

MURPHYS SANITARY DISTRICT

“To provide the highest level of collection, treatment and disposal of wastewater at the lowest cost possible to the user of the Murphys Sanitary District.”

Special Board Meeting
Friday November 17, 2023
9:00 a.m.



MSD District Office
15 Ernest Street, Suite A
Murphys, CA 95247

AGENDA

Board meetings are open to the public and the following alternative is available to members of the public who wish to participate in the meeting virtually:

Microsoft Teams meeting

Join on your computer, mobile app or room device

[Click here to join the meeting](#)

Meeting ID: 250 386 310 777

Passcode: Tr7MvH

[Download Teams](#) | [Join on the web](#)

Or call in (audio only)

[+1 872-242-9031,,727893033#](tel:+18722429031727893033) United States, Chicago

Phone Conference ID: 727 893 033#

CALL MEETING TO ORDER\ PLEDGE OF ALLEGIANCE

1. **Roll Call**

2. **Agenda Changes**

3. **Public Comment** *(Limit 5 minutes per person) on items not appearing on agenda.*

At this time, members of the public may address the Board on any non-agendized item. The public is encouraged to work through staff to place items on the agenda for Board consideration. No action can be taken on matters not listed on the agenda.

4. **Consent Agenda** - *The following items are expected to be routine non-controversial. Items will be acted upon by the Board at one time without discussion. Any Board member, staff member, or interested party may request that any item be removed for later discussion.*

- a) Financial Reports October 2023
- b) Minutes: October 12, 2023 Regular Board Meeting

BOARD OF DIRECTORS

Paige McMath-Jue, President Steve Gonzalez, Vice President
Marty Mellera, Secretary Bruce Miller, Treasurer Joseph Fontana, Director at Large/Parliamentarian

<https://www.murphysd.org>

5. New Business

The Board may consider the items below and take action at this meeting. Public comment is allowed on each individual agenda item listed below, and such comment will be considered in advance of each Board action.

- a) Presentation and Approval of Hansford Economic Consulting Proposal-Discussion/Action
- b) Adoption of Res. 2023-06 Opt into California Uniform Public Construction Cost Accounting Act-Discussion/Action
- c) Approval of Purchasing and Procurement Policy-Discussion/Action
- d) Approval of District and Board Member Policy & Manual Revision -Discussion/Action
- e) Approval of Annual Renewal of California Special District Association (CSDA) Membership-Discussion/Action
- f) Adoption of Res. 2023-07 Authorizing Administration Manager to Sign on Behalf of District the WWTP Upgrade II Financial Assistance Application -Discussion/Action

6. Unfinished Business

Items tabled or carried forward from a previous meeting to be considered on this agenda. Public comment is allowed on each individual agenda item listed below, and such comment will be considered in advance of each Board action.

7. Committee Reports

Informational reports on committee meetings. Committees may recommend a future item be placed on the next meeting agenda for Board action.

- a) Investment Advisory Committee Report
 - Committee goal list attached for review
- b) Climate Action & Sustainability Report

8. Staff Reports

Brief reports of information on matters of general interest. No action will be taken by the Board during Staff Reports.

- a) Administration
 - CSDA Board Secretary Training, Holiday Luncheon
- b) Operation

9. Future Agenda Items/Director Comments

Board members and/or staff can comment on district business or request a future item be placed on the next meeting agenda. No action will be taken by the Board.

- a) Board Member Training Report - President McMath-Jue and Director Fontana
- b) Board Stipend Review for President McMath-Jue

10. Next Regular Meeting: December 14, 2023 10:00 a.m.

11. Adjournment

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the **Murphys Sanitary District at 209-728-3094**. Notification in advance of the meeting will enable MSD to make reasonable arrangements to ensure accessibility to this meeting. Any documents that are made available to the Board before or at the meeting, not privileged or otherwise protected from disclosure, and related to agenda items, will be made available at MSD for review by the public.

BOARD OF DIRECTORS

Paige McMath-Jue, President Steve Gonzalez, Vice President
 Marty Mellera, Secretary Bruce Miller, Treasurer Joseph Fontana, Director at Large/Parliamentarian

<https://www.murphysd.org>

**Murphys Sanitary Distict
Fund Balance Summary**

October 31, 2023

	Rates	
El Dorado Savings Bank	.02%	65,352.82
Cash Drawer		200.00
District Investments		
CA Class Discretionary	5.55%	640,226.54
CA Class Equip R&R	5.55%	357,173.90
LAIF	3.67%	57,045.65
UBS T-Bill #1 12/21/2023	5.29%	200,000.00
UBS T-Bill #2 01/11/2024	5.35%	200,000.00
UBS T-Bill #3 03/21/2024	5.42%	200,000.00
UBS T-Bill #4 09/23/2023	5.20%	200,000.00
UBS CD 06/21/2024	5.36%	44,000.00
UBS CD 05/30/2024	5.25%	224,000.00
UBS CD 11/15/2024	5.80%	200,000.00
Total Investments		<u>2,322,446.09</u>
Balance Ending October 31, 2023		2,387,998.91

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Murphys Sanitary District Expense Disbursement Report October 2023

Date	Num	Name	Memo	Amount
Oct 23				
10/05/2023	ACH	CalPERS	Retirement Contributions	-2,814.49
10/05/2023	ACH	EDD	Payroll Tax Liabilities	-672.82
10/05/2023	ACH	EFTPS Federal Tax...	Payroll Tax Liabilities	-3,347.52
10/01/2023	ACH	CalPERS Health In...	Medical Insurance-Fillmore, On...	-9,390.88
10/19/2023	ACH	CalPERS	Retirement Contributions	-2,837.46
10/19/2023	ACH	EDD	925 0399 4	-645.76
10/19/2023	ACH	EFTPS Federal Tax...	94-1569552	-3,347.52
10/19/2023	ACH	Vanco Services	Returned Payment-HEN0004	-60.00
10/26/2023	ACH	Vanco Services	Returned Check-DAV0013	-60.00
10/02/2023	ACH	Vanco Services	Returned Payment Incorrect Ac...	-60.00
10/02/2023	ACH	coPOWER	Dental & Vision Insurance	-430.07
10/06/2023	ACH	Vanco Services	Vanco service charge	-121.50
10/03/2023	10730	Mountain Oasis Wa...	Drinking Water	-91.80
10/03/2023	10731	Alpha	Research & Monitoring	-497.00
10/04/2023	10732	AT&T Internet - Six ...	Internet - Six Mile Acct#153160...	-53.50
10/04/2023	10733	AALR & R Attorney...	Policy Review	-329.70
10/04/2023	10734	Landscaper Alfredo ...	Yard maintenance Office Buildi...	-200.00
10/05/2023	10735	Fillmore, Kristina V	Payroll 10/05/2023	-2,035.42
10/05/2023	10736	Hemstad, Eric N	Payroll 10/05/2023	-1,805.56
10/05/2023	10737	Milliken, Amy R	Payroll 10/05/2023	-996.60
10/05/2023	10738	Murphy, Daniel W.	Payroll 10/05/2023	-3,028.67
10/05/2023	10739	Onstad, Joseph C	Payroll 10/05/2023	-2,325.81
10/05/2023	10740	Schroeder, Teri L	Payroll 10/05/2023	-560.71
10/05/2023	10741	Calaveras County A...	Parcel Files	-60.00
10/05/2023	10742	Modesto Welding P...	Argon Rental & Oxygen Charges	-16.00
10/10/2023	10743	Calaveras Lumber	Misc TP Supplies & Small Equ...	-147.18
10/10/2023	10744	Calaveras Power A...	WWTP Electric	-6,556.40
10/10/2023	10745	Mother Lode Answe...	Answering Service	-306.00
10/10/2023	10746	The Red Store	Misc TP Supplies - Marking Pai...	-162.11
10/10/2023	10747	Northstar Chemical	Chemicals	-2,806.42
10/12/2023	10748	Bruce Miller	Regular Board Meeting - Octob...	-100.00
10/12/2023	10749	Joseph Fontana	Regular Board Meeting - Octob...	-100.00
10/12/2023	10750	Marty Meller	Regular Board Meeting - Octob...	-100.00
10/12/2023	10751	Paige Mc Math-Jue	Regular Board Meeting - Octob...	-100.00
10/12/2023	10752	Steve Gonzales	Regular Board Meeting - Octob...	-100.00
10/12/2023	10753	Calaveras County T...	15 Ernest St - Solid Waste Fee	-277.30
10/12/2023	10754	Condor Earth Tech...	Groundwater Research & Monit...	-3,560.75
10/12/2023	10755	SDRMA	Property Liability Annual Fee 2...	-2,075.35
10/12/2023	10756	UPUD	735 Six Mile Rd	-217.24
10/12/2023	10757	UPUD	735 Six Mile Rd - M	-88.04
10/12/2023	10758	UPUD	15 Ernest St - M	-77.09
10/12/2023	10759	UPUD	26 Emerald Ct - M	-74.63
10/12/2023	10760	Bruce Miller	Investment Committee Meeting...	-50.00
10/16/2023	10761	Aramark	Uniform Service	-220.76
10/19/2023	10768	Fillmore, Kristina V	Payroll 10/19/2023	-2,185.09
10/19/2023	10769	Hemstad, Eric N	Payroll 10/19/2023	-1,526.82
10/19/2023	10770	Milliken, Amy R	Payroll 10/19/2023	-984.23
10/19/2023	10771	Murphy, Daniel W.	Payroll 10/19/2023	-3,028.67
10/19/2023	10772	Onstad, Joseph C	Payroll 10/19/2023	-2,559.81
10/19/2023	10773	Schroeder, Teri L	Payroll 10/19/2023	-571.66
10/23/2023	10774	AALR & R Attorney...	Legal Counsel-McCormick	-252.00
10/23/2023	10775	AT&T Murphys Gra...	Murphys Grade - Alarm	-134.30
10/23/2023	10776	Black Water Consul...	WWTP Upgrade II	-14,388.50
10/23/2023	10777	Jay Ashley	Computer Software & Back-up	-65.00
10/23/2023	10778	PGE-Emerald Cree...	Emerald Creek - Electric Acct#...	-177.38
10/23/2023	10779	PGE-Office	Office Electric - Acct#5508250...	-79.52
10/23/2023	10780	Black Water Consul...	TS - IRWM Application	-652.50
10/24/2023	10781	CEL0001	CEL0001 Sold Partial Month R...	-14.00
10/24/2023	10782	CEL0001	CEL0001 Overpayment Returned	-60.00
10/24/2023	10783	CEL0001	CEL0001 Overpayment Returned	-60.00
10/24/2023	10784	SUM0001	SUM0001 - Sold Partial Month ...	-14.00
10/25/2023	10785	Carbon Copy	Copy Machine - Six Mile	-11.36
10/25/2023	10786	Comcast Business	Phone/Internet - Office	-193.21
10/25/2023	10787	Gateway Press, Inc.	Truck Decals	-225.23
10/25/2023	10788	Signal Service	Alarm Service - Nov 2023-Jan ...	-445.80

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**Murphys Sanitary District
Expense Disbursement Report
October 2023**

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Amount</u>
10/25/2023	10789	TS-IRWMA	Annual Membership 2023-2024	-4,941.00
10/25/2023	10790	Carbon Copy	Copy Machine - Office	-37.41
Oct 23				

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Murphys Sanitary District
Budget vs. Actual- YTD Performance
July 2023 through June 2024

	Jul '23 - Jun 24	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Monthly Billing				
4100 · Srv Chrgs - Residential	237,699.40	644,400.00	-406,700.60	36.9%
4102 · Srv Chrgs - Apartments	19,740.00	59,760.00	-40,020.00	33.0%
4104 · Srv Chrgs - Lodges/Churches	2,910.60	8,552.00	-5,641.40	34.0%
4106 · Srv Chrgs - School	1,424.00	4,272.00	-2,848.00	33.3%
4108 · Srv Chrgs - Commercial	59,961.17	177,970.00	-118,008.83	33.7%
Total Monthly Billing	321,735.17	894,954.00	-573,218.83	35.9%
Misc Income				
4999 · Rental Income	3,250.00	7,800.00	-4,550.00	41.7%
4110 · Pln Chk & Inspection Fees	0.00	300.00	-300.00	0.0%
4111 · Late Fees	986.49	2,000.00	-1,013.51	49.3%
4120 · Taxes	7,729.11	135,000.00	-127,270.89	5.7%
4130 · Other Services	498.00	1,500.00	-1,002.00	33.2%
4140 · General Reserve Interest	22,911.88	100,000.00	-77,088.12	22.9%
4150 · Vacant lot Billing	0.00	1,700.00	-1,700.00	0.0%
4160 · Refunds - Rebates	253.26	500.00	-246.74	50.7%
Total Misc Income	35,628.74	248,800.00	-213,171.26	14.3%
Total Income	357,363.91	1,143,754.00	-786,390.09	31.2%
Gross Profit	357,363.91	1,143,754.00	-786,390.09	31.2%
Expense				
Wages				
5001.00 · Wages - Operations	77,355.65	227,497.00	-150,141.35	34.0%
5001.50 · Wages - Office	41,161.85	123,042.00	-81,880.15	33.5%
5002.00 · Overtime - Operations	775.66	3,000.00	-2,224.34	25.9%
5002.50 · Overtime - Office	0.00	0.00	0.00	0.0%
5005.00 · On-Call Comp - Operations	3,600.00	10,500.00	-6,900.00	34.3%
Total Wages	126,057.44	364,039.00	-237,981.56	34.6%
Employee Benefits				
5010.00 · Health Insurance - Operations	38,651.40	120,000.00	-81,348.60	32.2%
5010.50 · Health Insurance Administration	13,094.92	42,000.00	-28,905.08	31.2%
5015.00 · Accrued Vac - Operations	0.00	2,562.00	-2,562.00	0.0%
5015.50 · Accrued Vac - Administration	0.00	0.00	0.00	0.0%
5020 · Pension Expense				
5020.10 · Contra Pension Expense	0.00	0.00	0.00	0.0%
5020.00 · calPERS Retirement - Operations	6,830.13	19,715.00	-12,884.87	34.6%
5020.50 · calPERS Retirement - Admin	2,747.11	8,330.00	-5,582.89	33.0%
Total 5020 · Pension Expense	9,577.24	28,045.00	-18,467.76	34.1%
Total Employee Benefits	61,323.56	192,607.00	-131,283.44	31.8%
PR Taxes				
5030.50 · FICA-Medicare	10,589.91	38,500.00	-27,910.09	27.5%
Total PR Taxes	10,589.91	38,500.00	-27,910.09	27.5%
WORKERS' COMPENSATION				
5040.00 · Workers' Comp – Operations	9,382.18	16,000.00	-6,617.82	58.6%
5040.50 · Workers' Comp. – Administration	620.00	723.00	-103.00	85.8%
Total WORKERS' COMPENSATION	10,002.18	16,723.00	-6,720.82	59.8%

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Murphys Sanitary District
Budget vs. Actual- YTD Performance
 July 2023 through June 2024

