Res. No. 2026-06

"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."

Special Board Meeting
Thursday July 16, 2026
10:00 a.m.

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

AGENDA

Agenda Material can be viewed at our website at www.murphyssd.org.
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 meeting
Join: https://teams.microsoft.com/meet/236783488391413?p=XDdPEtYEpklSCeECSc
Meeting ID: 236 783 488 391 413
Passcode: ag6ky3mM

Dial in by phone
+1 872-242-9031,,818251722# United States, Chicago
Find a local number
Phone conference ID: 818 251 722#

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.

1. **Call to Order and Pledge of Allegiance**
2. **Roll Call**
3. **Public Comment** *(Limit 5 minutes per person) on items not appearing on the 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 discussion.*
   a) Regular Meeting Minutes-June 11, 2026
   b) Financial Reports-Ending June 30, 2026

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 comments will be considered in advance of each Board action.* ***Indicates Staff Report**
    a) Public Hearing Assembly Bill 2561 (AB2561)-Regarding status of job vacancies, recruitment, and retention efforts-Discussion/Action*
    b) Adoption of Resolution 2026-06 Wage Scale Fiscal Year 26/27-Discussion/Action*
    c) Adoption of Resolution No. 2026-07- Adopting the Fiscal Year 2026-2027 Operating Budget-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 comments 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.*

8. **Staff Reports** - *Brief reports on information of matters of general interest. No action will be taken by the Board during Staff Reports.*
    a) Administration Manager
    b) Operations Manager

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 or discussion will be taken by the Board.

10. **Next Regular/Special Meeting/Important Dates:**
    a) Regular Quarterly Board Meeting-September 10, 2026

11. **ADJOURN TO CLOSED SESSION**
    a) Public Employee Performance Evaluation (Government Code 54957(b)(1)
       Title: Operations Manager
       Title: Administration Manager

12. **RETURN FROM CLOSED SESSION**
    Reportable Action in Closed Session

13. **Adjournment**

"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."

Special Board Meeting
Thursday, June 11, 2026
10:00 a.m.

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

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1. **Call to Order -** ***10:00 a.m.***

   Pledge of Allegiance

2. **Roll Call**

   Director's Present
   Director Mellera; Director Gonzales; Director Fontana (Absent w/notice) & President McMath-Jue

   Staff Present
   K. Fillmore, Admin. Manager; D. Murphy, Operations Manager; A. Milliken, Accounting/Board Clerk

   Public Present
   "Michael", via remote

3. **Public Comment -** ***None***

4. **Consent Agenda**

   a) **Regular Meeting May 21, 2026**
   b) **Financial Reports-Ending May 31, 2026**

Motion: Director Mellera & Director Gonzales motion to accept the Consent Agenda as presented; Regular Board Meeting Minutes, May 21, 2026 & Financial Reports, May 31, 2026:

"No Public Comment"

Ayes: 3
Nays: None
Abstain: None
Absent: 1
Vacancy: 1

Motion Passes -(3) Ayes (1) Absent (1) Vacancy (0) Nays

5. **New Business**

a) **Information Item-Kautz Family Partnership Pre-Application for Murphys Resort - No Action/*Information Only***

b) **Approval of Fiscal Year 2026-2027 Holiday Closure Schedule**

Motion: Director Mellera & Director Gonzales motion to accept the Fisal Year 2026-2027 Holiday Closure Schedule:

"No Public Comment"

Ayes: 3
Nays: None
Abstain: None
Absent: 1
Vacancy: 1

Motion Passes -(3) Ayes (1) Absent (1) Vacancy (0) Nays

c) **Approval of Revising Regular Board Meeting Schedule from Monthly to Quarterly**

Motion: President McMath-Ju & Director Mellera motion to approve Resolution 2026-05 Regular Board Meeting Schedule from Monthly to Quarterly:

"No Public Comment"

Ayes: 3
Nays: None
Abstain: None
Absent: 1
Vacancy: 1

Motion Passes -(3) Ayes (1) Absent (1) Vacancy (0) Nays

d) **Board Direction Regarding Delinquent Customer Account and Collection Efforts-Customer Acct: KAU0007**

- ***Staff directed to obtain a contract & timeline of payments within 30 days, follow up with lien if not resolved.***

6. **Unfinished Business - *None***

7. **Committee Reports - *None***

8. **Staff Reports** - ***Information only, reports included in Board Packet***

    a) **Administration Manager**
    b) **Operations Manager**

9. **Future Agenda Items/Director Comments** - ***Kautz easement update***

10. **Next Regular/Special Meeting/Important Dates:**

    a) **Regular Monthly Board Meeting-June 11, 2026 at 10am** - ***Resume as scheduled***

    b) **Regular Quarterly Board Meeting-September 10, 2026-pending approval of New Business Item C.**
    - Proceed with 1st Scheduled Quarterly Board Meeting on September 10, 2026 @ 10 a.m.

11. **ADJOURN TO CLOSED SESSION** - ***10:21 a.m.***

    a) **Public Employee Performance Evaluation (Government Code 54957(b)(1)**
    Title: Operations Manager
    Title: Administration Manager

12. **RETURN FROM CLOSED SESSION** - ***10:38 a.m.***

    Reportable Action in Closed Session - ***None, rescheduled to July 9th, Regular Board Meeting***

13. **Adjournment** -***10:39 a.m.***

Respectfully;

____

Director S. Gonzales, Secretary

____

Amy R Milliken, Clerk of the Board

Murphys Sanitary District Operating and Reserve
Balance Summary
As of June 30, 2026

	Rates	June 2026
Five Star Operating Fund	**2%**	147,445.18
Eldorado Operating Fund	**0.02%**	6,427.71
Cash Drawer		200.00
District Investments		
CA Class Capital Reserve	**3.69%**	1,174,819.99
CA Class Special Use	**3.69%**	107,678.21
CA Class Equip R&R	**3.69%**	160,378.21
Five Star Money Market	**3.88%**	404,375.07
LAIF	**3.88%**	63,563.47
Total District Investments		1,910,814.95
Total Operating and Reserve Fund Balances		2,064,887.84

2:16 PM

07/10/26

Accrual Basis

Murphys Sanitary District
Profit & Loss Budget vs. Actual
July 2025 through June 2026

