

Res. No. 2024-09

MURPHYS SANITARY DISTRICT

"Dedicated to providing a safe wastewater collection and treatment service at fair and reasonable rates for the community of Murphys, preserving and protecting our environment for future generations."

Regular Board Meeting
Thursday September 12, 2024
10:00 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 for those who wish to participate in the meeting virtually:

Microsoft Teams

[Join the meeting now](#)

Meeting ID: 224 696 725 156

Passcode: dWqD66

Dial in by phone

[+1 872-242-9031, 334365445#](#) United States, Chicago

[Find a local number](#)

Phone conference ID: 334 365 445#

CALL MEETING TO ORDER\ PLEDGE OF ALLEGIANCE

1. Roll Call
2. Agenda Changes/Agenda Approval
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) Regular Meeting Minutes-August 8, 2024
 - b) Financial Reports-Ending August 31, 2024

2023/2024 BOARD OF DIRECTORS

*Paige McMath-Jue, President | Steve Gonzales, Vice President | Marty Meller, Secretary
Joseph Fontana, Treasurer | Bruce Miller, Parliamentarian*

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Res. No. 2024-09

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. *Indicates Staff Report*

- a) Clean Water State Revolving Loan-Discussion/Action *
- b) Grant Writer Services-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.

- a) Church Street Project-Information Only
- b) Rate Study -Information Only

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) Finance Committee
 - August 27, 2024, Meeting Summary-Director Fontana & Director Miller

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 Report
- b) Operations Report

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.

10. Next Regular/Special Meeting: Regular Meeting October 10, 2024 at 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.

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Murphys Sanitary District



MINUTES – Regular Board Meeting
Thursday, August 8, 2024
15 Ernest St Ste. A
Murphys, Ca 9524

CALL MEETING TO ORDER – 10:00 a.m.

PLEDGE OF ALLEGIANCE

1. Roll Call

Directors Present

Director Fontana; Director Gonzales (Absent w/out notice); Director Miller & President McMath-Jue

Staff Present

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

Public Present

Blackwater Engineering

2. Agenda Changes – *Request from Director Miller to pull Line Item 4b) Financial Reports-Ending June 30, 2024 & July 31, 2024 for discussion.*

3. Public Comment – *None*

4. Consent Agenda

a) Regular Meeting Minutes-June 13, 2024

b) Financial Reports-Ending June 30, 2024 & July 31, 2024 – *Pulled for discussion*

Motion: *Motion: President McMath-Jue & Director Fontana. motion to accept the Consent Agenda as presented; Regular Board Meeting; June 13, 2024 and Financial Reports – Ending June 30, 2024 & July 31, 2024: Roll Call Vote (4) Yeas (1) Absent*

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5. New Business – *Director S. Gonzales joins meeting 10:13 a.m.*

- a) Adoption of Resolution 2024-08 Approving the Capital Improvement Plan-Presentation & Discussion

Motion: President McMath-Jue & Director Fontana motion to adopt Resolutionn2024-8 Approving the Capital Improvement Plan: Approved 5-0

- b) Adoption of Resolution 2024-06 Authorizing Administration Manager as Application Representative

Motion: President McMath-Jue & Director Fontana motion to adopt Resolution 2024-06 Authorizing Administration Manager, K. Fillmore as Application Representative, to move forward with the application process: Approved 5-0

- c) Adoption of Resolution 2024-07 Approving Salary Schedule Policy and Compensation Schedule – *Brief Discussion*

Motion: President McMath-Jue & Director Fontana motion to approve the Salary Schedule Policy & Compensation schedule as presented: Approved 5-0

- d) Tuolumne-Stanislaus IRWMA Membership Renewal - *Discussion*

Motion: President McMath-Jue & Director S. Gonzales motion to not renew the Tuolumne-Stanislaus IRWMA Membership: Approved 5-0

6. Unfinished Business – Brief Discussion

- a) Church Street Project

Motion: President McMath-Jue & Director Fontana motion to authorize MSD Managers to move forward with sending out the RFP for the Church Street Project: Approved 5-0

7. Committee Reports

- a) Finance Committee - *Director Fontana, nothing to report - Next Finance Committee Meeting scheduled for Tuesday, August 27, 2024 at 10:00 a.m.*

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

- a) Administration Report – *Information only, MSD is considering AllPaid, an additional payment option for customers; Managers will move forward with the USDA loan application and will continue to look into other loan options available; Brief GIS Demonstration - Discussion*

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b) Operations Report – *Nothing to report – Discussion only*

