

HILMAR COUNTY WATER DISTRICT
BOARD OF DIRECTORS MEETING
June 7, 2022

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

Members Absent – Jim Gerdes.

Public in Attendance – None.

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Action Items

A motion to approve the Consent Items was made by David Anderson and seconded by Frank Hilliard. Motion passed 3-0. Mr. Alvares arrived at 5:32 p.m. after the motion was made.

A motion to approve Bills Payable: June 2022 was made by Frank Hilliard and seconded by David Alvares. Motion passed 4-0.

A motion to approve the extension of the Conditional Can and Will Serve Letter for Bloss Cove Project (Bloss Cove Estates Inc.-Ramson Piro) was made by Frank Hilliard and seconded by David Alvares. Motion passed 4-0.

A motion to approve the extension of the Conditional Can and Will Serve Letter for Estrada Project (Christopher and Flora Estrada) was made by Frank Hilliard and seconded by David Anderson. Motion passed 4-0.

A motion to adopt Resolution No. 549: A Resolution of Intent to Adopt Budget for 2022/2023 Fiscal Year & Calling a Public Hearing Thereon was made by David Anderson and seconded by David Alvares. Motion passed 4-0.

A motion to adopt Resolution No. 550: A Resolution Implementing Annual Adjustment to Facilities Fees, Capital Improvement Fees, Drainage Impact Fees, and Inspection Fees Pursuant to Ordinances Set Forth in Title Four of the Hilmar County Water District Code was made by David Alvares and seconded by Frank Hilliard. Motion passed 4-0.

A motion to adopt Resolution No. 551: A Resolution Calling for an Election for Certain Members of the Board of Directors and Designating Election Procedures for Coordination with Merced County Elections Department was made by David Anderson and seconded by David Alvares. Motion passed 4-0.

Meeting – 06/07/22
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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 32.849MG and billed for 29.18MG thus reflecting 11.2% water loss. TSS was 52.50mg/L and BOD was 95.5mg/L. We are working with our current chemical company to use products that will assist with bringing the TSS and BOD results down. We continue to provide updates to the State.

The average flow at the WWTF was .336MG and the max flow was .431MG and the total was 10.358MG for the month.

Curtis provided a breakdown of the dollar amount billed and received for May 2022 and compared the amount billed for the prior year. The month of May did reflect an increase of about \$9,200.00 compared to 2021. The adjusted rates are following the trends presented when they were studied.

Curtis informed the Board that Zac Vasquez passed his Water Distribution Grade 1 test. Congratulations to Zac on a job well done.

Curtis reported the annual Consumer Confidence Report was mailed with the May billing statements along with the annual notice of the rate adjustments effective July 1st.

Curtis stated, the tri-annual lead and copper testing will be conducted this summer. This year's sampling process will be the same as in the past years. Going forward, we will have a new process for lead and copper testing. We will have to inventory our system and replace anything that's galvanized. The sampling process will get more technical. More information to come regarding these changes.

Curtis informed the Board that Waterworks Technology, Inc. will be onsite June 8th & 9th to do their SCADA project site evaluation. They will provide a final figure once they complete their evaluation. Curtis has requested they submit a phasing breakdown if the Board were to have the project done in phases based on the final figure. We will not be receiving any funds from the WaterSMART grant.

Curtis reported he requested all employees to complete an employee self-evaluation and have it turned in by June 1st. He uses this as a tool to complete the annual evaluations. Curtis will be working with Cody on his managerial roll in the upcoming year.

Curtis informed the Board he participated in a headworks demonstration at the WWTF. It was a great demonstration. Our current grinders are becoming obsolete. He will be working on getting more information and the possibility of grant opportunities.