	Jul '25 - Jun 26	Budget	$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Monthly Billing	1,053,210.70	1,060,995.00	-7,784.30	99.3%
Misc Income	199,836.20	243,500.00	-43,663.80	82.1%
Total Income	1,253,046.90	1,304,495.00	-51,448.10	96.1%
Gross Profit	1,253,046.90	1,304,495.00	-51,448.10	96.1%
Expense				
Wages	470,639.78	447,115.00	23,524.78	105.3%
Employee Benefits	259,704.96	261,687.00	-1,982.04	99.2%
PR Taxes	39,760.23	36,500.00	3,260.23	108.9%
WORKERS' COMPENSATION	15,678.48	15,500.00	178.48	101.2%
OPERATIONS - Maint & Repairs	6,917.45	13,500.00	-6,582.55	51.2%
OPERATIONS - Supplies	46,531.28	50,500.00	-3,968.72	92.1%
OPERATIONS - Utilities	78,240.81	74,500.00	3,740.81	105.0%
OPERATIONS - Other	28,355.36	35,500.00	-7,144.64	79.9%
ADMINISTRATIVE - Rents - Leases	720.00	720.00	0.00	100.0%
ADMINISTRATIVE - Supplies	14,930.55	14,300.00	630.55	104.4%
ADMINISTRATIVE - Utilities	9,606.66	8,400.00	1,206.66	114.4%
ADMINISTRATIVE - Other	14,305.76	19,900.00	-5,594.24	71.9%
ADMINISTRATIVE - Insurance	90,568.81	45,000.00	45,568.81	201.3%
ADMINISTRATIVE – Professional	31,518.85	50,000.00	-18,481.15	63.0%
ADMINISTRATIVE - License-Permit	44,832.23	49,000.00	-4,167.77	91.5%
ADMINISTRATIVE - Advertising	2,340.86	2,200.00	140.86	106.4%
ADMINISTRATIVE - Debt Service	43,670.48	43,671.00	-0.52	100.0%
Total Expense	1,198,322.55	1,167,993.00	30,329.55	102.6%
Net Ordinary Income	54,724.35	136,502.00	-81,777.65	40.1%
Other Income/Expense				
Other Income				
RESERVE INCOME	67,240.43	136,502.00	-69,261.57	49.3%
Total Other Income	67,240.43	136,502.00	-69,261.57	49.3%
Other Expense				
RESERVE EXPENDITURES	171,209.70	556,054.00	-384,844.30	30.8%
Total Other Expense	171,209.70	556,054.00	-384,844.30	30.8%
Net Other Income	-103,969.27	-419,552.00	315,582.73	24.8%
Net Income	**-49,244.92**	**-283,050.00**	**233,805.08**	**17.4%**

Murphys Sanitary District
Expense Disbursement Report
June 2026

	Date	Num	Name	Memo	Amount
Jun 26					
	06/03/2026	ACH	Vanco Services	Returned VANCO Acct#BLY0001	-80.30
	06/08/2026	ACH	Vanco Services	Returned VANCO Acct#BLY0001	-80.30
	06/11/2026	ACH	QuickBooks Payroll Service	Created by Payroll Service on 06/10/2026	-14,817.12
	06/25/2026	ACH	QuickBooks Payroll Service	Created by Payroll Service on 06/24/2026	-14,694.45
	06/30/2026	ACH	UPUD	26 Emerald CT - M 006855-001	-94.52
	06/30/2026	ACH	UPUD	735 Six Mile Rd - M 006179-000	-128.77
	06/30/2026	ACH	UPUD	735 Six Mile Rd - 006176-000	-383.95
	06/30/2026	ACH	UPUD	15 Ernest St - M 006855-003	-117.46
	06/15/2026	E-pay	EDD	925 0399 4 QB Tracking # 344178218 QB Tracking	-798.62
	06/24/2026	E-pay	EDD	925 0399 4 QB Tracking # 1011491118 QB Trackin	-800.33
	06/01/2026	ACH	EFTPS Federal Taxes	94-1569552	-497.44
	06/15/2026	ACH	CalPERS	Retirement Contributions	-3,016.60
	06/26/2026	ACH	CalPERS	Retirement Contributions	-3,025.97
	06/15/2026	ACH	EFTPS Federal Taxes	94-1569552	-4,180.72
	06/26/2026	ACH	EFTPS Federal Taxes	94-1569552	-4,126.42
	06/01/2026	12697	ANC0001	ANC0001 - Sold refund due	-19.85
	06/01/2026	12698	THO0011	THO0011 - Sold overpayment refunded	-80.30
	06/02/2026	12699	Alpha	Research & Monitoring	-43.00
	06/02/2026	12700	Streamline	Website Hosting	-209.60
	06/08/2026	12701	Yarzar Khant	Staff Luncheon-Mailer	-223.00
	06/08/2026	12702	Landscaper Alfredo Leon Martinez	Yard maintenance Office Building	-200.00
	06/10/2026	12704	Cal Waste Management	Trash/Waste TP	-201.12
	06/10/2026	12705	Calaveras Lumber	Supplies	-224.45
	06/10/2026	12706	Calaveras Power Agency	WWTP - Electric	-4,349.82
	06/10/2026	12707	General Plumbing & Supply	Check Valves IPS	-28.53
	06/10/2026	12708	Mother Lode Answering Service	Answering Service	-419.00
	06/10/2026	12709	Mountain Oasis Water	Drinking Water	-83.35
	06/15/2026	12710	Vestis	Uniforms	-278.98
	06/15/2026	12711	Calaveras County Public Works	Project 6 Algiers St - Deposit Encroachment Permit	-500.00
	06/16/2026	12712	Laurel Ag & Water, LLC	TP Supplies - Sand	-1,540.37
	06/16/2026	12713	PGE-Emerald Creek Pump Station	Emerald Creek - Electric	-191.47
	06/16/2026	12714	PGE-Office	Office- Electric	-136.65
	06/17/2026	12715	Gateway Press, Inc.	Printing - Business Envelopes	-340.86
	06/18/2026	12716	SDRMA	Grp Health	-16,283.67
	06/18/2026	12717	SDRMA	Annual Property Liability 2026-2027	-47,642.15
	06/22/2026	12718	SDRMA	Workmans Comp 2026-2027	-16,536.27
	06/23/2026	12719	CALNET	Alarm Acces Line - Murphys Grade	-32.23
	06/23/2026	12720	Comcast Business	Office Internet/Phone	-290.54
	06/23/2026	12721	WIZIX Technonlogy	Copy Machine - Office	-26.75
	06/23/2026	12722	WIZIX Technonlogy	Copy Machine - Six Mile	-8.64
	06/26/2026	12723	AALR & R Attorneys at Law	General Counsel	-132.30
	06/26/2026	12724	Black Water Consulting Engineers Inc.	Algiers St Project	-2,469.50

VOIDED Checks: Inspected Misprints 12703, 12727

Murphys Sanitary District
Expense Disbursement Report
June 2026

Date	Num	Name	Memo	Amount
06/26/2026	12725	Black Water Consulting Engineers Inc.	WWTP Upgrade	-7,338.50
06/26/2026	12726	Northstar Chemical	Chemicals	-4,727.30
06/29/2026	12728	Quadient Finance USA	Postage Meter	-93.26

Jun 26

VOIDED Checks: Inspected Misprints 12703, 12727

STAFF REPORT

DATE: July 16, 2026

TO: Members of the Board

FROM: District Management

SUBJECT: Annual Public Hearing-Job Vacancies, Recruitment, and Retention Efforts (AB2561)

RECOMMENDATION

Conduct the required public hearing pursuant to Assembly Bill (AB) 2561, receive the staff presentation regarding job vacancies, recruitment, and retention efforts, accept public comment, and conclude the public hearing.

DISCUSSION

Assembly Bill (AB) 2561, effective January 1, 2025, amended the Meyers-Milias-Brown Act (MMBA) to require California public agencies to hold an annual public hearing before adopting their budget. The purpose of the hearing is to provide transparency regarding workforce vacancies, identify challenges in recruiting and retaining qualified employees, discuss actions being taken to address staffing needs, and recognize any employee organizations representing District employees.

The Legislature found that staffing shortages throughout the public sector have resulted in increased workloads, employee burnout, delayed services, and challenges in maintaining essential public services. This annual hearing provides the Board and the public an opportunity to review the District's staffing status and recruitment efforts.

FISCAL IMPACT

There is no direct fiscal impact associated with conducting the required public hearing. Employee salaries and benefits are incorporated into the proposed Fiscal Year 2026/2027 Budget.

