



BOARD MEETING PACKET

Supporting Documents

REGULAR BOARD OF DIRECTORS MEETING

Tuesday, November 3, 2026 • 6:00 PM

District Office

18050 Box Factory Road
Tuolumne, California 95379

PREPARED FOR THE BOARD OF DIRECTORS

Tuolumne City Sanitary District

FOR BOARD MEMBERS AND AUTHORIZED STAFF

Documents distributed to a majority of the Board are available for public inspection pursuant to the Ralph M. Brown Act (Gov. Code § 54957.5)

Tuolumne City Sanitary District

P.O. Box 1238 • Tuolumne, CA 95379

Phone: (209) 928-3517 • www.tcsanitarydistrict.com

Cover Page • Supporting Board Pack Documents

Tuolumne City Sanitary District Regular Meeting

November 3, 2026

AGENDA SUPPORTING DATA

3. CONSENT CALENDAR

- A. Approval of minutes of the Regular Meeting held October 6, 2026
- B. Approval of warrants for the month of October 2026
- C. Review of FY 2026/2027 Expense Report

Background

Consent Calendar items are considered routine and only one approval motion is required.

The purpose of the Consent Calendar is to provide an efficient means for routine items. Consent items are still a matter of public business, and the public is allowed to comment on any item on the agenda, Consent of otherwise.

There will be no separate discussion on these items unless a member of the Board, Staff or a member of the Public requests specific items to be set aside for separate discussion; and the Board President approves its removal from the Consent Calendar. As a matter of procedure, this request should always be honored.

If there is a request to individually discuss and consider any item on the Consent Calendar, then it is appropriate for the Board President to set that item aside, and ask for a motion approving the remaining Consent Calendar items first, and then take up the pulled item (s) as if they were separately listed on the agenda.

Recommendation:

I move to approve items on the Consent Calendar as presented.

Resolution No.	Moved by:	Second by:
AYES:	NOES:	ABSTAINED:
ABSENT:	No Action Taken	

**TUOLUMNE CITY SANITARY DISTRICT
18050 BOX FACTORY ROAD
TUOLUMNE, CA 95379**

**BOARD OF DIRECTORS – REGULAR MEETING MINUTES
October 6, 2026 at 6 p.m.**

DIRECTORS PRESENT:

John Feriani, President/Chair
Darrin Evans
Jason Hart
William Waters

DIRECTORS ABSENT:

Nick Ohler, Vice President/Chair

DISTRICT REPRESENTATIVES:

Tom Trott, General Manager (via Zoom)
Brenda Bonillo, Office Manager/District Secretary
Ben Kikugawa, CPO (via Zoom)

No members of the public were present.

-
1. President Feriani called the meeting to order at 6:04 PM.

2. Public Forum: (3 minutes per item maximum)

No members of the public were present to speak, and no written correspondence was received for review.

3. Consent Calendar (one motion to include the following):

- a) Approval of minutes – Regular Meeting held September 1, 2026
- b) Approval of warrants for the month of September 2026
- c) Review of FY 2026/2027 Expense Report

MOTION: Director Hart moved to approve items of the Consent Calendar as presented. Director Water seconded, and the motion carries by the following vote:

***Ayes: J. Feriani, D. Evans, J. Hart, and W. Waters (4)
Nays: None
Abstain: None
Absent: N. Ohler***

4. Discussion/Action: Resolution No. 2026-07, Designation of Acting General Manager under the TCSD/THCSD Mutual Assistance Agreement

MOTION: Director Hart moved to approve Resolution No. 2026-07, to formally designate the THCSD General Manager as Acting General Manager of TCSD under the MAA to perform all General Manager duties for TCSD. Director Evans seconded, and the motion carries by the following vote:

***Ayes: J. Feriani, D. Evans, J. Hart, and W. Waters (4)
Nays: None
Abstain: None
Absent: N. Ohler***

5. Discussion/Action: FY 2026/2027 District Priorities

The General Manager, in collaboration with staff, completed an initial review of District needs and priorities. The Board reviewed the FY 2026/27 Priorities List and discussed the proposed project categories: Urgent, High Priority, Important, As Capacity Allows, Ongoing, and Future Projects.

The board directed staff to proceed with projects as listed. No action was taken.

6. Staff Reports

a) Operations/Collection System Report by Ben Kikugawa

Mr. Kikugawa provided an Operations/Collection System Report for the month of September 2026.

b) General Manager Report by Tom Trott

Mr. Trott provided a verbal summary of his written report.

7. Discussion/Action: The formation of a Tuolumne Township Community Service District (20 mins max)

No comments received.

8. Directors Comments

President Feriani reported that a LAFCo meeting is scheduled for October 14, 2026, at 3 p.m., and a Regional Sewer Advisory Committee meeting is scheduled for October 15, 2026, at 10 a.m.

9. President Feriani adjourned the meeting at 7:28 PM

Respectfully submitted:

Approved:

Brenda Bonillo
District Secretary

John Feriani
Board President

Accounts Payables List

October 2026

Item No. 3B

<u>INVOICE DATE</u>	<u>VENDOR</u>	<u>ACCOUNT / INVOICE #</u>	<u>REASON FOR PAYMENT</u>	<u>AMOUNT</u>
10/22/2026	49er Water Services	QB-5898	Monthly Monitoring	\$ 374.00
10/1/2026	Anthem Blue Cross		Employee Ins October 2026	\$ 3,998.71
10/30/2026	Brenda Bonillo		October 2026 Mileage	\$ 72.50
10/23/2026	CalPERS		Employer payments (2 payrolls)	\$ 2,629.71
10/1/2026	CSDA		Annual fees	\$ 4,649.00
10/23/2026	Employee Purchase Cards		October-26	\$ 4,000.60
10/1/2026	First American Bank		October 2026 Contributions	\$ 550.73
9/25/2026	Frontier		Phone	\$ 141.09
10/6/2026	Hunt & Sons	388804	Generator fuel	\$ 1,554.11
9/11/2026	Nates Saw	116422	Ignition coil and supplies	\$ 119.00
10/28/2026	THCSD	2627-4	Mutual Assistance Agreement	\$ 5,978.46
10/22/2026	Toshiba Financial Services		Printer contract	\$ 202.49
9/30/2026	TPPA	September 2026	Power	\$ 4,737.36
10/1/2026	TUD			\$ 1,228.82
10/15/2026	Univar	54232639	Caustic soda	\$ 8,845.55
10/3/2026	Verizon	6154960130 & 6155813747	Cell phone	\$ 124.95
				\$ 39,207.08

	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27	YTD Totals
<u>Insurance, License, Permits and Membership Fees - \$ 103,505</u>													
Business Insurance	\$ 28,697.65	\$ -	\$ 1,063.42	\$ -									\$ 29,761.07
Licenses, Permits & Fees	\$ 19,745.41	\$ 300.00	\$ 390.00	\$ 4,649.00								\$ -	\$ 25,084.41
County AP/Payroll Costs	\$ 126.00	\$ 94.50	\$ 87.50	\$ 91.00									\$ 399.00
<u>Total Insurance & Licenses</u>	\$ 48,569.06	\$ 394.50	\$ 1,540.92	\$ 4,649.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,153.48
<u>Capital Outlay - \$ 147,000</u>													
	\$ 9,915.48	\$ 1,643.19	\$ 7,938.72	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,497.39
<u>Fixed Assets - \$ 7,000</u>													
	\$ 2,404.89	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,404.89
<u>Debt Service - \$ 183,400</u>													
USDA Loan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Total Expenses</u>													
	\$ 133,550.54	\$ 62,046.49	\$ 64,073.91	\$ 72,053.86	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 331,724.80
<u>Budget Total: \$ 1,320,067</u>													
(Based on FY 2026/2027 Budget)													
<u>Remaining Budget Balance:</u>	\$ 1,186,516.46	\$ 1,124,469.97	\$ 1,060,396.06	\$ 988,342.20									
<u>Percentage (%) Spent</u>	10.1%	4.7%	4.9%	5.5%									25.1%

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Tuolumne City Sanitary District Regular Meeting

November 3, 2026

AGENDA SUPPORTING DATA

AGENDA ITEM: 4A

Subject: Adopt Updated Informal Bidding Procedures Ordinance
From: Tom Trott, General Manager

Background:

In 2012, the District elected to become subject to the Uniform Public Construction Cost Accounting Act (UPCCAA) by adopting Ordinance 2012.7.11, which set forth informal bidding procedures pursuant to UPCCAA. The UPCCAA, set forth in California Public Contract Code (PCC) Section 22000 et seq., enables agencies to perform construction projects with greater efficiency by allowing larger amounts of work to be performed by its own staff and providing simplified informal bidding procedures to perform small construction projects with contractors.