Director Reports – None

Action Items –

- A) The bills that are due to be paid in June were presented. A motion was made and seconded to pay the bills presented.
- B) Curtis presented the request to extend the Conditional Can and Will Serve Letter for Bloss Cove Project (Bloss Cove Estates Inc.-Ramson Piro). We did receive the request to extend the CC&W Serve Letter. This project is for 94 lots and it's located on the southside of Bloss Avenue. Mr. Piro does a very good job of contacting the District to see how things are going regarding the water situation. Based on the Districts current water situation, staff

recommends approving the Conditional Can and Will Serve Letter for 12 months. A motion was made and seconded to extend the Conditional Can and Will Serve Letter.

- C) Curtis presented the request to extend the Conditional Can and Will Serve Letter for Estrada Project (Christopher and Flora Estrada). This project consists of one water and one sewer connection at the southern end of our service connection. We believe the connections can be made, but it will require addition costs for the owner. Staff recommends approving the Conditional Can and Will Serve Letter for 12 months. A motion was made and seconded to extend the Conditional Can and Will Serve Letter.
- D) Curtis presented Resolution No. 549, a Resolution of Intent to Adopt Budget for 2022/2023 Fiscal Year & Calling a Public Hearing Thereon. This resolution calls for a public meeting at the July 5th board meeting before adopting the 2022/2023 fiscal year budget. A motion was made and seconded to adopt Resolution No. 549.
- E) Curtis presented Resolution No. 550, a Resolution Implementing Annual Adjustment to Facilities Fees, Capital Improvement Fees, Drainage Impact Fees, and Inspection Fees Pursuant to Ordinances Set Forth in Title Four of the Hilmar County Water District Code. This is the annual adjustment to our fees relating to development based on the Building Cost Index. This year's increase will be 13.4%. A motion was made and seconded to adopt Resolution No. 550.
- F) Curtis presented Resolution No. 551, a Resolution Calling for an Election for Certain Members of the Board of Directors and Designating Election Procedures for Coordination with Merced County Elections Department. Mr. David Anderson, Mr. Jim Gerdes, and Mr. Frank Hilliard are up for election. Merced County requires we have a resolution calling for an election. A motion was made and seconded to approve Resolution No. 551.

Discussion Items –

- A) Curtis presented the second draft of the 2022/2023 budget. We are currently over budget by approximately \$23,000.00 on the operating expenditures. Recent inflation, other cost increases, system maintenance are the biggest reasons. Revenues are coming in lower by approximately \$20,000.00. This was not our hope. For the FY 2022-2023, it will be the first full year of the new rate structure. Based on the proposed budget we are currently looking at being in the black around 2.3%. With plans in place and our direction more clearly defined, we can chase down more grant opportunities. The current grant potential - Small Communities Grant – for the tank and transmission main. Hope to have a response in July. The HVIP & SJVAPCD Public Benefit – new electric van for the inspection equipment. Curtis stated he had a conversation with a representative from USDA and we now are eligible for grants through USDA. He also met with the Ferguson Group, they work with the National Special District Association and the local Special Districts Association. They discussed exploring grant options. From the revenue standpoint for the FY 2022-2023, we are looking at a proposed total revenue of \$1,888,250.00 and a proposed total operating expenditure of \$1,845,925.00. The expenditures do reflect salary increases based on COLA and performance increases.
- B) Curtis informed the Board the candidate filing forms must be picked up by the candidate from the Registrar of Voters and Elections Office, 2222 M Street, Merced, during the filing period:

Monday, July 18, 2022 through Friday, August 12, 2022. Election day is November 8th. Mr. Alvares' tentative moving date is the weekend of July 9th and July 10th. He will give official notice at that time. We will then place advertisement of the vacancy and potential candidate interviews will be scheduled after the position is officially vacated. The Board will need to appoint a candidate within 60 days of the vacancy. This would be September 7th or 8th. Our regular September board meeting is scheduled for September 6th.

Closed Session –

The Directors Convened to Closed Session at 6:29 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 6:34 p.m. Board was update on the status of the litigation.

There being no further business the meeting was adjourned at 6:34 p.m.

Respectfully Submitted,



Approved by:



Board Member



Date