ATTACHMENTS

AB 2561 Public Hearing Presentation

Public Hearing for Job Vacancies, recruitment, and retention efforts known as AB 2561

1

Public Hearing Order

1. Open Public Hearing
2. Receive staff presentation
3. Open the floor for public comment-In person and Online
4. Close public hearing

2

AB 2561 Addressing Vacancies for Public Sector Employers

On September 22, 2024, Governor Newsom signed AB 2561 into law to amend the Meyers-Milias-Brown Act and create a new obligation for public agencies to publicly address the status of their vacancies. As a basis for the new requirements, the California Legislature determined that vacancies are a widespread and can be a significant problem in the public sector. Vacancies require employees to take on heavier workloads, resulting in burnout and increased turnover, which could negatively impact the delivery of public

Compliance

1. Hold an annual public hearing prior to budget adoption
2. Present status of vacancies
3. Identify obstacles in the hiring process
4. Describe recruitment and retention efforts
5. Recognize employee organization

3

Current Staff Level and Potential Vacancy

- All staff are employees of MSD (nonunionized)
- Fiscal Year 26/27 – 7 budgeted positions
  1. Administration Manager
  2. Operations Manager
  3. Collections Supervisor
  4. Accounting/Clerk
  5. Operator I
  6. Operator II
  7. Office Assistant

4

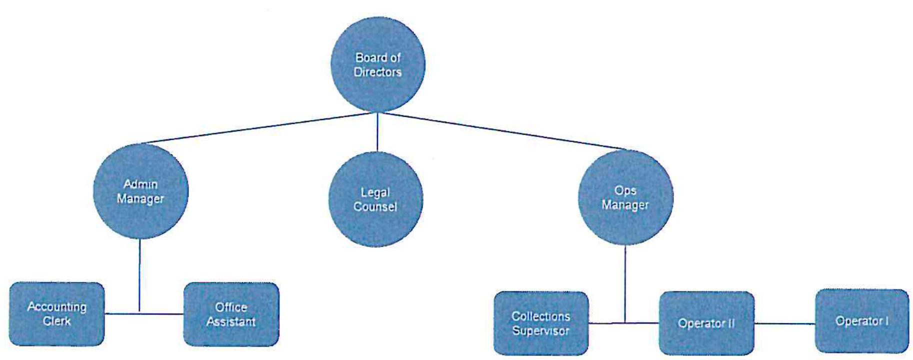
Recruitment, Retention Efforts, and Obstacles

Over the last few years, recruitment and retention efforts in the public sector have grown increasingly competitive as public agencies race to hire from scarce application pools qualified employees.

- MSD District Managers are authorized by the Board to hire qualified candidates when needed.
- MSD has retained 4 certified wastewater operators. Two positions with over 11 years of employment, 1 at over 5 years, and 1 with almost a year.
- MSD has retained 2 full time and 1 part time administration positions. One position with over 11 years, 1 position with 4 years, and part time with 3 years of employment.
- MSD adopted a salary structure on August 8, 2024 aimed at aligning our salaries with the competitive industry market rates. This scale is to be reviewed annually for potential adjustments.
- MSD offers a generous benefit package to all full-time employees which include: Health benefits for employee and dependents covered at 100%, CalPers retirement employer contributions, vacation/sick leave.
- No changes to policies, procedures, or recruitment activities are needed at this time to remove obstacles in the hiring process.

5

Proposed MSD Organizational Chart



6

STAFF REPORT

DATE: July 16, 2026

TO: Members of the Board

FROM: District Management

SUBJECT: Adoption of Resolution 2026-06, Fiscal Year 2026/2027 Salary Schedule

RECOMMENDATION

Adopt the proposed Fiscal Year 2026/2027 Salary Schedule effective July 1, 2026.

DISCUSSION

As part of the annual budget process, staff reviewed the District's compensation schedule to ensure employee wages remain competitive, equitable, and aligned with the District's compensation philosophy.

The proposed salary schedule incorporates a 3.10% Cost-of-Living Adjustment (COLA) and continues the District's established salary step structure, providing up to a 5% annual step increase based on satisfactory performance and advancement through the salary schedule.

The proposed salary schedule updates compensation for all District classifications and establishes the official salary schedule for Fiscal Year 2026/2027.

FISCAL IMPACT

The proposed salary schedule has been incorporated into the Fiscal Year 2026/2027 Proposed Budget. The resulting increase in salary-related expenditures, including employer-paid retirement contributions, payroll taxes, and employee benefits, has been budgeted and is supported by projected District revenues.

ATTACHMENTS

Resolution No. 2026-06 Fiscal Year 2026/2027 Salary Schedule

2026/2027 Proposed Salary Schedule

Current Staff Step Assignments

RESOLUTION NO. 2026-06

Resolution of the Board of Directors of Murphys Sanitary District Adopting the District Compensation Policy and District Wage Scale Effective July 1, 2026

Whereas the Board of Directors of Murphys Sanitary District has received, reviewed, and considered the District Compensation Policy and District Wage Scale during their July 16, 2026 meeting; and

Whereas the District Compensation Policy establishes clear procedures that ensure consistency among the staff, Management and Board. It applies to both full and part time staff, as well as board members offering a comprehensive strategy for managing compensation; and

Whereas the District Compensation Policy shall align with the District Wage Scale that is reviewed and approved by the Board annually; and

THEREFORE, BE IT RESOLVED, the Board of Directors of Murphys Sanitary District approves and adopts the District Compensation Policy; and

THEREFORE, BE IT RESOLVED, the Board of Directors of Murphys Sanitary District hereby approves and adopts the following as the District Wage Scale effective July 1, 2026:

Attached: Exhibit A – Murphys Sanitary District Salary Schedule Effective July 1, 2026

THEREFORE, BE IT RESOLVED, the resolution was duly approved and adopted by the Board of Directors of the Murphys Sanitary District at its special meeting on July 16, 2026 by the following vote:

Adopted on the motion of director ___________, seconded by director ____________

PASSED AND ADOPTED THIS 16TH day of July by the following vote:

AYES:

NOES:

ABSENT/ABSTAIN:

____

President, Board of Directors of Murphys Sanitary District

Attest:

____

Clerk, Board of Directors of Murphys Sanitary District

EXHIBIT A

MURPHYS SANITARY DISTRICT

Proposed Salary Schedule
EFFECTIVE: 7-01-2026
Up to 5% annual step increase

COLA
3.10%

JOB POSITION	STEP A	STEP B	STEP C	STEP D	STEP E
Customer Service Representitive	$ 22.49	$ 23.61	$ 24.80	$ 26.03	$ 27.34
Account Specialist/Clerk of the Board	$ 29.28	$ 30.74	$ 32.28	$ 33.90	$ 35.59
Wastewater Treatment/Field Supervisor	$ 42.57	$ 44.70	$ 46.93	$ 49.28	$ 51.74
Wastewater Operator G-I	$ 29.24	$ 30.70	$ 32.24	$ 33.85	$ 35.54
Wastewater Operator G-II	$ 32.11	$ 33.72	$ 35.40	$ 37.17	$ 39.03
Administration Manager	$ 39.35	$ 41.32	$ 43.38	$ 45.55	$ 47.83
Operations Manager *	$ 101,197.26	$ 106,257.12	$ 111,569.98	$ 117,148.48	$ 123,005.90
Board of Directors	$ 100.00	Per Meeting			

*Board approved salary status for Operations Manager 5/2023

Longevity Incentive:	5 Years	$ 1,200.00
	10 years	$ 3,000.00
	15 years	$ 4,500.00

Current Step Assignments
As of 7/1/2026

Customer Service Rep	B
Account Specialist/Clerk	B
WWTP Supervisor	B
Grade I Operator	A
Grade II Operator	A
Operations Manager	B
Admin Manager	B

Murphys Sanitary District STAFF REPORT

DATE: July 16, 2026

TO: Members of the Board

FROM: Kristina Fillmore, Administration Manager

SUBJECT: Adoption of Resolution 2026-07, Fiscal Year 2026/2027 Budget

Recommendation: Staff recommends the Board review the proposed Fiscal Year 2026/2027 Budget, receive the budget presentation, provide any desired comments or direction, and adopt the Fiscal Year 2026/2027 Budget as presented.