In 2019, the District adopted Ordinance 2019.1.9 to update its informal bidding procedures after the State Controller's Office increased UPCCAA's bidding limits. Since that time, the District has been able to perform construction work with its own staff or contract when the value of the work being performed is \$60,000 or less and to utilize informal bidding procedures for contracting when the value of the project is \$200,000 or less. The State Controller's Office increased these values again on January 1, 2025, to \$75,000 and \$220,000, respectively. To ensure compliance and improve project delivery, staff recommend that the Board revise its existing Ordinance to incorporate the new limits.

In addition to increasing bidding limits, proposed Ordinance 2026.11.3:

- Enables staff to send notices inviting informal bids to specific trade journals instead of maintaining an ongoing interested contractor list.
- Authorizes the General Manager to award informal contracts let for informal bidding.
- Authorizes the General Manager to declare a public emergency as defined in PCC Section 22035 and to make necessary repairs (requires Board confirmation at next meeting).

Fiscal Impact:

Approval will result in more cost-effective delivery of construction projects.

Attachments:

- Updated Ordinance 2026.11.3 – Setting Forth Informal Bidding Procedures Under the UPCCAA
- Current Ordinance 2019.1.9 – Disposal of Surplus Vehicles and Equipment

Recommended Motion:

Adopt Ordinance 2026.11.3 – Setting Forth Informal Bidding Procedures Under the UPCCAA.

Resolution No.	Moved by:	Second by:
AYES:	NOES:	ABSTAINED:
ABSENT:	No Action Taken	

**TUOLUMNE CITY SANITARY DISTRICT
ORDINANCE NO. 2026.11.3**

**SETTING FORTH INFORMAL BIDDING PROCEDURES UNDER THE UNIFORM
PUBLIC CONSTRUCTION COST ACCOUNTING ACT**

WHEREAS, The Tuolumne City Sanitary District (“District”) elected to become subject to the Uniform Public Construction Cost Accounting Act (“UPCCAA”) procedures pursuant to Public Contract Code (“PCC”) Section 22000 et seq. on July 11, 2012, through adoption of Ordinance 2012.7.11; and

WHEREAS, the District updated and replaced Ordinance 2012.7.11 with Ordinance 2019.1.9 on January 9, 2019, to reflect changes the State Controller’s Office made to the value limits of public projects that can be let for informal bids under the UPCCAA; and

WHEREAS, the State Controller’s Office has again revised the UPCCAA value limits for public projects that can be let for informal bids (effective January 1, 2025) and it is in the District’s best interest to adopt this Ordinance with said revised limits.

NOW, THEREFORE, the Board of Directors of the Tuolumne City Sanitary District do ordain as follows:

SECTION 26.1 – Findings and Purpose

It is in the public interest for the Board of Directors of the District to elect to become subject to the UPCCAA procedures adopted by the California Uniform Construction Cost Accounting Commission pursuant to PCC Section 22000 et seq. Performance of District construction and maintenance projects in accordance with these procedures will enable the District to perform said projects with its own staff and/or by contracts through informal bidding procedures when it is in the best public interest of the District to do so.

SECTION 26.2 – Informal Bidding Procedures

Public projects as defined by the UPCCAA of Two Hundred and Twenty Thousand Dollars (\$220,000) or less may be let to contract by informal procedures as set forth in PCC Section 22032 et seq.

Public projects as defined by the UPCCAA of Seventy-Five Thousand Dollars (\$75,000) or less may be performed by District employees by force account, by negotiated contract or by purchase order, as set forth in PCC Section 22032 et seq.

SECTION 26.3 – Development, Maintenance and Use of Contractors List

At the option of the General Manager, the District may develop a list of qualified contractors eligible to submit bids on informal contracts awarded by the District. The list

of contractors shall be developed and maintained in accordance with the provisions of PCC Section 22034 and minimum criteria propagated from time to time by the California Uniform Public Construction Cost Accounting Commission.

If a qualified contractors list is maintained, the General Manager shall send an annual written notice to all construction trade journals designated for Tuolumne County by PCC Section 22036 inviting all licensed contractors to submit the name of their company for inclusion on the District's list of qualified bidders for the following calendar year.

The written notice shall require the contractor to provide contact information, including the name and email address to which a Notice Inviting Bids should be sent, the type of work which the contractor is interested in, the class of contractor's license held, and contractor's license number. The District may include any contractor's name it desires on the list, but the list must, at a minimum, include all contractors who have provided the District with the required information. A contractor may have its company added to the District's contractors list at any time by providing the required information.

SECTION 26.4 – Notice Inviting Informal Bids

If the District desires to perform a public project requiring informal bidding procedures pursuant to this Ordinance and/or the UPCCAA, a notice inviting informal bids shall be sent to contractors, no less than 10 calendar days before bids are due, in accordance with one or both of the following paragraphs:

1. All contractors on the District's qualified contractors list, as described in Section 26.3 of this Ordinance, who are qualified and interested in the category of work being bid shall be mailed, faxed, or emailed a notice inviting informal bids unless the product or service is proprietary.
2. All construction trade journals specified in PCC Section 22036 for Tuolumne County shall be mailed, faxed, or emailed a notice inviting informal bids, unless the product or service is proprietary.

Additional contractors and/or construction trade journals may be notified at the discretion of the General Manager.

SECTION 26.5 – Award of Contracts

The General Manager of the District is authorized to award informal contracts pursuant to this Section.

At the time provided in the notice inviting informal bids, the General Manager, or his/her designee, shall open all bids timely received and shall award a contract to the lowest responsible bidder. If two or more bids are the same and lowest, the General Manager may choose the contractor to whom the contract is to be awarded.

If no bids are received, the General Manager may again solicit informal bids, perform the work with District employees, or negotiate an informal contract with a contractor chosen by the General Manager.

If none of the bids received are lower than two hundred twenty thousand dollars (\$220,000), a contract may still be awarded up to a maximum of two hundred thirty-five thousand dollars (\$235,000). Such awards may only be made by the Board of Directors through adoption of a resolution by a four-fifths (4/5) vote, awarding the contract to the lowest responsible bidder and finding that the District's original cost estimate was reasonable.

SECTION 26.6 – Rejection of Bids/No Bids

The District may reject any or all bids in accordance with Public Contract Code Section 22038. Following rejection of all bids, the District may do one of the following:

1. Abandon the project.
2. Readvertise for bids.
3. Perform the work by force account. This option may only be undertaken after adoption of a resolution by a four-fifths (4/5) vote, declaring that the project can be performed more economically by District employees.

If no bids are received, the project may be performed by force account or negotiated contract.

SECTION 26.7 – Emergencies

The District Board of Directors hereby delegates to its General Manager the power to declare a public emergency as defined in Public Contract Code Section 22035 and to accomplish repairs and/or replacements as permitted by said Section. Such work shall be performed without the benefit of informal or formal bidding and without adoption of plans, specifications or working details, provided that such repair or replacements are necessary to permit the continued conduct of the operation or services of the District or to avoid danger to life or property. The General Manager shall provide a full report on the emergency work performed at the next Board meeting, at which time the Board may confirm the existence of such public emergency by a four-fifths (4/5) vote and may take such other action necessary including but not limited to decisions as to whether the authorized work should continue without the benefit of informal or formal bidding.

SECTION 26.8 – Effective Date and Repeal of Ordinance 2019.1.9

As soon as is practical, this Ordinance's passage, a summary of the Ordinance, prepared by the District Board Secretary, shall be published once, together with the names of the members of the Board of Directors voting for and against the Ordinance, in a newspaper published in the District. A certified copy of the full text of the Ordinance

shall be posted in the District office in accordance with Health and Safety Code Section 6490.

This Ordinance shall take effect upon expiration of the week of publication. Upon said effective date, Ordinance 2019.1.9 shall be repealed in its entirety.

