117	3.161	03/27/2027	756
713448GB8	10784	PEPSICO INC GLOBAL NOTES	02/11/2025	1,501,875.00	1,500,000.00	1,510,065.00	4.600	4.508	4.571	02/07/2030	1,804
771196BK7	10701	ROCHE HOLDINGS INC	06/03/2022	2,440,950.00	2,500,000.00	2,454,200.00	2.625	3.222	3.266	05/15/2026	440
771196CP5	10768	ROCHE HOLDINGS INC	09/12/2024	2,533,125.00	2,500,000.00	2,483,550.00	4.203	3.854	3.908	09/09/2029	1,653
784710AA3	10729	SSM HEALTH CARE	11/18/2022	2,348,986.50	2,450,000.00	2,413,470.50	3.823	4.779	4.846	06/01/2027	822
872540AQ2	10703	TJX COS INC	06/21/2022	1,867,040.00	2,000,000.00	1,941,640.00	2.250	3.916	3.970	09/15/2026	563
89236TMF9	10766	TOYOTA MOTOR CREDIT CORP COMM	07/11/2024	2,031,560.00	2,000,000.00	2,038,320.00	5.050	4.616	4.680	05/16/2029	1,537
872898AF8	10704	TSMC ARIZ CORP	06/24/2022	1,991,380.00	2,000,000.00	1,978,720.00	3.875	3.918	3.973	04/22/2027	782
91324PEG3	10708	UNITEDHEALTH GROUP	06/21/2022	2,124,243.00	2,150,000.00	2,118,158.50	3.700	3.916	3.970	05/15/2027	805
Subtotal and Average				57,963,958.00	58,760,000.00	58,184,113.50		3.917	3.971		952
Federal Agency Coupon Securities											
31422BA26	10676	FEDERAL AGRIC MTG CORP AGCY	05/19/2020	5,000,000.00	5,000,000.00	4,961,250.00	0.675	0.665	0.675	05/19/2025	79
31422BY46	10685	FEDERAL AGRIC MTG CORP AGCY	10/14/2020	3,000,000.00	3,000,000.00	2,932,200.00	0.540	0.532	0.540	10/14/2025	227
31424WCR1	10747	FEDERAL AGRIC MTG CORP AGCY	12/12/2023	1,855,180.00	1,850,000.00	1,868,666.50	4.375	4.252	4.311	12/04/2028	1,374
3133EMHF2	10688	Federal Farm Credit Bank	11/27/2020	2,000,000.00	2,000,000.00	1,948,220.00	0.600	0.591	0.599	11/24/2025	268
3133ENTS9	10693	Federal Farm Credit Bank	04/05/2022	4,780,875.00	4,750,000.00	4,614,007.50	2.600	2.427	2.461	04/05/2027	765
3133ENNG1	10711	Federal Farm Credit Bank	07/18/2022	3,547,500.00	3,750,000.00	3,596,700.00	1.860	3.098	3.141	02/08/2027	709
3133ENA26	10727	Federal Farm Credit Bank	11/17/2022	2,935,500.00	3,000,000.00	2,979,240.00	3.750	4.331	4.391	07/13/2026	499
3133ENVM9	10732	Federal Farm Credit Bank	06/16/2023	4,607,128.80	4,734,000.00	4,655,368.26	3.740	4.296	4.356	04/27/2028	1,153
3133EPMA0	10734	Federal Farm Credit Bank	06/16/2023	4,992,500.00	5,000,000.00	4,988,850.00	4.690	4.659	4.723	06/09/2028	1,196
3133EMXP2	10741	Federal Farm Credit Bank	10/16/2023	1,673,520.00	1,900,000.00	1,785,468.00	1.200	4.848	4.916	04/28/2027	788
3133ERCX7	10753	Federal Farm Credit Bank	05/17/2024	3,012,000.00	3,000,000.00	3,014,220.00	5.170	4.987	5.056	05/01/2028	1,157
3133ERDH1	10754	Federal Farm Credit Bank	05/14/2024	5,061,000.00	5,000,000.00	5,127,800.00	4.750	4.411	4.472	04/30/2029	1,521
3133EMV74	10758	Federal Farm Credit Bank	07/11/2024	2,631,240.00	3,000,000.00	2,682,090.00	1.400	4.204	4.262	04/26/2029	1,517
3133ENQK9	10759	Federal Farm Credit Bank	07/11/2024	1,871,700.00	2,000,000.00	1,892,880.00	2.750	4.225	4.283	03/07/2029	1,467
3133ENUF5	10760	Federal Farm Credit Bank	07/11/2024	2,877,840.00	3,000,000.00	2,900,010.00	3.380	4.277	4.336	04/11/2029	1,502
3133ERKX8	10761	Federal Farm Credit Bank	07/12/2024	5,019,250.00	5,000,000.00	5,031,550.00	4.250	4.106	4.163	07/12/2029	1,594

Data Updated: SET_001: 03/26/2025 15:00

Run Date: 03/26/2025 - 15:00

Portfolio SPWA

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**Fund 001 - SPWA
Investments by Fund
February 28, 2025**

CUSIP	Investment #	Issuer	Purchase Date	Remaining Cost	Par Value	Market Value	Current Rate	YTM/C 360	YTM/C 365	Maturity Date	Days To Maturity
Federal Agency Coupon Securities											
3133ERB67	10779	Federal Farm Credit Bank	11/14/2024	2,502,000.00	2,500,000.00	2,515,650.00	4.250	4.172	4.230	02/14/2029	1,446
3130ASD22	10696	Federal Home Loan Bank	06/29/2022	3,000,000.00	3,000,000.00	2,955,660.00	3.590	3.540	3.590	06/29/2027	850
3130ALCE2	10709	Federal Home Loan Bank	07/18/2022	3,306,397.50	3,675,000.00	3,456,447.75	0.920	4.350	4.411	02/26/2027	727
3130ATCY1	10720	Federal Home Loan Bank	09/30/2022	1,997,500.00	2,000,000.00	1,999,440.00	4.500	4.491	4.553	09/30/2027	943
3130AT2Y2	10725	Federal Home Loan Bank	11/17/2022	2,825,760.00	2,900,000.00	2,862,735.00	3.700	4.627	4.691	08/23/2027	905
3130AWTR1	10737	Federal Home Loan Bank	09/13/2023	2,993,400.00	3,000,000.00	3,036,630.00	4.375	4.361	4.422	09/08/2028	1,287
3130AXEL8	10740	Federal Home Loan Bank	10/16/2023	3,614,760.00	3,600,000.00	3,685,968.00	4.750	4.591	4.655	09/08/2028	1,287
3130B1H42	10755	Federal Home Loan Bank	06/06/2024	625,000.00	625,000.00	625,431.25	5.520	5.444	5.519	05/30/2029	1,551
3130B1BC0	10757	Federal Home Loan Bank	07/11/2024	5,100,000.00	5,000,000.00	5,109,300.00	4.625	4.110	4.167	06/08/2029	1,560
3130AH3Z4	10772	Federal Home Loan Bank	10/07/2024	3,477,637.50	3,750,000.00	3,436,650.00	2.200	3.767	3.820	09/24/2029	1,668
3130ATHX8	10773	Federal Home Loan Bank	10/07/2024	4,070,920.00	4,000,000.00	4,004,560.00	4.125	3.676	3.727	09/14/2029	1,658
3134GVR26	10684	Federal Home Loan Mtg Corp	06/25/2020	5,000,000.00	5,000,000.00	4,943,300.00	0.700	0.690	0.700	06/25/2025	116
3134GWXX9	10686	Federal Home Loan Mtg Corp	10/15/2020	2,000,000.00	2,000,000.00	1,954,740.00	0.550	0.542	0.550	10/15/2025	228
3134GXRMB8	10697	Federal Home Loan Mtg Corp	06/24/2022	3,113,924.00	3,128,000.00	3,085,302.80	3.550	3.663	3.714	05/18/2027	808
3134GXU36	10724	Federal Home Loan Mtg Corp	10/28/2022	3,929,600.00	4,000,000.00	3,983,720.00	4.200	4.803	4.869	08/27/2027	909
3135GAS77	10752	Federal National Mtg Assn	05/16/2024	2,997,000.00	3,000,000.00	3,000,030.00	5.550	5.509	5.586	04/30/2027	790
Subtotal and Average				105,419,132.80	107,182,000.00	105,634,085.06		3.615	3.685		1,015
Supra-National Agency Bond											
45950VJJ3	10783	International Finance Corp	02/14/2025	3,000,000.00	3,000,000.00	2,986,350.00	4.500	4.438	4.500	02/14/2030	1,811
Subtotal and Average				3,000,000.00	3,000,000.00	2,986,350.00		4.438	4.500		1,811
Municipal Bonds											
13063DMB1	10756	CA ST REV BONDS	07/11/2024	1,898,740.00	2,000,000.00	1,912,500.00	3.050	4.193	4.251	04/01/2029	1,492
544351RN1	10764	CA ST REV BONDS	07/11/2024	1,301,489.00	1,225,000.00	1,284,620.75	6.000	4.273	4.332	09/01/2028	1,280
13063EBP0	10770	CA ST REV BONDS	10/07/2024	1,368,089.80	1,295,000.00	1,340,066.00	5.125	3.796	3.849	09/01/2029	1,645
20772KKB4	10778	CONNECTICUT ST	11/14/2024	1,109,724.80	1,195,000.00	1,117,623.75	2.627	4.284	4.344	07/01/2029	1,583
378460C31	10780	GLENDALE CA UNI SCH	11/14/2024	1,315,650.00	1,500,000.00	1,299,930.00	1.480	4.285	4.345	09/01/2029	1,645
574193WW4	10763	MaryLand State	07/11/2024	1,789,998.75	1,775,000.00	1,785,543.50	4.440	4.233	4.292	06/01/2029	1,553
692020T75	10748	Oxnard Cal School District	12/26/2023	1,042,514.55	1,155,000.00	1,080,710.40	1.439	4.335	4.395	08/01/2027	883
91412HFG3	10767	UNIV OF CAL TXBL REV BONDS	08/14/2024	2,930,400.00	3,000,000.00	2,892,780.00	3.349	3.822	3.875	07/01/2029	1,583
Subtotal and Average				12,756,806.90	13,145,000.00	12,713,774.40		4.109	4.166		1,488

**Fund 001 - SPWA
Investments by Fund
February 28, 2025**

CUSIP	Investment #	Issuer	Purchase Date	Remaining Cost	Market Value	Current Rate	YTM/C 380	YTM/C 385	
Total Investments and Average				211,841,294.41	214,758,596.71	212,219,919.67	3.756	3.808	882



Monthly Investment Report
Purchases Report
Sorted by Fund - Maturity Date
February 1, 2025 - February 28, 2025

CUSIP	Investment #	Fund	Sec. Type	Issuer	Original Par Value	Purchase Date	Payment Periods	Principal Purchased	Accrued Interest at Purchase	Rate at Purchase	Maturity/Call Date	YTM	Ending Book Value
SPWA													
14913UAX8	10782	001	MTN	CATERP	1,500,000.00	02/11/2025	07/08 - 01/08	1,514,790.00	Received	4.800	01/08/2030	4.573	1,514,622.60
713448GB8	10784	001	MTN	PEPSIC	1,500,000.00	02/11/2025	08/07 - 02/07	1,501,875.00	Received	4.600	01/07/2030		1,501,854.12
45950VUJ3	10783	001	MC2	IFC	3,000,000.00	02/14/2025	08/14 - 02/14	3,000,000.00		4.500	02/14/2028	4.500	3,000,000.00
				Subtotal	6,000,000.00			6,016,665.00	0.00				6,016,476.72
				Total Purchases	6,000,000.00			6,016,665.00	0.00				6,016,476.72

Received = Accrued Interest at Purchase was received by report ending date.



Monthly Investment Report
Maturity Report
Sorted by Maturity Date
 Receipts during February 1, 2025 - February 28, 2025

CUSIP	Investment #	Fund	Sec. Type	Issuer	Par Value	Maturity Date	Purchase Date	Rate at Maturity	Book Value at Maturity	Interest	Maturity Proceeds	Net Income
89236TGT6	10705	001	MTN	TOY	2,500,000.00	02/13/2025	06/03/2022	1.800	2,500,000.00	22,500.00	2,522,500.00	22,500.00
384802AE4	10672	001	MTN	WW GRA	2,151,000.00	02/15/2025	04/28/2020	1.850	2,151,000.00	19,896.75	2,170,896.75	19,896.75
Total Maturities					4,651,000.00				4,651,000.00	42,396.75	4,693,396.75	42,396.75

Item B



AUTHORITY COMMUNICATION

TO: South Placer Wastewater Authority **DATE:** April 10, 2025
Board of Directors

FROM: Teri Quinlan, Accounting Manager

AUTHORITY COMMUNICATION NO.: AC 25-15

SUBJECT: Audited Financial Statements for the Fiscal Year Ended June 30, 2024

For SPWA Board Meeting 4/24/2025

ACTION REQUESTED

This communication is informational only. No action is required of the board.

BACKGROUND

The attached audited financial statements, report on internal control, and the communication letter to those charged with governance are for the fiscal year ended June 30, 2024. Lance, Soll, and Lunghard, LLP (LSL) conducted the audit of the financial statements. As a result of that audit, SPWA received an unmodified (clean) opinion. Additionally, they did not identify any audit findings or misstatements, and did not encounter any difficulties or have any disagreements with management while performing procedures.

The financial statements include a Management Discussion and Analysis (MD&A) section, which provides a narrative overview and analysis of the financial activities of SPWA.

Also attached is the Single Audit report. A Single Audit is an audit that is required when a non-federal entity expends federal awards (grants) totaling \$750,000 or more in a single fiscal year. The State Revolving Fund loans that the Authority is using to fund the Pleasant Grove Wastewater Treatment Plant Expansion and Energy Recovery Projects is a loan program which meets the requirements for a Single Audit. There were no audit findings and no misstatements identified as a result of this audit.

Submitted by:

Teri L. Quinlan Digitally signed by Teri L. Quinlan
Date: 2025.04.16 11:37:48 -0700'

Teri Quinlan
Accounting Manager



Approved by:

**Dennis
Kauffman**

Digitally signed by
Dennis Kauffman
Date: 2025.04.16
15:20:01 -07'00'

**Dennis Kauffman
Chief Financial Officer**

A handwritten signature in black ink that reads "S. Bigley".