	Jul '23 - Jun 24	Budget	\$ Over Budget	% of Budget
OPERATIONS - Maint & Repairs				
6001.10 · R&M - Collection	1,778.04	3,000.00	-1,221.96	59.3%
6001.20 · R&M - Treatment	144.41	3,000.00	-2,855.59	4.8%
6002.40 · R&M - Truck	306.03	4,000.00	-3,693.97	7.7%
6003.40 · R&M - Tractor	0.00	500.00	-500.00	0.0%
6004.40 · R&M - Trailer-Trash Pumps	0.00	500.00	-500.00	0.0%
6005.40 · R&M - Hydro Equipment	1,382.39	1,500.00	-117.61	92.2%
6006.40 · R&M - Sml Tools & Equipment	320.50	1,000.00	-679.50	32.1%
Total OPERATIONS - Maint & Repairs	3,931.37	13,500.00	-9,568.63	29.1%
OPERATIONS - Supplies				
6016.00 Software Updates	0.00	2,000.00	-2,000.00	0.0%
7011.00 · Office Supplies	927.25	2,000.00	-1,072.75	46.4%
6010.00 · Equipment Rental	0.00	350.00	-350.00	0.0%
6011.00 · Gas-Oil-Fuel	1,484.87	8,500.00	-7,015.13	17.5%
6012.10 · Supplies - Collection	80.00	1,500.00	-1,420.00	5.3%
6012.20 · Supplies - Treatment	14,584.98	37,000.00	-22,415.02	39.4%
6013.00 · Safety Supplies	369.91	1,000.00	-630.09	37.0%
6015.00 · Uniforms	939.55	4,000.00	-3,060.45	23.5%
Total OPERATIONS - Supplies	18,386.56	56,350.00	-37,963.44	32.6%
OPERATIONS - Utilities				
6021.10 · Electric - Water Collection	9,722.15	30,000.00	-20,277.85	32.4%
6021.20 · Elec. - Water - Garbage WWTP	26,438.94	45,000.00	-18,561.06	58.8%
6022.00 · Telephone - Internet	642.18	4,500.00	-3,857.82	14.3%
Total OPERATIONS - Utilities	36,803.27	79,500.00	-42,696.73	46.3%
OPERATIONS - Other				
6031.20 · Education Operations	1,050.00	3,000.00	-1,950.00	35.0%
6032.20 · Research - Monitoring	11,190.55	24,000.00	-12,809.45	46.6%
6033.00 · Answering Service	1,480.00	3,550.00	-2,070.00	41.7%
6034.00 · Security-Alarm Service	1,829.06	3,700.00	-1,870.94	49.4%
Total OPERATIONS - Other	15,549.61	34,250.00	-18,700.39	45.4%
ADMINISTRATIVE - Rents - Leases				
7050.10 · Rents & Leases - Collection	720.00	0.00	720.00	100.0%
ADMINISTRATIVE - Rents - Leases - Other	0.00	720.00	-720.00	0.0%
Total ADMINISTRATIVE - Rents - Leases	720.00	720.00	0.00	100.0%
ADMINISTRATIVE - Supplies				
7017.00 Operating Expenses	249.48	1,500.00	-1,250.52	16.6%
7011.50 · Office Supplies	1,057.69	4,000.00	-2,942.31	26.4%
7012.50 · Postage	427.60	1,500.00	-1,072.40	28.5%
7013.50 · Printing	0.00	300.00	-300.00	0.0%
7014.00 · Publications	0.00	300.00	-300.00	0.0%
7015.50 · Office Equipment - Software	2,557.73	3,000.00	-442.27	85.3%
7016.50 · Website-email Expenses	0.00	500.00	-500.00	0.0%
Total ADMINISTRATIVE - Supplies	4,292.50	11,100.00	-6,807.50	38.7%
ADMINISTRATIVE - Utilities				
7021.50 · Electric - Water Office	891.89	4,500.00	-3,608.11	19.8%
7022.50 · Telephone-Internet Access	1,241.36	4,200.00	-2,958.64	29.6%
Total ADMINISTRATIVE - Utilities	2,133.25	8,700.00	-6,566.75	24.5%
ADMINISTRATIVE - Other				
7030.50 · Bank Charges - Vanco Fees	610.75	1,440.00	-829.25	42.4%
7031.50 · County Lien Costs -Mileage	105.06	500.00	-394.94	21.0%
7034.50 · Education	411.36	4,500.00	-4,088.64	9.1%
7035.50 · Memberships	5,363.45	10,000.00	-4,636.55	53.6%
7036.50 · Grant Expenses	0.00	2,500.00	-2,500.00	0.0%
7099.50 · 15 Ernest St Building RM	1,025.28	3,000.00	-1,974.72	34.2%
Total ADMINISTRATIVE - Other	7,515.90	21,940.00	-14,424.10	34.3%

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Murphys Sanitary District
Budget vs. Actual- YTD Performance
 July 2023 through June 2024

	Jul '23 - Jun 24	Budget	\$ Over Budget	% of Budget
ADMINISTRATIVE - Insurance				
7040.50 · Liability - Property Ins	36,662.64	35,000.00	1,662.64	104.8%
Total ADMINISTRATIVE - Insurance	36,662.64	35,000.00	1,662.64	104.8%
ADMINISTRATIVE – Professional				
7054.50 Software Updates	0.00	1,500.00	-1,500.00	0.0%
7053.50 Website/IT Maintenance	125.00	1,200.00	-1,075.00	10.4%
7054.50 · Office Cleaning	0.00	0.00	0.00	0.0%
7053.50 · Accounting Services	9,500.00	10,000.00	-500.00	95.0%
7051.50 · Professional-Legal Services	917.60	6,000.00	-5,082.40	15.3%
7052.50 · Board Expenses	3,519.12	11,000.00	-7,480.88	32.0%
Total ADMINISTRATIVE – Professional	14,061.72	29,700.00	-15,638.28	47.3%
ADMINISTRATIVE - License-Permit				
7070.00 · State Permits-Reporting	700.00	41,000.00	-40,300.00	1.7%
7071.00 · Plan Check Permits -	0.00	300.00	-300.00	0.0%
Total ADMINISTRATIVE - License-Permit	700.00	41,300.00	-40,600.00	1.7%
ADMINISTRATIVE - Advertising				
7080.50 · Advertising	0.00	500.00	-500.00	0.0%
7081.50 · Customer Outreach	0.00	750.00	-750.00	0.0%
Total ADMINISTRATIVE - Advertising	0.00	1,250.00	-1,250.00	0.0%
ADMINISTRATIVE – Engineering				
8500.50 · Engineering-General	652.50	5,000.00	-4,347.50	13.1%
Total ADMINISTRATIVE – Engineering	652.50	5,000.00	-4,347.50	13.1%
ADMINISTRATIVE - Debt Service				
9030.00 · WWTP Upgrade SRF Loan	0.00	0.00	0.00	0.0%
Total ADMINISTRATIVE - Debt Service	0.00	0.00	0.00	0.0%
Total Expense	349,382.41	950,179.00	-600,796.59	36.8%
Net Ordinary Income	7,981.50	193,575.00	-185,593.50	4.1%
Net Income	7,981.50	193,575.00	-185,593.50	4.1%

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Murphys Sanitary District
Budget vs. Actual - Reserve Performance
July 2023 through June 2024

	Jul '23 - Jun 24	Budget	\$ Over Budget	% of Budget
Other Income/Expense				
Other Income				
CAPITAL INCOME				
Grant Funds-Plant Upgrade II	0.00	0.00	0.00	0.0%
Grant Funds-Collection System	0.00	0.00	0.00	0.0%
Cash from Operating Account	0.00	193,586.00	-193,586.00	0.0%
Connection Fees Collected	0.00	0.00	0.00	0.0%
Total CAPITAL INCOME	13,754.76	193,586.00	-179,831.24	7.1%
Total Other Income	13,754.76	193,586.00	-179,831.24	7.1%
Other Expense				
CAPITAL REPAIR & MAINTENANCE				
9016.10 · CollectionSystem Replacement	10,667.50	0.00	10,667.50	100.0%
9999.00 · 15 Ernest St Improvements	159.38	8,000.00	-7,840.62	2.0%
9007.00 · Capital Equipment	67,942.16	132,000.00	-64,057.84	51.5%
9022.00 · CIP - WWTP Upgrade Part II	22,528.50	350,000.00	-327,471.50	6.4%
Total CAPITAL REPAIR & MAINTENANCE	110,437.54	490,000.00	-379,562.46	22.5%
Total Other Expense	110,437.54	490,000.00	-379,562.46	22.5%
Net Other Income	-96,682.78	-296,414.00	199,731.22	32.6%
Net Income	-96,682.78	-296,414.00	199,731.22	32.6%

10-12-2023 Regular Board Meeting MINUTES

Murphys Sanitary District



MINUTES – Regular Board Meeting
 Thursday, October 12, 2023
 15 Ernest St Ste. A
 Murphys, Ca 95247

CALL MEETING TO ORDER\ PLEDGE OF ALLEGIANCE

1. Roll Call

Board of Directors

Director Fontana; Director Miller; Director Mellerera; Director Gonzales & President McMath-Jue

Staff

K. Fillmore, Admin. Manager; D. Murphy, Operations Manager & A. Milliken, Accounting Clerk

2. Agenda Changes – None

3. Public Comment - None

4. Consent Agenda

- a) Financial Reports September 2023
- b) Minutes: September 21, 2023, Special Board Meeting

Motion: Directors B. Miller & J. Fontana motion to accept the Consent Agenda as presented; Financial Report September 2023 & Minutes 9/21/2023, Special Board Meeting: Approved 5-0

5. New Business

- a) Approval of T-S IRWMA Joint Powers Authority Membership Renewal - Discussion

Motion: Directors J. Fontana & S. Gonzales motion to approve the T-S IRWMA Joint Powers Authority Membership renewal: Approved 5-0

BOARD OF DIRECTORS

Paige McMath-Jue, President Steve Gonzalez, Vice President
 Marty Mellerera, Secretary Bruce Miller, Treasurer Joseph Fontana, Director at Large/Parliamentarian

<https://www.murphyssd.org>

10-12-2023 Regular Board Meeting MINUTES

b) Approval of Mountain Counties Water Resource Association (CWRA)

Motion: Directors J. Fontana & P. McMath-Jue motion to not renew MSD's membership with the Mountain Counties Water Resource Association: Approved 5-0

c) SDRMA No Paid Workers' Compensation Claims in 2022/23 – *Information Only, Letter & Certificate of Acknowledgement received.*

d) IRWMA Grant Funding for DAC – *Discussion Only*

6. Unfinished Business

a) Cell Tower Lease on Wastewater Treatment Plant (WWTP) property -*No update, remove from agenda.*

b) Legal Review of Use Ordinance – *To be available within the next few weeks, pending review from engineers.*

c) Cost of Service Study – *K. Fillmore is in contact with representatives to meet with the Board for more discussion and information regarding Prop 218 – K. Fillmore directed to Schedule a Special Meeting with representatives for November.*

7. Committee Reports

a) Investment Advisory Committee Report – *Committee met on the 10th – Future goals report to be available by January 2024; Discussion to create a “Reserve Policy” & “Operating Savings Account”; Update CIP through the next 10 years – President P. McMath-Jue requests a copy of the goals list to be included in the next Regular Board Meeting Packet.*

b) Climate Action & Sustainability Report – *No action, revisit next Regular Board Meeting*

8. Staff Reports – K. Fillmore & D. Murphy

a) Administration – *K. Fillmore gives brief updates & information – Working with engineers on a Formal & Informal Bid Procedure & Adopting the Uniform Public Construction Cost Accounting Act for our projects moving forward; Updating the MSD Bylaws, to be available next Regular Board Meeting; Collections System Improvement project to be submitted to IRWMA; WWTP Plant Upgrade scope of work has been changed to two projects, additional funding options being explored; Staff is upgrading teleconference & audio equipment for efficient public engagement – Brief Review & Discussion*

BOARD OF DIRECTORS

Paige McMath-Jue, President Steve Gonzalez, Vice President
Marty Mollera, Secretary Bruce Miller, Treasurer Joseph Fontana, Director at Large/Parliamentarian

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10-12-2023 Regular Board Meeting MINUTES

b) Operations – Operations report included in Board Packet – Brief Discussion

9. **Director Comments – Director B. Miller recommends looking into cost efficient employee benefits; Director J. Fontana would like Staff & Board to be aware of property rezoning that may be going on in the Murphys area & remind any Board Members involved in other district issues to identify as a member of the public and not present yourself as a Board Member. Attending or commenting on another local district's issues is of personal opinion and does not represent the MSD Board.**

Future Agenda Items - Hiring a Grant writer; Updated Bylaws

10. **Next Regular Meeting: November 9, 2023, 10:00 a.m.**

11. **Adjournment: 11:06 a.m.**

Respectfully;

Amy R Milliken, Clerk of the Board

Director Marty Mellera, Secretary

BOARD OF DIRECTORS

Paige McMath-Jue, President Steve Gonzalez, Vice President
 Marty Mellera, Secretary Bruce Miller, Treasurer Joseph Fontana, Director at Large/Parliamentarian

<https://www.murphyssd.org>



STAFF REPORT

DATE: November 17, 2023
TO: Members of the Board
FROM: Kristina Fillmore, Administration Manager
SUBJECT: Approval of Hansford Economic Consulting Proposal Task A and Task B

Recommendation:

Staff recommend Board approval of proposal Task A and B of the Wastewater Rate Study and Qualifications.

Background:

At the August 10, 2023 board meeting the Board requested staff contact a consultant to discuss a prop 218 rate study.

Discussion:

The Board continues discussion of a wastewater rate study to determine if the current rate structures align with the financial health and future projected revenue requirements. Attached to this report is a proposal from Hansford Economic Consulting for review and approval to proceed.

Fiscal Impact:

A wastewater rate study was not allocated in the FY 23/24 budget. If the Board approves proposal, the expense will be budgeted in the FY 24/25.

HANSFORD

ECONOMIC CONSULTING LLC

PO Box 10384 Phone: 530-412-3676
Truckee, CA Email: catherine@hansfordecon.com

October 30, 2023

Ms. Kristina Fillmore, Administration Manager
Murphy's Sanitary District

Letter sent via email

Subject: Wastewater Rates Study; HEC #230423

Dear Kristina:

Thank you for the opportunity to submit a proposal to potentially update the Murphy's Sanitary District (hereafter 'District' or 'MSD') wastewater rates. HEC and its Principal, Catherine Hansford, bring more than 20 years of experience in municipal finance with specialization in the water industry. With a proven track record of completed projects and references listed herein, HEC offers the necessary skill set for successful, straightforward execution of the Study. HEC has provided professional services to many small cities and special districts in California. We work with staff, engineers, bond counsel, planners, public outreach, and legal professionals routinely to determine the best solutions to unique circumstances. The majority of HEC's clients are small communities. Our qualifications are provided in **Exhibit A**.

Proposed Scope of Services

Task A: Financial Analysis and Proposition 218 Explanation

Task A.1: Project Management

This subtask includes time for Catherine Hansford to manage, track, and report on Task A progress every month. It entails review of work status/progress, invoicing/determination of remaining budget, and coordination with District staff.

Task A.2: Financial Discovery

HEC will provide a list of data needs to the District and will collect other information and data pertinent to the rate study. Once the data has been collected, HEC will thoroughly review the financial health of the District, examining revenue and cost information for all operations, maintenance, administration, general expenses, short and long-term liabilities, as well as capital and reserve expenditures. The financial review will establish the historical and current financial health of the District under the current rate and taxes structures, generally describe components of annual revenues, and characterize expenses.

Looking forward, HEC will estimate the District's revenue requirement. The revenue requirement is the amount that must be raised by customers each year to maintain revenue sufficiency. HEC will summarize the wastewater capital improvement plan (CIP) as provided by the District and will present

a financing strategy to ensure the facilities are completed in a timely fashion, while minimizing the impact to rate-payers. Assumptions in the financial model include rate of growth and number of customers by customer category, which will be discussed with staff and vetted by the District Board of Directors (Board). Future operation and maintenance expenses may be projected using known cost changes, historical annual percentage increases, or some other index, such as a consumer price index. Expense item categories, such as utility costs and labor costs, services and supplies costs, permits and lab costs, will be projected independently.

The projected revenue requirement may also include other non-operating cost considerations, such as an operating reserve, rate stabilization fund, short-lived asset reserve, or additional funds to meet debt service coverage requirements. Non-operating revenues, such as interest revenue, late charges, and other miscellaneous revenue sources, will be included as credits in the analysis so that the revenue requirement is not over-estimated. A cash flow will be presented to ensure sufficiency of funding for the next five years, demonstrating adequate debt service coverage and reserve levels are met.

Task A.3: Proposition 218 and Financial Best Practices Explanation

HEC will explain the legal requirements of Proposition 218 for changes to rate levels and rate structure, as well as the timeline to make changes. Financial best practices, including funding of reserves and pay-as-you-go versus debt financing will be discussed. In addition, HEC will explain other financing instruments such as low-cost loans from the State and Federal governments, and other fee mechanisms to recover District costs (connection fees, regulatory fees, special taxes, and assessments, for example).

***Task A Deliverables:** memorandum and accompanying PowerPoint that describe (a) the District's historical and current financial health, and (b) projects the revenue requirement for at least 5 years. Best financial practices and financing strategies to meet future financial obligations will be presented.*

***Task A Meetings:** Virtual meetings with staff and one public (Board) meeting explaining findings of Task A. It is assumed that the Board meeting participation will also be virtual.*

Task B: Wastewater Rate Analysis

Task B.1: Project Management

This subtask includes time for Catherine Hansford to manage, track, and report on Task B progress every month. It entails review of work status/progress, invoicing/determination of remaining budget, and coordination with District staff.

Task B.2: Cost of Service Calculations and Rate Design

Once the projected revenue requirement is established, it is allocated to customers based on customer characteristics (number of units, number of accounts, strength of wastewater for example).

The current rate structure will be assessed for alignment with current District goals and objectives and current legal interpretations of Proposition 218. Alternative rate structures may be discussed with the Board; HEC will model up to two alternative rate structures.

The cost-of-service analysis leads to the calculation of user rates for wastewater so that the system is adequately funded for existing and projected future costs and that the rates are based on the best estimate of system use by each customer. HEC will provide guidance and advice to District staff to ensure the proposed rate structure complies with Proposition 218 and all related laws, and that rates are implemented within the District's desired timeframe.

Task B.3: Wastewater Cost-of-Service Report

HEC will prepare a report that includes the methodology used, detailed calculations of rates, findings, and recommendations. The report will demonstrate cost of service and proportionality requirements such that the District shows compliance with Proposition 218. Following edits and changes to the draft report, HEC will prepare a final report before the public hearing.

The report will include a comparison of wastewater bills with other regional wastewater providers.

Task B.4: Wastewater Rates Implementation

HEC will assist the District with implementing proposed rates. Technical assistance includes helping District staff, particularly with staff reports, changes to ordinances, and providing help to staff responsible for implementing rate changes with technical questions.

HEC will work with District staff to draft the public hearing notice. The notice will specify the basis of the fee, the reason for the fee, the customer's right to protest the fee, and the date/time/location of the public hearing. Since wastewater fees are property-related fees, not assessments, they do not require a ballot. Only property owners of record must receive notification of property-related fee increases; however, tenants or property owners may protest the fee. Only one protest per property can be counted.

This proposal assumes that HEC mails the public hearing notices and counts protests upon conclusion of the public hearing.