PASSED AND ADOPTED as an Ordinance of Tuolumne City Sanitary District by the District's Board of Directors at their regular meeting on November 3, 2026, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

APPROVED:

John Feriani, Board President

ATTEST:

Brenda Bonillo, Board Secretary

**TUOLUMNE CITY SANITARY DISTRICT
ORDINANCE NO 2019.1.9**

**AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE
TUOLUMNE CITY SANITARY DISTRICT**

WHEREAS, the Board of Directors of the Tuolumne City Sanitary District desires to govern the District's selection of contractors through informal bidding procedures, in accordance with California Public Contract Code Sections 22000 and following;

NOW, THEREFORE THE BOARD OF DIRECTORS OF THE TUOLUMNE CITY
SANITARY DISTRICT DOES ORDAIN AS FOLLOWS:

INFORMAL BIDDING

1. Application
2. Definitions
3. Work of \$60,000 or Less
4. Informal Bidding Procedures
5. Contractor's List
6. Notice Inviting Informal Bids
7. Mailing of Notices Inviting Informal Bids and Project Description
8. Rejection of Bids/No Bids
9. Bids Received in Excess of \$200,000
10. Award of Contracts

1. **APPLICATION**

Contracts for Work of \$200,000 or less shall be governed by the Uniform Public Construction Cost Accounting Act, Division 2, Part 3, Chapter 2, of the Public Contract Code, Section 22000 et seq. and this Ordinance.

2. **DEFINITIONS**

For purposes of this part, and in accordance with the Uniform Public Construction Cost Accounting Act ("Act") (Public Contract Code Section 22000, et seq.), the terms are defined as follows:

a. "Public Project" means:

- (1) Construction, reconstruction, erection, alteration, renovation, improvement, demolition, and repair work involving any publicly owned, leased, or operated facility; or
- (2) Painting or repainting of any publicly owned, leased, or operated facility.

b. "Maintenance Work" means:

- (1) Routine, recurring, and usual work for the preservation or protection of any publicly owned or publicly operated facility for its intended purposes; or

- (2) Minor repainting; or
- (3) Resurfacing of streets and highways at less than one inch; or
- (4) Landscape maintenance, including mowing, watering, trimming, pruning, planting, replacement of plants, and servicing of irrigation and sprinkler systems.

c. "Work" means either a Public Project or Maintenance Work as defined above.

d. "Facility" means any plant, building, structure, ground facility, real property, streets and highways, or other public work improvement.

3. WORK OF \$60,000 OR LESS

Pursuant to Public Contract Code Sections 22003 and 22032, any Work as defined herein, of sixty thousand dollars (\$60,000) or less may be performed by the employees of the District by force account, by negotiated contract, or by purchase order.

4. INFORMAL BIDDING PROCEDURES

Any Work, as defined herein, of two hundred thousand dollars (\$200,000.00) or less may be contracted for by the informal bidding procedures set forth in this part.

5. CONTRACTOR'S LIST

A list of qualified contractors for Public Projects, identified according to categories of work ("Contractors List"), shall be developed and maintained by the District in accordance with the minimum criteria determined by the California Uniform Construction Cost Accounting Commission ("Commission").

6. NOTICE INVITING INFORMAL BIDS

Where Work subject to the provisions of this part is to be performed and the Work does not meet the criteria set forth herein, or informal bidding is desired, a notice inviting informal bids shall be mailed to all contractors for the category of work to be bid, as shown on the Contractors List, and to all appropriate construction trade journals as specified by the Commission. Additional contractors and/or construction trade journals may be notified at the District's discretion. If there is no Contractors List for the particular category of work to be performed, the notice inviting bids shall be sent only to the construction trade journals specified by the Commission. If the product or service required to be performed is, in the discretion of the District's Engineer, determined to be proprietary in nature such that it can be obtained only from a certain contractor or contractors, the notice inviting informal bids may be sent exclusively to such contractor or contractors.

7. MAILING OF NOTICES INVITING INFORMAL BIDS AND PROJECT DESCRIPTION

The mailing of notices to contractors and/or construction trade journals shall be completed not less than 10 calendar days before bids are due. The notice inviting bids shall: (1) describe the Work in general terms; (2) explain how more detailed information about the proposed Work may be obtained; and (3) state the time, date, and location for the submission of bids.

8. REJECTION OF BIDS/NO BIDS

a. The District Board of Directors may, in its sole discretion, reject any bids presented. If, after the first invitation of bids, all bids received are rejected, after reevaluating its cost estimates of the project, the District shall have the option of either of the following:

(1) The District may abandon the project or re-advertise for bids in the manner described in this part; or

(2) The Board of Directors may, by passage of a resolution by a four-fifths majority, declare that the project can be performed more economically by its employees; the District may have the project done by force account (i.e., by using internal resources including but not limited to labor, equipment, materials, supplies, and subcontracts of the District), without further compliance with this part.

b. If no bids are received, the project may be performed by force account without a Board of Directors resolution or by negotiated contract.

9. BIDS RECEIVED IN EXCESS OF \$200,000.00

If all bids received are in excess of \$200,000.00, the Board of Directors may, by passage of a resolution by a four-fifths vote, award the contract for \$212,500.00, or less, to the lowest responsible bidder, if the Board of Directors determines that the cost estimate was reasonable.

10. AWARD OF CONTRACTS

Except as specified under Section 3.30.090, dealing with bids in excess of \$200,000.00, the Board of Directors is authorized to award or enter into contracts pursuant to the provisions of this part. If informal bidding has been solicited, the District shall award the contract to the lowest responsible bidder. If two or more bids are the same and the lowest, the District may accept the one he or she chooses.

Section 2. Section 8004 of the District's Administrative Code is amended to comply with this Ordinance.

Section 3. This ordinance is not intended to and shall not be construed or given effect in a manner that imposes upon the District or any officer or employee thereof a mandatory duty of care toward persons and property within or without the District so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

Section 4. If any provision of this ordinance or application thereof to any person or circumstances is held invalid, such invalidity shall not effect other provisions or applications of the ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are severable. The Board of Directors hereby declares that it would have adopted this ordinance irrespective of the validity of any particular portion thereof.

Section 5. This ordinance shall become effective in accordance with Assembly Bill 2249 (Chaptered 169, Statutes of 2018) as of January 1, 2019 per November 1, 2018 notification by the California State Controllers office or within seven (7) calendar days after its publication or posting, whichever is used. This ordinance will supersede Ordinance 2012.7.11.13.

Section 6. Within fifteen (15) days after its final passage, the Board Secretary shall prepare and cause a fair and adequate summary of this ordinance to be posted or published in full accordance with Section 6490 of the Health and Safety Code.

The foregoing ordinance was introduced and the title thereof reviewed at the special meeting of the Board of Directors of the Tuolumne City Sanitary District held on, January 9, 2019 and pass by the following vote of the board members present.

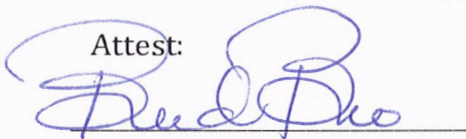
AYES: John Feriani, William Beaudry, and Wren Easter

NOES: None

ABSTENTIONS: None

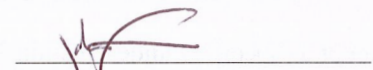
ABSENT: William Waters and Jason Hart

Attest:



Brenda Bonillo, District Secretary

Signed:


John Feriani, Board President

Informal Bidding Procedures under the Uniform Public Construction Cost Accounting Act Enacted under TCSD Resolution No 2012-07, dated July 11, 2012.

Tuolumne City Sanitary District Regular Meeting

November 3, 2026

AGENDA SUPPORTING DATA

AGENDA ITEM: 4B

Subject: Revise Policy 3040 – Purchase and Expense Authorization
From: Tom Trott, General Manager

Background:

Policy 3040 (Purchase and Expense Authorization) was adopted on December 4, 2014, for the purpose of setting forth limits and methods of purchasing items. Purchasing related to consultants and contractors is covered by District Policy 3042. Both policies are outdated and are in need of improvement to ensure the District's procurement practices for items, services (consultants) and construction (contractors) are clear, consistent and adhere to the following objectives:

- Applicable local, state and federal laws and regulations
- Best value purchasing – maximizing cost-effectiveness, quality and efficiency
- Open and free competition
- Transparency and accountability
- Operational flexibility

The proposed revised Policy 3040 sets forth clear limits and procedures for procurement that meet the above objectives and are consistent with District Ordinance 2026.11.3 (Informal Bidding Procedures) considered in the Board's previous agenda item. The Policy's procurement limits (summarized in the attached flow chart) are based on three principles:

- Budget Approval is the Board's primary authorization of expenditures for the year.
- Efficient operations require staff purchasing flexibility with rules to maintain accountability.
- Large purchases require Board approval to maximize financial oversight and minimize legal risk.