**Sean Bigley
Executive Director**

**South Placer Wastewater Authority Audit
Communication Letter
FY24**



March 25, 2025

To the Board of Directors
South Placer Wastewater Authority
Roseville, California

We have audited the financial statements of the Southern Placer Wastewater Authority, (the "Authority") 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 *Government Auditing Standards*, 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 April 18, 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 Authority 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 2023-2024. We noted no transactions entered into by the Authority 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.

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. We are pleased to report that no such misstatements were identified during the course of our audit.

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 March 25, 2025.



To the Board of Directors
South Placer Wastewater Authority
Roseville, California

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

Future GASB Pronouncements

The following Government Accounting Standards Board (GASB) pronouncements will be effective for the following fiscal years’ audits and should be reviewed for proper implementation by management:

Fiscal Year 2024-2025

GASB Statement No. 101, *Compensated Absences*.

GASB Statement No. 102, *Certain Risk Disclosures*.

Fiscal Year 2025-2026

GASB Statement No. 103, *Financial Reporting Model Improvements*.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*.

Future Projects

Comprehensive Project, *Revenue and Expense Recognition*.

Major Project, *Going Concern Uncertainties and Severe Financial Stress*.

Major Project, *Infrastructure Assets*.

Practice Issue, *Classification of Nonfinancial Assets*.

Practice Issue, *Risks and Uncertainties Disclosures*.

Practice Issue, *Subsequent Events*.



To the Board of Directors
South Placer Wastewater Authority
Roseville, California

Restriction on Use

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

Very truly yours,

LSL, LLP

LSL, LLP

**South Placer Wastewater Authority
Financial Report**



**SOUTH PLACER WASTEWATER AUTHORITY
CITY OF ROSEVILLE, CALIFORNIA**
FOR THE YEAR ENDED JUNE 30, 2024

ANNUAL FINANCIAL REPORT

Focused
on YOU



**SOUTH PLACER WASTEWATER AUTHORITY
CITY OF ROSEVILLE, CALIFORNIA**

Annual Financial Report

For the Year Ended June 30, 2024

SOUTH PLACER WASTEWATER AUTHORITY
CITY OF ROSEVILLE, CALIFORNIA

Annual Financial Report

For the Year Ended June 30, 2024

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
South Placer Wastewater Authority
Roseville, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Southern Placer Wastewater Authority (the "Authority"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority'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 financial position of the Authority, as of June 30, 2024, and the changes in financial position, and cash flows thereof 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 the Authority 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 Authority'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 opinions. 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.



To the Board of Directors
South Placer Wastewater Authority
Roseville, California

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 Authority'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 Authority'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 as listed on the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 Authority's basic financial statements. The accompanying analysis of rate stabilization restricted net position ("supplementary information") 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.



To the Board of Directors
South Placer Wastewater Authority
Roseville, California

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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2025, on our consideration of the Authority'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 solely 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 the effectiveness of the Authority's 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 Authority's internal control over financial reporting and compliance.

LSL, LLP

Irvine, California
March 25, 2025

**SOUTH PLACER WASTEWATER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024**

The following discussion provides readers of the South Placer Wastewater Authority (SPWA) financial statements a narrative overview and analysis of the financial activities of the SPWA for the fiscal year ended June 30, 2024. The SPWA recommends that this document be read in conjunction with the accompanying Basic Financial Statements.

FISCAL YEAR 2024 FINANCIAL HIGHLIGHTS

Financial highlights of the SPWA's fiscal year 2024 include the following:

- The SPWA's revenues exceeded expenses by \$25.0 million in fiscal year 2024. This was primarily attributable to connection fee and interest revenue exceeding interest expense and construction costs on the Pleasant Grove Wastewater Treatment Plant Expansion, Energy Recovery Project, and other capital projects. Loan proceeds to fund the construction projects increase long-term debt and are not treated as revenue for financial reporting.
- The SPWA completed draws on the State Revolving Fund (SRF) loans and collected \$21.2 million in SRF loan reimbursements during fiscal year 2024, compared to \$45.2 million in fiscal year 2023.
- The SPWA's total assets exceeded liabilities, as of June 30, 2024, by \$22.0 million, due to connection fee revenues, reduced spending on construction projects, and higher interest earned on investments from favorable market conditions.

OVERVIEW OF THE SPWA'S ANNUAL FINANCIAL REPORT

The SPWA's Annual Financial Report is divided into two sections:

- Financial section, including the independent auditors' report, management's discussion and analysis, the basic financial statements, and the footnotes to the basic financial statements.
- Supplemental Information section, including the Analysis of Rate Stabilization Restricted Net Position.

The Statement of Net Position and the Statement of Activities report information about the entity as a whole and about its activities in a method similar to the private sector. These statements provide both long-term and short-term information about the SPWA's overall financial status. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The notes to the basic financial statements provide additional information essential to understanding the data contained in the basic financial statements. In addition to these required elements, the SPWA has included the Analysis of Rate Stabilization Restricted Net Position as supplementary information.

SOUTH PLACER WASTEWATER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024

FINANCIAL ANALYSIS OF THE BASIC FINANCIAL STATEMENTS

This analysis focuses on the SPWA's net position and changes in its assets and liabilities during the fiscal year ending June 30, 2024.

Statement of Net Position
As of June 30, 2024 and 2023
(in thousands)

	<u>2024</u>	<u>2023</u>	<u>Increase/ Decrease</u>
Assets			
Cash and investments	\$ 243,752	\$206,878	\$ 36,874
Other assets	2,696	5,068	(2,372)
Total Assets	<u>246,448</u>	<u>211,946</u>	<u>34,502</u>
Liabilities			
Long-term debt outstanding	221,778	212,084	9,694
Other liabilities	2,688	2,914	(226)
Total Liabilities	<u>224,466</u>	<u>214,998</u>	<u>9,468</u>
Net Position			
Restricted for rate stabilization	201,494	171,698	29,796
Restricted for debt service	11,806	11,806	-
Unrestricted	(191,318)	(186,556)	(4,762)
Total Net Position	<u>\$ 21,982</u>	<u>\$ (3,052)</u>	<u>\$ 25,034</u>

The SPWA's cash and investments increased by \$36.9 million primarily because connection fee revenue, investment earnings, and SRF loan reimbursements exceeded construction costs during the fiscal year. Other assets decreased because receivables were lower due to the timing of fee collections.

Long-term debt increased as \$21.2 million of SRF loan reimbursements were drawn, \$0.7 million of accrued interest on the SRF loan was capitalized to principal, \$3.6 million was paid to the City of Roseville to fund the SRF debt service reserve, \$6.7 in bond payments were repaid, and \$1.9 million of bond premiums were amortized. Other liabilities were lower at June 30, 2024 due to lower payables associated with construction costs as the projects neared completion.

The SPWA net position was a \$22.0 million at June 30, 2024 compared to a deficit of \$3 million at June 30, 2023, primarily due to higher investment income and a partial reversal of the temporary market value adjustment on the investment portfolio due to changes in market interest rates and reduced construction costs from the completion of the PGWWTP Expansion and Energy Recovery projects. The SPWA net position includes the amount restricted for rate stabilization totaling \$201.5 million. This category reports cash and investments held by SPWA to repay debt obligations and fund future capital projects. The restricted portion of the SPWA's net position of \$11.8 million represents resources that are restricted for use by debt covenants for debt service. The deficit unrestricted net position of \$191.3 million represents the amount of expended bond proceeds in excess of the restricted components of net position.

**SOUTH PLACER WASTEWATER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024**

**Changes in Net Position
As of June 30, 2024 and 2023
(In millions)**

	<u>2024</u>	<u>2023</u>	<u>Increase/ Decrease</u>
Revenues			
Capital contributions and grants	\$ 25,143	\$ 29,178	\$ (4,035)
Interest revenue	10,802	3,340	7,462
Total Revenues	<u>35,945</u>	<u>32,518</u>	<u>3,427</u>
Expenses			
Construction costs	5,955	11,086	(5,131)
Personnel services and administration	146	163	(17)
Interest expense, fiscal agent fees and amortization	4,810	4,293	517
Total Expenses	<u>10,911</u>	<u>15,542</u>	<u>(4,631)</u>
Changes in Net Position	25,034	16,976	8,058
Net Position - Beginning of fiscal year	<u>(3,052)</u>	<u>(20,028)</u>	16,976
Net Position - End of Fiscal Year	<u>\$ 21,982</u>	<u>\$ (3,052)</u>	<u>\$ 25,034</u>

This analysis focuses on the changes in the SPWA's net position.

Capital contributions and grants, which include regional connection fees and state grants, decreased by \$4.0 million to \$25.1 million due to development activity slowing to a more normalized, albeit strong, level and no grant revenue in fiscal year 2024. Interest revenue in fiscal year 2024 was higher than 2023, as interest income increased due to higher interest rates, and the temporary market value adjustment on the SPWA bond portfolio was partially reversed after the value of bonds owned declined when interest rates rose.

Construction costs were lower in fiscal year 2024 as the Pleasant Grove Wastewater Treatment Plant (PGWWTP) projects were completed. Personnel services and administrative costs decreased in 2024 due to fiscal year 2023 professional services charges for the wastewater capacity fee study.

CAPITAL ASSETS

As of June 30, 2024, the SPWA held no capital assets. Under the SPWA Fund Agreement, the members agreed that the City of Roseville will own and operate the regional wastewater facilities and that the other members will have an interest in the capacity of those facilities. Capital construction costs are transferred to the City of Roseville annually.

SOUTH PLACER WASTEWATER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024

DEBT ADMINISTRATION

The SPWA made all scheduled repayments of existing debt. In fiscal year 2024 the SPWA completed drawing on its State Revolving Fund loan for the Pleasant Grove Wastewater Treatment Plant Expansion and Energy Recovery Projects. Each of the SPWA's debt issues is discussed in detail in Note 4 to the financial statements. As of June 30, 2024 the SPWA's debt portfolio comprised:

Outstanding Debt			
As of June 30, 2024 and 2023			
(in thousands)			
	2024	2023	Increase/ Decrease
Revenue Bonds			
2017 Wastewater Revenue Bonds			
5%, due 1/1/2037	\$ 57,395	\$ 63,590	\$ (6,195)
Add: deferred bond premium	11,193	12,054	(861)
2020 Wastewater Revenue Bonds			
5%, due 11/1/2035	46,920	46,920	-
Add: deferred bond premium	11,781	12,852	(1,071)
Total Revenue Bonds	127,289	135,416	(8,127)
Direct placement debt			
2020 State Revolving Fund Loan			
1.3% Interest, due 6/10/2052	94,489	76,668	17,821
Direct placement debt total	94,489	76,668	17,821
Total	\$221,778	\$212,084	\$ 9,694

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Economic Factors

Development activity remains strong in most sectors, however single-family housing development continues at a normalized growth rate. The regional economy continues to face a number of headwinds, however inflation has eased and the federal government lowered interest rates in fiscal year 2024. Supply chain issues, from material sourcing to manufacturing to distribution, are becoming less severe. Labor shortages appear to be improving as recruitments attract more applicants.

Next Year's Budget

Estimated revenues are projected to remain strong for fiscal year 2024-25 at \$26.2 million for regional connection fees, even as development has slowed to a normal pace. Budgeted expenses for fiscal year 2024-25 are \$18.2 million, a decrease of 68 percent compared to the fiscal year 2023-24 amended budget, mainly due to larger capital project budget needs in fiscal year 2023-24 than in fiscal year 2024-25. The approved fiscal year 2024-25 budget incorporates costs for the Inflation Reduction Act tax credit application support, the Equivalent Dwelling Units Evaluation Phase 2 project, higher debt service costs for the SRF loans, and a \$50,000 contingency for unplanned expenses.

CONTACTING THE SPWA'S FINANCIAL MANAGEMENT

This financial report is intended to provide residents, businesses, customers, investors and creditors with a general overview of the SPWA's finances. Please direct any questions about this report to the City of Roseville Finance Department at 311 Vernon Street, Roseville, California, 95678, or to finance@roseville.ca.us.