Task B Deliverables: *Cost-of-service report, materials for public meetings, public hearing notice preparation and distribution.*

Task B Meetings: *Up to three (3) in-person public meetings are included in Task B. Meetings include two (2) meetings with the Board, and one public workshop. All other meetings will be virtual.*

Estimated Budget and Schedule

The proposed not-to-exceed budget of \$34,930 for the scope of services described above is based on HEC's 2023/24 hourly billing rates as follows: Principal \$205 per hour, Associate \$145 per hour, and clerical/administrative work \$95 per hour. These rates will be held through 2024 and are subject to change January 1, 2025. If any non-staff costs are incurred that are specific to work performed for the District (direct costs), these will be billed at cost. Direct costs could include mileage reimbursement and other travel-related costs, printing, videoconference hosting fees, meals when traveling for meetings, and mail and postage costs.

The Board could proceed with authorizing the full scope of services and budget, or only authorize Task A. HEC is amenable to a contract with all tasks included but only having budget released for Task A, with future release of Task B budget, if authorized by the Board, upon conclusion of Task A.

The estimated budget includes these assumptions:

Three in-person meetings with travel to Murphy's.

- Proposition 218 public notice creation (content and design) is included in the budget but the cost of third-party printing and mailing of the notices is excluded.

The estimated cost is separated between Task A and Task B as shown in **Table 1**; however, HEC retains the right to move budget between subtasks within a task as needed. HEC charges for services on a cost not-to-exceed basis; therefore, you will only be billed for the work completed up to the authorized budget amount. If additional work is requested that is beyond the original scope of services, or if work efforts are greater than anticipated in development of the budget, HEC will request authorization for additional budget.

Table 1
Estimated Budget

Task/Item Description <i>Hourly Billing Rates</i>	HEC			Total
	Hansford \$205	Rollins \$145	Clerical \$95	Estimated Cost
Task A				
1 Project Management	4	0	8	\$1,580
2 Financial Discovery	14	0	0	\$2,870
3 Proposition 218 Explanation	10	0	0	\$2,050
Total Task A	28	0	8	\$6,500
Task B				
1 Project Management	5	0	10	\$1,980
2 Cost-of-Service & Rate Design	36	0	0	\$7,380
3 Cost-of-Service Report	20	6	8	\$5,730
4 Wastewater Rates Implementation	32	28	18	\$12,330
Task B Subtotal	93	34	36	\$27,420
Task B Direct Costs (3 trips)				\$1,010
Total Task B				\$28,430
Total Cost Estimate				\$34,930

HEC reserves the right to move budget between subtasks.

HEC can begin work on this project February 1, 2024. Rate studies typically take 6 to 8 months to complete. Table 2 shows two potential timelines to implement new rates – a ‘comfortable schedule’ and an ‘accelerated schedule’. The earliest new rates could be implemented is September 1, 2024; depending on how the process goes, rates could certainly be in place by January 1, 2025.

Table 1
Estimated Schedule

	Comfortable Schedule	Accelerated Schedule
Project Start	2/1/2024	2/1/2024
Financial Discovery & 218 Explanation Memo	3/28/2024	2/22/2024
Task A Virtual Presentation to the Board	4/11/2024	3/7/2024
Rate Study Findings (to staff)	6/20/2024	4/18/2024
Task B: Draft Report to the Board	7/11/2024	5/9/2024
Draft Final Report Presentation to Board	8/8/2024	N/A
Approval to Send Out Rate Change Notices	9/12/2024	6/6/2024
Last Day to Mail Out Notices (45 day period begins)	9/28/2024	6/22/2024
Public Workshop	mid Oct	early July
Final Rate Study Due to Staff	11/2/2024	7/27/2024
Public Hearing (and Rate Adoption)	11/14/2024	8/8/2024
<i>Billing Effective</i>	<i>Jan-25</i>	<i>Sep-24</i>

We look forward to having the opportunity to discuss our proposal further. You can reach Catherine at (530) 412-3676 or catherine@hansfordecon.com with any questions about this proposal.

Sincerely,



Catherine R. Hansford, Principal
HANSFORD ECONOMIC CONSULTING LLC

EXHIBIT A

HEC QUALIFICATIONS AND EXPERIENCE



Catherine Hansford
Principal

Utility Rate Studies • Municipal Finance • Water Resources Planning • Economic Analysis

Catherine is a practitioner of financial, economic, and resource sciences. As a professional for more than 20 years, Catherine has built a reputation for creative problem solving, excellent speaking skills and written products. Catherine combines her powerful analytical skills with the invaluable ability to take complex topics, distill them into key components, and deliver relevant information in a clear and concise manner. She is particularly sensitive to the public process required to address most municipal finance issues; her presentations are crafted so that public finance decisions are understood, even if constituents do not favor them.

“Catherine is a rare combination of powerful analytical skills with an extraordinary ability to assess the big picture.”

Lori Williams, Liberty
Utilities Energy
Efficiency Manager

Experience

Catherine has worked in both the public and private sectors over the course of her career. In the public sector, Catherine worked as a senior planner for the Truckee Meadows Water Authority (TMWA), performing management analyst functions such as cost-benefit analysis, managing interlocal agreements, performing rate and fee studies, and working with stakeholders. Catherine served as liaison/chair between TMWA and various customer groups. These included a Rate Making Review Committee and Landscape Subcommittee. Catherine served as the Chair of the Advisory Committee on Conservation for the Washoe County Regional Water Planning Commission from 2003 through 2005.

In the private sector, Catherine worked for Economic and Planning Systems (Sacramento office) helping clients with municipal bond sales, financing plans, special district formation, user fee studies, fiscal studies, and nexus fee studies. At ECO:LOGIC Engineering (now Stantec), Catherine specialized in water utilities public financing. Since 2005, Catherine has been the owner and principal of HEC, engaging in municipal planning and finance issues, primarily in the water industry.

Education

Master of Science, Agricultural Economics, University of Nevada, Reno

Bachelor of Science, Rural and Environmental Economics, University of Newcastle-upon-Tyne, UK

Career

Hansford Economic Consulting	Principal	Truckee, CA
ECO:LOGIC Engineering	Senior Economist	Rocklin, CA
Truckee Meadows Water Authority	Senior Water Planner	Reno, NV
Economic and Planning Systems	Senior Associate	Sacramento, CA

Presentations and Publications

The Dichotomy of Grant Funding for Groundwater Activities: Leverage and Reliance, *2023 California Groundwater Resources Association 101 Week*

Funding Groundwater Management Programs, How Fees were established for Two New Agencies tasked with Groundwater Sustainability, *2021 Nevada Water Resources Association Conference*

Water Rights for Sale: Know what you're Selling or Buying, *2020 Schroeder Law Offices Webinars*

Utility Financial Planning: Facility Funding Options and Different Types of Fees, *2019 Nevada Rural Water Association Videoconference classes*

Stormwater Rate Calculation, *2018 Tri-State Seminar, Las Vegas*

Western US Water Issues, *2018 Women In Economics, University of Nevada Reno*

Funding for Flood Facilities, *2017 Nevada Water Resources Association Fall Event*

Financial Management: Understand your Cost Structure, Customer Cost-Share Responsibilities and Funding Options, *3-Hour Videoconference class, Nevada Rural Water Association (multiple times)*

Successful Strategic Planning Starts with Understanding Your Financial Position and Engaging a Wide Range of Stakeholders, *2014 Nevada Rural Water Association Conference*

The Cost of Rectifying Over-Appropriation of Groundwater in Diamond Valley, *2014 Nevada Water Resources Association Conference*

Rate Setting Fundamentals: Math or Art? *2013 Nevada Rural Water Association Conference*

A Misunderstood Relationship: Economic Vitality and Environmental Improvement in the Tahoe Basin, *2012 Tahoe Science Conference*

What is a Reasonable Water Rate? *2011 Nevada Water Resources Association Conference*

Projecting Population and Employment: A Platform for Projecting Water Purveyor Demands in an Urban Area, *2003 Nevada Water Resources Association Conference*

Water Conservation Recommendations from a Consumer Outreach Group, *2002 AWWA Cal-Nev Section Conference*

"Setting and Assessing the Impact of Water-Related Development Fees", *The Water Spot, First Joint issue of the Nevada Water Environment Association and Nevada Water Resources Association, Winter 2017.*

References

Client	Contact	Study
American Valley Community Services District	Katie Nunn, Business Manager (530) 283-0836 <i>katie@americanvalleycsd.com</i>	Water and Wastewater Rates and Fees Study (2022)
Gold Mountain Community Services District	Rich McLaughlin, Treasurer (619) 248-1048 <i>rich.mclaughlingmcsd@gmail.com</i>	Water and Wastewater Rates Study (2022)
Midway Heights County Water District	Jason Tiffany, General Manager (530) 878-8096 <i>admin@mhcwd.org</i>	Potable and Raw Water Rates and Fees Study (2020)
Georgetown Divide Public Utility District	Adam Brown, Water Resources Manager (530) 333-4356 ext. 110 <i>abrown@gd-pud.org</i>	Wastewater Rates and Fees Study (2019)
Minden Gardnerville Sanitation District	Peter Baratti, District Manager (775) 782-3546 <i>peter@mgsdistrict.org</i>	Wastewater Rates and Fees Study (2023)

About HEC

Hansford Economic Consulting LLC (HEC), self-member LLC, provides planning, economic, and financial services for public and private clients in the Western United States. The company, founded in 2005, is owned and managed by Catherine Hansford, an applied economist with more than 25 years of experience. HEC clients include regional agencies, counties and cities, special districts, non-profits, private entities, and homeowner associations.

Our high-quality work products span a breadth of land and water resource related topics that touch our human communities and environments. HEC endorses progressive and adaptive planning, understanding that plans are useful only if they are comprehensive, relevant to the specific local conditions, and lead to implementation. Our approach is especially desirable when working on sensitive community issues with a divergent customer base and/or the interests of multiple stakeholders. HEC appreciates the challenge of balancing equity, feasibility, and public acceptance goals when approaching fee studies.

HEC is committed to a positive experience with an outcome that provides concrete steps forward; we strive to offer solutions that are legally grounded and follow best practices.

Rate and Fee Studies Experience

California

- ❖ *Linden County Water District – Water and Wastewater Rate Study*
- ❖ *Lockeford Community Services District – Water Rate Study*
- ❖ *Calaveras Public Utility District – Connection and Capacity Fees Study*
- ❖ *Sierraville Public Utility District – Water Rate Study*
- ❖ *Sierra County Waterworks District #1 – Water Rate Study*
- ❖ *Grizzly Flats Community Services District – Water Rate Study*
- ❖ *Heather Glen Community Services District – Water System Consolidation Feasibility*
- ❖ *City of Newman – Water and Wastewater Rate Studies*
- ❖ *City of Livingston - Water, Wastewater and Solid Waste Rate Studies*
- ❖ *Salinas Valley Basin Groundwater Sustainability Agency – Sustainability Fee Study*
- ❖ *Merced Irrigation Urban Groundwater Sustainability Agency – Sustainability Fee Study*
- ❖ *Ukiah Valley Basin Groundwater Sustainability Agency - Sustainability Fee Study*
- ❖ *Bishop Paiute Tribe – Water and Wastewater Rates Study*
- ❖ *Midway Heights County Water District – Potable and Raw Water Rates Study and Strategic Plan*
- ❖ *Heather Glen Community Services District – Water Rate and Consolidation Feasibility Studies*
- ❖ *American Valley Community Services District – Water and Wastewater Rates, Connection Fees, and Administrative Fees Study*
- ❖ *Gold Mountain Community Services District – Water and Wastewater Rates, Connection Fees, and Administrative Fees Study*
- ❖ *Woodbridge Sanitary District – Wastewater Rate Studies*
- ❖ *South Placer Municipal Utility District - Wastewater Rates and Capacity Fees Study*
- ❖ *Donner Summit Public Utility District - Wastewater System Upgrades Financing Plan and Cost of Service Study, Water Rate Study, Special Tax Analysis, and Wastewater Capacity Fees Study*
- ❖ *Alpine County – Effluent Management and Pricing Study*
- ❖ *Georgetown Divide Public Utilities District – Wastewater Rates, Connection Fees, and Administrative Fees Study*
- ❖ *Amador Water Agency – Wastewater Capacity Fees Study*
- ❖ *City of Colfax – Wastewater Rate Study*
- ❖ *City of Live Oak – Water and Sewer Rate Studies*
- ❖ *City of Waterford – Water Rate Study*
- ❖ *City of Livingston - Water, Wastewater and Solid Waste Rate Studies*
- ❖ *City of Escalon – Water and Wastewater Rate and Capacity Fee Studies*
- ❖ *City of Turlock - Water Rate and Recycled Water Pricing Studies*
- ❖ *City of Riverbank - Wastewater Rates and Recycled Water Pricing Studies*
- ❖ *City of Colusa - Wastewater Revenue Program*
- ❖ *City of Newman - Water and Sewer Rate Studies*
- ❖ *City of Williams – AB1600 Nexus Study and City User Fees Update*
- ❖ *City of Winters – Development Impact Fees Nexus Study*
- ❖ *City of West Sacramento – Affordable Housing In-Lieu Fee Analysis*
- ❖ *Placer County – East and West County Affordable Housing Fee Nexus Studies*
- ❖ *Mountain Housing Council – Analysis of Development Impact Fees in the Tahoe region*
- ❖ *Spring Creek Homeowners Association –Water and Wastewater Rates Expert Analysis*

- ❖ *City of Williams* – Development Impact Fees and User Fees Study
- ❖ *City of Winters* – Citywide Development Impact Fees and Drainage Impact Fees Update Studies
- ❖ *City of Sacramento* – Development Impact Fees Review, Best Practices
- ❖ *Mountain Housing Council* – Comparison of Regional Development Fees
- ❖ *City of West Sacramento* – Flood In-lieu Fee Study Update
- ❖ *Placer County* – East and West County Affordable Housing Fee Nexus Studies
- ❖ *Squaw Valley PSD* – Water and Wastewater Public Services Financial Analysis
- ❖ *Rancho Murieta Community Services District* – Water and Wastewater Rates Study, Security and Drainage Fees (Special Taxes) Study
- ❖ *Yuba County* – East Linda Specific Plan Nexus Study (roads and parks fees)
- ❖ *City of West Sacramento* – Affordable Housing In-Lieu Fee Analysis
- ❖ *Sierra County Fire District* – Fire Impact Fee Study
- ❖ *Western Regional Water Commission* – Impact of Water-Related Fees on Development

Nevada

- ❖ *Truckee Meadows Water Authority* - Water Resource Plan, Water Conservation Plan, ET Controller Pilot Study, Residential Water Demand Study, Retail and Wholesale Rates Study
- ❖ *City of Fernley* – Water and Sewer Rate Studies
- ❖ *Minden-Gardnerville Sanitation District* – Rates, Capacity Charges and Administrative Fees Study
- ❖ *Washoe County* – Spanish Springs Wastewater Connection Fee Analysis
- ❖ *Wingfield Springs HOA* – Recycled Water Feasibility Study
- ❖ *Eureka County* – Water and Sewer Rates and Consolidation Feasibility Study
- ❖ *Carson City* – Cost Efficiencies Identification in the Marlette Water System
- ❖ *Carson City* – Analysis of special district formation to fund roads improvements

Oregon

- ❖ *City of Ashland* – Water, Wastewater, Storm Water and Transportation Rate and Fee Studies
- ❖ *City of Phoenix* – Water, Transportation and Parks Rate and Fee Studies
- ❖ *City of Talent* – Water, Transportation and Parks Rate and Fee Studies
- ❖ *City of Phoenix* – Water Rates and Capacity Fees Analysis
- ❖ *Charlotte Ann Water District* – Pricing Impacts of Dissolution
- ❖ *City of Coos Bay* – New Interlocal Agreement with Charleston Sanitary District for Wastewater Treatment and Disposal
- ❖ *Talent-Ashland-Phoenix Water System* – New Interlocal Agreement for Management of the TAP System, and Funding Plan for the Master Plan
- ❖ *Eagle Point* – Water Master Plan Financial Analysis and Rates Update



STAFF REPORT

DATE: November 17, 2023
TO: Members of the Board
FROM: Kristina Fillmore, Administration Manager
SUBJECT: Adoption of Resolution 2023-06, Opt into California Uniform Public Construction Cost Accounting Act

Recommendation:

Staff recommend Board adopt resolution 2023-06, Opt into California Uniform Public Construction Cost Accounting Act.

Background:

The District's legal counsel provided memorandum on the process and requirements of opting into the California Uniform Public Construction Act. The District currently has no policy outlining direction of bidding procedures informal or formal for projects and thresholds. The Act promotes statewide uniformity of cost accounting standards and bidding procedures on construction work performed by public entities.

Discussion:

The benefits of opting into the program include the flexibility of public works projects, speeds up the awards process, improves timeliness of completion, identifies the thresholds and simplifies administrative work loads.

Fiscal Impact:

Opting into the Act requires no membership fee or dues. It's a voluntary program that requires the District once approved, file a copy of resolution with the State's Controllers office. An agency may opt out of the Act by resolution of the Board.

