

HILMAR COUNTY WATER DISTRICT
BOARD OF DIRECTORS MEETING
July 5, 2022

Members Present – Jim Jones, Frank Hilliard, David Anderson, Jim Gerdes and David Alvares.

Members Absent – None.

Public in Attendance – None.

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Action Items

A motion to approve the Consent Items was made by Jim Gerdes and seconded by David Anderson. Motion passed 5-0.

A motion to approve Bills Payable: July 2022 was made by Jim Gerdes and seconded by David Anderson. Motion passed 5-0.

A motion to approve the extension of the Conditional Can and Will Serve Letter for 19465 American Avenue (Edward R. Ellington and Barbara J. Ellington) was made by Jim Gerdes and seconded by David Anderson. Motion passed 5-0.

A motion to approve the extension of the Conditional Can and Will Serve Letter for Poquito Lakes Project (Poquito Lakes – JKB Homes) was made by Jim Gerdes and seconded by David Anderson. Motion passed 5-0.

A motion to adopt Resolution No. 552: A Resolution Amending and Restating the District’s Conflict of Interest Code for Designated Employees, Which Incorporates by Reference the Fair Political Practices Commission’s Standard Model Conflict of Interest Code and Designating Employees Who Must Disclose, and Categories of Disclosure was made by Jim Gerdes and seconded by David Anderson. Motion passed 5-0.

A motion to adopt Resolution No. 553: A Resolution Adopting Budget for 2022/2023 Fiscal Year was made by Jim Gerdes and seconded by David Alvares. Motion passed 5-0.

A motion to table Action F – to consider approval of SCADA System Implementation Project Contract with Waterworks Technology, Inc. was made by Jim Gerdes and seconded by Frank Hilliard. Motion passed 5-0.

Meeting – 07/05/22
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The meeting was called to order at 5:31 p.m. by President Jim Jones.

Consent Items – A motion was made and seconded to approve the Consent Items.

Public Forum – None.

District Manager's Report –

Curtis reported we pumped a total of 36.499MG and billed for 35.57MG thus reflecting 2.6% water loss. Due to the holiday, the last lab result of TSS and BOD were not available. Looking at the results we did have, it looks like the TSS and BOD would be above the State standard. Jonathon did have a conversation with a representative from Aquafix regarding our TSS and BOD results. We have ordered product from Aquafix to use in the decant process. This product will be part of a research study with Aquafix. After six months, we will receive 50% back as a credit for the cost of the product. Aquafix has been a good partner. The average flow at the WWTF was .306MG and the max flow was .335MG and the total flow was 9.145MG for the month.

Curtis reported he will be conducting employee reviews. He will be getting together with Cody first and have him be part of the review for Jeff and Zac.

Dina Borges reminded the Board, the filing period for the November election is July 18th to August 12th.

Director Reports – Mr. Hilliard inquired if the district had any response to the notice that was mailed with the June billing statements, regarding the LIHWAP, the federally funded program that offers low-income households a one-time payment to help pay outstanding bills for residential water or wastewater costs. Dina Borges stated she had one customer inquire, even before the notices were sent out. The program is handled through Merced County Community Agency and the district is registered to be able to accept payments through LIHWAP.

Public Hearing for Adoption of Proposed District Budget for the 2022/2023 Fiscal Year.

The Public Hearing was called to order at 5:44 p.m.

The Public Hearing to adopt the proposed District Budget for 2022/2023 fiscal year has been legally noticed in the Hilmar Times and posted at the three sites in Hilmar. We received no written comments and there was no public in attendance. The Public Hearing was closed at 5:45 p.m.

Action Items –

- A) The bills that are due to be paid in July were presented. A motion was made and seconded to pay the bills presented.
- B) The Conditional Can and Will Serve Letter for 19465 American Avenue (Edward R. Ellington and Barbara J. Ellington) was presented and a motion was made and seconded to extend the Conditional Can and Will Serve Letter.
- C) The Conditional Can and Will Serve Letter for Poquito Lakes Project (Poquito Lakes – JKB Homes) was presented and a motion was made and seconded to extend the Conditional Can and Will Serve Letter.
- D) Resolution No. 552, a Resolution Amending and Restating the District's Conflict of Interest Code for Designated Employees, Which Incorporates by Reference the Fair Political Practices Commission's Standard Model Conflict of Interest Code and Designating Employees Who Must Disclose and Categories of Disclosure was presented and a motion was made and seconded to adopt Resolution No. 552.