SOUTH PLACER WASTEWATER AUTHORITY (SPWA)
Statement of Net Position
June 30, 2024

Assets:

Current:

Cash and investments in City Treasury	\$ 196,804,959
Restricted investments with fiscal agent	46,947,408
Accounts receivable	1,378,252
Interest receivable	1,317,256

Total Current Assets 246,447,875

Total Assets \$ 246,447,875

Liabilities and Net Position:

Liabilities:

Current:

Accounts payable	\$ 522,359
Accrued liabilities	1,857,583
Arbitrage liability	295,337
Unearned revenues	12,634
Long-term debt due in one year	9,457,164

Total Current Liabilities 12,145,077

Noncurrent:

Long-term debt due in more than one year	<u>212,320,531</u>
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Total Noncurrent Liabilities 212,320,531

Total Liabilities 224,465,608

Net Position:

Restricted for rate stabilization	201,494,394
Restricted for debt service	11,806,007
Unrestricted (deficit)	<u>(191,318,134)</u>

Total Net Position 21,982,267

Total Liabilities and Net Position \$ 246,447,875

SOUTH PLACER WASTEWATER AUTHORITY (SPWA)
Statement of Revenues, Expenses
and Changes in Fund Net Position
Year Ended June 30, 2024

Operating Revenues:	
Connection fees contributed by members	<u>\$ 25,143,508</u>
Total Operating Revenues	<u>25,143,508</u>
Operating Expenses:	
Construction costs	5,955,621
Personnel services and administration	<u>145,740</u>
Total Operating Expenses	<u>6,101,361</u>
Operating Income (Loss)	<u>19,042,147</u>
Nonoperating Revenues (Expenses):	
Interest revenue	10,801,642
Interest expense, fiscal agent fees and amortization	<u>(4,809,914)</u>
Total Nonoperating Revenues (Expenses)	<u>5,991,728</u>
Changes in Net Position	25,033,875
Net Position:	
Beginning of Fiscal Year	<u>(3,051,608)</u>
End of Fiscal Year	<u>\$ 21,982,267</u>

SOUTH PLACER WASTEWATER AUTHORITY (SPWA)
Statement of Cash Flows
Year Ended June 30, 2024

Cash Flows from Operating Activities:

Receipts from members	\$ 27,813,599
Payments to contractors	(6,628,992)
Payments to City for personnel services and administration	(145,740)

Net Cash Provided (Used) by Operating Activities	21,038,867
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Cash Flows from Capital and Related Financing Activities:

Proceeds from capital debt	21,210,470
Principal paid on capital debt	(6,737,685)
Interest and debt service fees paid on capital debt	(5,486,887)
Funding of debt service reserve	(3,616,407)

Net Cash Provided (Used) by Capital and Related Financing Activities	5,369,491
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Cash Flows from Investing Activities:

Interest received	10,465,675
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Net Cash Provided (Used) by Investing Activities	10,465,675
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Net Increase (Decrease) in Cash and Cash Equivalents	36,874,033
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Cash and Cash Equivalents at Beginning of Year	206,878,334
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Cash and Cash Equivalents at End of Year	\$ 243,752,367
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Reconciliation of Cash and Investments to the Statement of Net Position

Cash and investments in City Treasury	\$ 196,804,959
Restricted investments with fiscal agent	46,947,408

Total cash and investments	\$ 243,752,367
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Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:

Operating income (loss)	\$ 19,042,147
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Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:

(Increase) decrease in accounts receivable	2,657,457
Increase (decrease) in accounts payable	(673,371)
Increase (decrease) in deferred revenue	12,634

Total Adjustments	1,996,720
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Net Cash Provided (Used) by Operating Activities	\$ 21,038,867
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Non-Cash Investing, Capital, and Financing Activities:

Change in arbitrage liability	\$ 295,337
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SOUTH PLACER WASTEWATER AUTHORITY
Notes to Financial Statements
For the Year Ended June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization and Purpose

The South Placer Wastewater Authority (Authority) is a Joint Powers Agreement created in October 2000 to finance the construction of the Pleasant Grove Wastewater Treatment Plant and improvements to the Dry Creek Wastewater Treatment Plant, referred to collectively as the Regional Wastewater Facilities.

The members of the Authority are the City of Roseville (City), South Placer Municipal Utility District (SPMUD), and the County of Placer (County). The Authority's governing board is comprised of five directors as appointed by the member agencies. Two directors are appointed by the City, one director is appointed by SPMUD, and two directors are appointed by the County. Each representative of the governing board has one vote.

In addition, the members entered into a Funding Agreement and Operations Agreement to provide for the funding and operation of the Regional Wastewater Facilities. Under the Funding Agreement the members agreed that the City will own and operate the Regional Wastewater Facilities and that the other members will have an interest in the capacity of those facilities. Capital construction costs are transferred to the City annually.

The members of the Authority amended the Joint Powers Authority Agreement and also entered into an Amended and Restated Funding Agreement and a Reallocation and Repayment Agreement effective January 31, 2019. The Amended and Restated Funding Agreement retroactively changed the proportionate shares of each member for cost allocations as follows:

1. The City from 61.66% to 64.57%
2. SPMUD from 22.43% to 21.95%
3. The County from 15.91% to 13.48%

The intent of the Amended and Restated Funding Agreement is that, notwithstanding short-term variances in the respective member contributions of Regional Connection Fees or other funds, the members' total respective financial contributions to capital costs (whether financed by Bonds, funded by Regional Connection Fees, or other sources) should be directly proportional to the members' respective actual usage of the wastewater treatment capacity made available by the construction of Regional Wastewater Facilities.

Members contribute connection fees they collect from developers. These connection fees are expected to be sufficient to fund the entire cost of the debt service on the Plant's construction, including principal and interest. These contributions are made monthly.

The Authority may not be terminated, and no member agency may withdraw its membership, until all bonds or other indebtedness issued by the Authority have been paid in full.

The Authority has no employees and substantially all staff services are performed by the City's personnel. Costs incurred by the City to provide such services are reimbursed by the Authority. The accounting records of the Authority are maintained by the City.

The Authority is considered to be a separate legal entity and is not a component unit of the above members.

B. Basis of Presentation

The Authority's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

These Standards require that the financial statements described below be presented.

SOUTH PLACER WASTEWATER AUTHORITY
Notes to Financial Statements
For the Year Ended June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position display information about the Authority. These statements include the financial activities of the Authority overall. Eliminations have been made to minimize the double counting of internal activities. These statements display the business-type activities of the Authority. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Revenues, Expenses and Changes in Net Position presents operating revenues and expenses and non-operating activities. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the principal ongoing operations. The principal operating revenue for the Authority is connection fees contributed by members. Operating expenses include the costs of personnel services and administration and construction costs of assets contributed to the City. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

C. Basis of Accounting

The Authority is a proprietary entity; it uses an enterprise fund format to report its activities for financial statement purposes. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs and expenses, including depreciation, of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

An enterprise fund is used to account for activities similar to those in the private sector, where the proper matching of revenues and costs is important and the full accrual basis of accounting is required. With this measurement focus, all assets, all liabilities and all deferred inflows/outflows of resources of the enterprise are recorded on its statement of net position and, under the full accrual basis of accounting, all revenues are recognized when earned and all expenses, including depreciation, are recognized when incurred.

The Authority has one fund which is used to pay all administrative, operating, construction and other expenses incurred by the Authority, and to account for member contributions and charges.

D. Cash and Cash Equivalents

All cash and investments are held either in the City's investment pool or by a fiscal agent. For purposes of the statement of cash flows, the Authority considers the cash and investment balance to be cash and cash equivalents.

E. Interest Income Allocation

Interest income is credited to capital construction costs and member contributions based on the source of the interest earned. Interest earned on restricted investments with fiscal agents is credited to capital construction costs and all other interest is accounted for as interest on contributions.

F. Fair Value Measurement

The Authority 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 Authority does not have any investments that are measured using Level 3 inputs.

The Authority is a participant in the City-wide cash and investment pool (City Pool). The City Pool is an external investment pool, is not rated, and is not registered with the Securities Exchange Commission (SEC). The City's Assistant City Manager/Chief Financial Officer conducts City Pool oversight. Cash on deposit in the City Pool at June 30, 2024, is stated at fair value. The City Pool values participant shares on an amortized cost basis during

SOUTH PLACER WASTEWATER AUTHORITY
Notes to Financial Statements
For the Year Ended June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

the year and adjusts to fair value at year-end. The fair value adjustment at June 30, 2024 decreased the Authority's investment income by \$2,756,804. For further information regarding the City Pool, refer to the City of Roseville Annual Comprehensive Financial Report.

G. Net Position

Net Position is the excess of all the Authority's assets and deferred outflows of resources over all its liabilities and deferred inflows of resources. The Authority's net position is divided into two segments, restricted and unrestricted.

Restricted describes the portion of net position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the Authority cannot unilaterally alter. At June 30, 2024, restrictions included:

- Restricted for rate stabilization represents the portion of net position restricted for future use in the event development fees are not adequate to meet the required ratio of revenue to expenses required under bond indentures.
- Restricted for debt service represents the portion of net position held in reserve in the event other resources of the Authority are not adequate to make required debt service payments.

Unrestricted describes the portion of net position which is not legally or contractually restricted as to use.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

H. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred outflows of resources, deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2: CASH AND INVESTMENTS

The Authority pools cash from all sources and all funds except cash with fiscal agents in the City's investment pool. The Authority's cash and investments balance held in the City's investment pool at June 30, 2024 is \$196,804,959. The City's investment pool is not rated and is not registered with the Securities Exchange Commission (SEC). The Authority's position in the City's investment pool at June 30, 2024 is stated at fair value. For further information regarding the City's investment pool, refer to the City of Roseville Annual Comprehensive Financial Report.

A. Classification

Cash and investments are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of Authority debt instruments or agreements.

Investments in the City's Treasury	\$ 196,804,959
Restricted investments with fiscal agent	46,947,408
Total investments	<u>\$ 243,752,367</u>

SOUTH PLACER WASTEWATER AUTHORITY
Notes to Financial Statements
For the Year Ended June 30, 2024

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

B. Investments Authorized by the California Government Code and the Authority's Investment Policy

The Authority's investment policy and the California Government Code allow the Authority to invest in the following, provided the credit ratings of the issuers are acceptable to the Authority and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code, or the Authority's Investment Policy where the Authority's Investment Policy is more restrictive.

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage Allowed	Maximum Investment in One Issuer
U.S. Treasury Obligations (a)	5 Years	None	No Limit	No Limit
U.S. Agency Securities (a)	5 Years	None	No Limit	No Limit
Mortgage Pass-Through Securities	5 Years	AA	20%	No Limit
Forward Delivery Agreements	N/A	A	None	None
State of California or California Local Agency Bonds	5 Years	None	No Limit	No Limit
Registered State Treasury Notes or Bonds of the other 49 States	5 Years	None	No Limit	No Limit
Repurchase Agreements	30 Days	None	No Limit	No Limit
Bankers' Acceptances	180 Days	None	40%	30%
Commercial Paper	270 Days	A-1	40%	10%
Medium-Term Notes	5 Years	A	30%	10%
Collateralized Time Deposits	5 Years	None	30%	No Limit
Negotiable Certificates of Deposit	5 Years	A	30%	None
Local Agency Investment Fund (LAIF)	N/A	None	None	LAIF Limit
Insured Saving Accounts	N/A	None	None	No Limit
Money Market Mutual Funds	N/A	(a)	20%	10%
Shares in a California Common Law Trust	N/A	None	None	No Limit
Interest Rate Swaps (c)	N/A	None	None	No Limit
City of Roseville Pooled Investment Fund	N/A	None	No Limit	No Limit
Supranationals	5 Years	AA-	30%	No Limit

(a) Have attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations or (2) have an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years experience managing money market mutual funds with assets under management in excess of \$500,000,000.

C. Investments Authorized by Debt Agreements

The Authority must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged as reserves to be used if the Authority fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with Authority ordinance, bond indentures or State statute. The table below identifies the investment types that are authorized for investments held by fiscal agents. The table also identifies certain provisions of these debt agreements:

SOUTH PLACER WASTEWATER AUTHORITY
Notes to Financial Statements
For the Year Ended June 30, 2024

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage Allowed	Maximum Investment In One Issuer
U.S. Treasury Obligations	N/A	None	None	None
U.S. Agency Securities of Certain Agencies (a) (b)	N/A	None	None	None
Money Market Mutual Funds	N/A	AAAm-G or AAAm	None	None
Certificates of Deposit	360 days	A-1	None	None
Savings Accounts Deposit Account (fully insured)	N/A	None	None	None
Investment Agreements				
Forward Delivery Agreements	N/A	AA	None	
State or Municipality Bonds/Notes	N/A	One of two highest rating categories	None	None
Federal Funds or Bankers' Acceptances	360 days	A-1	None	None
Commercial Paper	270 days	A-1	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None	LAIF Limit
California Asset Management Program	N/A	None	None	None

(a) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by the Agency, provided they are backed by the full faith and credit of the United States of America, as follows:

- a. Certificates of beneficial ownership of the Farmers Home Administration
- b. Federal Housing Administration debentures
- c. Participations certificates of the General Services Administration
- d. Guaranteed mortgage-backed bonds or guaranteed pass through obligations of the Government National Mortgage Association
- e. Guaranteed Title XI financings of the U.S. Maritime Administration
- f. Project notes, local authority bonds, new communities debentures and U.S. public housing notes and bonds of the U.S. Department of Housing and Urban Development

(b) Bonds, debentures, notes or other evidence or indebtedness issued or guaranteed by any of the following non-full faith and credit of the U.S. government agencies:

- a. Senior debt obligations of the Federal Home Loan Bank System
- b. Participation certificates and senior debt obligations of the Federal Home Loan Mortgage Corporation
- c. Mortgage-backed securities and senior debt obligations of the Federal National Mortgage Association
- d. Senior debt obligations of the Student Loan Marketing Association
- e. Obligations of the Resolution Funding Corporation
- f. Consolidated system-wide bonds and notes of the Farm Credit System

D. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Authority generally manages its interest rate risk by holding investments to maturity.

SOUTH PLACER WASTEWATER AUTHORITY
Notes to Financial Statements
For the Year Ended June 30, 2024

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Information about the sensitivity of the fair values of the Authority's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the Authority's investments by maturity or earliest call date:

	Remaining Maturity			Total
	12 months or less	13 to 24 months	25 to 60 months	
Corporate Notes	\$ 8,469,045	\$ 12,538,850	\$ 28,644,165	\$ 49,652,060
Federal Agency Securities	19,567,450	9,565,610	71,292,424	100,425,484
Municipal Bonds	-	-	1,046,626	1,046,626
Money Market Mutual Funds	49,299,522	-	-	49,299,522
City of Roseville Investment Pool	26,806,527	-	-	26,806,527
Local Agency Investment Fund	16,522,148	-	-	16,522,148
Total Investments	\$ 120,664,692	\$ 22,104,460	\$ 100,983,215	\$ 243,752,367

The Authority is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The Authority reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance is available for withdrawal on demand and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2024, these investments had an average maturity of 942 days.

E. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of June 30, 2024, for each investment type as provided by Standard and Poor's investment rating system:

	A+/A/A-	AA+/AA/AA-	Total
Investments:			
Corporate Notes	\$ 28,181,164	\$ 21,470,896	\$ 49,652,060
Federal Agency Securities	-	84,290,251	84,290,251
Municipal Bonds	-	1,046,626	1,046,626
Totals	\$ 28,181,164	\$ 106,807,773	134,988,937
Not Rated:			
City of Roseville Investment Pool			26,806,527
Local Agency Investment Fund			16,522,148
Money Market Mutual Funds			49,299,522
Federal Agency Securities			16,135,233
Total investments			\$ 243,752,367

SOUTH PLACER WASTEWATER AUTHORITY
Notes to Financial Statements
For the Year Ended June 30, 2024

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

F. Concentration of Credit Risk

The investment policy of the Authority contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) which represent 5% or more of total investments at June 30, 2024:

Issuer	Investment Type	Amount
Federal Home Loan Mortgage Corporation	Federal Agency Securities	\$ 18,591,318
Federal Farm Credit Banks	Federal Agency Securities	45,106,695
Federal Home Loan Banks	Federal Agency Securities	24,255,988

G. Fair Value Measurements

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. 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.