Background:

In preparation for the fiscal year 2026/2027 budget, District staff has developed a budget for Board review and consideration. The management team was actively involved in this process, taking into account the potential financial impacts of inflation, rising costs, and essential maintenance requirements for our infrastructure.

OPERATING BUDGET

REVENUE:

The FY 2026/2027 budget is based upon the District's adopted rate methodology and current customer base. Revenue projections include wastewater service charges, property taxes, investment earnings, inspection fees, rental income, late fees, plan review fees, and miscellaneous revenues.

Although the Board approved Resolution 2026-04 delaying the next scheduled Proposition 218 rate increase until July 1, 2027, the District remains financially stable due to careful financial planning, conservative budgeting practices, and continued monitoring of expenditures.

EXPENDITURES:

The proposed operating budget has been developed using projected year-end expenditures from FY 2025/2026 together with anticipated cost increases for wages, utilities, insurance, regulatory compliance, professional services, and operational maintenance.

While several expenditure categories have increased due to inflation and statewide cost increases, staff has continued identifying efficiencies to minimize impacts on the District.

SUMMARY OF FISCAL YEAR 2026/2027

Wages: The proposed wage budget includes the approved Cost of Living Adjustment (COLA), updated salary schedules, payroll projections, Board stipends, overtime, and on-call compensation. Staffing levels remain unchanged while continuing to support reliable wastewater operations.

Employee Benefits: Employee medical, dental, vision, retirement, workers' compensation, payroll taxes, and CalPERS obligations have been updated using current employer contribution rates and projected benefit costs.

The budget also includes the annual Unfunded Accrued Liability (UAL) payment required by CalPERS.

Insurance: Insurance premiums continue to increase statewide. The proposed budget includes anticipated SDRMA property, liability, workers' compensation, and cyber coverage premiums to ensure the District maintains appropriate risk protection.

Debt Service: The District continues making annual payments under its State Water Resources Control Board financing agreement. Debt service remains fully funded within the proposed budget.

CAPITAL IMPROVEMENT PROGRAM (CIP)

The FY 2026/2027 budget continues funding for the District's long-term Capital Improvement Program adopted by the Board.

Projects include:
Algiers Street Collection System Improvements
Wastewater Treatment Plant Upgrades
Equipment replacement
Pump replacements
Infrastructure rehabilitation

The District also continues pursuing State Revolving Fund financing for major infrastructure improvements identified within the Capital Improvement Plan.

ATTACHMENTS:

Resolution No. 2026-07 Adopting 2026/2027 FY Budget

2026/2027 Proposed Budget Presentation

RESOLUTION NO. 2026-07

Resolution of the Board of Directors of Murphys Sanitary District Adopting FY 2026/2027 Budget

Whereas the Board of Directors of the Murphys Sanitary District have been provided and reviewed the proposed budget for the FY 2026/2027; and

Whereas the budget includes projections of operating and capital revenues and expenditures as well as changes in cash reserves in all district funds for FY 2026/2027; and

Whereas the amount designated in the FY 2026/2027 Operations budget is hereby appropriated and may be expended for which they are designated; and

Whereas such appropriation shall neither increase nor decrease, without approval of the Board of Directors.

THEREFORE, BE IT RESOLVED, the Board of Directors approves and adopts at the regular meeting of the Murphys Sanitary District held July 16, 2026.

ADOPTED AND SIGNED on the 16th of July.

AYES:

NOES:

ABSENT/ABSTAIN:

____

President, Board of Directors of Murphys Sanitary District

Attest:

____

Clerk, Board of Directors of Murphys Sanitary District

FY 2026–2027 Proposed Budget

Murphys Sanitary District
Board Budget Presentation

MURPHYS SANITARY DISTRICT
ESTABLISHED 1959

1

Budget Overview

To: Governing Board of Directors
Murphys Sanitary District

Subject: Proposed FY 2026/2027 Annual Budget

Submitted for your review is the proposed FY 2026/2027 Annual Budget for the Murphys Sanitary District. The financial guideline projects the administrative, operating and maintenance, and capital improvement funding requirements for the upcoming fiscal year. Based on projected revenues and beginning fund balances, adequate resources are available to fund the proposed appropriations and maintain fund balances at or near policy levels. Inflationary effects have been taken into consideration, as have projected staffing and resource levels necessary to carry out the District's budgetary goals and objectives.

2

Revenue & Expenditure Discussion

Revenue
Overall operating revenues are projected to increase from approximately $1.30 million to $1.45 million, an increase of about $142,000 (10.9%) over the prior year's adopted budget. The increase is primarily driven by sewer service charges while maintaining diversified revenue sources.

Expenditures
Personnel remains the District's largest investment, accounting for approximately 67% of the operating budget and ensuring continued reliable wastewater operations.

Employee benefits reflect current insurance costs and the proposed 3.1% COLA.

Operations and maintenance funding continues to support routine repairs, utilities, equipment maintenance, and system reliability.

Administrative costs remain carefully managed while providing essential financial, legal, regulatory, and customer service functions.

Debt service remains stable and fully funded.

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FY 2026-2027 Revenue Projection Summary

	2025/2026 Approved Budget	2026/2027 Proposed Budget
4100 · Srv Chrgs - Residential	739,916.00	830,216.00
4102 · Srv Chrgs - Condo/Duplex	66,628.00	72,089.00
4104 · Srv Chrgs - Lodges/Churches	8,963.00	9,397.00
4106 · Srv Chrgs - School	4,660.00	5,673.84
4108 · Srv Chrgs - Commercial	240,828.00	272,341.00
Total Sewer Usage Fees	1,060,995.00	1,189,716.84
4999 · Rental Income	8,300.00	8,690.00
4110 · Pln Chk & Inspection Fees	300.00	300.00
4111 · Late Fees	2,000.00	2,000.00
4120 · Taxes	150,000.00	170,000.00
4130 · Other Services-Autopay set up	500.00	500.00
4140 · General Reserve Interest	80,000.00	70,000.00
4150 · Vacant lot Billing	1,900.00	5,340.00
4160 · Refunds - Rebates	500.00	-
Total Misc Income	243,500.00	256,830.00
OPERATING REVENUE	1,304,495.00	1,446,546.84

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FY 2026-2027 Operating Expenditure Projection Summary