RESOLUTION NO. 2023-6**RESOLUTION OF THE BOARD OF DIRECTORS OF MURPHYS
SANITARY DISTRICT ADOPTING UNIFORM PUBLIC
CONSTRUCTION COST ACCOUNTING PROCEDURES**

WHEREAS, Public Contract Code section 22000 *et seq.* sets forth the Uniform Public Construction Cost Accounting Act (the “Act”); and

WHEREAS, the Act provides for the implementation of uniform construction cost accounting procedures and bidding procedures for all public agencies electing to participate, together with instructions for their adoption and implementation by such public agencies; and

WHEREAS, pursuant to Public Contract Code sections 22010 and 22017, the California Uniform Construction Cost Accounting Commission (the “Commission”) developed and recommended to the State Controller uniform construction cost accounting and bidding procedures (the “Uniform Procedures”) consistent with Public Contract Code sections 22030 through 22045 for consideration; and

WHEREAS, pursuant to Public Contract Code section 22019, the State Controller adopted the Uniform Procedures; and

WHEREAS, the Act only applies to a public agency whose governing board has, by resolution, elected to become subject to the Act and the Uniform Procedures and has notified the State Controller of that election; and

WHEREAS, California public agencies such as sanitary districts are eligible to adopt the Uniform Procedures pursuant to the Act; and

WHEREAS, District staff has determined that it is in the best interests of Murphys Sanitary District (“District”) to elect to become subject to the Act and the Uniform Procedures.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF MURPHYS SANITARY DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

1. The above-listed recitals are true and correct and are incorporated as if fully set forth herein.
2. The Board of Directors (“Board”) hereby elects pursuant to Public Contract Code section 22030 to become subject to the Act, the Uniform Procedures set forth in the Act, and to the Commission’s policies and procedures manual and cost accounting review procedures, as each may from time to time be amended, and directs the Administration Manager, or the Administration Manager’s designee(s), to notify the State Controller of this election.
3. The Board elects to utilize the Act for maintenance contracts, as defined in Public Contract Code section 22002, and other projects pursuant to Public Contract Code section 22003.

4. This Resolution shall take effect immediately upon its adoption.

ADOPTED, SIGNED AND APPROVED this ____ day of _____, 2023.

BOARD OF DIRECTORS OF MURPHYS SANITARY DISTRICT

By: _____
President, Board of Directors of Murphys Sanitary District

ATTEST:

By: _____
Clerk, Board of Directors of Murphys Sanitary District

CALIFORNIA UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT

FREQUENTLY ASKED QUESTIONS (FAQs)

These FAQs have been compiled to assist agencies that are participating in the California Uniform Public Construction Cost Accounting Act (the Act), as contained in Public Contract Code (PCC) Section 22000, et seq. All references are to PCC, unless otherwise stated.

1. What is the Uniform Public Construction Cost Accounting Act?

The Act is legislation that was enacted in 1983 to help promote “uniformity of the cost accounting standards and bidding procedures on construction work performed or contracted by public entities in the state” (Section 22001). The Act is a voluntary program available to all public entities in the State, but it applies only to those public agencies that have “opted in” to the provisions set forth by the Act using the processes outlined in the Act. The entirety of the Act is found at Sections 22000-22045.

2. What are some of the key provisions of the Act?

The Act allows for public project work in the amount of \$60,000 or less to be performed by a public agency’s force account using the public agency’s own resources, or by negotiated contract, or by purchase order (Section 22032(a)). Public projects in the amount of \$200,000 or less may use the informal or formal bidding procedures set forth in Section 22032(b) or (c) of the Act. Public projects at a cost of more than \$200,000 must use formal bidding procedures to let the contract pursuant PCC Section 22032(c).

3. What are the benefits of the program?

- Increased force account limit for public agencies;
- Simplified bidding for projects that are \$200,000 or less;
- Reduced number of formal bids based on project size; and
- Expedited contracting for projects under \$200,000.

Many participating agencies appreciate the program because it has given them more leeway in the execution of public works projects under a certain dollar amount; sped up the award process; expedited project delivery; reduced the time, effort, and expense associated with bidding projects under \$200,000; and simplified administration for those projects. Few agencies have experienced challenges with the accounting requirements and overhead provisions. Moreover, adjustments, when required, have been relatively simple; most required procedures were already in place, so there were few, if any, major changes to existing operations. The current Standard Accounting Codes Structure satisfies reporting requirements when used properly.

4. Is the Uniform Public Construction Cost Accounting Act mandatory for public agencies?

No. The Act is a voluntary program requiring a public agency to “opt in” using the process outlined in the Act.

5. How does a public agency become subject to the Act?

The governing body must elect by resolution to become subject to the Act and must file a copy of the approved resolution with the State Controller's Office (Section 22030). Sample documents are available at: http://www.sco.ca.gov/ard_cuccac.html. Once an agency has opted into the Act, it will remain a part of the program.

6. May a public agency withdraw from the Act?

Yes. An agency may withdraw from the Act by filing with the State Controller's Office an approved resolution of the agency's election to withdraw that was made during a public meeting of the agency's governing body.

7. Must a participating agency "opt in" to the Act annually?

No. Once a participating agency "opts in" to the Act, the agency remains subject to the Act until it "opts out" of the Act.

8. What is the California Uniform Construction Cost Accounting Commission?

The Commission was created to administer the Act, per Section 22010. It consists of 14 members: 13 members appointed by the State Controller and the License "A" member of the Contractors' State License Board. Seven members represent the public sector (counties, cities, school districts, and special districts). Six members represent the private sector (public works contractors and unions). The Commission members receive no salary, but are eligible for reimbursement of their direct expenses related to the Commission.

9. What are the Uniform Public Construction Cost Accounting Procedures?

These procedures are to be used for tracking costs for work performed by an Agency's own forces on a "project" as defined by the Act (Section 22002(c)). The procedures do not apply to operations or maintenance work, or any work that meets the criteria listed in Section 22002(d).

These procedures are intended to capture and record all direct and indirect labor, materials, equipment, subcontractors, and supervision costs, as well as the appropriate overhead costs for the public agency associated with each "project" it performs with its own forces. The procedures follow industry-standard accounting methods, and in many cases are not much different from those already in place at most agencies. Sample forms are available in the CUCCAC Cost Accounting Policies and Procedures Manual at http://www.sco.ca.gov/Files-ARD-Local/CUCCAC_Manual.pdf

School districts may use the Standard Accounting Code Structure to comply with tracking requirements.

10. Are the cost accounting procedures applicable for agencies whose work forces perform only maintenance tasks as defined in the Act and that contract all of their public projects to third parties?

No. The cost accounting procedures are applicable only for agencies that perform public project work such as construction and alteration by force account or otherwise. As maintenance does not constitute a "project" under the Act, the cost accounting procedures do not apply.

- 11.** When are participating agencies required to advertise if they choose to maintain a list of qualified contractors?

At least once per calendar year, each Public Agency that has elected to become subject to the Act and intends to use the notice provisions outlined in Section 22034(a) must establish a new list or update its existing list of qualified contractors by mailing, faxing, or emailing written notice to all construction trade journals designated for that Agency under Section 22036. The notice must invite all licensed contractors to submit the name of their firms to the Agency for inclusion on the Agency's list of qualified bidders for the following twelve (12) months. Effective January 1, 2016, a participating agency can choose a specific date of their choice in which to renew its list of qualified contractors.

- 12.** May an agency that chooses to maintain a list add a contractor to the list at any time during the year?

Yes.

- 13.** What is meant by the term "qualified contractors" as used in section 22034(a)(1) of the Act?

Qualified contractors are contractors licensed by the State to perform the subject work. The Commission has determined that nothing in the Act prohibits a participating agency from using additional objective pre-qualification standards in the formation and maintenance of their Qualified Contractors Lists if they so desire.

- 14.** How can a contractor get on an agency's list of contractors?

The California Uniform Public Construction Cost Accounting Commission's webpage has a list of agencies that are participating in the California Uniform Public Construction Cost Accounting Act (CUPCCAA). Please contact each agency directly to let them know you would like to be on their list of contractors. For a list of participating agencies, please see the "Participating Agency Lists" header at the following link:

https://www.sco.ca.gov/ard_cuccac.html

More detailed instructions for contractors can be found in Section 1.04.01 of the Cost Accounting Policies and Procedures Manual

- 15.** Can a public agency disqualify or exclude certain contractors from the Qualified Contractors List required in Section 22034(a)(1)?

Agencies may disqualify contractors from Qualified Contractors Lists when the contractors fail to furnish information to meet the minimum criteria as established by the Commission.

- 16.** For agencies that do not maintain an informal bidders list, are they allowed to choose who would get notifications of projects?

No. Section 22034(a)(2) provides for notifications to construction trade journals and exchanges in lieu of sending notifications to contractors on an informal bidders list. An agency may send notices to selected contractors provided it has also met the advertisement requirements of Section 22034(a).

17. What is the difference between “qualifying contractors” under the Act and “prequalification of contractors” by school districts under Section 20101?

Qualifying contractors is a process that allows contractors to register with a public agency for notification of public works opportunities. The prequalification process under Section 20101 is a more complex process that requires a standardized questionnaire and evaluation of contractors using standard scoring criteria. The prequalification process is applicable under the Local Agency Public Construction Act, and does not apply to the Uniform Public Construction Cost Accounting Act.

18. Does a contractor have to be on an agency's contractor list in order to perform projects less than \$60,000?

No, any public project less than the \$60,000 informal bidding threshold can be performed by employees of the public agency, by negotiated contract, or by purchase order. An agency's list of contractors is only required to be alerted of projects that surpass the informal bidding threshold.

19. Must a public agency a) notify contractors about public projects if the contractors are believed to not have the skills, credentials, or experience to perform the work required for the public project; and b) consider bids submitted by contractors that the public agency believes do not have the skills, credentials, or experience to perform the work?

a) Yes. If a contractor is on the Qualified Contractors List, the contractor must be notified by the agency of public projects for which he or she is licensed to perform (Section 22034(a)(1)).

b) All bids received must be considered, unless an agency makes appropriate legal findings that a contractor is not legally responsible or his or her bid is not responsive.

20. Does the Act allow flexibility in cases of emergency and when repair or replacements are necessary to permit the continued conduct of a public agency's operations or services?

Yes. For the purposes of the Public Contract Code, an “emergency” is defined at Section 1102 as “a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services.”

The Act sets forth in Section 22035(a) how a governing body should proceed in case of emergency repairs or replacements. This section states:

In cases of emergency when repair or replacements are necessary, the governing body may proceed at once to replace or repair any public facility without adopting plans, specifications, strain sheets, or working details, or giving notice for bids to let contracts. The work may be done by day labor under the direction of the governing body, by contractor, or by a combination of the two. Section 22050 et seq., provides the emergency contract procedures to be followed in these cases.

21. Do the alternative bidding procedures apply only to public projects as defined in Section 22002(c)?

The alternative bidding procedures apply only to work that constitutes a “public project” as defined in Section 22002(c) and has a construction cost within the limits described in Section 22032. The alternative bidding procedures are not required for the purchase of goods or materials that are not part of a “public project.”

However, as outlined in Section 22003, a participating agency may also use the alternative bidding procedures when contracting for maintenance or other work that does not fall within the definition of a “public project” if it so chooses.

22. What will membership in the Act cost my agency?

Nothing. There are no membership fees or dues. However, the Commission does accept grants to assist it in carrying out its duties (Section 22015(c)).

23. What are the most common concerns addressed by the Act?

These are:

- Cost accounting policies and procedures;
- Informal bidding procedures; and
- Accounting procedures review.

Cost accounting requirements for the Act follow those common to the construction industry. The informal bidding on public projects up to \$200,000 is seen by agencies as an effective tool to expedite completion of small projects. While an accounting procedures review could potentially hold up a project for a minimum of 45 days pursuant to Section 22043(c)(1), these types of reviews have been rare in the Commission’s history.

24. Must an agency calculate an overhead rate to apply the accounting procedures?

No. Cities with populations of less than 75,000 must assume an overhead rate equal to 20% of the total costs of the public project, including the costs of material, equipment, and labor (Section 22017(b)(1)). Cities with a population of more than 75,000 may either calculate an actual overhead rate or assume an overhead rate of 30% of the total costs of a public project including the costs of materials, equipment, and labor (Section 22017(b)(2)).

25. When a public entity opts into the Act, does the Act supersede other contracting legal requirements such as statutory requirements for performance bonds, prevailing wages, and certificates of insurance, etc.?

No. The Act supersedes only the bidding procedures used once a public agency has opted into the Act and has notified the Controller. All other contracting requirements of the PCC remain applicable.

- 26.** Can a public agency claim to be to be exempt from following all of the requirements in Public Contract Code by claiming it only has to follow the language and procedures within the Act?

No. The Act is part of the Public Contract Code; therefore, if the Act is silent on a particular matter, then the Public Contract Code applies on that matter.

- 27.** If public agencies are not following the advertising requirements in the Act, will the Commission address those agencies? Can a complaint be brought to the Commission?

Yes. Recent legislative changes have expanded the Commission's authority to enforce provisions of the Act. The Commission may review complaints filed by interested parties when evidence is provided that:

- The participating agency performed work after rejecting all bids, claiming it could do the work less expensively (Section 22042(a)).
- The work performed exceeded the force account limits (Section 22042(b)).
- The work was improperly classified as maintenance (Section 22042(c)).
- A public agency did not comply with the informal bidding procedures set forth at Section 22034 (Section 22042.5).

- 28.** Section 20112 specifically requires school districts to advertise twice for a two-week period, while Section 22037 requires advertising once, 14 days in advance of the date of opening of bids. How do participating school districts reconcile this conflict?

When the Act is in conflict with any other section in the Public Contract Code, the Act shall supersede. The Act requires advertising once, 14 days in advance of the date of opening of bids. Districts participating in the Act may choose to maximize their outreach by advertising twice.

- 29.** May a public agency contract separately for like work at the same site at the same time using the under \$60,000 Force Account method?

No. Section 22033 states:

It shall be unlawful to split or separate into smaller work orders or projects any project for the purpose of evading the provisions of this article requiring work to be done by contract after competitive bidding.

Separating "like work" would be permitted only if the total of all the "like work" is less than \$60,000. If the work is more than \$60,000, it must be advertised and bid according to the provisions of the Act (i.e. bid informally if the total amount is less than \$200,000; bid formally if the total amount exceeds \$200,000).

- 30.** May a public agency bid out two separate projects that occur at the same time and site, but are different types of work?

Yes. There is no violation if the work is competitively bid. If an agency wishes to use the negotiated or informal bidding processes, it must apply the appropriate limits to each of the projects. Each project must be separate in scope. Projects may not be separated by trade to avoid bidding. If the total of all jobs is greater than \$60,000 then the informal or formal bid limits apply.

- 31.** Can an agency separately bid out for the materials and supplies on a project to avoid contractor markup and then bid out for the installation labor or perform installation with its own forces?

An agency may separately procure the materials and supplies for a project; however, all costs (materials, supplies, labor) of a project must be included in the project cost estimate to determine whether the project falls within the force account, informal bid, or formal bid thresholds.

In addition, if installation is performed by force account, an overhead rate must be applied to all direct costs of the project and included in the cost estimate. For example, if materials/supplies cost \$50,000 to procure separately and the estimated labor cost to install is \$25,000, the project could not be performed with force account, but would fall within the informal bid threshold because the total cost estimate is \$75,000.

- 32.** Must a value be assigned to the volunteer labor when the California Conservation Corps or another volunteer organization provides labor on a public project?

No. Volunteer labor from volunteer organizations does not need to be included as a cost of a public project for bid limit purposes as long as no costs are associated with the volunteer labor.

- 33.** By opting into the Act, does a public agency automatically bring all of its component divisions or departments into the Act?

Yes. When a public agency elects to become subject to the uniform construction cost accounting procedures, the entire legal entity is considered subject to the Act and no divisions or departments are exempt.

- 34.** When a public agency opts into the Act, does it automatically bring all districts under control of its governing Board into the Act?

No. Special Districts, which are governed by a board of supervisors or city council, are subject only if a separate election is made for each special district.

- 35.** PCC 22034 requires that participating agencies adopt an Informal Bidding Ordinance. What do schools and special districts that cannot adopt Ordinances do to comply?

Agencies that do not have the ability to adopt Ordinances should discuss Section 22034 compliance with their legal counsel.

- 36.** Are change orders allowed by the Act, and if so what is allowable? What if a change order goes over one of the allowed thresholds?

The Act does not address change orders. Please consult with your agency's legal counsel regarding any limitation on change orders that may apply to your agency.

- 37.** Is there any training related to the Act? If so, where can I find a list of where the training is offered?

SCO has information regarding the Act on the SCO/CUCCAC website, including the current Cost Accounting and Procedures Manual. Often, commissioners are willing to provide training, answer questions, and/or give a presentation in order to assist agencies in getting the full benefits of participating in the Act.

- 38.** The Act states that public projects of sixty thousand dollars (\$60,000) or less may be performed by the employees of a public agency by force account, by negotiated contract, or by purchase order. However, the Department of Industrial Relations (DIR) states any project over \$1,000 has to pay prevailing wages. How do the Act and DIR guidance work together?

The Act and DIR are completely separate and govern different aspects of public projects. The Act focuses on bidding related to public projects and DIR deals with wages paid by contractors on public projects. However, they may relate in that if prevailing wages are not paid on a public project, that could potentially impact the total cost of a project which would require a different bidding process utilized under the Act.