In instances where inputs used to measure fair value fall into different levels of the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Authority's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The Authority has the following recurring fair value measurements as of June 30, 2024:

Investments at Fair Value	Amount	Quoted Prices In Active Markets for Identical (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Federal Agency Securities	\$ 100,425,484	\$ -	\$ 100,425,484	\$ -
Corporate Notes	49,652,060	-	49,652,060	-
Municipal Bonds	1,046,626	-	1,046,626	-
Money Market Mutual Funds	49,299,522	49,299,522	-	-
Categorized Investments	200,423,692	\$ 49,299,522	\$ 151,124,170	\$ -
Local Agency Investment Fund- uncategorized	16,522,148			
City of Roseville Investment Pool- uncategorized	26,806,527			
Total Investments	\$ 243,752,367			

NOTE 3: CAPITAL ASSETS CONTRIBUTED TO THE CITY OF ROSEVILLE

Capital construction costs incurred by the Authority are transferred annually, in the form of construction in progress, to the City of Roseville, which owns and operates the Regional Wastewater Facilities. Capital construction costs of the Authority, as defined by the Funding Agreement, include personnel services and administration and construction costs. Construction costs include interest on construction financing costs, net of interest income on unexpended bond proceeds. Since the Regional Wastewater Facilities construction project was accepted as complete at the end of fiscal year 2004-2005, the debt service and interest income on unexpended bond proceeds are no longer a component of the capital construction costs of the Authority.

Costs incurred by the Authority in fiscal year 2024 totaling \$5,487,477 were transferred as construction in progress to the City of Roseville as of June 30, 2024.

SOUTH PLACER WASTEWATER AUTHORITY
Notes to Financial Statements
For the Year Ended June 30, 2024

NOTE 4: LONG-TERM DEBT

A. Current Year Transactions and Balances

	Original Issue Amount	Balance at June 30, 2023	Additions	Retirements	Balance at June 30, 2024	Current Portion
Revenue Bonds:						
2017 Wastewater Revenue Bonds						
5%, due 11/1/37	\$ 74,780,000	\$ 63,590,000	\$ -	\$ (6,195,000)	\$ 57,395,000	\$ 6,635,000
Add: bond premium	17,220,595	12,054,418	-	(861,030)	11,193,388	-
2020 Wastewater Revenue Bonds						
5%, due 11/1/35	46,920,000	46,920,000	-	-	46,920,000	-
Add: bond premium	16,064,362	12,851,488	-	(1,070,957)	11,780,531	-
Total revenue bonds	<u>154,984,957</u>	<u>135,415,906</u>	<u>-</u>	<u>(8,126,987)</u>	<u>127,288,919</u>	<u>6,635,000</u>
Direct placement debt						
2020 SRF Loan						
1.30% Interest, due 6/10/2052	103,040,170	76,668,345	21,979,522	(4,159,091)	94,488,776	2,822,164
Direct placement debt total	<u>103,040,170</u>	<u>76,668,345</u>	<u>21,979,522</u>	<u>(4,159,091)</u>	<u>94,488,776</u>	<u>2,822,164</u>
Total	<u>\$ 258,025,127</u>	<u>\$ 212,084,251</u>	<u>\$ 21,979,522</u>	<u>\$ (12,286,078)</u>	<u>\$ 221,777,695</u>	<u>\$ 9,457,164</u>

B. Public Debt

2017 South Placer Wastewater Authority Refunding Revenue Bonds

On September 28, 2017, the South Placer Wastewater Authority issued the Wastewater Revenue bonds, Series 2017 in the amount of \$74,780,000.

The 2017 Bonds were issued for the purpose of providing funds, together with other available moneys, to (i) finance the Series 2017 Project, (ii) defease and redeem a portion of the Authority's Wastewater Revenue Refunding Bonds, Series 2011C (the "Series 2011C Bonds") and all of the Wastewater Revenue Refunding Bonds, Series 2014 (SIFMA Index Bonds), (iii) fund a deposit to the Parity Reserve Fund, and (iv) pay costs of issuance of the Series 2017 Bonds.

The Revenue Bonds bear interest at 5.00% and are due semi-annually on May 1 and November 1 of each year. Principal payments are due annually on November 1 beginning 2021 through 2037. The balance outstanding as of June 30, 2024 is \$57,395,000.

South Placer Wastewater Authority Refunding Wastewater Revenue Bonds, Series 2020

On April 28, 2020, the South Placer Wastewater Authority issued Revenue Bonds, Series 2020 in the amount of \$46,920,000 to redeem the Authority's Wastewater Revenue Refunding Bonds, Series 2013 outstanding. The Revenue Bonds bear interest at 5.00% and are due semi-annually on May 1 and November 1 of each year. Principal payments are due annually on November 1 beginning 2029 through 2035. The balance outstanding as of June 30, 2024 is \$46,920,000.

As of June 30, 2024, the total principal and interest remaining to be paid on the 2017 Bonds and the 2020 Bonds was \$116,300,000 in principal and \$49,965,750 in interest. As disclosed in the Indenture, net revenues of the respective systems of the members are expected to provide coverage over debt service of 110% over the lives of the Bonds, 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. As discussed in Note 1A, the members' monthly contributions of regional connection fees are deposited into the Rate Stabilization Account, and the Authority pays the debt service and other costs from the Account, based on each member's proportionate share.

SOUTH PLACER WASTEWATER AUTHORITY
Notes to Financial Statements
For the Year Ended June 30, 2024

NOTE 4: LONG-TERM DEBT (CONTINUED)

C. Direct Placement Debt

2020 SRF Loan

In June 2020, the City entered into loan agreements with the State Water Resources Control Board to secure funding for the Pleasant Grove Wastewater Treatment Plant Expansion and Energy Recovery projects in the form of loans from the Clean Water State Revolving Fund. The loans were approved for up to \$108,021,755, and the City drew \$103,040,170 from the loans. Through an agreement with South Placer Wastewater Authority, the City's loan draws were passed through to the Authority as reimbursement for costs of the two projects and the Authority pays the City the debt service costs of the loans. The loans bear interest at the rate of 1.30% and are payable in 30 annual payments beginning in 2024. The amount outstanding as of June 30, 2024 is \$94,488,776.

D. Debt Service Requirements

Annual debt service requirements, using interest rates as of June 30, 2024, are shown below for all long-term debt:

Year Ending June 30,	Revenue Bonds		Direct Placement Debt		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 6,635,000	\$ 5,049,875	\$ 2,822,164	\$ 1,186,545	\$ 9,457,164	\$ 6,236,420
2026	6,710,000	4,716,250	2,764,930	1,243,779	9,474,930	5,960,029
2027	7,055,000	4,372,125	2,800,874	1,207,835	9,855,874	5,579,960
2028	7,415,000	4,010,375	2,837,285	1,171,424	10,252,285	5,181,799
2029	7,800,000	3,630,000	2,874,170	1,134,539	10,674,170	4,764,539
2030-2034	32,410,000	13,310,000	5,828,384	2,030,424	38,238,384	15,340,424
2035-2039	36,290,000	3,836,250	15,329,947	4,713,598	51,619,947	8,549,848
2040-2044	-	-	16,352,640	3,690,905	16,352,640	3,690,905
2045-2049	-	-	17,443,559	2,599,986	17,443,559	2,599,986
2050-2054	-	-	20,537,531	1,589,674	20,537,531	1,589,674
2054-2059	-	-	4,897,292	232,553	4,897,292	232,553
Totals	104,315,000	\$ 38,924,875	94,488,776	\$ 20,801,262	198,803,776	\$ 59,726,137
Reconciliation of long-term debt						
Add bond premium	22,973,919		-		22,973,919	
Net long-term debt	\$ 127,288,919		\$ 94,488,776		\$ 221,777,695	

SOUTH PLACER WASTEWATER AUTHORITY
Notes to Financial Statements
For the Year Ended June 30, 2024

NOTE 5: RISK MANAGEMENT

The Authority has purchased commercial insurance for general, property and public officials' liability. During the fiscal year ended June 30, 2024, the Authority paid \$25,280 for current year coverage.

The following types of loss risks are covered by the above commercial insurance policies as follows:

<u>Type of Coverage</u>	<u>Coverage Limit</u>	<u>Deductible</u>
Personal Injury, Including Bodily		
Injury and Property Damage	\$ 1,000,000	\$ 2,500
Automobile Liability	1,000,000	2,500
Public Officials Errors and Omissions	1,000,000	2,500
Employment Practices Liability	1,000,000	10,000
Crime Bond	10,000,000	2,500

The Authority has not had any claims that exceeded coverage in the past 3 years.

NOTE 6: COMMITMENTS AND CONTINGENT LIABILITIES

The Authority is subject to litigation arising in the normal course of business. In the opinion of the management, there is no pending litigation which is likely to have a material adverse effect on the financial position of the Authority.

SUPPLEMENTARY INFORMATION

SOUTH PLACER WASTEWATER AUTHORITY (SPWA)
Analysis of Rate Stabilization Restricted Net Position
Year Ended June 30, 2024

	<u>City of Roseville</u>	<u>South Placer Municipal Utility District</u>	<u>Placer County</u>	<u>Totals</u>
Changes July 1, 2023 to June 30, 2024				
Regional connection fees	\$ 17,343,258	\$ 2,842,593	\$ 4,957,657	\$ 25,143,508
Debt proceeds	13,695,601	4,655,698	2,859,171	21,210,470
Capital	(3,845,543)	(1,307,259)	(802,819)	(5,955,621)
Debt service	(10,453,178)	(3,553,466)	(2,182,265)	(16,188,909)
Administrative costs	(94,105)	(31,990)	(19,645)	(145,740)
	<u>16,646,033</u>	<u>2,605,576</u>	<u>4,812,099</u>	<u>24,063,708</u>
Increase/(Decrease) in RSF Balances				
Beginning Balance, as of July 1, 2023	100,944,819	65,371,175	5,382,667	171,698,661
Ending Balance Before Interest Allocation	<u>117,590,852</u>	<u>67,976,751</u>	<u>10,194,766</u>	<u>195,762,369</u>
Interest allocation	3,405,757	2,078,152	248,116	5,732,025
Ending Balance, as of June 30, 2024	<u>\$ 120,996,609</u>	<u>\$ 70,054,903</u>	<u>\$ 10,442,882</u>	<u>\$ 201,494,394</u>

	<u>Net Position of</u>	
	<u>Bond Proceeds/Other</u>	<u>Member Contributions</u>
Investments in City of Roseville Treasury	\$ -	\$ 196,804,959
Unrealized gains / losses on investments	(2,824,257)	2,824,257
Restricted investments with fiscal agent	46,947,408	-
Accounts receivable	-	1,378,252
Accrued interest receivable	-	1,317,256
Accounts payable and other liabilities	(1,857,583)	(817,696)
Unearned revenue	-	(12,634)
Long-term debt:		
Due in one year	(9,457,164)	-
Due in more than one year	(212,320,531)	-
Net Position (Deficit)	<u>\$ (179,512,127)</u>	<u>\$ 201,494,394</u>

**South Placer Wastewater Authority
Report on Internal Control**



INDEPENDENT AUDITORS' 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 Wastewater Authority
Roseville, 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 Southern Placer Wastewater Authority (the "Authority"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated March 25, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority'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 Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Authority'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*.



To the Board of Directors
South Placer Wastewater Authority
Roseville, California

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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

LSL, LLP

Irvine, California
March 25, 2025

**South Placer Wastewater Authority
Single Audit**



SOUTH PLACER WASTEWATER AUTHORITY
ROSEVILLE, CALIFORNIA
FOR THE YEAR ENDED JUNE 30, 2024

SINGLE AUDIT REPORT

Focused
on YOU



SOUTH PLACER WASTEWATER AUTHORITY

ROSEVILLE, CALIFORNIA

Single Audit Report

For the Year Ended June 30, 2024

SOUTH PLACER WASTEWATER AUTHORITY

ROSEVILLE, CALIFORNIA

Single Audit Report

For the Year Ended June 30, 2024

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INDEPENDENT AUDITORS' 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 Wastewater Authority
Roseville, 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 South Placer Wastewater Authority (the "Authority"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated March 25, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority'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 Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Authority'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*.



To the Board of Directors
South Placer Wastewater Authority
Roseville, California

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 Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

LSL, LLP

Irvine, California
March 25, 2025



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS REQUIRED BY UNIFORM GUIDANCE

To the Board of Directors
South Placer Wastewater Authority
Roseville, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the South Placer Wastewater Authority (the "Authority")'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2024. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's federal programs.



To the Board of Directors
South Placer Wastewater Authority
Roseville, California

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.



To the Board of Directors
South Placer Wastewater Authority
Roseville, California

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the Authority, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements. We issued our report thereon dated March 25, 2025, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 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 expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

LSL, LLP

Irvine, California
March 25, 2025

SOUTH PLACER WASTEWATER AUTHORITY
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal Assistance Listing Number</i>	<i>Pass-Through Entity Identifying Number</i>	<i>Total Federal Expenditures</i>
Environmental Protection Agency Programs			
Passed through from the City of Roseville			
Capitalization Grants for Clean Water State Revolving Funds *	66.458	CL1ACZKW59E1	\$ 6,686,597
Total Environmental Protection Agency Programs			<u>6,686,597</u>
Total Expenditures of Federal Awards			<u>\$ 6,686,597</u>

* Major Program

¹ There was no federal awards expended in the form of noncash assistance and insurance in effect during the year.

² The amount provided to subrecipients during the year was \$0.

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

SOUTH PLACER WASTEWATER AUTHORITY
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES APPLICABLE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

A. Scope of Presentation

The accompanying schedule presents only the expenditures incurred by the South Placer Wastewater Authority that are reimbursable under federal programs of federal financial assistance. For the purposes of this schedule, federal awards include both federal financial assistance received directly from a federal agency, as well as federal funds received indirectly by the City from a non-federal agency or other organization. Only the portion of program expenditures reimbursable with such federal funds is reported in the accompanying schedule. Program expenditures in excess of the maximum federal reimbursement authorized or the portion of the program expenditures that were funded with state, local or other non-federal funds are excluded from the accompanying schedule.