9. Board/Staff Correspondence

a) Letter from UTICA General Manager Joel Metzger – *Information only, Thank you letter*

b) Letter from Murphys Sanitary District Customer Patty and Jan Schulz – *Verbal Acknowledgement of appreciation letter from customer to Operation’s Staff E. Hemstad*

c) Letter from California Department of Finance – *Information only, Audit of 2019/2020 WWTP Upgrade Project*

10. Future Agenda Items/Director Comments – *Keep customers informed regarding Rate Study; Continue to look into Grant Writers*

11. Next Regular/Special Meeting: *Regular Meeting September 12, 2024, 10:00 a.m.*

12. ADJOURN TO CLOSED SESSION – *12:08 p.m.*

a) Public Employee Evaluation (Government Code 54957)
Title: Operations Manager
Title: Administration Manager

13. RETURN FROM CLOSED SESSION - *12:19 p.m.*

a) Reportable Actions in Closed Session – *Board has finalized format for Manager Reviews, Staff directed to put new format into Board Files; Schedule closed session for Manager Reviews.*

Adjournment: *12:21 p.m.*

Respectfully;

Amy R Milliken, Clerk of the Board

Director Marty Mollera, Secretary

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Joseph Fontana, Treasurer | Bruce Miller, Parliamentarian

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**Murphys Sanitary Distict
Account Balance Summary**

August 31, 2024

| | Rates | |
|---------------------------------------|--------------|---------------------|
| El Dorado Savings Bank | .02% | 18,302.38 |
| Cash Drawer | | 200.00 |
| District Investments | | |
| CA Class Discretionary | 5.41% | 410,423.55 |
| CA Class Equip R&R | 5.41% | 673,278.94 |
| LAIF | 4.30% | 58,891.45 |
| UBS T-Bill #1 01/09/2025 | 5.13% | 200,000.00 |
| UBS T-Bill #2 09/12/2024 | 5.20% | 200,000.00 |
| UBS T-Bill #3 01/30/2025 | 4.79% | 200,000.00 |
| UBS CD 06/24/2025 | 5.30% | 44,000.00 |
| UBS CD 06/04/2025 | 5.40% | 224,000.00 |
| UBS CD 06/17/2025 | 5.45% | 200,000.00 |
| UBS CD 11/15/2024 | 5.80% | 200,000.00 |
| Total Investments | | 2,410,593.94 |
| Balance Ending August 31, 2024 | | 2,429,096.32 |