Additional inquiries and questions may be directed by email to LocalGovPolicy@sco.ca.gov, or by regular mail to:

State Controller's Office
Local Government Programs and Services Division
Local Government Policy Section
P.O. Box 942850
Sacramento, CA 94250



STAFF REPORT

DATE: November 17, 2023
TO: Members of the Board
FROM: Kristina Fillmore, Administration Manager
SUBJECT: Approval of the Purchasing and Procurement Policy # 2135

Recommendation:

Staff recommends approval of the Purchasing and Procurement Policy #2135 in accordance with California Public Contract Code and Uniform Public Construction Cost Accounting Act.

Background:

A policy was created to govern purchases and control expenditures for public projects. It is best practice for the district to provide a clearly documented record of the entire process.

Discussion:

This policy establishes direction for the District on informal and formal bidding procedures as well as outline authorized purchase limits, authorizations, and thresholds.

Fiscal Impact:

None



POLICY TITLE: Purchasing and Procurement Policy

POLICY NUMBER: 2135

2135.1 Purpose:

The purpose of this policy is to establish the procedures governing purchase requisitions for materials, supplies and equipment in accordance with the State of California Government Code and contracting for public projects and consulting services in accordance with the State of California Public Contract Code and Uniform Public Construction Cost Accounting Act. It is the intent of the District to control expenditures before it is obligated to pay for goods or services. This policy is designed to accomplish this goal while providing a clearly documented record of the entire process.

2135.2 Purchasing Agents

The District Managers (Administrative Manager or the Operations Manager) shall act as the Authorized Purchasing Agent(s) for all procurements up to Ten Thousand Dollars (\$10,000). Procurements over Ten Thousand Dollars will require Board approval. All procurements shall be made within the approved budget set forth by the Board of Directors.

2135.3 Purchase Agent Duties and Approval Levels

The purchasing agent(s) shall have the authority to:

- a) Purchase or contract for supplies, equipment, maintenance services, or public projects in accordance with the purchasing procedures detailed in the directive.
- b) Procure quality supplies, equipment, and services for maintenance and public projects at the least expense to the District;
- c) Keep informed of the current developments in the field of purchasing and contract administration as well as prices, market conditions and new products;
- d) Supervise the regular inspection of all supplies and equipment for adequacies in their intended use;
- e) Maintain a bidders list, contractors list, local business preference list, current vendor list, and other related records required to perform the duties of the purchasing function.

Purchase Amount	Approval Level
\$0 - \$1,000	District – Wide Staff
\$1,001-\$20,000	District Managers
Over \$20,000	Board of Directors

2135.4 Purchase Orders

The purchase of all non-recurring supplies, materials and capital assets will require a Purchase Order. Purchases of supplies, materials, or capital assets of Twenty Thousand (\$20,000) or more that are not already included in the approved budget must be approved in advance by the Board.

2135.5 Emergency Procurement

California Public Contract Code Sections 20806, 22035, and 22050, as applicable, govern procurement procedures when emergencies exist. When the Board of Directors declares an emergency by a four-fifths vote, when



repair or replacements for services and materials are necessary to permit the continued conduct of District operations or services or to avoid a danger to life, health or property, the District Managers may then proceed, at once, to replace or repair District facility(s) or infrastructure and/or procure the necessary goods and/or services without the benefit of competitive purchasing, either informal or formal. The District Managers shall report to the Board at the next regular board meeting stating the justification for the emergency work.

2135.6 Informal and Formal Bidding Procedures

Public projects are defined under this policy as construction, reconstruction, erection, alteration, renovation, improvement, demolition, and repair work involving any District owned, leased, or operated facility.

Informal and Formal Thresholds

Method	Threshold
Formal Bid	Over \$200,000
Informal Bid	\$60,000 - \$200,000
To be performed by District employees by force account, negotiated contract, or purchase order	\$60,000-Less

2135.7 General Provisions for Informal and Formal Bidding Procedures

The following provisions shall apply in contracting for public projects under both informal and formal bidding procedures:

- a) *Material changes to the bid:* If a material change to the bid specification is issued by the District later than seventy two (72) hours prior to the opening for bids, the date and time shall be extended by no less than seventy-two (72) hours. The term "material change" means a change with a substantial cost impact on the total bid as determined by the District.
- b) *Base Contract:* Bid specifications which include one or more alternative bid schedules, shall identify and define the base bid for the purpose of awarding to the lowest responsive and responsible bidder.
- c) *Bid opening procedures:* Sealed bids shall be submitted to the Authorized Purchasing Agent or designee and shall be identified as bids on envelope. Such bids shall be opened in public at the time and place stated in the notice inviting bids in the presence of all bidders who attend. A tabulation of all bids received shall be open for public inspection during regular business hours until award of the contract.
- d) *Records of bid documents:* Bid documents received by the District shall be maintained by the District in accordance with the District's records retention schedule.
- e) *Award of contracts:* Contracts shall be awarded by the District to the responsive and responsible bidder that submits the lowest bid.
- f) *No bids received:* In the event no bids are received, the District shall have the option of any of the following:
 - i. Abandoning the purchase or project;
 - ii. Rebidding the purchase or project; or
 - iii. Perform the work by employees of the District.
 - iv. Perform work via negotiated contract.
- g) *Rejection of bids:* The District may elect to reject all bids. In the event the District anticipates rejecting all bids and declares that the project can be done more economically performed by employees of the District shall provide a written notice to an apparent low bidder, pursuant to Public Contract Code section 22038. Furthermore, the District shall have the option of any of the following:



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- i. Abandon the project;
 - ii. Rebid the purchase or project using the appropriate bidding procedures; or
 - iii. Perform the project by force account without further complying with Public Contract Code section 22020 et seq., after the Board passes a resolution by four-fifths vote of its governing body declaring that the project can be performed more economically by District employees;
- h) *Tie Bids*: If two (2) or more bids are received from responsive and responsible bidders for the same total amount of unit price, and are the lowest, the District may accept the bid it chooses.
- i) *Written Contracts*: Written contracts in the form approved by the Districts Legal Counsel shall be used in the award of bids.
- j) *Bonds*: Bidders for construction contracts shall give a payment bond and a bond for the faithful performance of the construction contract that are each in an amount that is equal to 100% of the contract price.

Informal Bidding Procedures

Bids may be authorized by both District Managers and the award of contracts for public projects with an estimated value in the amount of Two Hundred Thousand Dollars (\$200,000) or less in accordance with the requirements of the Public Contract Code section 22032, and the following informal bidding procedures.

- a) *Budgetary authorization*: Unless required by an emergency or as otherwise approved by the Board, the bid items shall have been authorized as part of an approved budget of the District, and the purchase or contract shall not exceed the amount authorized without Board approval.
- b) *Contractors List*: A list of contractors shall be developed and maintained in accordance with the provisions of section 22034 of the Public Contract code and criteria promulgated from time to time by the California Cost Accounting Commission.
- c) *Notices Inviting Bids*: Notices inviting bids shall be prepared describing the bid items in general terms, referencing how to obtain more detailed information about the bid items; and stating the time, date, and place for submission of sealed bids.
- d) *Mailing of Notices*: Notices inviting informal bids shall be mailed, faxed, or emailed at least ten (10) calendar days before the due date of the submission of bids as follows:
 - i. Mailed, faxed, or emailed to all firms on the bidders list or contractors list for the category of work being bid;
 - ii. For bid items defined as public projects, mailed, faxed, or emailed to all construction trade journals designated by the California Uniform Construction Cost Accounting Commission; and
 - iii. Other mailings, advertisements, and notifications as deemed appropriate by both District Managers.
 - iv. Bids received more than Two Hundred Thousand (\$200,000), the Board may award the contract to the lowest responsive and responsible bidder by adoption of a resolution by a four-fifths vote if the cost estimate was reasonable and the low bid does not exceed Two Hundred Twelve Thousand and Five Hundred Dollars (\$212,500).

Formal Bidding Procedures

The solicitation of bids and award of contracts for public projects with an estimated value in excess of Two Hundred Thousand Dollars (\$200,000) shall be made in accordance with the requirements of the Public Contract Code section 22030 et seq., and the following formal bid procedures:



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- a) *Plans and specifications:* The Board shall adopt any plans, specifications, and working details as appropriate for the bid items prior to solicitation for formal bids.
 - b) *Notices:* Notices inviting formal bids shall state the time and place for the receiving and opening of sealed bids and distinctly describe the project.
 - c) *Sending, mailing, and publishing of notices:* Notices inviting formal bids shall be published, sent, and mailed as follows:
 - i. For bid items defined as public projects, sent electronically, by either facsimile or electronic mail and mailed to all construction trade journals designated by the California Uniform Construction Cost Accounting Commission at least fifteen (15) calendar days before the date of the bid opening.
 - ii. Sent electronically, by facsimile or electronic mail, or mailed to all firms on the bidders list at least fifteen (15) calendar days before the date of the bid opening;
 - iii. Published at least once in a newspaper of general circulation, printed, and published in the District, at least fourteen (14) calendar days before the date of the bid opening, or in a manner as authorized by Public Contract Code section 22037 if there is no newspaper of general circulation; and
 - iv. Other mailings, advertisements, and notifications deemed appropriate.

2135.8 Contracts for Professional and Consulting Services (Architectural, Landscape Architectural, Professional Engineering, Environmental, Land Surveying, and Construction Management Services) Contracts for consultant/professional services shall be made pursuant to the provisions of this policy.

- a) Procurements for architectural, landscape architectural, professional engineering, environmental, land surveying, and construction management services contracts shall comply with this section.
- b) Selection. Contracts for architectural, landscape architectural, engineering, environmental, land surveying, and construction management services are subject to the provisions of this article and shall be awarded in accordance with the California Government Code sections 4525 et seq and 4529.10 et seq et seq. A fair and competitive process will be designed to select the most competent and qualified firm to provide the desired services at a reasonable price. Selection will not be solely based on price; however, price may be a factor in selecting a firm. If price will be a factor, it will be discussed in the RFP, along with the method used to consider price.
- c) *Maximum Participation of Small Business Firms.*
 - i. Definition of Small Business. "Small business," as used in this section, shall have the same definition in Government Code section 14837(d)(1).
 - ii. Quotes. The District shall attempt to obtain at least two (2) quotes or proposals from a small business, where this article requires quotes or RFPs.
- d) *Prohibition of Unlawful Activity.* The District specifically prohibits practices which might result in unlawful activity, including but not limited to rebates, kickbacks, or other unlawful consideration. The District also prohibits its employees from participating in the selection process when those employees have a financial interest with an individual or business entity seeking a contract under this Section and would be subject to the prohibition of Government Code sections 1090 and



87100.

e) *Procurement of Professional and Consultant Services: \$45,000.00 or Less.*

- (i) Informal Request for Proposal Procedure. Except as set forth herein, the procurement of consultant or professional services with a value of Forty-Five Thousand Dollars (\$45,000.00) or less shall be made following the procedure prescribed below:
 - (1) Solicitation of Proposals. A District Manager may solicit proposals by written (including e-mail) request to prospective consultants. Informal requests for proposals shall attempt, whenever feasible, to obtain at least three (3) proposals.
 - (2) Award of Contracts. Approval by both District Managers shall award contracts pursuant to this subdivision to the best qualified and most responsible proposer, which may not necessarily be the lowest priced proposal. The dollar amount of the proposal shall be considered but the award need not be made to the lowest dollar proposal.
 - (3) Signature Authority. The Administration Manager shall have the authority to execute a contract granted pursuant to this section. Such contracts shall be formal written agreements executed by the Administration Manager on behalf of the District.
- (ii) Exceptions. The District Managers may dispense with the informal RFP procedure, whether the informal RFP procedure has been initiated or not, for the reasons set forth below:
 - (1) In an emergency;
 - (2) When the services can be obtained from only one (1) source which has been reviewed and approved in writing by the District Managers;
 - (3) When, in the judgment of the District Managers, compliance with the procedure is not in the best interest of the District; or
 - (4) When processed through a cooperative purchasing agreement with another public agency, whose procurement process is substantially consistent with the provisions of this article.



STAFF REPORT

DATE: November 17, 2023
TO: Members of the Board
FROM: Kristina Fillmore, Administration Manager
SUBJECT: Approval of District Board Policy and Bylaws Revision

Recommendation:

Staff recommend approval of District Board Policy and Bylaws Revision

Background:

The MSD Board Policy and Bylaws dated June 20, 2019 have been updated to reflect the changes below:

- Various language and grammar corrections
- Option to teleconference under new policy, page 4
- Insert revision to check signing policy, page 12
- Update reimbursement of travel and incidental expenses, page 13
- Update appendix A agency representation, page 15

Discussion:

Management is preparing a new policy manual to bring before the Board for approval in January 2024. The new manual will include clarity regarding procedures in administration, financial management, and personnel. In addition, the new updated policy manual will update Board member responsibilities, duties, and limitations which are currently outlined in the bylaws.

Fiscal Impact:

None

Murphys Sanitary District Board Policy & By-Laws

Adopted June 20, 2019

Revised October 13, 2023

Adopted November 9, 2023

~~"A policy is a deliberate system of principles to guide decisions and achieve rational outcomes. A policy is a statement of intent and is implemented as a procedure or protocol."~~

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Adopted 10-11-18

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DISTRICT MISSION STATEMENT

To provide the highest level of collection, ~~treatment~~treatment, and reuse of wastewater for environmental and beneficial purposes at the lowest cost possible to the users of the district.

BOARD MISSION STATEMENT

The primary responsibilities of the Board shall be the formulation and evaluation of District policy as well as legal and fiduciary oversight of the district and its mission.

VISION STATEMENT

The Board of Directors seeks to create an environment that promotes respect and communication throughout the district and are effectively helpful to the Community. The Board will:

- Meet the needs of our community by providing efficient and cost-effective service
- Comply with County, State and Federal Regulation
- Cooperate with other districts and agencies to best serve our community
- Obtain and implement best practices
- Set a standard of excellence for public agencies

THESE POLICIES ESTABLISH THE RESPONSIBILITIES, DUTIES AND LIMITATIONS OF THE BOARD AND INDIVIDUAL BOARD OF DIRECTORS.**I. RESPONSIBILITIES OF THE BOARD OF DIRECTORS**

- A. **Policy.** The primary responsibility of the Board shall be the formulation and evaluation of policy—Routine operation of the district shall be delegated to the District Managers and to other members of the district staff, as appropriate. The Board and individual Directors do not give direction on day-to-day operations of the district.
- B. **Limits on Commitments.** The Board designates the Districts Public Information Officer as the authorized person to speak on behalf of the district. Individual Directors or a group of ~~Board~~the Board of Directors shall not imply or express any commitment or representation of the Board or the District ~~unless approved by the Board.~~
- C. **Obtaining Information.** Board of Directors may obtain information from other Directors or the Administration Manager in accordance with the Ralph M. Brown Act (California Government Code §54950 through §54926). In seeking clarification for policy-related concerns, especially those involving personnel, legal action, land acquisition and development, finances, and programming, said concerns should ordinarily be referred directly to the Administration Manager for access to legal counsel.
- D. **Personal Conduct.** Board of Directors shall conduct themselves with dignity, shall treat other Directors and District Staff with courtesy, shall respect the rights of other Directors to give opinions, shall listen attentively and respond appropriately in a professional manner & give ~~first priority~~priority to the needs and best interests of the district. Differing viewpoints are healthy in the decision-making process. Directors do not represent any fractional segment of the community, but are, rather, a part of the body that represents and acts for the community as a whole. Once the Board of Directors take action, Directors should commit to supporting the collective Board action and not to create barriers to the implementation of said action. Board of Directors shall focus on issues and not personalities, respect differing points of view, disagree without being disagreeable, and once the Board has acted, support the action of the Board.
- E. **Issues and Concerns.** Board of Directors shall refer customer issues and concerns directly to the Administration Manager, report public health and safety concerns immediately to the Administration Manager, and seek clarification and information from the Administration Manager on such issues as policy, personnel, legal action, land acquisition and development, finances, and other matters related to the operation of the district.
- F. **Interactions with Other Members of District Staff.** If approached by Other Members of District Staff concerning specific District policy, Directors should direct inquiries to the Administration Manager.
- G. **Interactions with Community Members.** If approached by a member of the public concerning specific District policy, Directors should direct inquiries to the Administration Manager.
- H. **Meeting Attendance.** Board of Directors are expected to attend all regular and special meetings of the Board unless there is good cause for absence. The use of teleconferencing for the attendance at meetings of the members may be considered under the Board Member Teleconferencing Policy. Pursuant to California State Law, a vacancy shall occur if any Director ceases to discharge the duty of his/her office for the period of three (3) consecutive meetings except as authorized by the Board of Directors or as otherwise provided by state law.
- I. **Agenda Items.** All requests from the Board for information/agenda items will be directed through the Administration Manager or their designee and distributed to all Board of Directors.

II. AUTHORITY OF THE BOARD

- A. Individual Directors shall have no power to act for Murphys Sanitary District (MSD), or the Board, or to direct the staff of MSD, except as authorized by the Board.
- B. The Board sets the policy for the district. The District's Administration Manager and Operations Manager serve at the pleasure of the Board. The Board will provide policy direction to the Administration Manager and Operations Manager on matters within the District of the Board by majority vote.