B. Basis of Accounting

The expenditures included in the accompanying schedule were reported on the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are incurred when the City becomes obligated for payment as a result of the receipt of the related goods and services. Expenditures reported included any property or equipment acquisitions incurred under the federal program. The Authority has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

SOUTH PLACER WASTEWATER AUTHORITY
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified Opinion

Internal control over financial reporting:

- Material weaknesses identified? ___yes Xno
- Significant deficiencies identified? ___yes Xnone reported

Noncompliance material to financial statements noted? ___yes Xno

Federal Awards

Internal control over major programs:

- Material weaknesses identified? ___yes Xno
- Significant deficiencies identified? ___yes Xnone reported

Type of auditors' report issued on compliance for major programs: Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)? ___yes Xno

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
66.458	Capitalization Grants for Clean Water State Revolving Funds

Dollar threshold used to distinguish between type A and type B program \$750,000

Auditee qualified as low-risk auditee? ___yes Xno

SOUTH PLACER WASTEWATER AUTHORITY
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

SOUTH PLACER WASTEWATER AUTHORITY
Schedule of Prior Year Findings and Questioned Costs
For the Year Ended June 30, 2023

No matters were reported.



AUTHORITY COMMUNICATION

TO: South Placer Wastewater Authority Board of Directors **DATE:** 3/31/2025

FROM: Executive Director's Office

AUTHORITY COMMUNICATION NO.: AC 25-16

SUBJECT: Connection Fee Program Report

For SPWA Board Meeting 4/24/2025

ACTION REQUESTED

This staff report is for information only. No action is requested.

BACKGROUND

The attached report, prepared by Lance, Soll & Lunghard, LLP evaluates how the South Placer Wastewater Authority (Authority) and its member agencies complied with the "Funding Agreement" from July 2023 through June 2024. Payments from Placer County, Roseville, and South Placer Municipal Utility District were tested for the referenced time period.

The following table summarizes the total connection fees collected and the associated equivalent dwelling units (EDUs) from July 2023 through June 2024.

	City	District	County
Gross Regional Connection Fees	\$ 17,343,258	\$ 2,842,593	\$ 4,957,657
EDUs for Gross Regional Connection Fees	1,760	291	505

Actual EDUs developed in FY23-24 are approximately 101% of the EDUs estimated from the 2024 capacity fee study, and total EDUs developed since the original funding of the bonds are approximately 104% of the estimated EDUs. The estimated and actual number of EDUs are summarized below.

Jurisdiction	FY 2023-2024		Total through 2023-2024	
	Estimated EDUs	Actual EDUs	Estimated EDUs	Actual EDUs
Roseville	1,763	1,760	28,454	38,965
South Placer Municipal Utilities District	342	291	15,962	16,267
Placer County	431	505	13,728	5,198
Total	2,536	2,556	58,144	60,430

Submitted by:

Archana Wagley Digitally signed by Archana Wagley
Date: 2025.04.10 12:45:34 -07'00'

Archana Wagley
Sr. EU Business Analyst

Approved by:

Dennis
Kauffman

Digitally signed by Dennis
Kauffman
Date: 2025.04.16 15:19:32
-07'00'

Dennis Kauffman
Chief Financial Officer



Sean Bigley
Executive Director



INDEPENDENT ACCOUNTANTS' REPORT ON AGREED-UPON PROCEDURES

To the Board of Directors of the
South Placer Wastewater Authority
Roseville, California

We have performed the procedures enumerated below on the Regional Connection Fees collected by the City of Roseville (City), County of Placer (County), and the South Placer Municipal Utility District (District), and the allocation of these fees and compliance with the Amended and Restate Funding Agreement (Funding Agreement) for the year ended June 30, 2024. The Authority's management is responsible for the collection of fees and for compliance with the Funding Agreement. The sufficiency of these procedures is solely the responsibility of the Authority. Consequently, we make no representation regarding the sufficiency of the procedures referred to below either for the purpose for which this report has been required or for any other purpose.

The South Placer Wastewater Authority (Authority) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of reviewing the regional connection fees collected and the allocation of these fees and compliance with the Amended and Restated Funding Agreement. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows:

1. Determine whether the roster of the Authority's Board of Directors is in accordance with section 7 (a) of the JPA Agreement.

Findings – Section 7(a) of the JPA Agreement states that "The Authority shall be administered by a board of directors (Board) consisting of five directors. Two directors shall be appointed by the City, one director shall be appointed by the District, and two directors shall be appointed by the County. One County-appointed director shall be a member of the County Board of Supervisors and must represent a supervisorial district which includes all or a portion of the City; such County-appointed director shall be selected annually by the County Board of Supervisors and shall be subject to confirmation by the Roseville City Council."

For the fiscal year ended June 30, 2024, the Board consisted of the following individuals:

Scott Alvord, Chair, Director – Roseville City Council Member, District 5
Shanti Landon, Vice Chair, Director – Placer County Supervisor, District 2
Bonnie Gore, Director – Placer County Supervisor, District 1
Pauline Rocucci, Director – Roseville City Council Member, District 2
James Williams, Chair – SPMUD Board of Directors

No exceptions were found as a result of this procedure.



To the Board of Directors
South Placer Wastewater Authority
Roseville, California

2. Determine that the Board of Directors holds meetings in accordance with section 7 (b) of the JPA Agreement.

Findings – Section (b) of the JPA Agreement established that the Authority Board shall meet semi-annually and additionally as needed. Meetings held are open to the public and held at 2005 Hilltop Circle, Roseville, which is within the jurisdiction of the Authority.

Minutes to all meetings are available on the Authority's website.

No exceptions were found as a noted as a result of this procedure.

3. Determine that the Authority handles the following fiscal matters, as listed below, in accordance with section 7 (d) of the JPA Agreement:

- a. (1) Chief Financial Officer
- b. (2) Custodian of Property
- c. (3) Accounts and Reports
- d. (4) Budgets
- e. (5) Contributions

Findings – The Authority has designated the Assistant City Manager/Chief Financial Officer of the City as the Chief Financial Officer. The City acts as the custodian of Authority property and tracks the records of the Authority within its general ledger in a separate fund. The Board adopted the budget for fiscal year 2024 through resolution 2023-08 on June 29, 2023. The Participants have paid contributions to the Authority as specified in the Funding Agreement.

4. Inspect (4) monthly payments made to the City by the County and the District and 21 payments made to the City from developers for Regional Connection Fees to ensure they are in compliance with the following sections of the Restated and Amended Funding Agreement related to the Second Amended and Restated South Placer Regional Wastewater Facilities (Amended Funding Agreement) dated January 8, 2019 and the Amended and Restated Joint Exercise of Powers Agreement (Amended JPA Agreement) dated January 31, 2019:

- a. (3) Term and Termination
- b. (4) Responsibilities of the City of Roseville
- c. (5) Capacity Usage
- d. (6) Issuance of Bonds by the Authority, Bond Provisions
- e. (7) Pledge and Application of Participant Revenues
- f. (8) Rate Covenant
- g. (9) Rate Stabilization Fund
- h. (10) Regional Connection Fees
- i. (11) Participant Parity Obligations Secured by Participant Net Revenues
- j. (12) Determination of Participants' Proportionate Shares
- k. (13) Covenants of the Participants
- l. (14) Amendments; Expiration of Certain Provisions

Findings – We inspected four monthly payments made to the City by the County and the District and 21 payments made to the City from developers for Regional Connections Fees to ensure they were in compliance with the sections of the Funding Agreement and the JPA Agreement listed above.



To the Board of Directors
 South Placer Wastewater Authority
 Roseville, California

Section 10.D.1 of the Funding Agreement states that payments should be remitted by the 15th day of the subsequent month.

No exceptions were found as a noted as a result of this procedure.

- 5. Recalculate the payments inspected in procedure 4 to determine mathematical accuracy.

Findings – We recalculated the four payments made to the City from the County and the District and 21 payments made to the City from developers tested in procedure 4 for mathematical accuracy.

No exceptions were found as a noted as a result of this procedure.

- 6. Recalculate the monthly equivalent dwelling units (EDU) included in the remittance summaries for the payments inspected in procedure 4 to determine mathematical accuracy.

Findings – We recalculated the EDUs included in the remittance summaries for the four payments made to the City from the County and the District and 21 payments made to the City from developers tested in Procedure 4 for mathematical accuracy.

No exceptions were found as a noted as a result of this procedure.

- 7. Recalculate the monthly summary reports of Regional Connection Fees transmitted by the participants for the year ended June 30, 2024.

Findings – We obtained the four monthly summary reports selected in Procedure 4 for each Regional Partner and compared them to the underlying records for each Regional Partner. We recalculated the monthly summary reports.

No exceptions were found as a noted as a result of this procedure.

- 8. Calculate and report the connection fees and EDUs for the County, District, and City as of and for the year ended June 30, 2024.

Findings – We recalculated each Regional Partner’s connection fees and EDUs for the year ended June 30, 2024 as follows:

July 1, 2023 to June 30, 2024	City	District	County
Gross Regional Connection Fees	\$17,343,258	\$2,842,593	\$4,957,657
EDUs for Gross Regional Connection Fees	1,760	291	505

No exceptions were found as a noted as a result of this procedure.

- 9. Recalculate the deferred connection fees receivable and interest receivable on deferred connection fees for the County, SPMUD, and City as of June 30, 2024.

Findings – Per our testing, only the County has deferred connection fees. No exceptions were found as a result of this procedure.

We were engaged by the South Placer Wastewater Authority (SPWA) to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the regional connection fees collected and the



To the Board of Directors
South Placer Wastewater Authority
Roseville, California

allocation of these fees and compliance with the Amended and Restated Funding Agreement as of June 30, 2024. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the SPWA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

LSL, LLP

Irvine, California
March 26, 2025

Item c





AUTHORITY COMMUNICATION

TO: South Placer Wastewater Authority
Board of Directors

DATE: 3/31/2025

FROM: Executive Director's Office

AUTHORITY COMMUNICATION NO.: AC 25-16

SUBJECT: Connection Fee Program Report

For SPWA Board Meeting 4/24/2025

ACTION REQUESTED

This staff report is for information only. No action is requested.

BACKGROUND

The attached report, prepared by Lance, Soll & Lunghard, LLP evaluates how the South Placer Wastewater Authority (Authority) and its member agencies complied with the "Funding Agreement" from July 2023 through June 2024. Payments from Placer County, Roseville, and South Placer Municipal Utility District were tested for the referenced time period.

The following table summarizes the total connection fees collected and the associated equivalent dwelling units (EDUs) from July 2023 through June 2024.

	City	District	County
Gross Regional Connection Fees	\$ 17,343,258	\$ 2,842,593	\$ 4,957,657
EDUs for Gross Regional Connection Fees	1,760	291	505

Actual EDUs developed in FY23-24 are approximately 101% of the EDUs estimated from the 2024 capacity fee study, and total EDUs developed since the original funding of the bonds are approximately 104% of the estimated EDUs. The estimated and actual number of EDUs are summarized below.

Jurisdiction	FY 2023-2024		Total through 2023-2024	
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Placer County	431	505	13,728	5,198
Total	2,536	2,556	58,144	60,430

Submitted by:

Archana Wagley Digitally signed by Archana Wagley
Date: 2025.04.10 12:45:34 -07'00'

Archana Wagley
Sr. EU Business Analyst



Approved by:

Dennis
Kauffman

Digitally signed by Dennis
Kauffman
Date: 2025.04.16 15:19:32
-07'00'

Dennis Kauffman
Chief Financial Officer

A handwritten signature in black ink that reads "S. Bigley".

Sean Bigley
Executive Director



INDEPENDENT ACCOUNTANTS' REPORT ON AGREED-UPON PROCEDURES

To the Board of Directors of the
South Placer Wastewater Authority
Roseville, California

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The procedures and the associated findings are as follows:

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Findings – Section 7(a) of the JPA Agreement states that “The Authority shall be administered by a board of directors (Board) consisting of five directors. Two directors shall be appointed by the City, one director shall be appointed by the District, and two directors shall be appointed by the County. One County-appointed director shall be a member of the County Board of Supervisors and must represent a supervisorial district which includes all or a portion of the City; such County-appointed director shall be selected annually by the County Board of Supervisors and shall be subject to confirmation by the Roseville City Council.”

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Bonnie Gore, Director – Placer County Supervisor, District 1
Pauline Roccucci, Director – Roseville City Council Member, District 2
James Williams, Chair – SPMUD Board of Directors

No exceptions were found as a result of this procedure.



To the Board of Directors
South Placer Wastewater Authority
Roseville, California

2. Determine that the Board of Directors holds meetings in accordance with section 7 (b) of the JPA Agreement.

Findings – Section (b) of the JPA Agreement established that the Authority Board shall meet semi-annually and additionally as needed. Meetings held are open to the public and held at 2005 Hilltop Circle, Roseville, which is within the jurisdiction of the Authority.

Minutes to all meetings are available on the Authority's website.

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Findings – The Authority has designated the Assistant City Manager/Chief Financial Officer of the City as the Chief Financial Officer. The City acts as the custodian of Authority property and tracks the records of the Authority within its general ledger in a separate fund. The Board adopted the budget for fiscal year 2024 through resolution 2023-08 on June 29, 2023. The Participants have paid contributions to the Authority as specified in the Funding Agreement.

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 - k. (13) Covenants of the Participants
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Findings – We inspected four monthly payments made to the City by the County and the District and 21 payments made to the City from developers for Regional Connections Fees to ensure they were in compliance with the sections of the Funding Agreement and the JPA Agreement listed above.



To the Board of Directors
 South Placer Wastewater Authority
 Roseville, California

Section 10.D.1 of the Funding Agreement states that payments should be remitted by the 15th day of the subsequent month.

No exceptions were found as a noted as a result of this procedure.

- 5. Recalculate the payments inspected in procedure 4 to determine mathematical accuracy.

Findings – We recalculated the four payments made to the City from the County and the District and 21 payments made to the City from developers tested in procedure 4 for mathematical accuracy.