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09/09/24

Murphys Sanitary District Expense Disbursement Report

| Date | Num | Name | August 2024 | Memo | Amount |
|------------|-------|----------------------------------|-------------|--|------------|
| Aug 24 | | | | | |
| 08/01/2024 | ACH | SDRMA | | Health Benefits | -10,367.04 |
| 08/01/2024 | ACH | CalPERS | | Annual Unfunded Accrued Liability as of 6/30/2022 | -244.75 |
| 08/01/2024 | ACH | CalPERS | | Annual Unfunded Accrued Liability as of 6/30/2022 | -33.17 |
| 08/08/2024 | ACH | QuickBooks Payroll Service | | Created by Payroll Service on 08/07/2024 | -11,697.87 |
| 08/08/2024 | ACH | QuickBooks Payroll Service | | Created by Payroll Service on 08/07/2024 | -1,565.90 |
| 08/12/2024 | ACH | CalPERS | | Retirement Contributions | -3,286.70 |
| 08/20/2024 | ACH | SDRMA | | Health Benefits | -10,367.04 |
| 08/22/2024 | ACH | QuickBooks Payroll Service | | Created by Payroll Service on 08/21/2024 | -11,656.18 |
| 08/22/2024 | ACH | QuickBooks Payroll Service | | Created by Payroll Service on 08/21/2024 | -4,811.82 |
| 08/23/2024 | ACH | CalPERS | | Retirement Contributions | -3,287.83 |
| 08/08/2024 | ACH | Vanco Services | | Monthly Service Fees | -116.50 |
| 08/13/2024 | ACH | CalPERS | | Unfunded Accrued Liability Due-Classic Member | -244.75 |
| 08/12/2024 | ACH | CalPERS | | Unfunded Accrued Liability Due-Pepra Members | -33.17 |
| 08/22/2024 | ACH | Vanco Services | | Returned Payment-Acct#TRI0003 | -60.00 |
| 08/23/2024 | ACH | Vanco Services | | Returned Payment-Acct#CLA0003 | -60.00 |
| 08/07/2024 | E-pay | EDD | | 925 0399 4 QB Tracking # -192064990 | -880.24 |
| 08/07/2024 | E-pay | EFTPS Federal Taxes | | 94-1569552 QB Tracking # -192036990 | -4,203.54 |
| 08/21/2024 | E-pay | EDD | | 925 0399 4 QB Tracking # 1397779814 | -1,058.77 |
| 08/21/2024 | E-pay | EFTPS Federal Taxes | | 94-1569552 QB Tracking # 1397804814 | -5,075.14 |
| 08/01/2024 | 11324 | AT&T Internet - Six Mile | | Six mile - Internet | -53.51 |
| 08/01/2024 | 11325 | Comcast- Emerald Creek | | Alarm Access Line - Emerald Creek | -111.14 |
| 08/01/2024 | 11326 | Mountain Oasis Water | | Drinking Water | -75.45 |
| 08/01/2024 | 11327 | Northstar Chemical | | Chemicals | -3,128.73 |
| 08/01/2024 | 11328 | Landscaper Alfredo Leon Martinez | | Yard maintenance Office Building | -200.00 |
| 08/05/2024 | 11329 | Alpha | | Research & Monitoring | -1,787.75 |
| 08/05/2024 | 11330 | Mother Lode Answering Service | | Answering Service | -334.00 |
| 08/05/2024 | 11331 | The Red Store | | Misc Supplies - Marking Paint; Sprinkler; Silicone S | -75.94 |
| 08/06/2024 | 11332 | Cal Waste Management | | Trash-Waste | -194.53 |
| 08/07/2024 | 11333 | CALCAD | | GIS Annual Subscription | -5,940.00 |
| 08/07/2024 | 11334 | Weco Industries, LLC | | Headsets /Comms | -3,791.02 |
| 08/12/2024 | 11335 | Calaveras Power Agency | | WWTP Electric | -3,763.20 |
| 08/12/2024 | 11336 | Modesto Welding Products | | Argon/Co2 Rental | -16.00 |
| 08/09/2024 | 11337 | Kristina Fillmore | | Pay Period 07/25/2024 - 08/07/2024 | -443.98 |
| 08/12/2024 | 11338 | Sierra Hills Market | | Misc Supplies | -9.48 |
| 08/14/2024 | 11340 | DeeDee McDaniel | | Lien-Notary Fee-VOO0001 | -15.00 |
| 08/14/2024 | 11341 | US Bank | | Business Card | -5,902.41 |
| 08/16/2024 | 11342 | PGE-Emerald Creek Pump Station | | 27 Emerald Creek - Electric | -413.92 |
| 08/16/2024 | 11343 | PGE-Office | | Office - Electric | -248.10 |
| 08/19/2024 | 11344 | AALR & R Attorneys at Law | | General Counsel - Ordinance Review & Employee H | -2,110.50 |
| 08/19/2024 | 11345 | Northstar Chemical | | Chemicals | -3,050.75 |
| 08/19/2024 | 11346 | Copy Center | | Policy Handbook | -61.98 |
| 08/20/2024 | 11347 | Vestis | | Uniforms | -283.90 |

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Murphys Sanitary District Expense Disbursement Report

| <u>Date</u> | <u>Num</u> | <u>Name</u> | <u>August 2024</u> | <u>Memo</u> | <u>Amount</u> |
|-------------|------------|---------------------------------------|--------------------|-----------------------------------|---------------|
| 08/23/2024 | 11348 | Fontana., Joseph | | Meeting Stipend | -91.25 |
| 08/23/2024 | 11349 | Gonzales, Steven M | | Meeting Stipend | -91.25 |
| 08/23/2024 | 11350 | Miller, Lloyd B | | Meeting Stipend | -91.25 |
| 08/22/2024 | 11351 | Black Water Consulting Engineers Inc. | | CIP Update | -4,286.50 |
| 08/23/2024 | 11352 | CALNET | | Murphys Grade - Alarm Access Line | -32.05 |
| 08/26/2024 | 11353 | Carbon Copy | | Copy Machine - Office | -39.05 |
| 08/26/2024 | 11354 | Comcast Business | | Office - Internet/Phones | -196.83 |
| 08/26/2024 | 11355 | Carbon Copy | | Six Mile - Copy Machine | -19.11 |
| 08/28/2024 | 11356 | Comcast- Emerald Creek | | Emerald Creek Alarm Access | -111.14 |
| 08/28/2024 | 11357 | UPUD | | 735 Six Mile Rd - M | -146.41 |
| 08/28/2024 | 11358 | UPUD | | 735 Six Mile Rd | -217.24 |
| 08/28/2024 | 11359 | UPUD | | 15 Ernest St - M | -85.22 |
| 08/28/2024 | 11360 | UPUD | | 26 Emerald Ct - M | -83.25 |
| 08/30/2024 | 11361 | AT&T Internet - Six Mile | | Internet - Six Mile | -63.49 |