	Jul '25 - March '26	April'26 - June'26	EOY Projection	Approved 2025/2026	Est. EOY +/-	Proposed 2026/2027	% Change +/-
Total Wages	339,893.64	127,906.22	467,799.86	447,115.00	20,684.86	507,644.00	14%
Total Employee Benefits	190,656.27	68,894.51	259,550.78	261,687.00	(2,136.22)	290,224.00	11%
Total PR Taxes	28,971.00	10,200.00	39,171.00	36,500.00	2,671.00	37,000.00	1%
Total Workers' Compensation	15,678.48	-	15,678.48	15,500.00	178.48	16,540.00	7%
Total Operations - Maint & Repairs	5,121.72	4,216.86	9,338.58	13,500.00	(4,161.42)	19,000.00	40%
Total Operations - Supplies	38,239.23	1,701.06	34,688.48	50,500.00	(10,559.71)	52,500.00	4%
Total Operations - Utilities	61,297.32	17,573.61	78,870.93	74,500.00	4,370.93	83,500.00	12%
Total Operations - Other	21,866.07	13,621.87	35,487.94	35,500.00	(12.06)	39,300.00	11%
Total Administrative - Rents - Leases	720.00		720.00	720.00	-	720.00	0%
Total Administrative - Supplies	12,444.26	2,148.79	14,893.05	14,300.00	593.05	15,600.00	9%
Total Administrative - Utilities	7,840.53	1,799.07	9,639.60	8,400.00	1,239.60	10,200.00	21%
Total Administrative - Other	13,309.55	4,852.41	12,500.00	19,900.00	(1,738.04)	17,900.00	-10%
Total Administrative - Insurance	42,879.16		-	45,000.00	(2,120.84)	48,772.00	8%
Total Administrative – Outside	31,092.75	10,000.00	40,070.25	50,000.00	(8,907.25)	39,500.00	-21%
Total Administrative - License-Permit	44,332.23	-	44,332.23	49,000.00	(4,667.77)	45,000.00	-8%
Total Administrative - Advertising	2,000.00	-	2,000.00	2,200.00	(200.00)	2,200.00	0%
Total Administrative – Debt Service	43,670.48	-	43,670.48	43,671.00	(0.52)	43,670.00	0%
		Totals	1,108,411.66	1,167,993.00	(4,765.91)	1,269,270.00	8%

2026/2027 Projected Operating Revenue	1,446,549.00
2026/2027 Projected Operating Expenditures	1,269,270.00
2026/2027 Projected Reserve Contribution	177,279.00

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Salaries & Benefits

Budget Summary → The proposed **FY 2026/2027 Salaries and Benefits budget** was developed using the District's current staffing levels and approved compensation structure. → Key assumptions include:

3.10% Cost of Living Adjustment (COLA) effective July 1, 2026. → **Existing staffing levels with no new positions proposed.** → Employer payroll taxes calculated at current rates.

Retirement contributions budgeted based on current CalPERS rates. → Medical insurance costs included for eligible employees. → Operations budget includes anticipated:
- •On-call compensation
- •Overtime
- •Vacation cash-out (if earned)
- •Board stipends

Administration Wages	**$159,191**
Operations Wages	**$344,928**
Board Stipends	**$3,000**
Total Salaries	**$510,119** (approx.)

Additional employer costs include:
- •Payroll taxes
- •CalPERS retirement contributions
- •Unfunded Accrued Liability (UAL)
- •Medical insurance
- •401(a) employer contributions where applicable

The proposed total payroll budget, including employer-paid costs, is approximately **$511,845** before benefits and retirement expenses are fully allocated.

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Reserve Policy Update

- The Board adopted an update to the Reserve Policy in November 2024
- The update was to establish reserve fund thresholds recommended by our rate consultant
- Target Levels Established
  1. Operating Reserves-Target amount will equal three months of operating expenses.
  2. Debt Reserves-Target amount will equal to the annual debt service of the District's obligations, or as otherwise required in the controlling financing agreement.
  3. Capital Reserve-Target amount shall be at a minimum level of $500,000.
  4. Equipment Reserve-Target amount shall be at a minimum level of $150,000.
  5. Special Use Reserve-Target amount shall be a minimum level of $100,000.
- The amounts allocated to the Reserve Funds shall be determined by the Board annually
- No policy updates are being proposed to the Reserve Policy at this time.

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Project	Proposed Budget
Algiers Street Project #6	**$250,000**
WWTP Upgrade II	**$219,489**
Total Capital Reserve Expenditures	**$469,489**

Capital Reserve Activity	Amount
Beginning Balance as of 6/1	$1,171,259
FY 2026–2027 Capital Projects	($469,489)
Projected Ending Balance	**$701,770**

Capital Reserve Fund Purpose
The Capital Reserve Fund is maintained to provide funding for the replacement, rehabilitation, and improvement of major wastewater infrastructure, including lift stations, pumps, treatment plant equipment, pipelines, and District facilities, consistent with the District's adopted Capital Improvement Program (CIP).

CAPITAL RESERVE FUND

8

Project	Proposed Budget
Contingency	**$10,000**
Total Equipment Reserve Expenditures	**$10,000**

Equipment Reserve Activity	Amount
Beginning Balance as of 6/1	$159,892
FY 2026–2027 Capital Projects	($10,000)
Projected Ending Balance	**$149,892**

Equipment Reserve Fund Purpose
The Equipment Reserve Fund is designated to repair and replace critical equipment necessary for the District's wastewater collection system, treatment plant operations, vehicle fleet, and technology infrastructure.

EQUIPMENT RESERVE FUND

9

Project	Proposed Budget
Debt Service-SWRCB	**$44,000**
Operating Reserve-3 months	$**297,429**
Total Restricted Reserve Funds as of 6/1	**$341,429**

Restricted Reserve Fund Purpose
Restricted Reserve Funds are monies that have been set aside for specific purposes and are not available for general operating expenses. These reserves help ensure the District remains financially stable and meets its long-term obligations.

RESTRICTED RESERVE FUND

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Project	Proposed Budget
Total Special Use Reserve Funds	**$107,351.82**

Special Use Reserve Fund Purpose

The Special Use Reserve Fund (formerly known as the Discretionary Fund) is intended to provide flexibility for future District priorities. These funds may be designated by District Management and appropriated by the Board through the annual budget process for one-time projects, strategic initiatives, or unforeseen needs that do not fit within the District's other reserve categories.

SPECIAL USE RESERVE FUND

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Current District Investments

District Investments as of 6/1		
CA Class Capital Reserve	3.70%	1,171,258.89
CA Class Special Use	3.70%	107,351.82
CA Class Equip R&R	3.70%	159,892.07
Five Star Money Market	3.89%	403,110.77
LAIF	3.89%	63,563.47
Total District Investments		1,905,177.02

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Projected Reserve Fund Category Balances on June 1,2026

Equipment Reserve
$159,892.07

Special Use Reserve
$107,351.82

Operating Reserve
$297,429

Debt Service Reserve
$44,000

Capital Reserve
$1,296,504.13

Total Reserve Fund Balances $1,905,177.02

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Projected Reserve Fund Category Balances on June 30,2027

*Projection based on interest earnings, reserve contribution deposit and FY 26/27 expenditures

Equipment Reserve
$155,892*

Special Use Reserve
$110,951*

Operating Reserve
$297,429*

Debt Service Reserve
$44,000*

Capital Reserve
$909,770*

Total Reserve Fund Balances as of June 30, 2026 $1,518,042*

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ADMINISTRATION REPORT

DATE: July 16, 2026

TO: Members of the Board

FROM: Kristina Fillmore, Administration Manager

SUBJECT: Administration Report

Algiers Street Project Status

Due to recent developments involving Kautz, the easement the District was anticipating obtaining will be delayed. As a result, the anticipated construction timeline for the project will likely be pushed back while MSD staff and Kautz continue working collaboratively toward potential solutions.

CWSRF Loan/Grant Project Status

Staff continues coordinating with Blackwater and the State Water Resources Control Board regarding the District's Clean Water State Revolving Fund (CWSRF) financing application for the Wastewater Treatment Plant improvements. The project remains one of the District's highest capital priorities and includes replacement of the force main, upgrades to the sand filtration system, and other critical treatment plant improvements identified within the District's Capital Improvement Program.

Financial Update

The District has concluded Fiscal Year 2025/2026 in a strong financial position. Throughout the year, staff continued emphasizing conservative spending practices while maintaining service levels and funding critical operational needs. Budget monitoring throughout the fiscal year allowed staff to identify cost savings in several operational areas while ensuring reserve balances remain healthy to support future infrastructure improvements.