Fiscal Impact:

Approval will result in staff labor savings due to more efficient purchasing requirements.

Attachments:

- Summary Flow Chart of Proposed Policy 3040 Requirements
- Revised Policy 3040 – Purchase and Expense Authorization
- Current Policy 3040 – Purchase and Expense Authorization

Recommended Motion:

Adopt revised Policy 3040 – Purchase and Expense Authorization.

Resolution No.	Moved by:	Second by:
AYES:	NOES:	ABSTAINED:
ABSENT:	No Action Taken	

SIMPLIFIED SUMMARY
Purchasing Policy Requirements

Items

Defined as supplies, equipment, vehicles, items and materials not related to construction.

Less than \$5,000

- ✓ 1 quote
- ✓ No P.O.
- ✓ Awarded by Dept. Head
- ✓ No Prevailing Wages
- ✓ 3 quotes encouraged

\$5,000 – \$75,000

- ✓ 3 quotes
- ✓ P.O.
- ✓ No Prevailing Wages
- ✓ Awarded by GM

Greater than \$75,000

- ✓ Formal Request for Bids
- ✓ Awarded by the Board
- ✓ No Prevailing Wages
- ✓ P.O.

Services

Defined as professional services (e.g. engineering, auditor, surveying, consulting), janitorial, vehicle maintenance, minor repainting.

Less than \$5,000

- ✓ 1 quote
- ✓ No P.O.
- ✓ Awarded by Dept. Head
- ✓ No Prevailing Wages
- ✓ 3 quotes encouraged

\$5,000 - \$25,000

- ✓ 3 quotes
- ✓ P.O.
- ✓ No Prevailing Wages
- ✓ Awarded by GM

\$25,001 - \$75,000

- ✓ Informal RFP
- ✓ Professional Services Agreement
- ✓ Awarded by GM
- ✓ No Prevailing Wages

Greater than \$75,000

- ✓ Formal RFP
- ✓ Professional Services Agreement
- ✓ Awarded by Board
- ✓ No Prevailing Wages

Construction

Construction, reconstruction, erection, alteration, renovation, improvement, repair work, painting, or repainting of any district owned, leased, or operated facility.

Less than \$1,000

- ✓ No Prevailing Wages
- ✓ 1 quote
- ✓ No P.O.
- ✓ 3 quotes encouraged
- ✓ Awarded by Dept. Head

\$1,000 - \$5,000

- ✓ Subject to prevailing wages
- ✓ 1 quote
- ✓ P.O.
- ✓ 3 quotes encouraged.
- ✓ Awarded by GM

\$5,001 – \$25,000

- ✓ Subject to prevailing wages
- ✓ 3 quotes
- ✓ P.O.
- ✓ Contractor must be registered with DIR for maintenance projects (see policy) greater than \$15,000.
- ✓ Awarded by GM

\$25,001 – \$75,000

- ✓ Subject to prevailing wages
- ✓ Informal drawings and specifications.
- ✓ 3 quotes
- ✓ Contractor must be registered with DIR.
- ✓ Payment bond and contract.
- ✓ Awarded by GM

\$75,001 - \$220,000

- ✓ Subject to prevailing wages
- ✓ UPCCA informal bidding requirements
- ✓ Bid documents, plans and specs
- ✓ Contractor must be registered with DIR.
- ✓ Bonds and contract.
- ✓ Awarded by GM

Greater than \$220,000

- ✓ Subject to prevailing wages
- ✓ UPCCA formal bidding requirements
- ✓ Board approved formal bid documents, plans and specs.
- ✓ Contractor must be registered with DIR.
- ✓ Bonds and contract.
- ✓ Awarded by Board

TUOLUMNE CITY SANITARY DISTRICT
Policy and Procedure Manual

POLICY TITLE: Purchasing and Expense Authorization
POLICY NUMBER: 3040
ADOPTED: December 3, 2014
AMENDED: November 3, 2026

3040.10 PURPOSE

The procedures in this policy are designed to ensure that District procurement practices promote and adhere to the following:

- Applicable local, state, and federal laws/ regulations
- Best value purchasing – maximizing cost-effectiveness, quality and efficiency
- Open and free competition
- Transparency and accountability
- Operational flexibility

3040.20 PROCUREMENT TYPES

For the purposes of this policy there are three types of procurement:

- Procurement of Items
- Procurement of Services
- Procurement of Public Works Construction

3040.30 PURCHASING AUTHORITY

3040.31 Purchases within Adopted Budget. District staff are authorized by the Board to make expenditures within the total approved current fiscal year budget. Department Heads are responsible to monitor and control all purchases within their respective budget line items and are responsible for ensuring that all purchases remain within budget.

3040.32 Purchases in Excess of Adopted Budget. District staff are authorized by the Board to make expenditures in excess of the approved current fiscal year budget as follows:

3040.32.1 Budget Line Items and Categories. Department Heads are authorized to exceed approved budget line item or category amounts and/or transfer budget amounts as follows:

- A. Budget Line Items. Department Heads may exceed individual expense line item budget amounts so long as the approved budget category amount is not exceeded.
- B. Budget Categories. Department Heads may exceed approved budget expense category amounts by up to \$20,000 by transferring budget between categories via an internal budget adjustment so long as the overall budget is not exceeded. Requests for such budget adjustments must be made to the General Manager by submittal of a budget transfer form which identifies the category to be exceeded, the amount to be transferred, and the category from which the transfer will occur. All such budget adjustments must be approved by the General Manager before the budget category is exceeded. In special circumstances, as determined by the General Manager, approval of a budget transfer between categories may occur after the budget amount has been exceeded.
- C. Transfers Above \$20,000. Transfers between budget categories in excess of \$20,000 shall first be submitted to the Board of Directors for approval, even if the overall approved expense budget is not exceeded.
- D. Transfers between Operational and Capital Budgets. Non-emergency transfers from Fixed Asset or approved Capital Outlay budget categories to other Operations budget categories are not allowed unless approved by the Board of Directors.

3040.32.2 Exceeding Overall Budget - Unanticipated. The General Manager is authorized to make expenditures in excess of the total current fiscal year budget for any service of up to \$5,000, so long as a readily accessible source of revenue from reserve accounts is available. The General Manager shall seek Board approval of the appropriate budget amendment at the following regular meeting.

3040.32.3 Exceeding Overall Budget – Emergencies. In an emergency, the General Manager, or a Department head in

the absence of the General Manager, may authorize expenditures greater than \$5,000 in excess of the total current fiscal year budget, but within available reserve funding and shall seek Board approval of the appropriate budget adjustment at the following regular meeting. "Emergency" shall include, but not be limited to, breakdown of equipment or infrastructure that is critical to delivery of services. Emergency shall also include all actions necessary to establish and maintain safe conditions for the public after and during an emergency event.

3040.32.4 Exceeding Overall Budget – External Revenue Source. The General Manager is authorized to make expenditures in excess of the current fiscal year budget for projects and purchases for which the source of revenue has been identified and previously approved by the Board of Directors.

3040.32 Purchase Orders and Agreements. The General Manager is authorized to approve and execute all purchase orders and agreements related to this Policy except for purchases that require award or approval by the Board of Directors.

3040.40 PROCUREMENT OF ITEMS

3040.41 Definition. Items include all supplies, equipment, vehicles, items and materials, except for materials required for a Public Works Construction contract as defined in Section 3040.61.

3040.42 Prevailing Wages. Items are not subject to prevailing wages.

3040.43 Procurement Procedures. Items must be procured as follows:

3040.43.1 Less than \$5,000. Items of this amount (including taxes and shipping) will be awarded by the appropriate Department Head based on staff recommendation. Solicitation of three quotes is encouraged, but not required, unless specifically requested by the Department Head or General Manager.

No purchase order is required.

3040.43.2 \$5,000 to \$75,000. Staff shall solicit at least three informal quotes and the Department Head shall submit award recommendation to the Finance Department via a purchase requisition form. Award will be made by the General Manager to the vendor with the lowest price, unless the General Manager determines that the vendor cannot deliver the item

within an acceptable time period, provide a reasonable level of service or support, or provide an item of acceptable quality.