Aug 24

9:08 AM

09/09/24

Murphys Sanitary District
Budget vs. Actual- YTD Performance
July 2024 through June 2025

| | <u>Jul '24 - Jun 25</u> | <u>Budget</u> | <u>\$ Over Budget</u> | <u>% of Budget</u> |
|---------------------------------|-------------------------|------------------|-----------------------|--------------------|
| Ordinary Income/Expense | | | | |
| Income | | | | |
| Monthly Billing | 163,765.19 | 915,404.00 | -751,638.81 | 17.9% |
| Misc Income | 33,988.33 | 252,700.00 | -218,711.67 | 13.5% |
| Total Income | 197,753.52 | 1,168,104.00 | -970,350.48 | 16.9% |
| Gross Profit | 197,753.52 | 1,168,104.00 | -970,350.48 | 16.9% |
| Expense | | | | |
| Wages | 87,478.38 | 421,920.00 | -334,441.62 | 20.7% |
| Employee Benefits | 44,672.33 | 247,712.00 | -203,039.67 | 18.0% |
| PR Taxes | 7,187.74 | 35,000.00 | -27,812.26 | 20.5% |
| WORKERS' COMPENSATION | 11,025.67 | 11,250.00 | -224.33 | 98.0% |
| OPERATIONS - Maint & Repairs | 642.73 | 14,500.00 | -13,857.27 | 4.4% |
| OPERATIONS - Supplies | 17,573.93 | 50,850.00 | -33,276.07 | 34.6% |
| OPERATIONS - Utilities | 11,761.15 | 99,000.00 | -87,238.85 | 11.9% |
| OPERATIONS - Other | 5,062.91 | 33,700.00 | -28,637.09 | 15.0% |
| ADMINISTRATIVE - Rents - Leases | 720.00 | 720.00 | 0.00 | 100.0% |
| ADMINISTRATIVE - Supplies | 7,959.63 | 14,160.00 | -6,200.37 | 56.2% |
| ADMINISTRATIVE - Utilities | 1,260.29 | 8,050.00 | -6,789.71 | 15.7% |
| ADMINISTRATIVE - Other | 3,714.73 | 19,100.00 | -15,385.27 | 19.4% |
| ADMINISTRATIVE - Insurance | 39,588.38 | 40,000.00 | -411.62 | 99.0% |
| ADMINISTRATIVE - Professional | 6,040.75 | 66,730.00 | -60,689.25 | 9.1% |
| ADMINISTRATIVE - License-Permit | 0.00 | 41,000.00 | -41,000.00 | 0.0% |
| ADMINISTRATIVE - Advertising | 0.00 | 2,500.00 | -2,500.00 | 0.0% |
| ADMINISTRATIVE - Debt Service | 0.00 | 43,671.00 | -43,671.00 | 0.0% |
| Total Expense | 244,688.62 | 1,149,863.00 | -905,174.38 | 21.3% |
| Net Ordinary Income | -46,935.10 | 18,241.00 | -65,176.10 | -257.3% |
| Net Income | -46,935.10 | 18,241.00 | -65,176.10 | -257.3% |

9:09 AM

09/09/24

Murphys Sanitary District
Budget vs. Actual - Reserve Performance
July 2024 through June 2025

| | Jul '24 - Jun 25 | Budget | \$ Over Budget | % of Budget |
|--|--------------------------|---------------------------|--------------------------|--------------------|
| Other Income/Expense | | | | |
| Other Income | | | | |
| CAPITAL INCOME | | | | |
| Grant Funds-Collection System | 0.00 | 0.00 | 0.00 | 0.0% |
| Cash from Operating Account | 0.00 | 18,241.00 | -18,241.00 | 0.0% |
| Total CAPITAL INCOME | <u>0.00</u> | <u>18,241.00</u> | <u>-18,241.00</u> | <u>0.0%</u> |
| Total Other Income | 0.00 | 18,241.00 | -18,241.00 | 0.0% |
| Other Expense | | | | |
| CAPITAL EXPENDITURES | | | | |
| 9007.00 · Equipment/Technology/Other | 10,251.37 | 18,500.00 | -8,248.63 | 55.4% |
| 9016.10 · CollectionSystem Replacement | 0.00 | 25,000.00 | -25,000.00 | 0.0% |
| 9022.00 · WWTP Upgrade | 0.00 | 308,000.00 | -308,000.00 | 0.0% |
| 9040.00 · Church Street Project | 2,484.00 | 215,000.00 | -212,516.00 | 1.2% |
| 9999.00 · 15 Ernest St Improvements | 601.59 | 20,000.00 | -19,398.41 | 3.0% |
| Total CAPITAL EXPENDITURES | <u>23,424.96</u> | <u>586,500.00</u> | <u>-563,075.04</u> | <u>4.0%</u> |
| Total Other Expense | 23,424.96 | 586,500.00 | -563,075.04 | 4.0% |
| Net Other Income | <u>-23,424.96</u> | <u>-568,259.00</u> | <u>544,834.04</u> | <u>4.1%</u> |
| Net Income | <u><u>-23,424.96</u></u> | <u><u>-568,259.00</u></u> | <u><u>544,834.04</u></u> | <u><u>4.1%</u></u> |