Quarterly Board Meetings

Following adoption of Resolution No. 2026-05, this meeting serves as the District's final regularly scheduled monthly Board meeting. Beginning in September 2026, the Board will transition to a quarterly regular meeting schedule. Staff has begun updating the District website, meeting calendar, public notices, and administrative procedures to reflect the revised meeting schedule. Special Meetings will continue to be scheduled as necessary to conduct District business between regular meetings.

Personnel

Operations staff continues preventative maintenance throughout the collection system and treatment facilities. Administrative staff continues implementation of new procedures designed to improve record management, financial reporting, and customer communications.

Grants & Funding Opportunities

Staff continues monitoring available State and Federal funding opportunities that may assist with future capital improvement projects. Grant and financing opportunities will continue to be evaluated to reduce long-term impacts on District ratepayers.

Proposition 218

The District has now successfully completed the first year of implementing the Proposition 218 Cost of Service Rate Study adopted by the Board in June 2025. During the implementation process, staff has worked closely with customers to explain the new rate methodology, process reassessment requests, and ensure billing classifications accurately reflect the adopted Cost of Service model.

With the expiration of the 120-day legal challenge period, the adopted rate structure is now fully established, providing the District with a solid financial framework to support operations, regulatory compliance, infrastructure replacement, and long-term capital planning while maintaining compliance with Proposition 218 requirements.

New Rate Implementation

The temporary residential adjustment establishing an $80.00 monthly residential rate became effective July 1, 2026. Staff completed all necessary billing updates, customer notifications, website revisions, and internal accounting adjustments. District staff continues to respond to customer questions regarding the adopted rate methodology, billing classifications, and reassessment requests. Overall, implementation has proceeded smoothly, and staff will continue monitoring the rate structure to ensure consistency with the adopted Rate Study and Board direction.

Staff Recognition

I would like to extend my sincere appreciation to Amy and Teri for the outstanding customer service they provide to our customers every day. They are often the first point of contact for our customers and consistently show patience, professionalism, and compassion while assisting with billing questions, rate inquiries, and general District services. Their positive attitude and willingness to go the extra mile help create a welcoming experience for our customers and reflect positively on the District. The implementation of the new rate structure and Proposition 218 changes brought an increase in customer questions and account reviews. Amy and Teri handled these conversations with professionalism and care, taking the time to educate customers, answer questions, and ensure concerns were addressed respectfully and thoroughly.

I would also like to recognize the entire Murphys Sanitary District team, both Operations and Administration, for coming together to prepare and mail nearly 900 customer notifications regarding the District's updated rate plan. Stuffing, organizing, and preparing that volume of mail was no small task, but everyone pitched in to ensure our customers received important information in a timely manner.

GM Summit

I attended the General Manager Summit this year. It was a valuable experience that provided the opportunity to collaborate with managers from districts throughout California, discuss current industry challenges and share best practices.

Murphys Sanitary District STAFF REPORT

DATE: July 9th 2026

TO: Honorable Members of the Board

FROM: Dan Murphy, Chief Plant Operator

SUBJECT: Operational Staff Report

OPERATIONAL JUNE 2026 TOTALS AND SUMMARY

Water storage levels in Pond# 4	A gain of 2 feet freeboard in Pond 4 during June, starting July 2026 at an elevation of 2267'.10". Historically in line with desired water level in storage as this year's discharge season starts.
PG&E Kilo Use	505 kWhrs at WWTP 74 kWhrs at IPS Power consumption well within expected amounts of Influent and Effluent pumping done in June
Rain Fall at WWTF	No rain was recorded in June 2026
CL2 Usage	764 gallons of liquid chlorine used for 13 days of Effluent pumping to KHS combined with 4 days of discharge to our LAA spray fields
Plant influent gallons	3,644,800 gallons received in June- within 25,000 gallons more than June 2025
Effluent gallons	6,255,699 gallons total 6,008,699 gallons treated and discharged to KHS 246,900 gallons treated and discharged to our LAA Spray Fields
Ironstone Influent	483,400 gallons metered
Hydro flushing lineal footage	<11,000 feet of Collections System, known problem areas more than once
Sewer Overflow Count	None 6th consecutive month this year without any SSOs, conceivably due to field crew's flushing and video inspection preventative maintenance regiment
Spray Field Gallons Applied	246,900 gallons alternately applied to all three fields over 4 days of spraying

Invoice

Condor Earth Technologies, Inc.
P. O. Box 3905
Sonora, CA 95370-3905
Phone: (209)532-0361 Fax: (209)532-0773

June 30, 2026
Invoice No: 93608

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

Project Manager: Luke Castle

Project #/Name: 3647S3 Murphys SD FY 2026 Groundwater Monitoring aand Reporting

Professional Services for the Period: April 09, 2026 to June 23, 2026

PHASE 01 Task 1: Quarterly Groundwater Monitoring and Reporting
2Q2026

		2,800.00
	Phase Total	**$2,800.00**

PHASE 02 Task 2: Laboratory Fees

Consultants

6/8/2026	BSK & Associates	Professional Services		777.00	
	Total Consultants		**1.15 times**	**777.00**	**893.55**

Billing Summary	**Current**	**Prior**	**To-Date**
Total Billings	893.55	893.55	1,787.10
Budget Estimate			4,600.00
Remaining			2,812.90

Phase Total	**$893.55**
TOTAL PROJECT INVOICE AMOUNT	**$3,693.55**

	Current	**Prior**	**Total**
Billing Summary History	**3,693.55**	**3,693.55**	**7,387.10**

All invoices are due upon receipt. A late charge of 1.5% per month will be added to any unpaid balance after 30 days.

Service Proposal

W.W.Williams
CONSIDER IT DONE.

W.W. Williams is pleased to submit our proposal for your planned maintenance requirements.

Preventative maintenance for emergency generator systems plays an important role in improving reliability, minimizing repairs, and reducing long term costs. By following generally recognized maintenance procedures and manufacturer recommendations for your application, your emergency power system will operate more effectively.

At W.W. Williams we are committed to providing quality products and proven solutions to our customers, enhancing the reliability of your standby power system. Routine inspections, planned maintenance, and performance testing performed by our technicians are all important components of a comprehensive maintenance program.

We hope that our proposal meets with your approval and look forward to being your maintenance/service provider of choice. Please call with any questions or clarifications.

Sincerely,

The W.W. Williams Generator and Fire Pump Service Team

Unit Summary

W.W.Williams
CONSIDER IT DONE.

Asset	Service	Quantity	Month	Unit Price
Asset: New Generac Make: Generac Model: SD500 S/N: 3006273023 KW Rating: 500.0	Major PM Service	1	October	$1,707.00
	1.5 Hour Load Bank	1	October	$1,433.00
				Asset Total: $3,140.00

Asset	Service	Quantity	Month	Unit Price
Asset: Small Onan Make: Onan Model: DKAE-5962395 S/N: A080143387 KW Rating: 14.0	Major PM Service	1	October	$1,191.00
	1.5 Hour Load Bank	1	October	$1,178.00
				Asset Total: $2,369.00

Grand Total: $5,509.00

Scope of Work

W.W.Williams
CONSIDER IT DONE.