A purchase order is required.

3040.43.3 Greater than \$75,000. Staff shall solicit bids through a formal Request for Bids (RFB) process with detailed item and vendor specifications. RFB's shall be sent to as many vendors as possible and shall be posted in a place accessible by all vendors. Award will be made to the vendor whose item meets the RFB specifications and is the lowest price.

The Board will award items greater than \$75,000.

A purchase order is required.

3040.50 PROCUREMENT OF SERVICES

3040.51 Definition. Services include but are not limited to professional services (i.e. engineering, auditor, surveying, consulting, etc.), janitorial services, landscape maintenance, vehicle maintenance, *minor* repainting, and maintenance work that is routine, recurring and usual work for the preservation or protection of any publicly operated sewer facility for its intended purposes. Services do not include any activity considered Public Works Construction (see definition in Section 3040.61).

3040.52 Prevailing Wages. Services are not subject to prevailing wages, except:

- The following services, when directly related to a Public Works Construction contract (defined in Section 3040.61): surveying, soil testing, modular furniture installation, and inspection covered by the Uniform Building Code.
- Facility and landscape maintenance services.

3040.53 Procurement Procedures. Services must be procured as follows:

3040.53.1 Less than \$5,000. Services of this amount will be awarded by the appropriate Department Head based on staff recommendation. Solicitation of three quotes is encouraged, but not required, unless specifically requested by the Department Head or General Manager.

No purchase order is required.

3040.53.2 \$5,000 to \$25,000. Staff shall solicit at least three informal quotations/proposals and the Department Head shall submit

award recommendation to the Finance Department via a purchase requisition form. Award will be made by the General Manager to the vendor with the lowest price, unless the General Manager determines that the vendor cannot deliver the services within an acceptable time period or provide a reasonable level of service or support, or cannot provide services of acceptable quality.

A purchase order is required.

3040.53.3 \$25,000 to \$75,000. Staff shall solicit proposals through an informal Request for Proposals (RFP) process based on qualifications, experience and a proposed scope of work. Service providers shall be selected to perform work based on best value provided to the District through a selection process approved by the General Manager and appropriate for the services requested.

The General Manager will award services and the services provider must execute the District's services agreement.

A services agreement is required.

3040.53.4 Greater than \$75,000. Staff shall solicit proposals through a formal Request for Proposals (RFP) process based on qualifications, experience and a proposed scope of work. Service providers shall be selected to perform work based on best value provided to the District through a selection process approved by the General Manager and appropriate for the services requested.

The Board will award services and the services provider must execute the District's services agreement.

A services agreement is required.

3040.60 PROCUREMENT OF PUBLIC WORKS CONSTRUCTION AND MATERIALS

3040.61 Definition. Public Works Construction is specifically defined as "Public Project" in Section 22002(c) of the California Public Contract Code. Said definition will always supersede any description provided within this policy. Public Works Construction includes:

- Construction, reconstruction, erection, alteration, renovation, improvement, demolition, and repair work involving any district owned, leased or operated facility.

- Painting or repainting of any district owned, leased or operated facility
- Purchase of construction materials needed for Public Works Construction projects.

3040.62 Prevailing Wages. All Public Works Construction projects \$1,000 and greater must adhere to state prevailing wage requirements as outlined in sections 1770-1781 of the California labor code. Pursuant to these requirements, staff must inform contractors that the project is subject to prevailing wage requirements before quotes/bids are solicited. Depending on the cost and type of work (details provided in below procurement categories), staff may also need to verify that contractors are registered with the Department of Industrial Relations before requesting bids.

3040.63 Splitting Projects. A Public Works Construction project may not be split into smaller projects for the purpose of evading prevailing wages or competitive procurement procedures herein. This includes separating procurement of materials from construction labor.

3040.64 Procurement Procedures. Public Works Construction must be procured as follows:

3040.64.1 Construction Materials. Construction materials may be procured with the procurement procedures for Items (Section 3040.43) when the total costs for the Public Works Construction project is \$75,000 or less. When the total costs for the Public Works Construction project exceeds \$75,000, construction materials procurement must follow the bidding requirements outlined in the Uniform Public Construction Cost Accounting Act (UPCCA), Public Contract Code Sections 22030 et seq.

3040.64.1 Less than \$1,000. Public Works Construction of this amount will be awarded by the appropriate Department Head based on staff recommendation. Solicitation of three quotes is encouraged, but not required, unless specifically requested by the Department Head or General Manager.

No purchase order is required.

3040.64.2 \$1,000 to \$5,000. Public Works Construction of this amount will be awarded by the General Manager based on staff recommendation. Solicitation of three quotes is encouraged, but not required, unless specifically requested by the Department Head or General Manager.

A purchase order is required. Purchase orders shall include appropriate prevailing wage requirements.

3040.64.3 More than \$5,000 to \$25,000. Staff shall solicit at least three informal quotes/bids and the Department Head shall submit award recommendation to the Finance Department via a purchase requisition form. Award will be made by the General Manager to the vendor with the lowest price, unless the General Manager determines that the contractor cannot complete the project within an acceptable time period or with acceptable quality.

If the project is a maintenance project and is greater than \$15,000, staff must make sure contractors are registered with the Department of Industrial Relations before soliciting bids.

A purchase order is required. Purchase orders shall include appropriate prevailing wage requirements.

3040.64.4 More than \$25,000 to \$75,000. Staff shall develop informal drawings and specifications and solicit at least three informal quotes/bids. Staff may work with contractors/bidders to develop drawings, specifications and scope of work to ensure best value. Specifications must clearly note that a payment bond is required. The Department Head shall submit award recommendation to the Finance Department via a purchase requisition form. Award will be made to the contractor with the lowest price, unless the General Manager determines that the contractor cannot complete the project within an acceptable time period or with acceptable quality.

Staff must make sure contractors are registered with the Department of Industrial Relations before soliciting bids.

A payment bond is required.

The General Manager will award contracts and contractors must execute the District's construction contract.

3040.64.5 More than \$75,000 to \$220,000. Procedures for bidding all Public Works Construction of this amount must adhere to the informal bidding requirements outlined in the Uniform Public Construction Cost Accounting Act (UPCCA), Public Contract Code Sections 22030 et seq., and the District's Informal Bidding Procedures Ordinance.

Staff shall develop bid documents, plans and specifications appropriate for accurate bidding. The General Manager shall approve all such bid documents. A bid bond/cash deposit, payment bond and performance bond are required.

The General Manager will award contracts and contractors must execute the District's construction contract.

3040.64.6 Greater than \$220,000. Procedures for bidding all Public Works Construction of this amount must adhere to the formal bidding requirements outlined in the Uniform Public Construction Cost Accounting Act (UPCCA), Public Contract Code Sections 22030 et seq.

Staff shall develop formal bid documents, plans and specifications. The Board shall adopt all such bid documents prior to bidding. A bid bond/cash deposit, payment bond and performance bond are required.

The Board will award contracts and contractors must execute the District's construction contract.

3040.70 WAIVER OF PROCUREMENT PROCEDURES

3040.71 Waiver Authority. The General Manager is authorized to waive certain procurement procedures within this policy under the following conditions:

3040.71.1 Emergency. In the event of an emergency, the General Manager, may procure items and services required to address the emergency without following the quote/bidding solicitation procedures of this policy. Procurement procedures for Public Works Construction activities may be waived when the General Manager or Board declares a public emergency in accordance to California Public Contract Code (PCC) Section 22035 and the District's Informal Bidding Procedures Ordinance. Refer to the PCC and the Ordinance for additional requirements.

3040.71.2 Sole Source. Sole-source purchasing (purchasing from a specific vendor or a specific brand of item without a competitive process) is authorized with advance approval from the General Manager, provided that the purchase of such sole-source item(s) will: provide a longer service life, reduce the need for extensive parts inventory, reduce maintenance or servicing costs, provide a higher level of service, will reduce down time for equipment or are the only

vendor offering the needed equipment, supplies or service.

3040.71.3 Cooperative Purchasing. The District may award a purchase order or contract without following the quote/bidding solicitation requirements of this policy if competitive bidding has already been conducted by another public agency (e.g. through a governmental cooperative purchasing program).