STAFF REPORT

DATE: September 12, 2024
TO: Members of the Board
FROM: Kristina Fillmore, Administration Manager
SUBJECT: Approval to Proceed with Clean Water State Revolving Loan (CWSRF Loan)

Recommended Action:

Staff recommends the Board approve proceeding with a CWSRF Loan.

Background:

The District has a completed CWSRF grand fund application for the Collection System Line Replacement Project. However, due to the eligibility criteria, the District is not anticipated funding for the 24/25 fiscal year. The application is going on a three year roll over with no anticipated grant funding in the future.

However, the District is eligible for a CWSRF Loan and would be considered a priority in the loan program for Severe Disadvantaged Communities/Disadvantage Communities. Loan amounts up to \$10 million dollars, 30 year terms, 1.7% interest rate; however, the interest rate may be reduced to zero. This reduced interest rate will be determined when the credit and financial review is complete.

After discussion with District Managers, Engineering team, and Gurleen Bahita (CWSRF), it was agreed that this is favorable option for the District. An alternative funding option is a loan with USDA, offers 30-40 terms, at 3.25% effective July 1, 2024. In addition to the increased interest rate, USDA loan would take additional time for application, planning, and would require a new environmental report.

In order to maximize the opportunity of reduced interest from CWSRF, we are revising our original application to include Force Main Replacement and Project 1 (Dam Road), estimating construction costs at \$5,000,000. These individual projects were specifically chosen for loan funding by the Operations Manager. The remaining 22 projects will remain on grant application for future consideration.

Fiscal Impact:**CWSRF Loan Example**

| | |
|-----------------------------------|--------------------------|
| Amount | \$5,000,000 |
| Term | 30 Year |
| Interest Rate | 0%-1.7% |
| Estimated Monthly Payments | \$13,890-\$17,740 |

CWSRF Loan Advantages: MSD is eligible for loan program, complete application (General, technical, financial, environmental packages) minor modifications to original project, low interest rates that can significantly reduce the financial burden, and potential for extended repayment terms.

CWSRF Loan Disadvantages: The application process may require 7-8 months of review, documentation, and adherence to specific regulatory requirements.

USDA Loan Example

| | |
|-----------------------------------|--------------------|
| Amount | \$5,000,000 |
| Term | 30 Year |
| Interest Rate | 3.25% |
| Estimated Monthly Payments | \$18,627 |

USDA Loan Advantages: Extended loan term, continuous application acceptance, shorten review process, opportunity for grant funding for planning portion.

USDA Loan Disadvantages: Requirement for a new application (General, technical, financial, environmental packages), separate environmental study, higher interest rate.

8/12/2024



| Sewer Line Replacement, MH 96-101 | | CS-1 |
|--|--|-------------|
| Existing Condition and Risk of Failure: | The existing pipe is made of clay and is over 50 years old. Due to its clay construction, it is prone to root intrusion and leaks. Located near a waterway, this line is a significant contributor to inflow and infiltration (I/I). | |
| Project Description: | This project consists of the replacement and installation of approximately 2,415 linear feet of 8" diameter sewer pipeline and 6 manholes. | |
| Reasons for Repair or Replacement: | Clay pipe, age exceeds 50 years, close to waterway, significant source of I/I | |
| General Location: | Dam Road | |
| Existing Pipe Material: | Clay | |
| Project Priority: | Long-Term | |
| Construction Year (Fiscal): | 31-32 | |
| Expenditures | Budget | |
| CON-Construction Subtotal | \$813,750 | |
| CTGY-CIP Contingency (35%) | \$284,813 | |
| EDA-Eng/Design/Admin (15%) | \$122,063 | |
| ESDC/CM - Cons. Mgmt (10%) | \$81,375 | |
| Expenditure Totals: | \$1,302,000 | |
| Method of Funding: | Unknown: MSD Reserve Funds, Grant/Loan, Developer (as available) | |
| Funding Amount: | \$1,302,000 | |