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We were engaged by the South Placer Wastewater Authority (SPWA) to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the regional connection fees collected and the



To the Board of Directors
South Placer Wastewater Authority
Roseville, California

allocation of these fees and compliance with the Amended and Restated Funding Agreement as of June 30, 2024. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the SPWA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

LSL, LLP

Irvine, California
March 26, 2025

Item 1



AUTHORITY COMMUNICATION

TO: South Placer Wastewater Authority
Board of Directors

DATE: April 10, 2025

FROM: Teri Quinlan, Accounting Manager

AUTHORITY COMMUNICATION NO.: AC 25-08

SUBJECT: Rate Stabilization Fund Balances as of December 31, 2024

For SPWA Board Meeting 4/24/2025

ACTION REQUESTED

This communication is informational only. No action is required of the Board.

BACKGROUND

With the formation of the Joint Powers Authority and subsequent bond issues, a rate stabilization fund (RSF) was established to collect the participants' connection fees and pay debt service, capital costs, bond redemptions, and administrative costs. Each participant has a sub-account established within the RSF that accounts for its deposits less proportionate cost shares. Available resources include receivables and liabilities that are recognized as funds are available for use.

Debt proceeds, grant revenue, other revenue, and expenses are allocated based on the participants' respective reallocated proportionate shares, defined in the 2nd Amendment to the Funding Agreement as follows: Roseville—64.57%, South Placer Municipal Utility District—21.95% and Placer County—13.48%. Interest revenue is allocated to each participant based on its respective rate stabilization fund balance, except for interest revenue earned on deferred connection fees which is recorded directly to the Placer County's sub-account. Connection fees and reimbursements are recorded directly in each participant's sub-account.



Changes in RSF Balances from July 1, 2024 to December 31, 2024:

	City of Roseville	SPMUD	Placer County	Total
Revenues:				
Regional Connection Fees	\$ 9,069,556	\$ 878,046	\$ 1,299,167	\$ 11,246,769
Expenses:				
Capital	(1,537,021)	(522,497)	(320,877)	(2,380,395)
Debt Service	(7,941,692)	(2,699,708)	(1,657,952)	(12,299,352)
Administrative	(44,480)	(15,120)	(9,286)	(68,886)
Increase/(Decrease) in RSF Balances	(453,637)	(2,359,279)	(688,948)	(3,501,864)
Beginning Balance, as of July 1, 2024	120,996,609	70,054,903	10,442,882	201,494,394
Ending Balance Before Interest Allocation	120,542,972	67,695,624	9,753,934	197,992,530
Interest Allocation	1,985,214	1,132,172	165,997	3,283,383
Deferred Connection Fees Interest - Placer County	-	-	11,474	11,474
Ending Balance as of December 31, 2024	\$ 122,528,186	\$ 68,827,796	\$ 9,931,405	\$ 201,287,387

Changes in RSF Balances from July 1, 2023 to June 30, 2024:

	City of Roseville	SPMUD	Placer County	Total
Revenues:				
Regional Connection Fees	\$ 17,343,258	\$ 2,842,593	\$ 4,957,657	\$ 25,143,508
Debt Proceeds	13,695,601	4,655,698	2,859,171	21,210,470
Expenses:				
Capital	(3,845,543)	(1,307,259)	(802,819)	(5,955,621)
Debt Service	(10,453,178)	(3,553,466)	(2,182,265)	(16,188,909)
Administrative	(94,105)	(31,990)	(19,645)	(145,740)
Increase/(Decrease) in RSF Balances	16,646,033	2,605,576	4,812,099	24,063,708
Beginning Balance, as of July 1, 2023	100,944,819	65,371,175	5,382,667	171,698,661
Ending Balance Before Interest Allocation	117,590,852	67,976,751	10,194,766	195,762,369
Interest Allocation	3,405,757	2,078,152	242,766	5,726,675
Deferred Connection Fees Interest - Placer County	-	-	5,350	5,350
Ending Balance as of June 30, 2024	\$ 120,996,609	\$ 70,054,903	\$ 10,442,882	\$ 201,494,394

Submitted by:

Teri L. Quinlan
Digitally signed by Teri L. Quinlan
Date: 2025.04.16 11:39:01 -07'00'

Teri Quinlan
Accounting Manager



Approved by:

Dennis
Kauffman

Digitally signed by Dennis
Kauffman
Date: 2025.04.16 13:40:28
-07'00'

Dennis Kauffman
Chief Financial Officer

A handwritten signature in black ink that reads "S. Bigley".

4/16/2025

Sean Bigley
Executive Director

Item 2



AUTHORITY COMMUNICATION

TO: South Placer Wastewater Authority **DATE:** April 7, 2025
Board of Directors

FROM: Tracie Mueller, City of Roseville Wastewater Utility Manager

AUTHORITY COMMUNICATION NO.: AC 25-09

SUBJECT: Equivalent Dwelling Unit (EDU) Study Update

For SPWA Board Meeting April 24, 2025

ACTION REQUESTED

This item is for information purposes only.

UPDATE

CASA has stated they are administering an ongoing "flows and loads study". CASA's Executive Director shared with the City during a call on January 28, 2025, that they have a nondisclosure agreement (NDA); therefore, they cannot share the details of their flows and loads study. He did share that it is a residential and commercial study. He also stated that it is not a CASA project, CASA is a fiscal agent who hired the consultant and attorneys. The study is being paid for by 13 agencies who hold the rights to all the data and findings. This has been a 6-to-7-year long project (slowed by COVID). CASA expects the project to be complete in the Summer of 2025. CASA said that it will be up to the agencies if they will share any of their findings and, if so, it would likely be in form of a CASA handbook. CASA will let the City know what the agencies decide.

The City reached out to CASA on March 31, 2025, for an update, but has not yet received a response.

Submitted by:

Tracie R. Mueller

Tracie R. Mueller
Wastewater Utility Manager
City of Roseville

Approved By:

Sean Bigley

Sean Bigley
Executive Director

Item 3





AUTHORITY COMMUNICATION

TO: South Placer Wastewater Authority **DATE:** April 7, 2025
Board of Directors

FROM: Tracie Mueller, City of Roseville Wastewater Utility Manager

AUTHORITY COMMUNICATION NO.: AC 25-10

SUBJECT: Planning Process for Capacity

For SPWA Board Meeting April 24, 2025

ACTION REQUESTED

This item is for information purposes only.

UPDATE

Based on discussions during the January 30, 2025 SPWA Board Meeting, City staff will present on the capacity planning process used for the expansion of the regional wastewater infrastructure.

Submitted by:

Tracie R. Mueller

Tracie R. Mueller
Wastewater Utility Manager, City of Roseville

Approved by:

Dennis
Kauffman

Digitally signed by Dennis
Kauffman
Date: 2025.04.16 13:41:41
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Dennis Kauffman
Chief Financial Officer

SA Bigley

4/16/2025

Sean Bigley
Executive Director



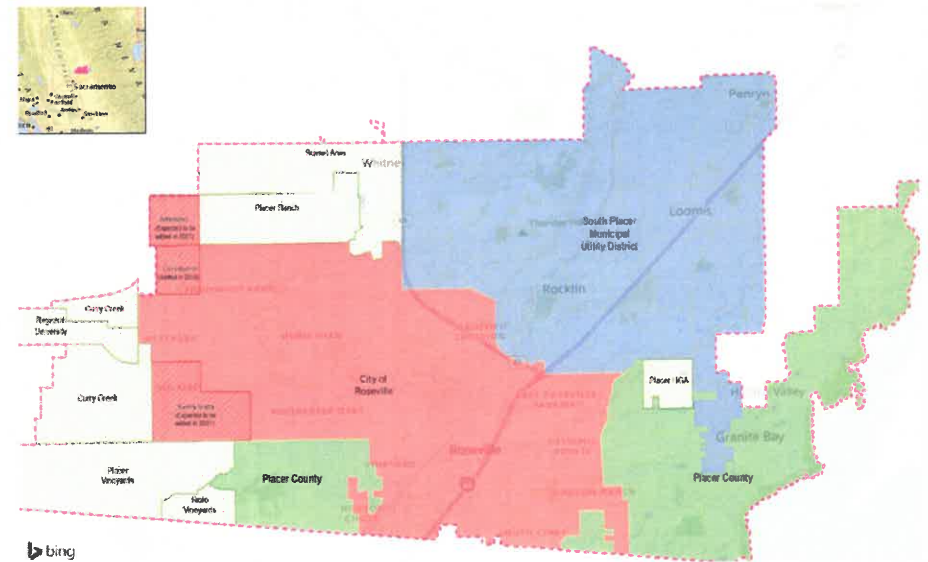
Capacity Planning for SPWA

Tracie Mueller, PE, Wastewater Utility Manager



Agenda

- Importance of Balance Capacity Planning
- EDU Projections
- Capacity Related Studies
- Capital Improvement Program
- Plant Capacities
- Capacity Increase Takes Time
- Continual Assessment



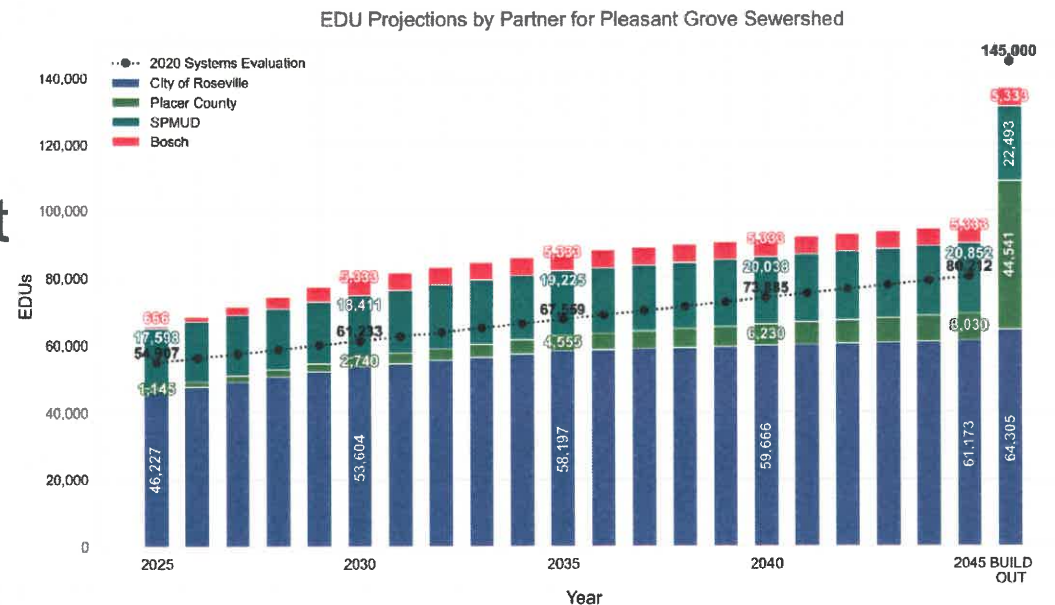
Importance of Balanced Capacity Planning



- Capacity planning requires avoiding extremes:
 - ✓ Too little capacity can lead to development moratoriums
 - ✓ Too much, too soon, increases debt for our partner agencies and increases O&M costs for our rate payers
- **Our Goal:** Provide a balance and account for regulatory changes
 - ✓ Example: Discharge limits on Nitrate

Equivalent Dwelling Unit (EDU) Projections

- EDUs used as a measure of wastewater generated from homes and businesses
- We collaborate with Partner Agencies to establish current EDU base
- Projections are updated by each Partner based on forecasts of development across sewersheds



Capacity Related Studies

- We perform two planning efforts using EDU projections:
 - ✓ Treatment Plant Capacity Analysis evaluates our WWTPs' capacities
 - ✓ Systems Evaluation assesses the capacity of our regional collection infrastructure
- These help us pinpoint where capacity upgrades are needed



Capital Improvement Plan (CIP)



- Capacity Studies produce a CIP
- CIP list projects with their cost estimates and planning timeline
 - ✓ 20-year planning horizon
 - ✓ Build out for spatial planning
- CIP projects include plant and collection system expansions
- CIP ensures we provide balance
 - ✓ Provides capacity planning
 - ✓ Used to develop connection fees

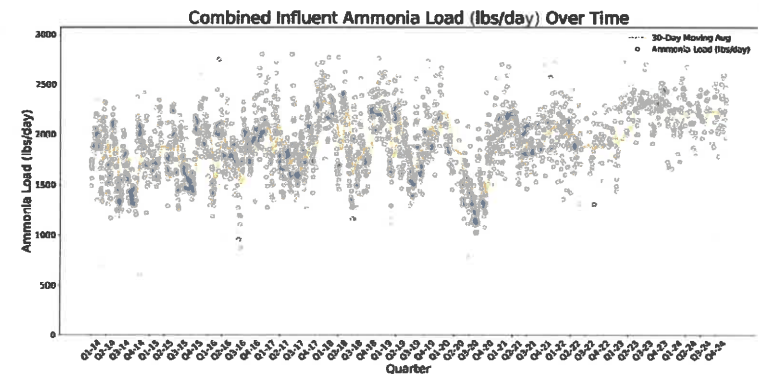
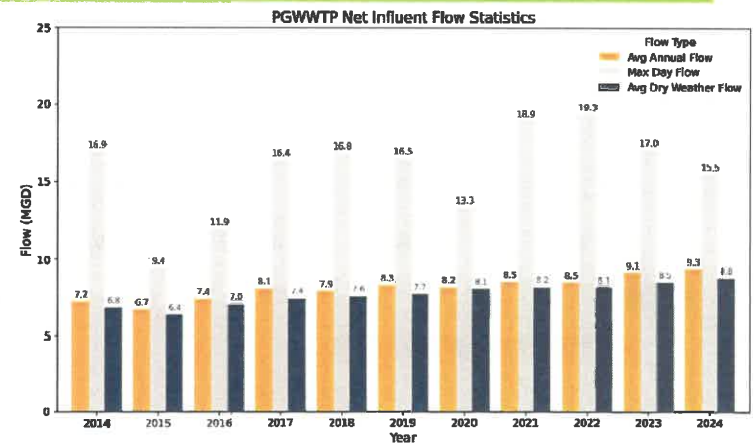
Plant Capacities

- Permitted on Average Dry Weather Flow (ADWF): Average of July – Sept
- Peak Hour Flow (PHF): Highest recorded flow over a 1-hour period
- JPA requires start of capacity expansion at 75%

WWTP	Permitted Capacity (MGD)		Existing ADWF (MGD)	PHF (MGD)
	Total	75%		
Dry Creek	11.5*	8.6	8.6	30**
Pleasant Grove	12	9.0	8.8	35

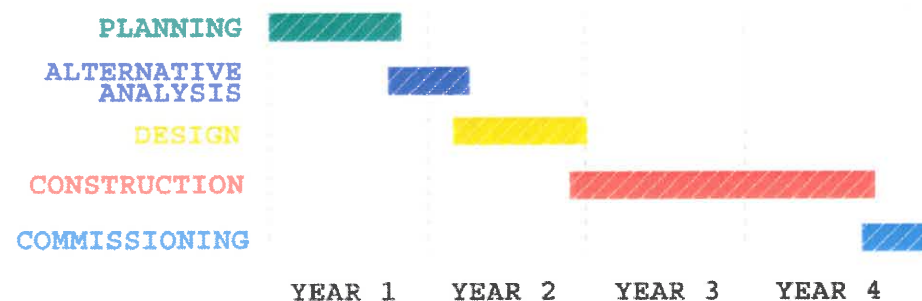
*DCWWTP Permitted flow is 18 MGD but JPA capacity allocation is 11.5 MGD.