Minor PM: OPERATIONAL INSPECTION SERVICE

Engine Lube System:

- Inspect for Leaks
- Repair Minor Leaks
- Check Oil Level and Fill (1 Gal)

Engine Cooling System:

- Inspect for Leaks
- Repair Minor Leaks
- Check Belts and Hoses
- Check Coolant Level and Fill (1Gal)
- Check Coolant Freeze
- Check Inhibitors (Nitrates)
- Inspect System for Obstructions
- Inspect Radiator/Exchanger
- Inspect Pulleys for Excessive Wear
- Inspect Test System (If Required)
- Lubricate Fan Drive

Engine Air System:

- Inspect Air Cleaner
- Check Air Cleaner Indicator for Proper Operation
- Check Intake System for Damage or Loose Connections
- Inspect Crank Case Breather Systems
- Service Air Box Drains (If Applicable)

Engine Fuel System:

- Inspect for Leaks
- Repair Minor Leaks
- Check Fuel Level
- Check for Water in Fuel
- Drain Water from Water Separator
- Check Day Tank Pump and Alarms
- Inspect and Lubricate Governor Linkage
- Check Governor Oil Level (If Applicable)

Engine Electrical System:

- Check Condition of Cables and Wiring
- Check Condition of Connections
- Check Engine Alternator
- Inspect Gas Engine Ignition Systems
- Check Battery Static Charge
- Check Condition of Batteries
- Load Test Batteries
- Clean Battery Post
- Check Operation Unit Heaters
- Inspect and Test Battery Charger
- Test Starter Drop

Ac Generator:

- Inspect Guard for Loose/Missing Parts
- Inspect Ac Connections for Tightness
- Inspect Exciter and Brushes/Slip Rings
- Inspect Generator Bearing

Test Generator Without Load:

- Inspect Louvers and Duct Work
- Inspect Vibration Isolators
- Check for Abnormal Noise
- Check for Excessive Crankcase Discharge
- Check Governor Response
- Check for Operation of Remote Equipment (Fan Motors, Valves, Pumps and Louvers)

Engine Exhaust System:

- Check Engine Systems for Leaks
- Inspect Exhaust Outlet Protection
- Drain Condensation Trap (If Accessible)
- Check for Broken or Missing Hardware
- Check for Engine Wet Stacking

Engine Instrumentation:

- Check All Instruments and Lamps
- Inspect Applicable Annunciator
- Check Hour Meter Operation
- Check and Record Engine Readings:
  - Tachometer
  - Hours
  - Engine Coolant Temperature
  - Voltmeter
  - Ammeter
  - Oil Pressure at Cold/Hot Temperature

Ac Instrumentation:

- Check and Record Ac Voltage
- Check and Record Ac Frequency

Engine Protection System:

- Check Over Crank Device Operation
- Test Low Oil Pressure Shutdown
- Test Water Temp Shutdown Operation
- Test Over Speed Shutdown (If Applicable)
- Test Pre-Alarms (If Applicable)
- Check Instrument Panel Operation

Switchgear/ATS: Level 1:

- Inspect General Cleanliness
- Inspect for Signs of Moisture
- Inspect Lugs/Terminals/Connections
- Check Applicable Audio Signaling
- Check Indicating Lights

Misc:

- Wipe Down Engine and Valve Covers
- Return Controls to Operating Positions
- Perform Inspection Documentation

MAJOR PREVENTATIVE MAINTENANCE SERVICE

(Includes Minor OIS Scope of Work)

Engine Lube System:

- Change Oil
- Change Oil Filters

Engine Cooling System:

- Change Coolant Filters (If Applicable)

Engine Air System:

- Change Oil and Clean Elements -Wet Type (If Applicable)

Engine Fuel System:

- Change Diesel Fuel Filter(s), Primary and Secondary
- Properly Dispose of Fluids and Filters

OPTIONAL SERVICES AVAILABLE UPON REQUEST

- Laboratory Fuel Analysis
- Fuel Polishing
- Load Bank Testing
- Laboratory Oil Analysis
- Laboratory Coolant Analysis
- Battery Replacement
- Air Filter Replacement
- Coolant Flush
- Belt and Hose Replacement
- Emergency System Training
- Building Load Test
- Transfer Switch Level 3 Service
- Remote Monitoring Installation
- Fuel Delivery
- UPS Testing

Agreement Summary

W.W.Williams
CONSIDER IT DONE.

W.W. Williams Sacramento

,

Stephen Wise
stephen.wise@wwwilliams.com

Customer Information	Contact	Agreement Information
MURPHYS SANITATION DISTRICT	Dan Murphy	Agreement Number: GA-80720
15 Ernest St Ste A	dmurphy@murphyssd.org	Agreement Generation Date: 06-29-2026 Contract Start Date: 09-01-2026 Contract End Date: 08-31-2027
Murphys, CA 95247-9767	209-728-7841	Account Number:150206

For and in consideration of the payment of all amounts due under this Service Quotation/Agreement, W.W. Williams agrees to provide services for the equipment, as set forth above, for an initial term as stated in the Agreement Date, in the table above. SERVICES CAN BE CANCELLED WITH 30 DAYS NOTICE PRIOR TO MONTH SERVICES DUE. The attached listing which sets forth in detail the services to be performed during a Preventative Maintenance and/or an Operation Inspection Service, as well as the attached Terms and Conditions are a part of this Agreement.

In the event of any future increase or decrease in tariffs, duties, customs fees, import taxes, or similar government-imposed charges (collectively, the "Tariff Changes") directly or indirectly affecting the goods, products, equipment, or services contained herein, W.W. Williams reserves the right to adjust the price of such goods, products, equipment, or services by an amount equal to such increase or decrease upon fifteen (15) days' written notice to Buyer, accompanied by documentation substantiating such Tariff Changes.

AGREEMENT TOTAL: $5,509.00 ***
*See agreement summary
** Total does not include tax
TO ESTABLISH CREDIT TERMS PRIOR TO SERVICE, VISIT: https://www.wwwilliams.com/parts-products/genuine-aftermarket-parts/credit-application/
TO ACCEPT THIS QUOTATION: REVIEW THE TERMS AND CONDITIONS AND CLICK SIGN BELOW

Optional Service (Not included in TOTALS)	Select	Unit Price

Accepted by:	Dan Murphy	**Submitted by:**	Stephen Wise
Firm Name:	**MURPHYS SANITATION DISTRICT**	**Firm Name:**	**The W.W. Williams Company LLC**
Title:	Operations Manager	**Title**	Service Sales Rep.
Date:	6/30/2026	**Date:**	6/29/2026
PO#			
Signature:	Dan Murphy	**Signature:**	Stephen Wise

Terms & Conditions

W.W.Williams
CONSIDER IT DONE.

These Terms and Conditions apply to all sales transactions with The W.W. Williams Company, LLC, including quotations, purchase orders, service orders, sales orders, or similar documents:

2. **Terms Exclusive.** These Terms and Conditions and the applicable quotation, purchase order, service order, sales order or similar document constitute the complete, exclusive and final agreement (collectively, the "Agreement") of the buyer ("Buyer") and The W.W. WilliamsCompany, LLC ("Williams"). All other additional or conflicting terms or conditions which may now or in the future appear on Buyer's acknowledgment, purchase order, or other similar document are expressly objected to by Williams without future notification and shall be null and void. These Terms and Conditions may only be modified, superseded or altered in writing signed by both parties. Buyer's acceptance of any performance by Williams shall be taken as Buyer's acceptance of these Terms and Conditions.

3. **Prices.** Prices are subject to change or withdrawal without notice. Unless otherwise stated in the Agreement, prices may be adjusted to and invoiced at Williams's price list in effectat the time of the shipment of goods or furnishing of the services. Unless otherwise stated in the Agreement, prices are exclusive of applicable taxes, excises, duties, quotation fees or other governmental impositions which Williams may be required to pay or collect on behalf of Buyer.