8/12/2024



| Influent Force Main | | CS-23 |
|---|---|--------------------|
| Existing Condition and Risk of Failure: | The dual-force mains are constructed of asbestos clay and PVC. They are more than 50 years old and in disrepair. The force mains convey sewage from the district to the WWTP, making them an essential asset and a liability to the district. | |
| Project Description: | This project consists of the replacement and installation of approximately 5,500 linear feet of 8" diameter sewer pipeline. | |
| Reasons for Repair or Replacement: | Dual-force main constructed of asbestos clay and PVC. Age exceeds 50 years and is in disrepair. | |
| General Location: | Murphys Grade Road to WWTP | |
| Existing Pipe Material: | Clay & PVC | |
| Project Priority: | Immediate | |
| Construction Year (Fiscal): | 25-26 | |
| Expenditures | | Budget |
| CON-Construction Subtotal | | \$2,130,000 |
| CTGY-CIP Contingency (35%) | | \$745,500 |
| EDA-Eng/Design/Admin (15%) | | \$319,500 |
| ESDC/CM - Cons. Mgmt (10%) | | \$213,000 |
| Expenditure Totals: | | \$3,408,000 |
| Method of Funding: | Unknown: MSD Reserve Funds, Grant/Loan, Developer (as available) | |
| Funding Amount: | \$3,408,000 | |



STAFF REPORT

DATE: September 12, 2024
TO: Members of the Board
FROM: Kristina Fillmore, Administration Manager
SUBJECT: Approval to Engage with Freedom Energy Corporation (FEC)

Recommended Action:

Staff recommends the Board consider Freedom Energy Corporation (FEC) Services to assist with various grant applications as needed.

Summary:

Upon the Board's request, the staff conducted research to identify grant writers who can support the District in grant applications and project management. Given the abundance of grant opportunities available, engaging an experienced grant writer can streamline the application process and serve as a valuable intermediary, considering the demanding nature of this role.

A recommendation for grant writing services was received from UTICA, citing their successful track record in securing grants through collaborations with Freedom Energy Corporation (FEC). FEC, a local company overseen by Emily Donero, who coincidentally is a ratepayer of MSD, has been instrumental in obtaining grant awards.

Enclosed is a comprehensive list detailing the range of services and support offered, along with associated consulting fees.

Upon the Boards approval, a consulting agreement with be prepared and signed by the Administration Manager.

Fiscal Impact:

The budget can accommodate grant writing services within the administrative professional service line item, if required.

Freedom Energy Corporation

Grant Writing Services and Assistance

Freedom Energy Corporation provides services to agencies to assist with grant applications, management and project management. Freedom Energy Corporation provides the professional, administrative, supervisorial, and managerial services to meet agencies grant needs.

Services Include:

- Develop a comprehensive understanding of Capital Improvement Plans, critical infrastructure needs, budgets and budgetary constraints
- Participate in strategic planning, project prioritization, short- and long-term maintenance goals, and identify grant funding opportunities that could help agency achieve these goals
- Participate in group, informative discussions that will help achieve funding needs. Take lead in communication with potential grant agencies
- Become familiar with the grant funding opportunities, grant applications, grant reporting, and grants management process needs or requests
- Complete grant applications, execute them, complete reports, and meet grant close-out requirements
- Serve as project manager on projects assigned
- provide presentations to Board of Directors or attend relevant events if needed
- Other duties as assigned

Fee and Compensation:

Freedom Energy Corporation's fee is based on time spent on consulting services. Consultant shall be paid at a rate of ninety-five dollars (\$95.00) per hour for the term of the contract. Freedom Energy Corporation will produce and sign a Consulting Agreement with agencies before work begins.



STAFF REPORT

DATE: September 12, 2024
TO: Members of the Board
FROM: Kristina Fillmore, Administration Manager
SUBJECT: Update on Church Street Project

Recommended Action:

Discussion Only

Summary:

The District encountered an unforeseen circumstance as the construction bid for Church Street exceeded the approved informal bid threshold of \$200k. Governed by the California Uniform Public Construction Cost Accounting Act, our district typically has the flexibility to accept bids up to \$200k from a pre-approved list of district contractors. However, when the project cost surpasses this limit, we are obligated to follow a formal bid process. At the August 8, 2024, regular meeting, the Board approved to move forward with a Request for Proposals.