3040.71.4 Less than Three Quotes. Staff shall make every reasonable attempt to obtain three quotes when required by the procurement procedures herein. However, the General Manager may waive the requirement for three quotes under the following circumstances:

- A. Staff contacted three or more entities and did not receive quotes or proposals within 10 business days.
- B. There are not three entities capable of providing requested construction, services or items.
- C. There are not three entities capable of providing requested construction, services or items in a reasonable time frame, as determined by the General Manager.

3040.71.5 Right Not to Award. The General Manager or Board may choose to reject all bids/quotes/proposals for any reason.

3040.80 PAYMENT METHODS

3040.81 District Checks. Vendors, service providers and contractors may submit an invoice to the District requesting payment for purchases allowed under this policy. All such invoices must include, at a minimum, an invoice number, date, purchase order number and description of purchase. Invoices shall be paid by check within 30 days of approval by the appropriate Department Head.

Invoices shall not be approved until after items have been received, services rendered or construction completed. Staff shall make every effort to expediently review and approve invoices.

3040.82 District Credit Cards. District issued credit cards may be used to pay for purchases allowed under this policy in accordance with District Policy 3145, *Credit Card Use*.

3040.84 Reimbursement. District employees or Board Directors may incur “out-of-pocket” expenses, as verified by valid receipts, to pay for purchases allowed under this policy. Said “out of pocket” expenses shall be reimbursed upon request by check issued in the name of the party requesting reimbursement or in an employee’s payroll check. In instances when a receipt is not obtainable, the requested reimbursement must be approved by the General Manager prior to reimbursement.

3040.84.1 Annual Reimbursement Reporting. Per Government Code 53065.5 reimbursements of at least one hundred dollars (\$100) for each individual charge for services or product received shall be disclosed in a publicly available report. An “individual charge” includes, but is not limited to, one meal, lodging for one day, transportation, or a registration fee paid to any employee or member of the governing body of the district. An annual report will be compiled and made available no later than December 31st for reimbursements made in the previous fiscal year.

3040.90 OTHER REQUIREMENTS

3040.91 Advanced Payments/Deposits. Pre-payment of purchases allowed under this policy are not allowed. Items, services and construction must be received or complete prior to payment.

Payment for construction or maintenance materials may be made upon receipt before they have been incorporated in the work.

Under unique circumstances, as determined by the General Manager, the General Manager may approve pre-payment or a deposit in an amount not to exceed 10% of the value of items, services or construction procured. The amount of said pre-payment or deposit must be reasonable and not put the District in a position of significant risk.

3040.92 Document Retention. The District shall document the results of procurement procedures and retain said documentation as required by Policy #3310, *Record Retention*.

3040.93 Policy Violation. Employees are subject to disciplinary action up to and including termination for violation of this policy.

TUOLUMNE CITY SANITARY DISTRICT
Policy and Procedure Manual

POLICY TITLE: Purchasing and Expense Authorization
POLICY NUMBER: 3040
ADOPTED: December 3, 2014
AMENDED:

3040.1 All purchases over \$ 500 made for the District by staff shall be by Purchase Order signed by the General Manager, and shall be in conformance with the approved District budget.

3040.1.1 To purchase items costing more than \$500 and up to \$25,000, quotations will be solicited from vendors and received in writing by fax or e-mail, preferably from two or more sources, prior to selecting a preferred supplier and processing a purchase order.

3040.1.2 For items over \$25,000 or large quantity orders, the District will provide suppliers with a list of items to be purchased. Suppliers will provide written quotes for consideration and recommendation to the Board of Directors for award of contract. Items on the list will be purchased from the supplier quoting the lowest prices and having an acceptable delivery date.

3040.1.3 Vehicles will be purchased through the State's Vehicle Procurement Program, unless they can be acquired at the same cost or less expensively from local sources by competitive quotation bids.

3040.1.4 Invoices for purchases made shall only be paid upon verification of receipt of the item, through written confirmation of a packing slip or other documentation signed by the District staff person receiving the item, a copy of the authorized purchase order, and confirmation that the items received, purchase order and invoice are consistent and accurate.

3040.2 Any commitment of District funds for a purchase or expense greater than the amount approved in the current fiscal budget shall first be submitted to the Board of Directors for approval, or shall be in conformance with the transfers allowed below, or as contained within prior Board action and/or authorizations.

3040.2.1 In case of emergency, the General Manager may authorize purchases in excess of the amount budgeted, up to a maximum of \$5000 per occurrence, and shall inform the Board of such action at the following regular meeting.

3040.2.2 The General Manager may authorize the transfer of funding available in one budget category to another, so long as the total bottom line amount of each budget category is not exceeded. Such transfers are allowed for purchases without specific Board approval; however the General Manager shall inform the Board of the transfer at the next regular meeting.

3040.3 The District's purchasing goal is to secure all materials, supplies, equipment and other items necessary for operation of the District at the most reasonable cost. Purchases of single items, items purchased in aggregate for a single project or contracted project work costing less than the current legal competitive bid limit may be made on the open market without calling for bids. District staff is encouraged to solicit vendors for competitive quotes when at all possible.

Tuolumne City Sanitary District Regular Meeting

November 3, 2026

AGENDA SUPPORTING DATA

AGENDA ITEM: 4C

Subject: Repeal Policy 3042 – Employment of Outside Contractors and Consultants
From: Tom Trott, General Manager

Background:

Policy 3042 (Employment of Outside Contractors and Consultants) was adopted on November 4, 2014, for the purpose of obtaining contractors and consultants to provide services on District projects. Staff recommend that Policy 3042 be repealed because it conflicts with other District policy, the District's Informal Bidding Ordinance through the Uniform Public Construction Cost Accounting Act (UPCCAA), and current law.

The previous item on the Board's October 6, 2026, agenda includes consideration to adopt revisions to District Policy 3040 (Purchasing and Expense Authorization). The proposed Policy 3040 revisions include requirements for contracting with contractors and consultants that align with current law and District ordinance. If Policy 3040 revisions are adopted, Policy 3042 becomes obsolete and needs to be repealed.

Fiscal Impact:

None.

Attachments:

Policy 3042 – Employment of Outside Contractors and Consultants

Recommended Motion:

Repeal Policy 3042 – Employment of Outside Contractors and Consultants.

Resolution No.	Moved by:	Second by:
AYES:	NOES:	ABSTAINED:
ABSENT:	No Action Taken	

TUOLUMNE CITY SANITARY DISTRICT
Policy and Procedure Manual

POLICY TITLE: **Employment of Outside Contractors and Consultants**

POLICY NUMBER: **3042**

ADOPTED: **November 4, 2015**

AMENDED:

The District may employ outside contractors or consultants for construction or engineering projects, legal counsel, management consulting, research, rate establishment, grant writing, special projects or for auditing purposes. Construction contracting procedures are typically contained in District policy, California Public Contract Code and related laws. Consultants are hired to perform essential District functions and needed projects on behalf of the District where specialized skills and experience are needed and regular employment of persons with those specialized attributes is not cost effective or feasible.

The District's selection procedure is as follows:

Construction projects - Will be conducted in accordance with District policy including the Uniform Construction Cost Accounting Act as appropriate, and law.

1. The District's standard form of construction agreement shall be used for all projects.
2. The Board of Directors must approve projects estimated to cost in excess of \$20,000 by separate action prior to their construction.
3. The General Manager is authorized to proceed with project construction and execute the agreement with the contractor if contained within the approved annual budget and costing less than \$20,000.

Consulting Projects - Consultants will be selected by the Board of Directors and required to execute the District General Services Agreement. The Board of Directors will make its selection based on the consultant's experience, qualifications, scope of work and District need. The consultant will be required to create a cost estimate for their services as a lump sum or time and materials as directed by the District, and that estimate will be used to negotiate a final consulting contract and cost.

1. The Consultant's Scope of Work and fee shall be in writing and attached to the general services agreement. A separate Board of Directors approved scope of work shall be prepared for each consulting project or task assigned and estimated to cost in excess of \$5000.
2. In general, if the consultant is working on a project initiated by the Board of Directors, the Board shall direct the consultant's work unless delegated to staff. All individual Board member contact with consultants shall only be as directed by the full Board.
3. Consulting work of an ongoing and varying nature, funding for which is contained within the annual budget and not related to a specific Board initiated project, shall be engaged by the General Manager, Chief Plant Operator and/or the Office Manager. A monthly report shall be provided to the Board of such ongoing consulting work performed, and its cost.