**DCWWTP PHF is constrained by influent pumping capacity; actual PHF is higher.



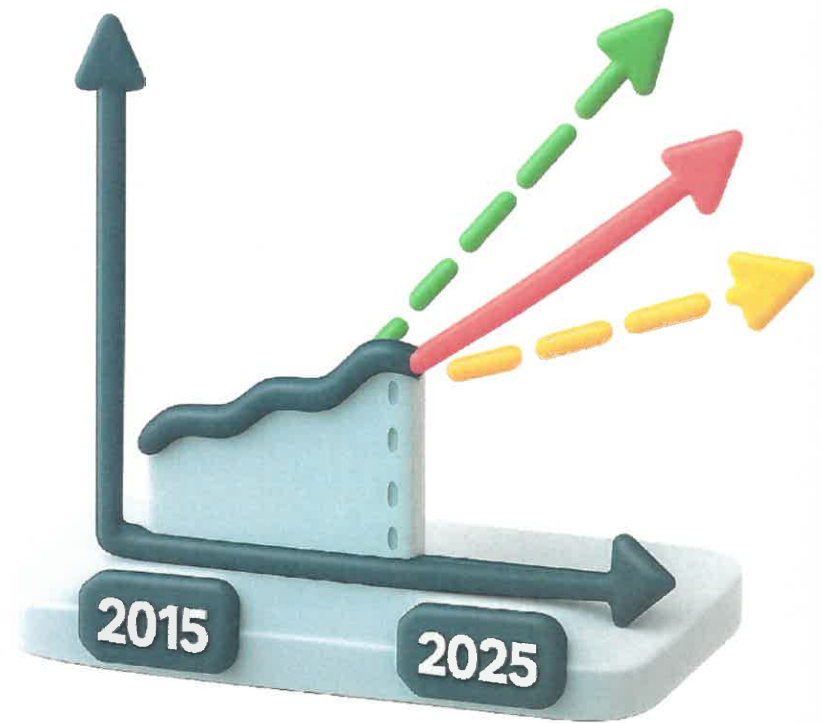
Capacity Increase Takes Time

- Adding capacity takes time - it's not an instant switch
- The process includes planning, budgeting, environmental reviews, design, and construction
- Timelines can exceed 5 years
 - ✓ Equipment procurement
- Early action is critical; thus the 75% JPA requirement



Continually Assessment Allow Course Correction

- EDU forecasts are educated estimates
 - ✓ Update actuals and anticipated development
- Update flows and load projections
 - ✓ Water conservation
 - ✓ Industry contributions
- Reevaluate capacity analyses and CIPs
 - ✓ Regulation changes
- Update Connection Fees



The End

Item 4



AUTHORITY COMMUNICATION

TO: South Placer Wastewater Authority **DATE:** April 7, 2025
Board of Directors

FROM: Tracie Mueller, City of Roseville Wastewater Utility Manager

AUTHORITY COMMUNICATION NO.: AC 25-11

SUBJECT: 2021 SPWA Service Area Boundary Modification – Parcels APN#021-283-020, APN#021-283-022, and Remainder Area of the Placer Ranch Specific Plan West of Fiddymment Road

For SPWA Board Meeting April 24, 2025

ACTION REQUESTED

Staff requests that the South Placer Wastewater (SPWA) Authority Board approve a resolution to:

1. Make responsible agency findings regarding: (a) consideration of the Final EIR (SCH#2016112012), Findings of Fact, Statement of Overriding Considerations, and Mitigation Monitoring and Reporting Program prepared for the Sunset Area Plan/Placer Ranch Specific Plan Final EIR; (b) Modifying the SPWA Service Area Boundary to include parcels APN#021-283-020, APN#021-283-022 and the remainder portion of the Placer Ranch Specific Plan that is west of Fiddymment Road, all within the Sunset Area Plan/Placer Ranch Specific Plan as shown in Exhibit B; and
2. Approve a modification to the Authority's 2021 Service Area Boundary (SAB) to add parcels APN#021-283-020, APN#021-283-022 and the remainder portion of the Placer Ranch Specific Plan that is west of Fiddymment Road as shown in Exhibit A.

The Sunset Area Plan/Placer Ranch Specific Plan Final EIR is available at the following link:

<https://www.placer.ca.gov/2702/Sunset-Area-Plan---Placer-Ranch-Specific>

BACKGROUND

Since the completion of the 1996 Roseville Regional Wastewater Treatment Service Area Master Plan and Environmental Impact Report (EIR), several areas have been annexed by SPWA partner agencies. These annexations include multiple areas in west Roseville, multiple locations in the SPMUD service area, as well as multiple areas within unincorporated Placer County. The current service area is referred to as the 2021 SAB and was delineated and adopted by the SPWA board on January 6, 2021.

The South Placer Wastewater Authority System Evaluation (RMC, 2020) also identified several planning areas adjacent to but outside the 2021 Service Area Boundary that were referred to as Urban Growth Areas (UGAs). The two parcels and plan area that are proposed to be added to the 2021 Service Area Boundary are located within the UGA named the Sunset Area Plan/Placer Ranch Specific Plan (SAP/PRSP).

To adjust the SAB, California Environmental Quality Act (CEQA) requirements must be addressed. In general, the CEQA process for UGA projects is initiated by the local jurisdiction with land use authority. This could include any of the following agencies that receive sewer service from SPWA: Placer County, the City of Roseville, the City of Rocklin, and the Town of Loomis. These agencies are collectively referred to as local "Lead Agencies". Local Lead Agencies would be the first agency to take discretionary action relating to the approval of a proposed UGA project. As a result, they would serve as the CEQA Lead Agency and be responsible for the first tier of the CEQA document for the UGA project. SPWA serves as a funding and financing authority for the construction of Regional Wastewater Facilities. In doing so, the SPWA acts as a CEQA "Responsible Agency". As a Responsible Agency, SPWA relies on the UGA project CEQA documentation prepared by the local Lead Agencies when taking discretionary actions related to funding or financing. SPWA does not act as a Lead Agency.

Placer County acted as the local Lead Agency for the SAP/PRSP Project. The SAP/PRSP EIR (State Clearinghouse #2016112012) was certified by the Placer County Board of Supervisors on December 10, 2019 and fulfills Placer County's and SPWA's CEQA obligations for the requested SAB modification. The SAP/PRSP area to be included in the proposed SAB modification is shown on Exhibit A. The resulting service area, including proposed modification, will be identified as the 2025 Service Area Boundary in the future.

Submitted by:

Tracie R. Mueller

Tracie R. Mueller
Wastewater Utility Manager, City of Roseville

Approved by:

Dennis
Kauffman

Digitally signed by Dennis
Kauffman
Date: 2025.04.16 15:44:08
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Dennis Kauffman
Chief Financial Officer

Sean Bigley

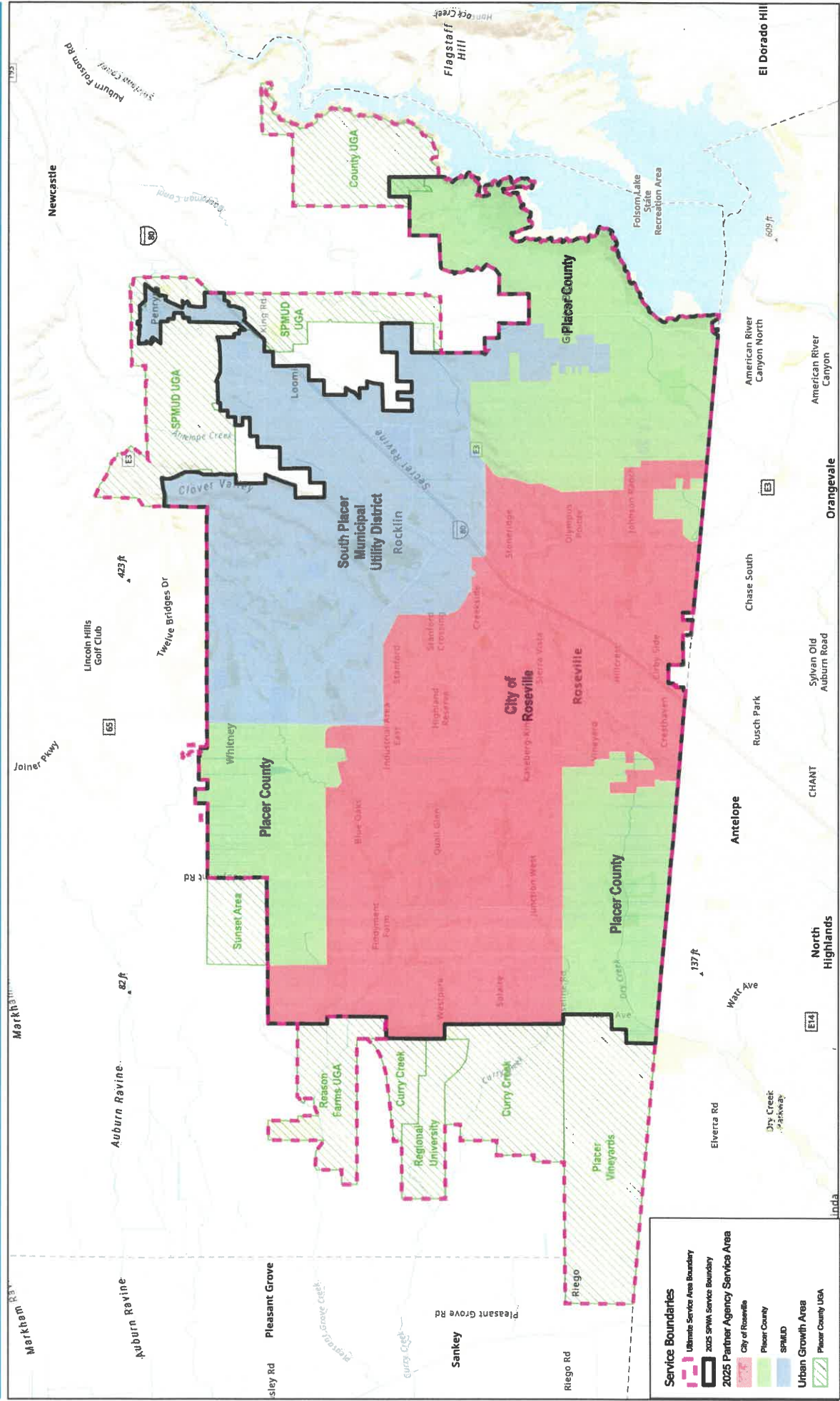
Sean Bigley
Executive Director

Exhibit A

Exhibit B

2025 SPWA Service Area Boundary

Environmental Utilities / Technical Services



Service Boundaries

- Ultimate Service Area Boundary
- 2025 SPWA Service Boundary
- 2025 Partner Agency Service Area
- City of Roseville
- Placer County
- SPMUD
- Urban Growth Area
- Placer County UGA

Source: http://www.spwa.com/SPWA_Botkins.aprx

SOUTH PLACER WASTEWATER AUTHORITY

RESOLUTION NO. 2025-05

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SOUTH PLACER WASTEWATER AUTHORITY
MODIFYING THE AUTHORITY'S SERVICE AREA BOUNDARY**

BE IT RESOLVED by the Board of Directors ("Board") of the South Placer Wastewater Authority ("Authority") as follows:

The Board hereby approves the modification of the Authority's 2021 Services Area Boundary to include parcels APN#021-283-020, APN#021-283-022 and the remainder portion of the Placer Ranch Specific Plan that is west of Fiddymont Road all within the Sunset Area Plan/Placer Ranch Specific Plan, as depicted in Exhibit "A" to this Resolution.