New Formal Bid Timeline:

NOTICE OF INVITATION TO BIDDERS
 MURPHYS SANITARY DISTRICT
 CHURCH STREET SEWER IMPROVEMENTS

Black Water to send Murphys Sanitary District the draft bid documents for internal/legal review: Friday, August, 30, 2024

Bidding – Project Schedule (37 Day advertisement):

Advertise project on Public Purchase, send out emails to contractors: Monday, September 30, 2024

Week of October 7, 2024: Publish Legal Advertisement

Non-Mandatory Pre-Bid Meeting: Wednesday, October 16, 2024 @ 10 am

Location: Murphys Sanitary District - Office

15 Ernest St Suite A
 Murphys, CA 95247

Last day for Contractor Request for Information/Clarifications: Wednesday, October 30, 2024

Last Addendum, if required: Friday, November 1, 2024

Bid Opening: Wednesday, November 6, 2024

Total Advertisement Days (working days): 28



STAFF REPORT

DATE: September 12, 2024
TO: Members of the Board
FROM: Kristina Fillmore, Administration Manager
SUBJECT: Update on Rate Study

Recommended Action:

Information Only

Summary:

Attached is an updated rate study schedule and an informational letter created by HEC PR Consultant on behalf of the MSD Board. While contemplating an informational postcard for cost efficiency, the decision was made for personalized letters instead. This choice was influenced by the upcoming election year and the quantity of promotional materials being circulated, as it was essential to ensure that our communication stood out and was not mistaken for unsolicited mail.

Letters will be addressed/sent to all rate payers to notify them of the rate study and its timeline.

An update has also been posted on the district's website.

MURPHYS SD RATE STUDY SCHEDULE

| Monthly Billing | ORDINANCE | New Rates Start FY26 |
|---|------------------|---------------------------------|
| Task A Findings Present to Board | Board Mtg | COMPLETE |
| Task B Findings Presentation to Board | Board Mtg | 1/9/2025 |
| Draft Report ready | | 1/30/2025 |
| <i>Workshop Evening (focus: effect on rates, possible options)</i> | | TBD |
| Draft Report Presentation | Board Mtg | 2/13/2025 |
| Last Day to Mail Out Prop 218 Notices | | 2/22/2025 |
| <i>Workshop Evening (focus: selected rate structure & public input)</i> | | TBD |
| Final Report Complete | | 3/27/2025 |
| Public Hearing and Ordinance Adopted [1] | Board Mtg | 4/10/2025 |

[1] No first reading is necessary for an ordinance because rates require a public hearing.
Schedule allows 6 weeks for staff to implement new rates in billing system.



September 12, 2024

A message from Murphys Sanitation District to our valued customers:

Murphys Sanitary District (MSD/District) is conducting a cost-of-service rate study for its wastewater services. Rate revenues are what fund the District's wastewater system's day-to-day operations, regular maintenance, and larger rehabilitation projects. The District has historically maintained consistent, low rates for its customers and has been able to fund operations and regular maintenance needs using customer rate revenues; however, **residential rates have remained at \$60 per month for the last 15 years** despite increasing costs over the same time period. Commercial rates were adjusted in 2018 to implement rates based on types of commercial use and the demand placed on the wastewater treatment process.

Another reason for initiating the rate study is due to capital improvement projects identified in a recently completed 10-year Capital Improvements Plan (CIP). The comprehensive plan examined the District's infrastructure and identified areas for rehabilitation at the wastewater treatment plant, sewer collection system, operations facilities and equipment. The plan included a 10-year timeline and estimated budgets for the identified improvements. The CIP allows the District to prioritize and financially plan for future projects that will be paid through a combination of rate revenues, loans, and if received, grant funding.

The cost-of-service service study is reviewing the District's financial needs, which includes paying for projects outlined in the CIP. The study is in progress and is expected to be completed in the first quarter of 2025. Key reasons for the study are:

- ✓ Review overall current financial health of the District.
- ✓ Determine efficacy of current residential and commercial rates to support future needs.
- ✓ Address rising cost of compensation packages, chemicals and supplies, energy rates and general inflation.
- ✓ Forecast the amount of revenues the District will need to fund capital improvements.
- ✓ Review existing rate structure and make recommendations for adjustments, if needed.
- ✓ Propose changes in rates over the next five (5) fiscal years starting in 2025/2026 to support the District's revenue needs.

Murphys Sanitary District values its customers and wants to provide opportunities for ratepayers to discuss potential changes in rates. Public workshops will be held as part of the rate study process in early 2025. Meanwhile, all board meetings are open to the public and community members are encouraged to attend. All meetings are held in person (virtual options available) on the second Thursday of each month at 10 a.m. located at 15 Ernest St., Suite A in Murphys. For information, go to www.murphyssd.org or call (209) 728-3094.