Tuolumne City Sanitary District Regular Meeting

November 3, 2026

AGENDA SUPPORTING DATA

AGENDA ITEM: 4D

Subject: Revise Policy 3085 – Disposal of Surplus Vehicles and Equipment
From: Tom Trott, General Manager

Background:

Policy 3085 (Disposal of Surplus Vehicles and Equipment) was adopted on December 4, 2014, for the purpose of disposing District vehicles and equipment that are no longer needed or useful to the District. The current version of Policy 3085 specifies requirements that limit the District's ability to efficiently dispose of surplus property, including:

- All equipment and vehicles must be declared surplus by the Board before being disposed of, even if they have little or no value. This requires the Board focus on menial items instead of policy and material financial oversight and creates extra work for staff without good purpose.
- The method of disposing surplus items is restricted to one method - a sealed bid process. This process is sometimes the best process for disposal, but it is also labor-intensive and not always the most profitable or most efficient process.

The proposed revisions to Policy 3085, generally include:

- Authorizes for the General Manager to declare items as surplus if valued at less than \$5,000, enabling staff to efficiently dispose of immaterial property without Board approval.
- Requires of Board approval to declare items as surplus if valued at more than \$5,000, giving Board oversight of more financially material decisions.
- Significantly expands the methods of disposal, enabling staff to select the disposal method that is most efficient and provides the greatest benefit to the District.

Fiscal Impact:

Approval will result in staff labor savings and likely greater profit realized from disposal of property.

Attachments:

- Revised Policy 3085 – Disposal of Surplus Vehicles and Equipment
- Current Policy 3085 – Disposal of Surplus Vehicles and Equipment

Recommended Motion:

Adopt revised Policy 3085 – Disposal of Surplus Vehicles and Equipment.

Resolution No.	Moved by:	Second by:
AYES:	NOES:	ABSTAINED:
ABSENT:	No Action Taken	

TUOLUMNE CITY SANITARY DISTRICT
Policy and Procedure Manual

POLICY TITLE: Disposal of Surplus Property or Equipment

POLICY NUMBER: 3085

ADOPTED: December 3, 2014

AMENDED: November 3, 2026

3085.10 PURPOSE

This policy sets forth requirements for disposal of District property or equipment (other than real property) that is declared surplus for reasons such as age, condition, replacement by newer equipment, and/or limited usefulness to District operations. The term "Surplus Property" is defined as any property or equipment (other than real property) that is serviceable and valuable, but is no longer needed or useable by the District.

3085.20 AUTHORIZATION

On an as needed basis, the General Manager, or designee, will review the District's property and equipment and determine if any of it classifies as Surplus Property. Any Surplus Property with an estimated fair market unit value, as determined by the General Manager, of \$5,000 or greater, must be declared surplus by the District Board of Directors prior to disposal of the property. All other property or equipment may be declared surplus by the General Manager at any time. The General Manager is authorized to sign bills of sale and any other documents evidencing the transfer of title of Surplus Property by and on behalf of the District.

3085.30 METHODS OF DISPOSAL

The General Manager will be responsible for determining which of the following disposal methods best serves the District's needs:

1. **Trade In** – Surplus Property may be offered as a trade-in for credit toward the acquisition of new property. All trade-in offers will be submitted for review and approval by the General Manager.
2. **Return to Manufacturer** – Surplus Property may, where possible, be returned to the manufacturer for buy-back or credit toward the purchase of new property.
3. **Sale** – The District may offer Surplus Property for sale "as-is" and "where-is" with no warranty, guarantee, or representation of any kind, expressed or implied, as to the condition, utility, or usability of the property offered for sale. Appropriate methods of sale are as follows:

- A. Public Auction – Surplus Property may be sold at public auction. The District may contract with a professional auction company for these services.
 - B. Sealed Bids – Sealed bids may be solicited for the sale of Surplus Property. A sealed bid sale is open to all interested parties, including District personnel (if they did not participate in the decision to dispose of the item or items). District may set a minimum bid price that will be accepted. Sealed bid sales notices will be advertised for a minimum of two weeks in a manner, determined by the General Manager, that reasonably maximizes the number of people notified. Notice will set bid opening time, bid deadline and address of the District office. Surplus Property disposed of in this manner shall be sold to the highest responsive bidder.
 - C. Best Offer Sale - Surplus Property may be sold for best offer or any reasonable offer. To verify that an offer is reasonable, the General Manager may require an estimation of the property's market value through a reputable evaluation company or website or documentation of other similar property for sale.
 - D. Negotiated Sale – Surplus Property may be sold directly to a purchaser if it is determined that only one known buyer is available or interested in acquiring the property. General Manager may require an estimation of property's market value prior to accepting a negotiated offer.
 - E. Selling for Scrap – Surplus Property with a minimal fair market value may be sold as scrap.
- 4. Donation or Disposal** – If the District is unable to sell Surplus Property by any of the above methods or if the cost of locating a buyer exceeds the estimated sale price of surplus property, the property may be donated to other government entities that may have a need for the item or to a charitable organization; or it can be recycled, destroyed or disposed of as junk.

3085.40 PROCEEDS

All sales of Surplus Property shall be paid to the District by certified check, money order, or in a manner agreeable to the General Manager. If it is determined to be in the best interest of the District, the General Manager may accept payment for Surplus Property in the form of services or equipment with a value equal to the sales price. Any such alternate forms of payment shall be documented with a written agreement.

TUOLUMNE CITY SANITARY DISTRICT
Policy and Procedure Manual

POLICY TITLE: Disposal of Surplus Vehicles and Equipment
POLICY NUMBER: 3085
ADOPTED: December 3, 2014
AMENDED:

3085.1 Sale of Surplus Vehicles and Equipment

3085.1.1 District staff identifies vehicles and equipment that are no longer needed in the course of business. This equipment is identified by make, model, year and other identifying features and listed for presentation to the Board of Directors.

3085.1.2 The District Board of Directors takes action to declare the vehicles and equipment as surplus.

3085.1.3 Items are advertised for sale with notation of location/hours/days they can be seen and deadline date for submission of sealed bids (advertisement also notes that District reserves the right to reject any or all bids, equipment sold AS IS, unless a specific warranty is offered by others and extends to new owners)

3085.1.4 Sealed bids are opened by the District Secretary and the surplus vehicles/equipment will be sold to the highest bidder. The District reserves the right to reject all bids if no bids are received within the apparent value of the items offered, in the sole opinion of the District.

3085.1.5 Bidders are notified of the District's action.

3085.1.6 If the District receives no bids, the Secretary or General Manager may dispose of the items in any legal manner.

3085.1.7 Junked Certificates are obtained for vehicles that can not pass a smog test without significant repairs.

Tuolumne City Sanitary District Regular Meeting

November 3, 2026

AGENDA SUPPORTING DATA

AGENDA ITEM: 4E

Subject: Adopt Resolution No. 2026-08 – Budget Adjustment for Wave Ox System
From: Tom Trott, General Manager

Background:

The Regional Water Quality Control Board updated the District's Waste Discharge Requirements (WDR) in 2019 to include pH limits for its effluent storage reservoir. After observing pH levels that exceeded these limits, the District hired Carollo Engineers to complete a Reservoir pH Study Report. The report, completed in July 2025, included analysis of two years of pH sampling, investigation of alternatives and a recommended solution to ensure compliance with the updated WDR pH limits.

The report recommends that the District modify its existing Parkson Biolac single basin BOD removal and nitrification treatment system to incorporate a Parkson Wave Ox system at an approximate cost of \$190,000. The Wave Ox system is a highly efficient biological nutrient removal and denitrification treatment system that uses the existing Biolac system and adds motor operators and a control system to existing diffuser string control valves. The system cycles aeration on and off to create alternating aerobic/anoxic conditions within the basin to effect denitrification. District staff have already made preliminary improvements to facilitate the conversion to the Wave Ox system.

Incorporating the Wave Ox treatment system not only enables the District to meet its WDR pH requirements, its efficient denitrification eliminates the need to add caustic soda to plant influent and significantly reduces aeration air blower electrical needs. These efficiencies save approximately \$56,000 annually - \$48,000 for caustic soda and \$8,000 for electricity. In other words, the project will pay for itself in about 3.5 years and then result in operational savings thereafter.