E) Curtis presented Resolution No. 553, a Resolution Adopting Budget for 2022/2023 Fiscal Year. Curtis also presented the guidelines and assumptions list used to develop the 2022/2023 Budget.

- Based on the 2021 Rate Study previously conducted and subsequent Proposition 218 process, rates will be adjusted according to the chart listed in Appendix A included in the packet.
- Continue to maintain our status as a disadvantaged community. This includes updating the Median Household Income Study by Spring of 2023.
- Fully Fund all Capital Improvement Projects for the current Fiscal Year, as well as previous Fiscal Years, as authorized by the Board of Directors.
- Begin funding all reserve accounts based on the details outlined in the District's 2021 Rate Study document.
- Include adjustments to the salary and benefits of all District employees including the following specific updates:
 - Maintain the current staffing levels for the upcoming fiscal year.
 - Cost of living adjustment based on the rate determined by the Social Security Administration.
 - Individual adjustments based on previous fiscal year performance and effort.
 - Adjustment to the retirement contribution formula by the District, specifically moving from a 7% to a 9.5% contribution. This will allow us to remain competitive with other public agencies that participate in retirement programs such as CalPERS (13%) and CalSTRS (14%) but also allow us to maintain financial flexibility.
- Commit to reduce/eliminate deficit spending.
- Continue to maximize all funding sources (applying for grants and other one-time funds).
- Continue management techniques to maximize efficiencies.

Curtis stated the budget does reflect an increase in the rate of pay for the Board Members. Curtis went over the District Accounts sheet and went over the Reserve Account breakdown. The new format reflects the reserve target of 50% of fiscal year expenditures per the rate study. Mr. Alvares inquired if the District is still looking at purchasing the crane truck as stated on the budget. Curtis did state we do plan to purchase the crane truck. There is interest from the field staff to get Class A driving license. The plan would be to keep the crane truck at the WWTP and utilizing it there. A motion was made and seconded to adopt Resolution No. 553.

F) Curtis presented the full proposal of the SCADA System Implementation Project. The one cost listed on the proposal, that Curtis did not anticipate being so costly, is the annual cost of \$80,000.00. There were various questions as to what is included in the annual cost. Other than monitoring the system, does it cover maintenance, is the rate locked in and if so, for how long? Mr. Hilliard would like clarification as to what is the full benefit of the annual

cost. Mr. Gerdes asked, once the system is installed and we find staff can maintain the system without the support of Waterworks Technology, can we back out? Mr. Anderson stated he appreciates all the concerns from the Board members and just hopes we don't repeat history as this project was rejected various years ago because of the cost of the project and just look at how much it now costs. Unfortunately, things just keep getting more and more expensive. He looks forward to getting answers to all questions presented to Curtis. Curtis will contact the representative from Waterworks and work on getting the breakdown of the annual cost and get answers to all the questions brought up tonight. A motion was made and seconded to table this item.

Discussion Items –

A motion was made and seconded to table this item as additional information was not received from 120Water regarding the revised lead & copper rule inventory services.

Closed Session –

The Directors Convened to Closed Session at 6:34 p.m. to conference regarding the Existing Litigation (Government Code Section 54956.9(a)). Name of Case: Hilmar County Water District v. The Dow Chemical Company, et al.

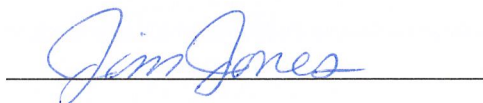
Directors returned to Open Session at 6:35 p.m. the Board was updated on the status of the litigation.

There being no further business the meeting was adjourned at 6:36 p.m.

Respectfully Submitted,



Approved by:



Board Member



Date