III. CODE OF ETHICS

- A. The proper operation of the district requires decisions and policy to be made in the proper channels of government structure, that public office not be used for personal gain, and that all individuals associated with the district remain impartial and responsible towards the public. Accordingly, it is the policy of the district that Board and staff will maintain the highest standard of personal honesty and fairness in ~~carrying out~~ performing their duties.
- B. To conform to the requirements of AB1234, all Board of Directors need to take at least two (2) hours of ethics training every two years and receive a certificate of completion. The district must keep records indicating when each Board member has completed the training and who provided the training for five years.
- C. Except as specifically authorized, a Board member will not use or permit the use of District owned vehicles, equipment, telephones, materials or property for personal convenience or profit. A Board member will not ask or require a District employee to perform services for the personal convenience or profit of a Board member or employee. Each Board member must protect and properly use any District asset within his or her control, including information recorded on paper or in electronic form. Board of Directors will safeguard District property, equipment, moneys and assets against unauthorized use or removal, as well as from loss due to criminal act or breach of trust. Board of Directors are responsible for maintaining written records, including expense accounts, in sufficient detail to reflect accurately and completely all transactions and expenditures made on the district's behalf, in accordance with the district's policy for reimbursement of expenses of Board of Directors.
- D. A Board member is not authorized, without approval of the Board, to disclose information that qualifies as confidential information under applicable provisions of law to a person not authorized to receive it, that (1) has been received for, or during, a closed session meeting of the Board, (2) is protected from disclosure under the attorney/client or other evidentiary privilege, or (3) is not required to be disclosed under the California Public Records Act.
- E. This section does not prohibit a board member from performing any of the following: (1) making a confidential inquiry or complaint to the District's general counsel or grand jury concerning a perceived violation of law, including disclosing facts to the District's general counsel or grand jury that are necessary to establish the alleged illegality of an action taken by the District, (2) expressing an opinion concerning the propriety or legality of actions taken by the District in closed session, including disclosure of the nature and extent of the allegedly illegal action, or (3) disclosing information acquired by being present in a closed session that is not confidential information. Prior to disclosing confidential information pursuant to (1) or (2), above, however, a Board member will first bring the matter to the attention of either the President of the Board or the full Board, to provide the Board an opportunity to cure an alleged violation. A Board member who willfully and knowingly discloses confidential information received by him or her ~~in the course of~~ during his or her official duties may be guilty of a misdemeanor.
- F. Board of Directors are ~~prohibited from~~ soliciting political funds or contributions at District facilities. A Board member will not accept, ~~solicit~~ solicit, or direct a political contribution from any person or entity who has a financial interest in a ~~contract or other matter~~ matter while that contract or other matter is pending before the district. A Board member will not use the district's seal, trademark, ~~stationary~~ stationery, or other indicia of the district's identity, or facsimile thereof, in any solicitation for political contributions contrary to state or federal law. Board of Directors must not accept entertainment, gifts, or personal favors that could, in any way, influence, or appear to influence, business decisions in favor of any person or organization with whom or with which the district has, or is likely to have, business dealings. Similarly, Board of Directors must not accept any other preferential treatment under these circumstances because their position with the district might be inclined to, or be perceived to, place them under obligation.
- G. District officials shall not, for a period of one year after leaving [their] office or employment, act as agent or attorney for, or otherwise represent, for compensation, any other person, by making any formal or informal appearance before, or by making any oral or written communication to, that local government agency, or any committee, subcommittee, or present officer of that local government agency, or any officer or employee of the local government agency, if the appearance or communication is made for the purpose of influencing administrative or legislative action, or influencing any action or proceeding involving the issuance, amendment, awarding, or revocation of a permit, license, grant, or contract, or the sale or purchase of goods or property.

- H. The District Managers have primary responsibility for (1) ensuring compliance with the District's Employee Handbook, and Handbook and ensuring that District staff do not engage in improper activities, (2) investigating allegations of improper activities, and (3) taking appropriate corrective and disciplinary actions. The Board has a duty to ensure that the District Managers are operating the district according to law and the policies approved by the Board. Board of Directors are encouraged to fulfill their obligations to the public and the district by disclosing to the District Managers to the extent not expressly prohibited by law, improper activities within their knowledge. Board of Directors will not interfere with the District Managers responsibilities in identifying, investigatinginvestigating, and correcting improper activities, unless the Board determines that the District Managers are not properly carrying out these responsibilities. Nothing in this section affects the responsibility of the Board to oversee the performance of the District Managers.
- I. A Board member will not include false or misleading information in a candidate's statement for a general District election.
- J. A perceived violation of this policy manual by a Board member should be referred to the President of the Board or the full Board for investigation, and consideration of any appropriate action warranted by law.

IV. GOVERNING LAWS

- A. The Board of Directors shall comply with and shall be guided by applicable provisions of the State law, MSD's Bylaws, and the motions, resolutions and ordinances enacted by the Board of Directors.
- B. Motions, ~~resolutions~~resolutions, and ordinances may be enacted by the Board in accordance with Title 6, Division 3 of the California Government Code.
- C. Whistle Blowing: A Board member will not directly or indirectly use or attempt to use the District or influence of his or her position for the purpose of intimidating, threatening, coercing, commanding or influencing any other person for the purpose of preventing such person from acting in good faith to report or otherwise bring to the attention of a District Manager or the Board any information that, if true, would constitute: a work-related violation by a Board member or District employee of any law or regulation, waste of District funds, abuse of District, a specified and substantial danger to public health or safety due to an act or omission of an District official or employee, use of an District office or position or of District resources for personal gain, or a conflict of interest of a Board member or District employee.
- D. A Board member will not directly or indirectly use or attempt to use the district or influence of his or her position for the purpose to affect any action as a reprisal against a District Board member or District employee who reports or otherwise brings to the attention of the DISTRICT MANAGERS, any Board of Directors or the public any information regarding the subjects described in this section.
- E. Any person who believes that he or she has been subjected to any action prohibited by this section, may file a confidential complaint by following one of the steps below:
- **Employees:** Will file their complaint with one or both District managers as laid out in the employee handbook.
 - **District Managers:** Will have the option to (1) address and resolve the complaint or (2) file their complaint with any Board Member who will call for a Special closed session Board Meeting or (3) use the District Legal Counsel for further recommendations.
 - **Board of Directors:** Will request via the Administration Manager or the Board President that a special meeting be called to discuss the prohibited action.

Upon the conclusion of the investigation, the District Managers (or the Board in case of a complaint against the District Managers) will take appropriate action consistent with the District's Employee Handbook and applicable law (Labor Code Section 1102.5, et seq., and Government Code Section 53296, et seq.).

V. BOARD ORGANIZATION

- A. There shall be FIVE members: a president, a vice-president, secretary ~~treasurer~~treasurer, and a parliamentarian, who shall be the MSD Board of Directors.
- B. Elections of members shall be held at the first meeting in December of each year. These positions will serve for one- year terms.
- C. Selection of the Positions of the Board of Directors may be on a rotational basis amongst all Directors. In the event of a board member vacancy mid-term, the board can select new Positions at the time of the notice of vacancy and/or at the appointment of a new Board member.

- D. The President of the Board of Directors shall serve as chair at the Board meetings. The President shall have the same rights as the other Directors in introducing motions, resolutions, and any discussion of question that follow said actions.
- E. In the absence of the President, the Vice-President of the Board of Directors shall serve as President Pro tem over all meetings of the Board. If the President and Vice-President of the Board are both absent the Secretary shall preside over the meeting.

VI. ROLE OF BOARD OF DIRECTORS (Powers, Purposes, Duties and Functions)

A. PRIMARY RESPONSIBILITIES

The primary responsibility and duties of the Board shall be the evaluation and formulation of District policy as well as legal and fiduciary oversight of the district and its mission.

Board Member responsibilities include a commitment to:

- Serve as a part of a unified governance body;
- Govern within Board of Directors policies, standards and ethics;
- Commit the time and energy to be effective;
- Represent and make policy decisions for the benefit, and in the best interest, of the community we serve;
- Support collective decisions;
- Communicate as a cohesive Board of Directors with a common vision and voice;
- Operate with the highest standards of integrity and trust;
- Be prepared for meetings: Board members must have information available regarding topics that will be decided at the meeting. Agenda and accompanying material will be made available to you prior to the meeting. Review all material so that a decision does not have to be delayed.

B. PRIMARY DUTIES

1. Provide oversight and approval of the district 10-year CIP
2. Set written policies for the district
3. Provide fiduciary oversight for all District operations
4. Approve annual fiscal budget
5. Monitor the budget performance
6. Establish written policy on how Board Meetings are conducted
7. Set Director compensation policy
8. Set rates and fees for District services
9. Hire and discharge the DISTRICT MANAGERS
10. Provide annual performance evaluations on DISTRICT MANAGERS

C. GOVERNANCE FUNCTIONS

To fulfill its responsibility, the Board is committed to establishing policies to govern MSD. The Board shall consider all matters submitted for the agenda by a Director, the DISTRICT MANAGERS or the public. All agenda items shall be acted upon by the Board. The Board shall prescribe rules for its own governance which are consistent with Federal, State and local laws and regulations.

VII. ROLE OF INDIVIDUAL DIRECTORS

The Board of Directors is the unit of authority for MSD. Apart from their normal function as a part of this unit, Board of Directors may not commit the district to any policy, act or expenditure unless duly authorized by the Board. Nor may an individual Board Member direct staff to perform specific duties unless duly authorized by the Board. Board of Directors do not represent any factional segment of the district, but are, rather, a part of the body which represents and acts for the district as a whole.

Each Board Member has the right to place an item on a subsequent Board Meeting agenda by submitting a request to the President of the Board or the Administration Manager. Agenda item requests received after the posting deadline for a specific agenda as set forth in state law will be added to the following agenda.

Board of Directors will make every effort to attend assigned committee meetings and board meetings and to prepare adequately for each such meeting and to observe the rules of decorum as set forth herein.

Board of Directors must be prepared and have read all materials provided. When requesting information from staff, Board of Directors shall contact the DISTRICT MANAGERS. When responding to community requests or concerns, Board of Directors should direct such inquiries to the district office.

VIII. MEETING OF THE BOARD

THE BROWN ACT

The Legislature adopted the Brown Act, commonly referred to as California's "Open Meetings Laws" in 1964. The Brown Act is contained in Government Code section 54950 et seq. The Brown Act is broadly ~~construed~~construed, and compliance is constitutionally mandated.

- Compliance with Brown Act. All meetings of the Board of Directors shall comply with the Brown Act.
- Meetings occur whenever the majority of the Board of Directors meet to discuss District business.
- Members of the Board includes newly elected and appointed officials prior to assuming office.
- All Board meetings shall be open and freely accessible to the public, including those with disabilities.
- Meetings through the use of intermediaries, serial communications, or emails are prohibited.
- The Board shall only take action during a properly noticed meeting.

A. TIME AND PLACE OF MEETINGS

The Board adopts a Regular monthly meeting schedule. Unless otherwise specified and posted by action of the Board, meetings shall be ~~held at~~ the MSD office, 10:00 a.m. on the second Thursday of the month.

B. PUBLIC NATURE OF MEETINGS

All meetings of the Board shall be open to the Public, except when the Board is convened in Closed Session as authorized under provisions of law. Meetings of standing committees of the Board composed of three or more Board members shall be subject to the "open meetings laws and regulations" and shall comply with notification as required by law.

C. QUORUM AND VOTING REQUIREMENTS

A majority of the Board of Directors shall constitute a quorum for the transaction of business. No ordinance, resolution or motion shall be passed without three affirmative votes.

D. RULES OF DECORUM FOR BOARD MEETINGS

1. DECORUM—Meetings of the Board of Directors shall be conducted in an orderly manner to ensure that the public has a full opportunity to be heard and that the deliberative process of the Board is retained at all times. The presiding member of the Board, who shall be the President, Vice President, Secretary, or in their absence, other member so designated by the Board, shall be responsible for maintaining the order and decorum of the meetings.
2. RULES OF DECORUM—While any meeting of the Board is in session, the following rules of order and decorum shall be observed:
 - a. BOARD OF DIRECTORS—The Board shall preserve order and decorum, and a member of the public shall not by conversation or other means delay or interrupt the Board proceedings or disturb any other person while speaking.
 - b. PERSONS ADDRESSING THE BOARD—Public oral communications at the Board meetings should not be a substitute for any item that can be ~~handled~~managed during the normal working hours of MSD. The primary purpose of oral communications is to allow citizens the opportunity to formally communicate with the MSD Board as a whole, for matters that cannot be ~~handled~~managed during the regular working hours of MSD. Each person who addresses the Board shall do so in an orderly manner. Any person who makes threatening remarks, or engages in any other disorderly conduct which disrupts, ~~disturbs~~disturbs, or otherwise impedes the Board meeting, in compliance with the Brown Act, shall, at the discretion of the presiding member or a majority of the Board, be removed from the meeting.
3. ADDRESSING THE BOARD - A person wishing to address the Board regarding an item which is on the Board meeting agenda shall ~~do so~~ at the public comment period for that item. Persons wishing to discuss a non-agenda item may seek recognition by the presiding member during the "Public Comment" portion of the meeting. No person shall address the Board without first being recognized by the presiding member. The following procedures shall be observed by persons addressing the Board:
 - a. Public Comment (Limit 5 minutes per person) on items not appearing on agenda.
NOTICE: Pursuant to Government Code § 54954.3(a), any member of the public shall be

provided with the opportunity to directly address the Murphys Sanitary District Board of Directors concerning any item that has been described in the notice for the meeting before or during consideration of that item or on items not on the agenda but within the district's jurisdiction provided that no action be taken on off-agenda items unless otherwise authorized by law.

- b. All remarks or questions shall be addressed to the Board as a whole and not to any single member thereof, unless in response to a question from said member.
4. ENFORCEMENT OF DECORUM - The rules of decorum set forth below shall be enforced in the following manner:
 - a. WARNING—The presiding member shall request that a person who is breaching the rules of decorum be orderly and silent. If, after receiving a warning from the presiding member, a person persists in disturbing the meeting, the presiding member shall order said person to leave. If such ~~persona~~ person does not leave the meeting room, the presiding member may order any law enforcement member who is on duty to remove said person from the Board meeting room. If no member is on duty, the presiding office shall follow disorderly conduct procedures noted below:
 - b. DISORDERLY CONDUCT—Clear Room (Govt. Code 54957.9). In the event that any meeting is willfully interrupted by a group or groups of persons so as to render the orderly conduct of such meeting unfeasible and order cannot be restored by the removal of individuals who are willfully interrupting the meeting, the Presiding Member of the Board conducting the meeting may order the meeting room cleared and continue in session. Only matters appearing on the agenda may be considered in such a session. Representatives of the press or other news media, except those participating in the disturbance, shall be allowed to attend any session held pursuant to this section. Nothing in this section shall prohibit the legislative body from establishing a procedure for readmitting an individual or individuals not responsible for willfully disturbing the orderly conduct of the meeting.
 - c. MOTION TO ENFORCE—If the presiding member of the Board fails to enforce the rules set forth above, any member of the Board may move to require the presiding member to do so. If the presiding member of the Board fails to ~~carry out~~conduct the will of a majority of the Board, the majority may designate another member of the Board to act as presiding member for the limited purpose of enforcing any rule of this section which it wishes to enforce.
 - d. ADJOURNMENT—If a meeting of the Board is disturbed or disrupted in such a manner as to make infeasible or improbable the restoration of order, the meeting may be adjourned or continued by the presiding member or a majority of the Board, and any remaining Board business may be considered at the next meeting.
 5. SEVERABILITY—If any provision of this section is for any reason held unconstitutional or otherwise invalid by any court of competent jurisdiction, such provision shall be deemed a separate, distinct and independent portion of this section, and such holding shall not affect the validity of the remaining portions of this section.

E. BOARD ACTION

The Board shall act only by ordinance, resolution, or motion. Except where action is taken by the unanimous vote of all Directors present and voting, the ayes and noes shall be taken upon the passage of all ordinances or resolutions and shall be entered in the minutes. An ordinance does not require two readings at separate meetings, and unless otherwise provided by its own terms, shall become effective upon adoption. All motions, including a motion to adopt an ordinance or to approve a resolution, shall require a second. If a second is not received, the motion shall die without the requirement of a vote. Any member of the Board can make a motion or second a motion. The presiding member shall not call for a vote on any motion until sufficient time has been allowed to permit any member of the Board to speak. Complex motions should generally be prepared in writing and read aloud to the Board at the time the motion is made. If a motion is not in writing, and if it is necessary for full understanding of the matter before the Board, the motion shall be restated prior to the vote. Common motions may be stated in abbreviated form and will be put into complete form in the minutes. Until the presiding member states the question, the director who made the motion, with the approval of the second, may modify their motion or withdraw it completely. However, after the question has been stated by the presiding member, the motion may be changed only by a motion to amend which is seconded and carried.

F. BOARD DECISIONS

1. Action can only be taken by the vote of the majority of the voting members of the Board of Directors. Three Directors represent a quorum for the conduct of business. Action taken at a meeting where

only a quorum is present, therefore ~~require~~requires at least two to be effective. This policy applies as well to abstentions from voting. A Director ~~abstaining~~ in a vote is considered as absent for that vote.