On behalf of Murphys Sanitary District, thank you for being our customer!
-Murphys Sanitary District Board of Directors



FINANCE MEETING REVIEW/DISCUSSION SUMMARY

AUGUST 27, 2024

1. CAPITAL IMPROVEMENT PLAN – The Finance Committee discussed and reviewed the updated CIP and has recommendations for the Board’s consideration.
 - Recommendation: Approval to fund Church Street project using reserve funds.
 - Recommendation: The District pursues a Clean Water State Revolving Fund Loan (CWSRF Loan) encompassing the force main and project #1 Sewer line replacement, MH 96-101. The estimated project costs are nearly \$5 million. The district is eligible for a CWSRF loan and would be considered a priority in the loan program for SDAC/DAC. The current interest rate for a CWSRF loan is 1.7%, however after credit and financial review there maybe be a reduced interest rate adjustment to zero to assist the SDAC/DAC to make the loan more affordable. Additionally, the Administration Manager will continue to explore various grant opportunities, including those offered by USDA Rural Development.
 - Recommendation: The District explores the possibility of engaging a grant writer or consultant for assistance.

2. INVESTMENTS – The Finance Committee discussed pursuing long term investments not exceeding five years to align with future project replacements outlined in the approved CIP. This will allow the investments to maximize earnings. In addition, the committee discussed a funding cascade spreadsheet that will be used internally to track and fund categories.

Prior to moving forward with this level of planning, the Board’s approval is sought. Upon approval, the committee will proceed with updating the investment and reserve policies to bring before the board for approval.

3. RATE STUDY – Following the approval of the updated CIP and providing the FY 23/24 actuals the District is moving forward with the Prop218 rate study. Emphasizing a thorough and deliberate approach, the district anticipates a longer timeline for this study to allow for comprehensive district and customer education regarding potential rate adjustments.



ADMINISTRATION REPORT

DATE: September 12, 2024
TO: Members of the Board
FROM: Kristina Fillmore, Administration Manager
SUBJECT: Administration Report

AllPaid Credit/Debit Cards

Murphys Sanitary District is now offering credit/debit card payments. Offering 3 ways to pay by website, in person, or by phone. If a customer chooses to pay with card, there is a 2.25% service fee collected by Allpaid.

California Department of Finance Audit

MSD is under a high level comprehensive audit for the grant funds received in 2021 for the WWTP Upgrade I project. Anticipated exit interview and final reports will be in late October, early November.

Annual CPA Audit-Brian Jolley CPA

The District's annual audit for FY 2023/2024 is underway.

CSDA Board Secretary Conference

Staff will be attending the annual Board Secretary conference in San Diego. This educational opportunity is essential as it provides updates to special district staff.

Employee Handbook and General Policies

The employee handbook and general policies will be placed on the October agenda for adoption. The employee handbook underwent a comprehensive review by legal.

Ongoing Projects

Rate Study, CWSRF/USDA loan, Church Street project are ongoing projects that will have updates during the board meeting.



Murphys Sanitary District STAFF REPORT

DATE: September 12th 2024
TO: Honorable Members of the Board
FROM: Dan Murphy, Chief Plant Operator
SUBJECT: Operational Staff Report

OPERATIONAL MONTHLY TOTALS AND SUMMARY:

August 2024

| | |
|---------------------------------|---|
| Water storage levels in Pond# 4 | A reduction of 3'1" from Pond 4 elevation in August leaving roughly 27 million gallons in storage- Starting September at a 2261'.1" elevation. This is two and a half feet lower elevation than beginning September 2023 |
| PG&E Kilo Use | 566 kWhrs at WWTP 68 kWhrs at IPS |
| Rain Fall at WWTF | There was no recorded rain for August |
| CL2 Usage | 1,495 gallons of liquid chlorine used for 18 days of Effluent pumping to KHS as well as 9 days of discharge to LAA spray fields |
| Plant influent gallons | 3,805,100 gallons of Influent received, which is well within seasonal average and only 140,000 gallons more than August 2023 |
| Effluent gallons | 7,971,300 gallons total 7,252,050 to KHS- Ironstone (402,000 gpd average discharge) |
| Ironstone Influent | 170,500 gallons AVG |
| Hydro flushing lineal footage | In preparation of high impact to the Collections system on the weekends, over 7,500 feet of sewer lines were flushed and video inspected |
| Sewer Overflow Count | None |
| Spray Field Gallons Applied | 719,250 gallons total discharged over 9 days (79,000 gpd average to alternating fields) without ponding or run-off |