4. **Payment Terms; Security Interest.** Extensions of credit by Williams are subject to credit approval by Williams in its sole discretion, which may be modified or revoked by Williams at any time. Unless otherwise stated in the Agreement, payment shall be due and payable in full and without setoff within 15 days following delivery of the goods or completion of the services. Any payment not made when due shall be subject to a carrying charge of one and one-half percent (1 ½%) per month on the unpaid balance until paid in full. Buyer expressly grants to Williams a security interest in any goods, or a mechanic's or garage keeper's lien, as applicable, in respect of any services, to secure payment of the purchase price therefore and any other amounts or charges owed by Buyer to Williams. Buyer authorizes Williams (but Williams is not obligated) to file a financing statement or take such action as Williams deems advisable to evidence and perfect its security interest.

5. **Delivery; Force Majeure.** Unless otherwise stated in the Agreement, delivery of the goods, and services, if any, shall be F.O.B. point of shipment. Any delivery date specified is approximate only. Acceptance of shipment by a common carrier shall constitute tender of delivery. Upon tender of delivery, risk of loss shall pass to Buyer. Title shall pass to Buyer when the full price has been paid. Partial shipments may be made and payments therefore shall become due in accordance with the terms hereof as shipments are made and invoices rendered. If Williams is not able to meet the delivery date specified by reason of any force majeure event beyond Williams's control, including (but not limited to) war, governmental requests, restrictions or regulations, fire, flood, casualty, accident, or other acts of God, disease or illness, including but not limited to epidemic, pandemic, or quarantine, national or state declared emergency, strikes or other difficulties with employees, supplier delays, delay or inability to obtain goods, labor, equipment, material and service through Williams's usual sources, failure, refusal or delay of any carrier to transport materials, or any other similar event, Williams shall not be liable therefor and may, in its discretion without prior notice to Buyer, postpone the delivery date(s) under this Agreement for a time which is reasonable under all the circumstances. Acceptance of the goods or services shall constitute a waiver of all claims for damages.

6. **Standard Limited Warranty; Limitations of Liability.** The Williams StandardLimited Warranty and the limitations of liability contained therein, attached as Exhibit A hereto, shall apply to the purchase and sale of goods and services under this Agreement.

7. **Indemnification.** Buyer shall indemnify, defend, and hold harmless Williams, itsdirectors, officers, employees and their respective affiliates against any claim, demand, complaint, liability, loss, cost, damage and/or expense (including attorneys' fees, costs and expenses of litigation and settlements) incurred by Williams arising out of or as a result of this Agreement, except to the extent caused by the negligence of Williams.

8. **Claims.** Unless otherwise stated in the Agreement, claims respecting the condition of goods, compliance with specifications, or any other matter affecting goods shipped or services provided to Buyer, must be made promptly and in no event later than twenty (20) days after receipt of the goods by Buyer or the furnishing of the services by Williams. Failure of Buyer to make a claim within such 20-day period shall be deemed an unqualified acceptance of the goods or services by Buyer. Buyer shall set aside, protect, and hold such goods (without charge to Williams) without further processing until Williams has an opportunity to inspect and advise of the disposition, if any, to be made of such goods. In no event shall any goods be returned, reworked, or scrapped by Buyer without the express written authorization of Williams.

9. **Default and Williams's Remedies.** If Buyer fails to make timely payment on any sale of goods or services from Williams to Buyer, Williams, in addition to any other remedies available to it, may at its option, (a) defer further shipment or services until such payments are made and satisfactory credit arrangements are reestablished or (b) cancel the balance of any order, and Buyer shall not have any cause of action or be entitled to any offset, counterclaim, or recoupment against Williams by reason of such action. In the event of Buyer's default, Williams may exercise any and all remedies set forth in this Agreement, any other agreement between the parties, and applicable law, all of which rights and remedies are cumulative.

10. **Collection Costs and Attorney Fees.** Buyer agrees to pay all of Williams's costs and expenses incurred in collecting payments due from Buyer (including without limitation reasonable attorney fees and costs and expenses of any collection agency).

11. **Return Policy.** Returns must be accompanied by this invoice and in the original, unopened box or packaging. A 15% restocking charge will be applied to all returned items. No returns on electrical items. No returns on special order items. No returns after 30 days from invoice date.

12. **Technical Assistance.** Unless otherwise stated in the Agreement: (a) any technical advice provided by Williams with respect to the use of goods or services furnished to Buyer shall be provided as a courtesy without charge and without warranty; (b) Williams assumes no obligation and disclaims all liability for any such advice or for any results occurring as a result of the application of such advice; and (c) Buyer shall have sole responsibility for selection and specification of the goods and services appropriate for the end use of such goods or services.

13. **Miscellaneous.** This Agreement will be governed by the laws of the State of Ohio. The exclusive venue for any dispute related to this Agreement shall be the federal and state courts located in Columbus, Ohio. If any of the provisions hereof shall be held invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall in no way be affected or impaired thereby. The individual rights and remedies of Williams reserved herein shall be cumulative and additional to any other or further remedies provided in law or equity. Waiver by Williams of performance or inaction with respect to Buyer's breach of any provision hereof, or failure of Williams to enforce any provision hereof which may establish a defense or limitation of liability, shall not be deemed a waiver of future compliance therewith or a course of performance modifying such provision, and such provision shall remain in full force and effect as written.

Entire Agreement. This Agreement, including without limitation the Terms and Conditions and any other document incorporated herein by reference, constitutes the sole and entire agreement between Buyer and Williams with respect to any order or sale of goods or furnishing of services to Buyer, superseding completely any prior or contemporaneous oral or written communications.

EXHIBIT A

The W.W. Williams Company, LLC

Limited warranty for parts and equipment:

The sole warranty provided for any part or equipment sold by The W.W. Williams Company, LLC ("Williams") is to assign the warranty offered by the manufacturer or supplier to the Buyer. WILLIAMS MAKES NO REPRESENTATION OR WARRANTY TO THE EFFECTIVENESS OR EXTENT OF SUCH MANUFACTURER OR SUPPLIER WARRANTY. WILLIAMS EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, and doesnot assume or authorize any other person to assume for it any liability in connection with the sale.

Limited warranty for services:

Williams warrants its workmanship for a period of ninety (90) days from the date the services are performed (the "Warranty Period"). This warranty covers defects in Williams's workmanship that are discovered during the Warranty Period. Buyer's sole remedy, and Williams's only liability, for Williams's breach of its service warranty shall be, at Williams's option, (i) reperforming the defective services; or (ii) refunding the purchase price paid for the defective services. WILLIAMS EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, and does not assume or authorize any other person to assume for it any liability in connection with the sale.

Limitations of Liability:

IN NO EVENT SHALL WILLIAMS BE LIABLE FOR ANY PUNITIVE, INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL OR UNKNOWN DAMAGES, INCLUDING BUT NOT LIMITED TO, LOSS OF PROPERTY OR EQUIPMENT, LOSS OF DATA, LOSS OF USE, LOSS OF TIME, LOSS OF REVENUE, LOSS OF PROFIT, OR LOSS OF INCOME, WHETHER THE DAMAGES BE IN CONTRACT OR TORT.

WILLIAMS'S TOTAL LIABILITY FOR ANY PARTS, EQUIPMENT, OR SERVICES SOLD SHALL NOT EXCEED THE AMOUNT PAID TO WILLIAMS FOR SUCH PARTS, EQUIPMENT, OR SERVICES CAUSING THE LIABILITY.