2. ~~Adoption or rejection of a resolution shall require a majority vote by the Board of Directors. In the event that~~ a quorum of 4 Directors is present a minimum vote of 3 Directors is necessary to either adopt or reject a Resolution. Adoption or rejection of a resolution shall require a roll call vote of the Directors present. Such vote shall be recorded on the voting register of the resolution.
3. The Board of Directors may give ~~directions or instructions~~ which are not formal action. Such situations do not require formal procedural ~~process~~processes. Such directions include the Board's directives and instructions to the Manager.
4. The Board President shall determine by consensus a Board directive or instruction and shall state it for clarification. Shall any two Directors challenge the statement of the President a voice vote may be requested.
5. Actions by the Board of Directors include, but are not limited to the following:
 - a. Adoption or rejection of policies.
 - b. Adoption or rejection of a resolution.
 - c. Approval or rejection of any contract or expenditure.
 - d. Approval or rejection of any proposal which commits District funds or facilities, including employment and dismissal of personnel.
 - e. Approval or disapproval of matters which require the district or its employees to take action and/or provide services.

G. PUBLIC HEARINGS

A public hearing is ~~primarily~~ intended to obtain public testimony or comment before significant decisions are made. A public hearing can occur as part of a regular or special public meeting or, in some circumstances, can be entirely separate from a public meeting. A public hearing is obligatory when due process is required, or when a specific statute or local regulation requires one. A local government may also hold a public hearing when it desires public input on a sensitive or controversial policy issue. Murphys Sanitary District will follow all applicable laws regarding public hearings.

H. ORDERLY DISCUSSION

~~In order to~~ To promote discussion of the issues before the Board, each member shall be recognized by the ~~presiding member~~ before speaking. Notwithstanding any provision of this Policy, however, each member of the Board shall have a right to be heard ~~with~~ within reason on any issue before the Board. Each member of the Board may seek information or comment ~~by~~from the staff on any question.

I. PARLIAMENTARY PROCEDURES AFFECTING MOTIONS

Murphys Sanitary District ~~follows all laws and complies with the Brown Act~~follows all laws, complies with the Brown Act, and uses Roberts Rules of Order for all parliamentary procedures.

IX. BOARD RECRUITMENT POLICY

A. QUALIFICATIONS FOR BOARD MEMBERS

1. Live within the Murphys Sanitary District
2. Registered to vote within the Murphys Sanitary District

B. RECRUITMENT

1. Use poster, flyer media posted on public area bill boards; i.e., market, other businesses etc.
2. Distribute Recruitment Brochure
3. Use social media
4. All Board members reach out to qualified community members
5. Post on our Website
6. Post notice on monthly billing statements
7. Contact Board of Supervisors
8. Appoint a Recruitment Officer (a Board Member)

C. RECRUITMENT OFFICER DUTIES

1. ~~Working~~Collaborating with staff, create a list of prospective members.
2. ~~Has staff call the~~ prospects on the list created by the recruitment officer, answer questions, send

- brochure and application package if interested.
- 3. Recruitment officer follow's up with the prospect
- 4. Set up a Special meeting to review applications and possibly interview candidates

X. DIRECTOR ROLES & RESPONSIBILITIES

A. DUTIES of the PRESIDENT

- 9-1. The President of the Board shall preside at meetings of the Board of Directors.
- 10-2. The President shall consult with the Administration Manager Clerk-to-the-Board regarding the preparation of each Board meeting agenda.
- 11-3. The President shall have the same right as other members of the Board to discuss and to vote on questions/ items for action before the Board.
- 12-4. The President of the Board shall establish, in consultation with other Board of Directors, and can be a participant in committees as needed.
- 13-5. The President of the Board shall sign official District documents on behalf of the Board when authorized to do so by a majority of the Board.
- 14-6. Serves on committees.

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B. DUTIES of the VICE PRESIDENT

- 1. In the President's absence, or during any disability of the President, the Vice-President shall have the powers and duties of the President of the Board as prescribed by district policy.
- 2. The Vice-President shall have such other powers and duties as a majority of the Board may from time to time determine.
- 3. The Vice-President works closely with the President of the Board and other staff.
- 4. Serves on committees.

C. DUTIES of the SECRETARY

- 1. The Secretary of the Board shall cause accurate minutes of each Board meeting to be taken, ~~transcribed~~ transcribed, and distributed to each Board Member in a timely manner for review prior to approval.
- 2. Any of the foregoing responsibilities may be delegated to staff members under the supervision of the Administration Manager.
- 3. The Secretary of the Board shall sign the approved minutes.
- 4. The Secretary of the Board shall sign other official District documents on behalf of the Board when authorized to do so by a majority of the Board.
- 5. Serves on committees.

D. DUTIES of the TREASURER

- 1. The Treasurer of the Board shall ~~assure~~ ensure that accurate accounting and financial records are maintained by the district.
- 2. It is recommended that the Treasurer ~~shall~~ should annually review the district's financial audit with District personnel prior to submitting the audit ~~to the balance-of-the~~ to the Board.
- 3. Serves on committees.

E. DUTIES of the DIRECTOR at LARGE/PARLIAMENTARIAL

- 1. The Director at Large shall have such other powers and duties as a majority of the Board may from time to time determine.
- 2. Director at Large shall annually, at fiscal year-end, review the performance of the Board and make recommendations to improve its performance.
- 3. Serves on committees.

XI. SIGNING of OFFICIAL DOCUMENTS

A. RESOLUTIONS

- 1. Requires two signatures
- 2. First signer: President
- 3. Second signer: Vice President or Secretary

B. MINUTES

- 1. Requires two signatures

2. First signed by Board Clerk
3. Attested by the Secretary

A. BANKING:

1. WIRE TRANSFERS

- a. Initiated by the *Administration Manager*
- b. ~~Transfer must be approved by the majority of the Board, executed and signed by a Board Member~~

2. CHECKS

- a. All checks produced for payment should have two authorized two-Board-Member-signatures as outlined in the District's Check Signing Policy.
- b. ~~If a check disbursement must be processed, and two Board members are not available, then fellow-steps 1 through 4 of the check signing policy and only the Operations Manager signature will be required to remit the payment.~~

3. CONTRACTS

- a. All contracts will be signed by the President or the Board's designee.

XII. COMMITTEES

- A. The Board President may appoint committees subject to ratification of the Board. The Board may create standing committees and ad hoc committees at its discretion. Unless, to perform a duty is expressly delegated to a Committee, ~~committee motions and recommendations shall be advisory to the Board and shall not commit the district to any policy, act, or expenditure. Nor may any committee direct staff to perform specific duties unless duly authorized by the Board. Committees so appointed may be open to the public and must include at least one (1) member of the Board of Directors, but Directors but~~ may not include a majority of the Board of Directors.
- B. The appointing member shall name the chairperson of each committee, without Board ratification. Each committee chairperson shall select such staff and consultants as is deemed necessary or appropriate, to facilitate the committee's operations.
- C. Each committee shall meet as needed, either at the call of the committee chairperson, any two committee members or the DISTRICT MANAGERS.
- D. Committees shall operate in a manner that complies with the Ralph M. Brown Act, its amendments and interpretations.
- E. Any committee may be dissolved by the President, subject to ratification by the Board of Directors.

XIII. REMUNERATION, REIMBURSEMENT and OTHER BENEFITS ~~Revised-06-2019~~ Revised 10/13/2023

A. STIPEND

It shall be the policy of the MSD Board that each member of the Governing Board elected by MSD Community or appointed by the MSD Board of Directors may receive a stipend in the amount of one hundred dollars (\$100) for each day's attendance at regular meetings and twenty-five dollars (\$25.00) every ½ hour, not to exceed one hundred dollars (\$100) for each day's attendance at special meetings of the Board. Members of standing or ad-hoc committees will receive a stipend of twenty-five dollars (\$25.00) every ½ hour, not to exceed one hundred dollars (\$100) for each day's attendance. The maximum daily rate per Board member is one hundred and twenty-five dollars (\$125). Board members will receive reimbursement for mileage and per diems as applicable, but not be compensated for actual travel time, up to one day before and after said service. ~~A member of the board of directors may waive any or all of the payments permitted by this section. This, This~~ policy is based, in part, on Section 61047(a) of the California Government Code.

B. REIMBURSEMENT OF TRAVELING AND INCIDENTAL EXPENSES INCURRED

1. Directors may receive their actual and necessary traveling and incidental expenses incurred while on official business, pursuant to Government Code Section 61047(c). Reimbursement for these expenses is subject to Government Code Sections 53232.2 and 53232.3.
2. Directors shall be reimbursed by MSD for reasonable expenses, including travel, lodging and meals incurred when attending board and committee meetings or when making any trips on official business of MSD when so authorized by the Board prior to expenses incurred. All requests for reimbursement

will be made to the MSD Administrative Manager within 30 days of the actual expense. The following is a list of meetings allowed for stipend pay, mileage or other approved expenses:

- a. TS-IRWM Regular monthly meetings or TS-IRWM special meetings. Stipend Rate \$ 50 per day.
 - b. ~~Mountain Counties Water Resources Association (MCWRA) meetings or special events and conferences. Stipend Rate \$100 per day.~~
 - c. Board Member Training. Within 1 to 50 miles of MSD office, Stipend Rate \$50 per day maximum \$100; 51 miles or further Stipend Rate \$100 per day maximum \$200
3. While driving on MSD business either using their own personal vehicle or a rental vehicle, Directors must meet the following conditions;
 - a. The Director should obey all state and local driving laws and observe driving conditions with the utmost care, including but not limited to wearing a seat belt.
 - b. The Director must possess and maintain a valid California driver's license.
 - c. Directors who have their driver's license suspended or revoked are required to report these conditions to the MSD ~~Administration Manager, Chief Risk Officer and shall~~ no longer drive on MSD business.
 - d. MSD accepts no responsibility for citations issued to a director by any law enforcement agency while driving a vehicle on MSD business under any circumstance. All liabilities created by any citation will be the responsibility of Directors who receive them.
 - e. Any personal vehicle driven on MSD business must be properly registered with the California Department of Motor Vehicles.
 4. EXPENSES FOR EDUCATIONAL PROGRAMS AND CONFERENCES - The amount of mileage reimbursement will be consistent with IRS Guidelines. All Board of Directors should keep travel, ~~meals~~meals, and lodgings costs within reasonable constraints, keeping in mind that these expenses require the use of public monies. Emphasis should be placed on keeping costs to acceptable practices as allowed by the respective agencies we serve. The following limitations shall be observed:
 - a. Meals shall be reimbursed at a maximum rate of \$75 per day or \$50 per half day, based on actual receipts. The cost of alcohol shall not be reimbursable.
 - b. All travel arrangements must be made by the Administrative Manager or their designee.
 - c. Directors shall timely cancel any reservations they will not use. If the District is charged for an unused reservation, the Director will be responsible for that charge unless circumstances requiring cancellation were ~~reasonably beyond~~beyond the Director's control. If lodging is in connection with a conference or educational activity, lodging cost shall not exceed the maximum group rate published by the conference or activity sponsor, provided that lodging at the group rate is available at the time of booking. If the group rate is not available, comparable lodging will be used. The cost of lodging shall not exceed \$160 per night.
 - d. Directors and/or consultants who bring personal guests to dinners, etc. and who prefer not to pay for their guest separately at the time, shall be billed by MSD for the actual additional costs. If actual cost cannot be determined, the per person average of the bill shall be calculated and billed by MSD to the Director(s) and/or consultants.
 - e. Receipts or other supporting documentation for expenses shall be required, ~~except for expenses less than \$15.00.~~
 5. The DISTRICT MANAGERS shall bring any concerns or issues regarding a Director's travel expense reimbursement request to the attention of the Board President. The Board President shall attempt to resolve the concern with the Director and, if the attempt is unsuccessful, refer the matter to the full Board for discussion at a public meeting.
 - ~~6. EXPENSES FOR EDUCATIONAL PROGRAMS AND CONFERENCES—Directors shall be reimbursed by MSD for reasonable expenses, including registration, transportation, meals, lodging and incidental expenses incurred when attending MSD Board approved training seminars, programs, workshops or conferences when so authorized by the Board.~~
 - ~~7.6. EXPENSES OF DIRECTORS ELECT -~~ Since~~Because~~ it is to the advantage of the MSD that directors-elect become rapidly and fully informed of the workings of the Board of Directors and of the issues before the Board, upon approval MSD may reimburse the expenses of Directors-elect, between their date of election and the inception of their terms, that would otherwise be reimbursable if their terms began with the date of their election.
 - ~~8.7. ANNUAL DISCLOSURE REIMBURSEMENTS OF INDIVIDUAL CHARGES OVER \$100~~
Any reimbursement for individual charges over \$100 will be disclosed in an annual report. The report will be produced in conjunction with the annual audit process. This document will be made available for public inspection after the annual audit has been performed and accepted at a regular meeting of the MSD Board of Directors.

XIV. HARASSMENT POLICY – Submit to Legal Counsel for review

Murphys Sanitary District is committed to providing an environment free of unlawful harassment and committed to compliance with all applicable laws. This commitment applies to all persons involved in District operations and prohibits unlawful discrimination.

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Harassment on any protected basis by any Director or employee shall not be tolerated. Board of Directors are expected to abide by all current State and Federal laws regulating harassment. The Board considers harassment on any protected basis to be a major offense which may result in disciplinary action.

A Director who feels that he/she is being harassed, is required to follow the Murphys Sanitary District employee handbook policy 102 Unlawful Harassment Including Sexual Harassment.

If the Director charged with harassment is the President of the Board, the DISTRICT MANAGERS can then notify the Vice President of the Board and Legal counsel. If an allegation of harassment against a director is investigated and found to be supported, the Board reserves the right to take such remedial action as is appropriate under all of the circumstances.

The Directors agree that an accusation of harassment against any one of them must be investigated. It is further agreed that such an investigation is not an invasion of their right of privacy. Except as specifically modified/supplemented in this policy (with respect to reporting and disclosure to the Board), the process outlined in the Harassment Policy for investigation and resolution will govern all employee complaints of harassment by a director.

XV. EDUCATIONAL PROGRAMS, CONFERENCES MEETINGS

The Board believes it is to the advantage of all Directors to participate in conferences, meetings and educational programs so that the Directors can better perform their duties as Directors. As a result of these findings, the Board of Directors has determined that the following provisions shall apply to educational programs, conferences and meetings, except those sponsored/presented by MSD:

- A. That Directors of MSD shall attend, shall attend on behalf of MSD, such educational programs, conferences and meetings (other than MSD meetings) which have been approved by the Board of Directors prior to such attendance; and
- B. That, to the extent possible, staff will, from time to time, present comprehensive lists of conferences, meetings and educational programs so that the Board may consider attendance on a broader than single-event approach, in order to provide a coordinated plan for attendance; and
- C. That if a Director who has not previously attended a particular conference or educational program is available to attend same, that Director shall have preference for attendance over a Director who has previously attended the same program; and
- D. At the board meeting following such attendance the attendee(s) will have the opportunity to report to the Board on information and ideas learned at the event(s); and
- E. Nothing in this policy shall permit the conduct of business in violation of the Ralph M. Brown Act.

XVI. INCOMPATIBLE EMPLOYMENT

Pursuant to the provision of the Government Code, Section 53227, an employee of MSD may not be sworn into office as an elected or appointed member of MSD's Board of Directors unless he or she resigns as an employee. If the employee does not resign, the employment shall automatically terminate upon his or her being sworn into office.

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XVII. DIRECTORS' LEGAL LIABILITIES

The district shall defend and indemnify Directors from any claim, liability or demand that arises out of a Director's performance of his or her duties or responsibilities as a Director or Member of the District.

XVIII. GENERAL PROVISIONS

Any of the within the policies not required by law may be suspended by a majority of the Board. Any policy not required by law may be altered, amended, or repealed at a duly noticed meeting by a majority vote of the Board. This policy is meant to be supplementary to, and not exclusive of, other federal, state and local laws with regard to conflicts of interest, etc.

Appendix A - Other Agency Representation\Participation

Revised ~~October 13, 2023~~ August 3, 2017

1. ~~IRWM Committee JPA-Member Bruce Miller, Alternate Joe Fontana HWY 4 Committee—Joe Fontana~~
2. ~~IRWM Committee WAC-District Managers IRWM Committee—Joe Fontana JPA, Cindy Secada WAC~~



STAFF REPORT

DATE: November 17, 2023
TO: Members of the Board
FROM: Kristina Fillmore, Administration Manager
SUBJECT: Approval to Renew California Special District Association Annual Membership

Recommendation:

Staff recommends approving the renewal of CSDA for calendar year 2024.

Background:

CSDA is a statewide association representing independent special districts. They provide continued education for staff and board members, training, discounted insurance programs, legislative advocacy, and provide useful threads where you can connect with other districts to share resources.

CSDA provides the district managers with the educational opportunities they need to work towards the essential leadership certifications. The support from CSDA is proven fundamental to the District's day to day operations.

Fiscal Impact:

FY 2023/2024 membership budget is \$10,000. There is approximately \$5,300 remaining in the budget and the CSDA membership renewal is \$4,194.