Fiscal Impact:

Approval of the budget adjustment will increase Fiscal Year 2026-27 Capital Outlay expenses by \$190,000. These costs are recommended to be offset by utilizing \$105,000 in revenue currently budgeted to go to the Property Tax Reserve (current balance \$1.22 million) and \$85,000 from the WWTP Replacement Reserve (current balance \$500,000). Budgeted operational expenses for electricity and caustic soda are not proposed to be adjusted at this time.

Attachments:

- Resolution 2026-08 – Approving a Fiscal Year 2026-27 Budget Adjustment for Wave Ox System

Recommended Motion:

Adopt Resolution 2026-08 – Approving a Fiscal Year 2026-27 Budget Adjustment for Wave Ox System.

Resolution No.	Moved by:	Second by:
AYES:	NOES:	ABSTAINED:
ABSENT:	No Action Taken	

**TUOLUMNE CITY SANITARY DISTRICT
RESOLUTION NO. 2026-08**

**APPROVING A FISCAL YEAR 2026-27 BUDGET ADJUSTMENT FOR WAVE
OX TREATMENT SYSTEM CONVERSION**

WHEREAS, the Regional Water Quality Control Board updated the Waste Discharge Requirements (WDR) for the Tuolumne City Sanitary District (District) on June 6, 2019; and

WHEREAS, the updated WDR included pH limits for the District's effluent storage reservoir; and

WHEREAS, after observing pH levels that exceeded the WDR's limits, the District hire Carollo Engineers to analyze two years of pH sampling, investigate alternatives and recommend a solution; and

WHEREAS, the resulting Reservoir pH Study Report, completed in July 2025, recommended converting the District's existing Parkson Biolac treatment system to a Parkson Wave Ox treatment system, a highly efficient denitrification system, to keep effluent reservoir pH levels within WDR limits; and

WHEREAS, conversion to the Wave Ox system maintains compatibility with existing wastewater treatment plant design, processes and equipment because it only involves modifying the existing Biolac system with valves, motor operators and controls, instead of constructing a major wastewater treatment plant retrofit; and

WHEREAS, the Board finds that the proprietary Parkson Wave Ox system is necessary to match existing treatment equipment and that its proprietary equipment and controls are available only from Parkson Corporation, justifying a sole source specification pursuant to California Public Contract Code Section 34000(c)(2) and (3); and

WHEREAS, conversion of the Biolac system to a Wave Ox system will eliminate the need for caustic soda and reduce electricity needs, resulting in an annual estimated operational savings of \$56,000; and

WHEREAS, the estimated \$190,000 cost of converting the existing system to a Wave Ox system is not included in the Fiscal Year (FY) 2026-27 Budget; and

WHEREAS, it is necessary to adjust the FY 2026-27 Budget to complete the Wave Ox treatment system conversion.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Tuolumne City Sanitary District that the FY 2026-27 Budget be adjusted as follows:

1. A “Wave Ox Treatment System” Capital Outlay Project budget item be added in the amount of \$190,000; and
2. The “Transfer to Property Tax Revenue” Non-Operating Expense budget item be reduced by \$105,000, from \$105,000 to \$0; and
3. The “Transfer from Reserves” Non-Operating Revenue budget item be increased by \$85,000, from \$141,413 to \$226,413.

PASSED AND ADOPTED at a Regular Meeting of the Governing Board of TUOLUMNE CITY SANITARY DISTRICT held November 3, 2026, by the following vote:

AYES:

NOES:

ABSTAINED:

ABSENT:

ATTEST:

John Feriani, Board President

Brenda Bonillo, District Secretary

TCSD CPO Monthly Operation/Maintenance Report October 2026

General Plant Operation/Maintenance

- Daily plant maintenance/housekeeping
- Daily/Monthly/Semi-Annual sampling and reporting
- Data collecting/recording /reporting
- SCADA monitoring
- Compliance enforcement
- Equipment cleaning/maintenance/calibrating
- Exercise equipment/valves
- SSO prevention
- Safety enforcement/prevention is performed daily through a facility safety walk and regular inspections

Safety Report

- Operators reviewed a safety flyer on Earthquake Readiness on October 2nd.

Call out/Plug up/Spill/Collection System

Multiple USAN line location and markings were performed.

- No call-outs occurred in the month of October.
- The new flail mower attachment for the mini excavator was used to clear a sewer easement for maintenance access. This tool is becoming an important asset in maintaining the collection system.
- Damaged Asbestos Cement Pipe (ACP) removed from two previous repairs was transported to the Waste Management Altamont Landfill. It is worth noting the high costs of disposing ACP for future costs associated when renovating the Apple Colony Basin.

Lift Station(s)

Daily Apple Colony lift station inspections performed as required by SDRMA

- Apple Colony: Nothing to report

Plant Operations

Additional activity performed at the Plant, above and beyond daily general operations and maintenance

TCSD CPO Monthly Operation/Maintenance Report

October 2026

- An annual fire inspection with the Tuolumne Fire Department took place on October 14th. No issues were found.
- The emergency backup generator fuel tank was topped off in preparation for the forecasted Super El Niño. The next week we experienced the widespread PSPS, beginning at 9:52pm on October 14th. This was the first time an on-call operator was able to remotely view the treatment process to verify all systems operating normally instead of having to respond to the WWTP. This was one of the main goals in the SCADA Project.
- Included in the SCADA Project was replacing a failed automated valve that operates daily. This valve has now failed, and we are looking at it being replaced under warranty. Until then, operators must operate another valve manually on a daily basis.
- Employee Colton McMullen's last day of employment was on October 13th. Two licensed Grade-II applicants were interviewed on October 27th. The applicant selected, John Ogle, had the most experience and was able to immediately begin employment. John is expected to begin working in the beginning of November.
- Someone was found prospecting in Turnback Creek around the WWTP entrance bridge. Surveillance cameras also recorded one to two people in the creek in the middle of the night on multiple occasions. In a conversation with the prospector, he was told he would be allowed to cross District property to access the creek if:
 1. Does not use the District owned light next to the lift station
 2. Does not disturb riprap under or around the bridge
 3. Left no trash in the area

Just prior to an incoming storm, tarps and other debris were found left in the dried creek bed. The items were cleaned up, fearing they would get washed away. In another conversation with the prospector, he was told that he failed to meet the conditions of the agreement and can no longer access the creek through District property. The incident was reported to the Sheriff's Office.

Bakers Reservoir and Dam/Outfall line

- Reservoir freeboard was recorded at 31.2 feet on October 27th.
- Reservoir pH that exceeded the 9.0 limitation on July 28 fell back into the normal range on October 20th. Operators have now gone back to weekly pH monitoring per the WDR.

End of Report

Ben Kikugawa, CPO/LRO

October 29, 2026

Primary Focus - October

The Board approved the General Manager's recommended priorities at the October 6th Board meeting. While there were a variety of normal operational and administrative tasks completed, October's primary focus was on completion of the following urgent and high priority items:

- Urgent: Wastewater Operator Recruitment
- Urgent: SSMP Update
- High Priority: Purchasing Policy
- High Priority: UPCCAA Informal Bidding Ordinance Update
- High Priority: Waste Discharge Requirement – pH violations

General Manager Assistance Summary

October Hours: 37

Average Hours/Week – October: 9.25

Average Hours/Week – Overall: 9.81

Noteworthy Activities

- **Wastewater Operator Vacancy/Recruitment**
 - Reviewed applications and evaluated options for OIT vs. Grade 2 Operator.
 - Conducted interviews and made a conditional offer to a Grade 2 Operator.
- **Sewer System Management Plan (SSMP) Update**
 - Initiated review and update of the SSMP.
- **UPCCAA Informal Bidding Ordinance & Purchasing Policy Update**
 - Updated the Informal Bidding Ordinance to match law and improve efficiency.
 - Updated the Purchasing Policy to match the ordinance and law and to provide better flexibility and accountability.
- **Waste Discharge Permit – pH Violation Solution**
 - Researched denitrification solutions, updated bidding to enable more efficient delivery of project and proposed budget adjustment to perform project.
- **Fiscal Year 2025-26 Audit**
 - Brenda worked with auditor to complete the audit review.
- **Regional Sewer Advisory Committee (RSAC)**
 - Tom, Ben and John attended the RSAC to coordinate and collaborate with other Tuolumne County wastewater agencies.