

HILMAR COUNTY WATER DISTRICT  
BOARD OF DIRECTORS SPECIAL MEETING  
March 23, 2021

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

Members absent – None.

Public in Attendance – None.

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**Action Items**

A motion to table Action Item 4 a) Approve the Revised Preliminary Rate Study Analysis was made by Jim Gerdes and seconded by David Anderson. Motion passed 5-0.

**Meeting – 03/23/21**  
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The meeting was called to order at 5:30 p.m. by President Jim Jones.

Public Forum – None.

**District Manager’s Report –**

Curtis Jorritsma reported the State announced testing for operators will be computer based. Operators will be able to test more frequently, in place of just 2 times a year, once in the Spring and once in the Fall. The State will start this process on April 1<sup>st</sup>.

Curtis informed the Board he had a pre-meeting this morning with California Special District Association (CSDA), in regards to make a big push with the Governor’s Office for Special Districts to receive Covid-19 funding. The State has received funds and nothing has been allocated to Special Districts. There’s a scheduled call to Assembly member Anna Caballero on Thursday, March 25<sup>th</sup>. CSDA is seeking 2.9 billion dollars.

**Action Items –**

- A) Curtis presented the revised preliminary rate study analysis to the Board. Curtis has been working with Clayton Tuckfield in putting the rate study together. At the last meeting, after presenting the preliminary rate study analysis, it was requested by the Board to look at the wastewater projects and possibly push out projects in order to not reflect a 40% rate increase the first year. Curtis went over the updated analysis. The rate study objectives – Evaluate sufficiency of revenues to meet future obligations, develop five-year financial plans to fund Operation and Maintenance expense, the Capital Improvement Program, new debt service, and reserves, create schedules of water and wastewater rates. The rate study assumptions are based on number of increased residential customers, interest earnings on cash reserves, inflation rates, new debt interest rate, and the rates developed in the Study

are to fund the CIP as provided. Going over the reserve policy, the District currently has a sewer, water and storm drain replacement account. The District does not have enough funds based on the reserve target on the analysis. Reserves would support a catastrophic event. The rate study needs to establish what reserves should look like. Curtis informed the Board, the Water Capital Improvement Spending breakdown has not changed from the March 2<sup>nd</sup> meeting. Based on the projects listed, the water annual increases are looking to be 10% each year thru 2025-2026. The Board had a lengthy discussion regarding readjusting the projects listed. It was determined, the storage tank is the most critical project and it needs to include treatment options and have the CIP schedule adjusted. The question was brought up by Mr. Alvares, if the District has looked into the options of joining the Stanislaus Regional Water Authority. Curtis replied, the District has been approached in the past to invest into the infrastructure of the water treatment plant and did not commit to join. Curtis presented the previous version and current version of the Sewer Capital Improvement Spending breakdowns. By pushing the projects out by a year the revised annual increases reflect a 13% annual increase thru 2025-2026. Our goal, as a District, is to provide water and sewer services. Curtis clarified the following: The Board is okay with delaying the entire sewer CIP by one year and have the sewer rates increase annually by 13% for 5 years. Clearly define the reserves. Have the water tank project move to FY 22-23 and adjust to include options of treatments and push out the other water CIP projects and see what the increase will look like. Curtis will be in contact with Clayton and have him provide a revised rate study analysis reflecting the changes discussed this evening. Curtis will schedule a special meeting before the April 6<sup>th</sup> meeting to go over the revised rate study analysis based on the changes requested by the Board tonight. A motion was made and seconded to table this item and the Board gave staff additional direction with the rate study analysis.

**Director Reports – None**

There being no further business the meeting was adjourned at 7:08 p.m.

Respectfully Submitted,



Approved by:



Board Member



Date