California Special Districts Association
Districts Stronger Together

California Special Districts Association
 1112 I Street, Suite 200
 Sacramento, CA 95814
 Phone: 877.924.2732 Fax: 916.520.2470
 www.csda.net

2024 CSDA MEMBERSHIP RENEWAL

To:

Murphys Sanitary District
 15 Ernest Street, Suite A
 Murphys, CA 95247



Membership ID: 188

Issue Date: October 1, 2023

Due Date: December 31, 2023

RMS-Regular Member Annual Membership Dues Jan 1 - Dec 31, 2024 (Includes membership for all agency staff and elected/appointed officials as designated by agency)	\$4,095.00
Optional Add-Ons	
\$225 CSDA Sample Policy Handbook (Already subscribed? Contact membership@csda.net for renewal)	\$ 100.00
Donation to the Special District Leadership Foundation (SDLF), a 501(c)(3) organization that promotes the good governance and management of special districts. Learn more at www.sdlf.org <i>Note: A donation from a special district or public agency must comply with any policy related to charitable donations adopted by the agency or be approved by the governing body of the agency.</i>	<input type="checkbox"/> \$50 Donation <input type="checkbox"/> \$100 Donation <input type="checkbox"/> \$500 Donation <input type="checkbox"/> Other \$
Total	\$4,195.00
Credit Card Payment	
Account Name:	Account Number:
Expiration Date:	Auth Signature:

Payment options:

- A. By mail: Make check payable to CSDA and mail to 1112 I Street, Suite 200, Sacramento, CA 95814
- B. By fax: Complete the form with credit card information and fax it to 916.520.2470
- C. By phone: Call 877.924.2732 to pay with a credit card
- D. Online: Log into www.csda.net > go to your Profile > Manage My Agency > Pay Dues
- E. By ACH: contact membership@csda.net for more information

OBRA 1993 prohibits taxpayers from deducting, for federal income tax purposes, the portion of membership dues that are allocable to the lobbying activities of trade organizations. The nondeductible portion of your dues is estimated to be 8%. To view dues categories, please visit the CSDA transparency page at www.csda.net

Thank you for being a CSDA Member!



STAFF REPORT

DATE: November 17, 2023
TO: Members of the Board
FROM: Kristina Fillmore, Administration Manager
SUBJECT: Adoption of Resolution 2023-07 Authorizing Administration Manager to Sign WWTP II Financial Assistance Application

Recommendation:

Staff recommend adoption of Resolution 2023-07 Authorizing Administration Manager to sign on behalf of the District the WWTP Upgrade II Financial Assistance Application.

Background:

Blackwater Engineering will submit the final application documents to the State Water Resources Control Board. As previously mentioned, this project will not receive funding this fiscal year. However, the application will be in queue, and it will be shovel ready when SWRCB reviews and considers funding applications.

Discussion:

The Board should designate and authorize the Administration Manager to sign application documents relating to the project application.

Fiscal Impact:

None

AUTHORIZING RESOLUTION/ORDINANCE

RESOLUTION NO: 2023-07

WHEREAS Murphys Sanitary District WWTP Upgrade Project Part II proposes improvements to WWTP
(insert appropriate findings)

RESOLVED BY THE Board of Directors of the Murphys Sanitary District OF THE
(insert name of Governing Board of the Entity)

Murphys Sanitary District (the "Entity"), AS FOLLOWS:
(insert Entity name)

The Administrative Manager (the "Authorized Representative") or designee is
(insert Title of Authorized Representative)

hereby authorized and directed to sign and file, for and on behalf of the Entity, a Financial Assistance Application for a financing agreement from the State Water Resources Control Board for the planning, design, and construction of Murphys Sanitary District Wastewater Treatment Plant Upgrade Project Part II (the "Project").
(insert Project Name)

This Authorized Representative, or his/her designee, is designated to provide the assurances, certifications, and commitments required for the financial assistance application, including executing a financial assistance agreement from the State Water Resources Control Board and any amendments or changes thereto.

The Authorized Representative, or his/her designee, is designated to represent the Entity in carrying out the Entity's responsibilities under the financing agreement, including certifying disbursement requests on behalf of the Entity and compliance with applicable state and federal laws.

CERTIFICATION

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the Board of Directors of the Murphys Sanitary District held
(insert name of Governing Board of the Entity)

on _____
(Date)

(Name, Signature, and Seal of the Clerk or Authorized Record Keeper of the Governing Board of the Agency)

FINANCIAL SECURITY PACKAGE (CONSTRUCTION)

Applicant (Entity) Legal Name: Murphys Sanitary District	
Pledged Revenues And Fund(s) For The Project:	
Project Title: WWTP Upgrade Project Part II	
Contact Person: Kristina Fillmore	Phone: (209) 728-3094

1. Amount of Assistance Requested: \$ 5,047,674				
2. Term Requested: <input type="checkbox"/> 20-Year <input checked="" type="checkbox"/> 30-Year (If Eligible)				
3. Other Project Funding Sources				
Name and Type of Funding Sources	Amount	Applied	Approved	Received
	\$			
	\$			
	\$			
4. Current Year Median Household Income: \$ 47,887				
5a. Current Year Estimated Population Served: 1,944				
5b. Current Year Estimated Number of Residences: 917				
5c. Current Year Estimated Number of Permanently Occupied Residences: 917 (Only required if applying for grant funding/principal forgiveness)				
6. Active Service Connections <input type="checkbox"/> Not Applicable				
Service Connection Type	Number of Service Connections	Average Monthly Billing (Last 12 months) Per Connection		
Residential	917	\$ 78.00		
Commercial	113	\$ 147.00		
Industrial	0	\$ N/A		
Other	112	\$ 124.25		
TOTAL	1142	\$ 116.42		
Rate increase effective date for projected monthly service charges: N/A				
7. Projected Annual Operations and Maintenance Costs, Including amortized replacement costs (upon completion):		\$ 250,000		

8. Discussion of Material Events, Material Obligation Conditions, and Any Debt Limit

Identify any current prior material events such as bankruptcy, defaults, litigation, grand jury findings, unscheduled draws on reserve funds, substitution of insurers or their failure to perform, unscheduled draws on credit enhancements, actions taken in anticipation of filing Chapter 9, rating changes, relevant conditions in material obligations, and any local debt limit.

9. Rate Study

Has a rate study been conducted for your system? Yes No

If **yes**, please submit a complete copy of the Rate Study.

10. Debt Management Policy

Please provide a copy of your Debt Management Policy (If Applicable).

ATTACHMENTS (Check the box next to each item attached to your application.)

- F1 – AUDITED FINANCIAL STATEMENTS OR TAX RETURNS (3 Years)**
- F2 – BUDGET PROJECTIONS (REVENUE/EXPENSE) (2 years – or more if needed)
(See Sample in Application Instructions)**
- F3 – TAX QUESTIONNAIRE**
- F4 – REIMBURSEMENT RESOLUTION**
- F5a – AUTHORIZING RESOLUTION**
- F6 – RATE ADOPTION RESOLUTION, COPY OF RATES, AND PUBLIC NOTICE OF
PROPOSITION 218 MEETING**
- F7 – SCHEDULE OF ALL MATERIAL DEBT OR NO DEBT LETTER
(See Application Instructions)**
- F8 – DEBT MANAGEMENT POLICY (If Applicable)**
- F9 – NEW SPECIAL TAX, ASSESSMENT DISTRICT, OR SERVICE CHARGE
PROJECTIONS (If Applicable)**
- F10 – RELEVANT SERVICE, MANAGEMENT, OPERATING, OR JOINT POWERS
AGREEMENTS (If Applicable)**
- F11 – SCHOOL DISTRICT CERTIFICATION OF INTERIM REPORT (If Applicable)**

Technical Package Form

Applicant (Entity) Name: Murphys Sanitary District	
Project Title: WWTP Upgrade Project Part II	
Contact Person: Kristina Fillmore	Phone: (209) 728-3094

I. WATER RIGHTS

1. Will the Project change the point of discharge, place of use, or purpose of use of treated wastewater and decrease the flow in any portion of a watercourse per Water Code section 1211?

NO (If NO, proceed to question 2.)

YES - If YES, has a Petition for Change been filed with the State Water Board, Division of Water Rights?

YES – Provide a copy of the Petition for Change (label as Attachment **T5a**).

NO – Provide the date you anticipate submitting the Petition for Change: _____

2. Will the Project divert flow from a stream or other surface water body to another location?

NO (If NO, proceed to question 3.)

YES - If YES,

- a. Has a Petition for Change been filed with the State Water Board, Division of Water Rights?

YES NO N/A

- b. Has an application for a water right been filed with the State Water Board, Division of Water Rights, or does the entity hold sufficient water rights for the project?

YES NO N/A

Provide copies of the Petition for Change, application for a Water Right or Change of Use approval, or Water Right permit or license, as appropriate (label as Attachment **T5b**), or

Provide the date you anticipate submitting the petition or application: _____.

3. Is the entity a water diverter and subject to section 5103 of the Water Code? YES NO

II. DELTA PLAN

1. Is the project a "covered action" under section 85225 of the Water Code?

YES NO

For items 2 and 3 below, please check "N/A" if the project is not a "covered action".

2. Have you submitted the consistency certification required by section 85225 of the Water Code?

YES NO NA

3. Has any person appealed the consistency certification per section 85225.10 of the Water Code?

YES NO NA

III. ARCHITECTURAL AND ENGINEERING (A/E) PROCUREMENT

Do you follow a qualifications-based procurement process for A/E procurement (for services such as program management, construction management, feasibility studies, engineering, design, surveying, or mapping)?

YES NO

If yes, check below to indicate if your A/E procurement process complies with one or both:

40 United States Code Section 1101 et seq.

California Government Code Section 4525 et seq. (as it relates to state agencies)

IV. GREEN PROJECT RESERVE (GPR)

1. Is this project, or a portion of this project, eligible for the CWSRF GPR? YES NO If no, skip to Section VI
2. Which GPR Category(ies) are applicable and identify whether the project is categorically eligible or requires a business case to demonstrate eligibility.

% of Total Project Cost	Category	Categorically Eligible	Business Case Attached
	Green Infrastructure		
	Water Efficiency		
	Energy Efficiency		
	Environmentally Innovative		
	Total		

V. ATTACHMENT CHECKLIST

Check the box next to each item attached to your application. If an item is not attached at the time you submit the Technical Application form, please indicate in the space provided below when you anticipate submitting it.

- T1 – Project Report
- T2a – General Plan Compliance Certification
- T2b – Certification for Compliance with Water Metering Form
- T2c – Certification for Fiscal Sustainability Plan N/A
- T2d – Certification for Cost and Effectiveness and Water and Energy Conservation and Efficiency N/A
- T3 – Climate Change Worksheet
- T4 – Regional Water Quality Control Board Requirements
- Waste Discharge Requirements, NPDES Permit or Water Recycling Requirements
 - Amended Basin Plan or Total Maximum Daily Load
 - Enforcement Orders
 - Not Applicable – Explain: _____
- T5a – Petition for Change and Order N/A
- T5b – Petition for Change/Water Right Application, Permit or License/Change of Use Approval N/A
- T6 – Certification for Water Conservation and Water Management

Water Recycling Funding Program Only

- T12 – Recycled Water Market Assurances
- T13 – User Connection Schedule

**CERTIFICATION FOR FISCAL SUSTAINABILITY PLAN
REQUIRED FOR ALL CWSRF FUNDING APPLICATIONS
FOR TREATMENT WORKS PROJECTS**



Funding Agency: State Water Resources Control Board
 Funding Program: Clean Water State Revolving Fund (CWSRF)
 Applicant (Agency Name): Murphys Sanitary District

Section 603(d)(1)(E) of the federal Clean Water Act (CWA) requires a CWSRF financing recipient with a project involving the repair, replacement, or expansion of a treatment works¹ (including treatment, pumping, collection, distribution and storage facilities etc.) to develop and implement a fiscal sustainability plan or certify that it has developed and implemented such a plan.

¹ "Treatment works" is defined in section 212(2)(A) of the CWA. (33 U.S.C. § 1282[2][A])

Please check one of the boxes below and sign and date this form:

As the authorized representative for the applicant agency, I certify that the agency shall develop and implement a fiscal sustainability plan as set forth in section 603(d)(1)(E)(i) of the

Clean Water Act no later than _____ that includes:

- (I) an inventory of critical assets that are a part of the treatment works;
- (II) an evaluation of the condition and performance of inventoried assets or asset groupings;
- (III) a certification that the agency has evaluated and will be implementing water and energy conservation efforts as part of the plan; and
- (IV) a plan for maintaining, repairing, and, as necessary, replacing the treatment works and a plan for funding such activities

As the authorized representative for the agency, I certify that the agency has developed and implemented a fiscal sustainability plan that meets the requirements of section 603(d)(1)(E)(i) of the federal Clean Water Act (33 U.S.C. § 1383[d][1][E][i]).

I understand that the Funding Agency will rely on this signed certification in order to approve funding and that false and/or inaccurate representations in this Certification may result in loss of all funds awarded to the applicant for its project. Additionally, the Funding Agency may withhold disbursement of project funds, and/or pursue any other applicable legal remedy.

Kristina Fillmore

Administration Manager

 Name of Authorized Representative
 (Please print)

 Title

 Signature of Authorized Representative

 Date

GENERAL PLAN COMPLIANCE CERTIFICATION

PROJECT NO. WWTP Upgrade Project Part II

APPLICANT: Murphys Sanitary District ("the Entity")

Check **first** box below if the applicant is responsible for adopting the General Plan (typical of cities and counties).

Check **second** box if the applicant is not responsible for adopting the General Plan (typical for special districts).

- I certify that the Entity has adopted the land use and housing elements of its General Plan and that the proposed project is consistent with the adopted General Plan.

- I certify on behalf of the Entity that at least seventy-five (75) percent of the area affected by the project includes cities and counties with adopted land use and housing elements. I have attached documentation that the Entity has notified the cities and/or counties responsible for adopting the applicable plan(s) and provided a reasonable opportunity to comment on the project's consistency with the plan(s). I certify that the Entity considered those comments during development of the project.

Kristina Fillmore

Administration Manager

Name of Authorized Representative
(Please print)

Title

Signature of Authorized Representative

Date

**WATER CONSERVATION & WATER MANAGEMENT CERTIFICATION FORM
FOR COMPLIANCE WITH DIVISION 6 OF THE CALIFORNIA WATER CODE**

REQUIRED FOR ALL CWSRF FUNDING APPLICATIONS



Funding Agency Name: State Water Resources Control Board

Funding Program Name: Clean Water State Revolving Fund

Applicant: Murphys Sanitary District

Please check one of the boxes below and sign and date this form.

As the authorized representative for the applicant, I certify under penalty of perjury that the applicant is a water supplier, as that term is understood pursuant to the provisions of the California Water Code and has complied with all applicable provisions of Division 6 of the Water Code.

As the authorized representative for the applicant, I certify under penalty of perjury that applicant is not a water supplier, and the applicant certifies that the water suppliers in its service or project area have complied with all applicable provisions of Division 6 of the Water Code.

I understand that the Funding Agency will rely on this signed certification in order to approve funding and that false and/or inaccurate representations in this Certification may result in loss of all funds awarded to the applicant for its project. Additionally, for the aforementioned reasons, the Funding Agency may withhold disbursement of project funds, and/or pursue any other applicable legal remedy.

Kristina Fillmore

Administrative Manager

Name of Authorized Representative
(Please print)

Title

Signature of Authorized Representative

Date



INVESTMENT ADVISORY COMMITTEE REPORT

DATE: November 17, 2023
TO: Members of the Board
FROM: Kristina Fillmore, Administration Manager
SUBJECT: Committee Goals from October 10, 2023 meeting

The committee at their October 10, 2023 meeting reviewed and discussed current investments.

The committee agreed to set goals to accomplish before the Boards January 2024 board meeting. Goals are outline below.

Committee Goals:

1. To create a reserve policy that outlines Governmental Accounting Standards that identifies reserve expenditure classes and thresholds. It will serve as a guide for the District on when and how to use the reserve funds.
2. Update the CIP to reflect 10 years to include vehicle fleet and technology.
3. To open an operating savings account not to exceed \$50,000 to earn interest on revolving operating funds.



STAFF REPORT

DATE: November 17, 2023
TO: Members of the Board
FROM: Dan Murphy, Chief Plant Operator
SUBJECT: Operational Staff Report

OPERATIONAL MONTHLY TOTALS AND SUMMARY

Water storage levels in Pond# 4	Over a foot and a half of freeboard was gained in October. Starting November at 2261'3 inches elevation (approximately 15 million gallons to discharge for low storage level)
PG&E Kilo Use	624kWhrs at WWTP 69kWhrs at IPS
Rain Fall at WWTF	Only 1 inch of rain total for October, recorded over three days-1 st , 12 th and the 23 rd
CL2 Usage	1,055 gallons of liquid chlorine used for 23 days of Effluent pumping to KHS and Sprayfields
Plant influent gallons	3,739,000 million gallons- only a quarter million less than October 2022
Effluent gallons	6,103,800 gallons total gallons treated and discharged: 5,349,200 gallons KHS 754,600 gallons to Sprayfields
Ironstone Influent	178,250 gallons AVG
Hydro flushing lineal footage	>4,700 feet of Collections-Flushed and system video recorded where needed to complete whole Collection System annual canvassing
Sewer Overflow Count	None
Spray Field Gallons Applied	Three quarters of a million gallons applied over ten days of metered discharge