PASSED AND ADOPTED this 24th day of April 2025, by the following vote:

AYES: Alvord, Dickinson, Gore, Rocucci

NOES: None

ABSENT: DeMattei

ABTAIN: None



Chairperson

ATTEST:



Secretary

EXHIBIT "A"

**SOUTH PLACER
WASTEWATER
AUTHORITY**

**RESOLUTION NO.
2025-06**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SOUTH PLACER WASTEWATER AUTHORITY TO
CONSIDER THE FINAL ENVIRONMENTAL IMPACT
REPORT**

**(SCH #2016112012) FOR THE SUNSET AREA PLAN/PLACER
RANCH SPECIFIC PLAN FINAL EIR, ADOPTING FINDINGS OF
FACT AND A STATEMENT OF OVERRIDING CONSIDERATIONS,
AND A MITIGATION MONITORING AND REPORTING
PROGRAM; AND APPROVE A MODIFICATION TO THE
AUTHORITY'S 2021 SERVICE AREA BOUNDARY (SAB) TO ADD
PARCELS APN#021-283-020, APN#021-283-022 AND THE
REMAINDER PORTION OF THE PLACER RANCH SPECIFIC
PLAN THAT IS WEST OF FIDDYMENT ROAD ALL WITHIN THE
SUNSET AREA PLAN/PLACER RANCH SPECIFIC PLAN.**

WHEREAS, Placer County ("County") acting as lead agency pursuant to the California Environmental Quality Act ("CEQA") (Public Resources Code section 21000 et seq., 14 California Code of Regulations section 1500 et seq. ("CEQA Guidelines") prepared and certified an environmental impact report for the Sunset Area Plan/Placer Ranch Specific Plan (SCH No. 2016112012); and

WHEREAS, as a responsible agency under CEQA, the South Placer Wastewater Authority (the "Authority") is responsible for considering the EIR, making Findings of Fact and Statement of Overriding Considerations and adopting the Mitigation Monitoring and Reporting Program for the Proposed Project; and

WHEREAS, for purposes of CEQA, the Proposed Project consists of the Sunset Area Plan/Placer Ranch Specific Plan areas as identified and evaluated in the Sunset Area Plan/Placer Ranch Specific Plan EIR ("Project Approvals"); and

WHEREAS, the Project Approvals constitute a "project" for purposes of CEQA and CEQA Guidelines section 15378 and these determinations of the Authority; and

WHEREAS, the Authority has duly considered the Final EIR for the Proposed Project, which consists of the Sunset Area Plan/Placer Ranch Specific Plan EIR, the

appendices and references thereto, the comments of the public, both oral and written, and all written materials in the administrative record connected therewith; and

WHEREAS, the Authority has duly considered the Findings of Fact and Statement of Overriding Considerations and the Mitigation Monitoring and Reporting Program prepared for certification of the Sunset Area Plan/Placer Ranch Specific Plan EIR.

NOW, THEREFORE, BE IT RESOLVED THAT:

1) The Authority hereby considers the Sunset Area Plan/Placer Ranch Specific Plan EIR as complete, adequate and in full compliance with CEQA and considers such certification as a basis for considering and acting upon the Project Approvals.

2) The Authority has considered and hereby adopts the "Findings of Fact" for the Sunset Area Plan/Placer Ranch Specific Plan EIR, as set forth in Attachment A, attached hereto and incorporated herein by reference.

3) The Authority hereby adopts the Sunset Area Plan/Placer Ranch Specific Plan EIR Mitigation Monitoring and Reporting Program ("MMRP") prepared for the Project Approvals and as set forth in Attachment A and incorporated herein by reference. All mitigation measures proposed in the Sunset Area Plan/Placer Ranch Specific Plan EIR shall be implemented, and the MMRPs will implement all mitigation measures adopted with respect to the Proposed Project pursuant to all Project Approvals. The Sunset Area Plan/Placer Ranch Specific Plan MMRP is hereby incorporated into the Proposed Project and thereby become part of and limitations upon the entitlements conferred by the Project Approvals.

BE IT FURTHER RESOLVED: That notwithstanding the imposition of the mitigation measures in the MMRPs as set forth above, not all significant impacts of the Proposed Project have been reduced to a level of insignificance or eliminated by changes in the Proposed Project. The Authority finds that the Proposed Project will bring substantial benefits to the County, its residents and businesses, and that the Proposed Project's benefits outweigh its significant unmitigated adverse impacts and, pursuant to CEQA Guidelines section 15093, adopts the Sunset Area Plan/Placer Ranch Specific Plan EIR Statement of Overriding Considerations as set forth in Exhibit A, attached hereto and incorporated herein by reference, to explain why the Proposed Project's benefits override its unavoidable impacts. Having carefully considered the Proposed Project, its impacts and the foregoing benefits, the Authority finds, in light of the important social, economic and other benefits that the Proposed Project will bring as set forth in the Statement of Overriding Considerations, the adverse environmental impacts of the Proposed Project that are not fully mitigated are acceptable.

BE IT RESOLVED, that the Board of Directors of the South Placer Wastewater Authority (the "Authority") hereby approves the modification of the Authority's 2021 Services Area Boundary to include parcels APN#021-283-020, APN#021-283-020 and

the remainder portion of the Placer Ranch Specific Plan that is west of Fiddymment Road all within the Sunset Area Plan/Placer Ranch Specific Plan, as depicted in Exhibit B of this Resolution.

BE IT FURTHER RESOLVED: That the Authority staff is directed to file a Notice of Determination with the County Clerk-Recorder within five (5) working days in accordance with Public Resources Code section 21152(a) and CEQA Guidelines section 15094.

Passed and Adopted by the Board of the South Placer Wastewater Authority, this 24th day of April 2025, by the following vote on roll call:

AYES: Alvord, Dickinson, Gore, Roccucci
NOES: None
ABSENT: DeMattei
ABSTAIN: None


Chair

ATTEST:


Secretary

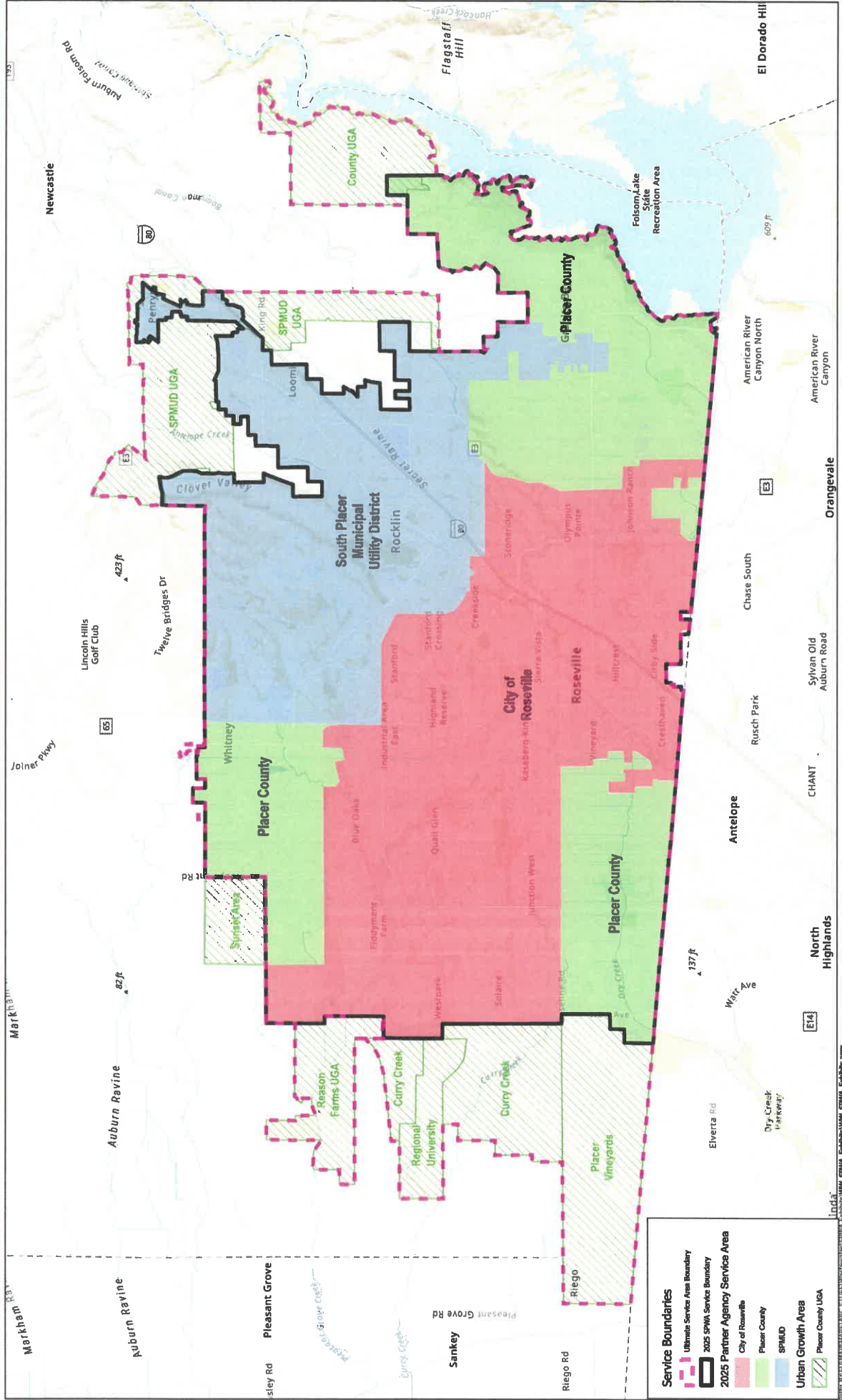
EXHIBIT A

<https://www.placer.ca.gov/2702/Sunset-Area-Plan---Placer-Ranch-Specific>

EXHIBIT B

2025 SPWA Service Area Boundary

Environmental Utilities / Technical Services



FOR: WREED\SPWA\BND\DC-STUFF\WESTCOAST\SPWA_Extends\WV_SPWA_Extends\WV_SPWA_Extends.aprx

Item 5





AUTHORITY COMMUNICATION

TO: South Placer Wastewater Authority **DATE:** April 23, 2025
Board of Directors

FROM: Tracie Mueller, City of Roseville Wastewater Utility Manager

AUTHORITY COMMUNICATION NO.: AC 25-12

SUBJECT: Request Authorization to Approve Additional Funding for the Treatment Plants Capacity Analysis Project

For SPWA Board Meeting April 24, 2025

ACTION REQUESTED

Adopt a resolution approving a budget adjustment for the Treatment Plants Capacity Analysis Project in the amount of \$200,000 for a total SPWA budget of \$1,671,502.

BACKGROUND

The Wastewater Treatment Plant Capacity Analysis Project, initiated in fall 2020, evaluates current and future treatment capacities at the Dry Creek and Pleasant Grove Wastewater Treatment Plants. Its objective is to support capacity-related capital planning, ensuring the facilities can meet both near- and long-term needs based on anticipated growth from SPWA partners. Initial recommendations for this project relied on pre-2020 data and projections, resulting in higher flow estimates than what has been observed in recent years, potentially due to delayed development and water conservation measures. In collaboration with SPWA Partners, staff have revised these forecasts to reflect current conditions and updated growth projections.

Due to these updated projections, the consultant requires a budget adjustment to update capacity-related capital planning recommendations. These revisions are anticipated to affect the consultant's process model outputs, plant upgrade alternatives, and cost estimates. The request also includes additional budget for City staff time to manage and coordinate the revised analyses. The consultant is expected to deliver an updated capacity analysis report before the end of 2025.

The SPWA previously approved \$1,471,502 in funding for this project. Therefore, with the requested SPWA budget adjustment of \$200,000, the total project budget with the request is \$1,671,502.



Submitted by:

Tracie R. Mueller

Tracie R. Mueller
Wastewater Utility Manager, City of Roseville

Approved by:

Dennis
Kauffman

Digitally signed by Dennis
Kauffman
Date: 2025.04.23 15:30:37
-07'00'

Dennis Kauffman
Chief Financial Officer

A handwritten signature in blue ink, appearing to read "S. Bigley", is written over a horizontal line.

Sean Bigley
Executive Director

SOUTH PLACER WASTEWATER AUTHORITY

RESOLUTION NO. 2025-07

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SOUTH PLACER WASTEWATER AUTHORITY
APPROVING ADDITIONAL FUNDING FOR THE
TREATMENT PLANTS CAPACITY ANALYSIS PROJECT**

BE IT RESOLVED, that the Board of Directors of the South Placer Wastewater Authority (the "Authority") does hereby approve a project budget increase for the Treatment Plants Capacity Analysis Project (the "Project") in the amount of \$200,000 for a total Project budget of \$1,671,502 as presented to the Board at this meeting.

PASSED AND ADOPTED this 24th day of April, 2025, by the following vote on roll call:

AYES: Alvord, Dickinson, Gore, Roccucci

NOES: None

ABSENT: DeMattei

ABSTENTION: None


Chairperson

ATTEST:


Secretary

Item 6



AUTHORITY COMMUNICATION

TO: South Placer Wastewater Authority **DATE:** April 8, 2025
Board of Directors

FROM: Sean Bigley, SPWA Executive Director and Pamela Walsh, SPWA Board Secretary

AUTHORITY COMMUNICATION NO.: AC 25-13

SUBJECT: Board Members to Discuss and Adopt SPWA Regular Meeting Dates

For SPWA Board Meeting April 24, 2025

ACTION REQUESTED

Staff recommends that the Board discuss and determine a regular schedule for future and quarterly SPWA meetings to ensure consistency, accessibility, and effective governance and adopt the resolution updating the Authority's regular meeting dates effective January 2026.

BACKGROUND

Currently, regular SPWA Board meetings are held the last Thursday of January, April, June, and September, at 9:30 am.

There was a request by Directors to assess future SPWA meeting dates due to conflicts with schedules, particularly the January meeting. Board members asked if either the date or time of this meeting could be rescheduled.

An established quarterly meeting schedule will allow staff to proactively plan agenda items, deadlines for staff reports, brief partners, and reserve conference rooms in advance.

Staff proposes the Board consider the following factor when selecting dates:

- Availability of Board members and their alternates.
- Coordination with other relevant meetings or events.

Following the Board's discussion, staff will implement the approved meeting schedule effective January 2026.

Submitted by:

A handwritten signature in blue ink, appearing to read "Sean Bigley", is written over a horizontal line.

Sean Bigley
Environmental Utilities Director
City of Roseville

SOUTH PLACER WASTEWATER AUTHORITY

RESOLUTION NO. 2025-08

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SOUTH PLACER WASTEWATER AUTHORITY APPROVING
REGULAR MEETING DATES**

WHEREAS, the Bylaws for the South Placer Wastewater Authority ("Authority") state that the Authority's Board of Directors shall meet as specified by resolution duly adopted by the Board of Directors ("Board").

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the South Placer Wastewater Authority that the regular meetings of the Board shall be held at 2005 Hilltop Circle, Roseville, California on the following Dates:

June 26, 2025

September 25, 2025

February 5, 2026

PASSED AND ADOPTED this 24th day of April 2025, by the following vote:

AYES: Alvord, Dickinson, Gore, Roccucci

NOES: None

ABSENT: DeMattei

ABSTAIN: None

Pauline Roccucci
Chairperson

ATTEST:

Famulusuain
Secretary