

**HILMAR COUNTY WATER DISTRICT**

**RESOLUTION NO. 562**

**July 5, 2023**

**RESOLUTION ADOPTING BUDGET FOR  
2023-2024 FISCAL YEAR**

The Board of Directors of the HILMAR COUNTY WATER DISTRICT hereby adopts the following findings and resolutions:

WHEREAS, at its regular meeting on June 6, 2023, the Board of Directors of the Hilmar County Water District adopted Resolution No. 561, expressing its intent to adopt the proposed budget attached thereto for the 2023-2024 fiscal year, which had been prepared by the District manager and presented to the Board of Directors;

WHEREAS, said Resolution called for a public hearing thereon;

WHEREAS, notice of public hearing was duly published and posted as required in the manner set forth in said Resolution and is required by law and said proposed budget has been made available to the public at the District's office during regular business hours;

WHEREAS, the public hearing was duly held at the prescribed time and the Board of Directors were available to receive comments from the general public and to respond to questions during said public hearing, although no comments were received from the general public; and

WHEREAS, subsequent to said public hearing, the Board has determined that it is in the best interest of the District to adopt the proposed budget as the 2023-2024 fiscal year budget for the Hilmar County Water District.

THEREFORE, IT IS HEREBY RESOLVED that the budget submitted to the Board of Directors in the form attached hereto as Exhibit "A" is hereby adopted as the final District budget for the 2023-2024 fiscal year.

PASSED AND ADOPTED, by the Board of Directors of the Hilmar County Water District at its regularly scheduled meeting of the Board of Directors held on July 5, 2023, by the following specific votes:

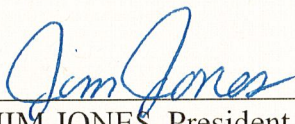
AYES AND IN FAVOR: Director(s): Jim Jones, Frank Hilliard,  
David Anderson, James Gerdes

NOES: Director(s): —

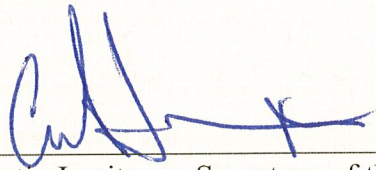
ABSENT: Director(s): Tony Salvador

ABSTENTIONS: Director(s): —

DATED: July 5, 2023

  
\_\_\_\_\_  
JIM JONES, President  
of the Board of Directors of  
Hilmar County Water District

ATTEST:

  
\_\_\_\_\_  
Curtis Jorritsma, Secretary of the Board of  
Directors of Hilmar County Water District

# OPERATING REVENUE 2023/2024

	BUDGETED		EST. ACTUAL		PROPOSED	NOTES
	FY 22/23	FY 22/23	FY 22/23	FY 22/23		
<b>WATER REVENUE</b>						
Water Income	777,300.00	731,850.00	94.15%	845,285.00		(22/23 - 10 Lots Villa Cordoba) (23/24 - 16 Lots Villa Cordoba)
Water Meter Fees	14,430.00	5,550.00	38.46%	8,880.00		
<b>Total Water Revenue:</b>	<b>791,730.00</b>	<b>737,400.00</b>	<b>93.14%</b>	<b>854,165.00</b>		
<b>SEWER REVENUE</b>						
Sewer Income	802,940.00	799,375.00	99.56%	912,040.00		
<b>Total Sewer Revenue:</b>	<b>802,940.00</b>	<b>799,375.00</b>	<b>99.56%</b>	<b>912,040.00</b>		
<b>STORM DRAIN REVENUE</b>						
Storm Drain Income	97,900.00	98,430.00	100.54%	98,400.00		
<b>Total Storm Drain Revenue:</b>	<b>97,900.00</b>	<b>98,430.00</b>	<b>100.54%</b>	<b>98,400.00</b>		
<b>OTHER REVENUE</b>						
Merced County Taxes	155,000.00	176,500.00	113.87%	170,000.00		
Other Income	3,500.00	53,970.00	1542.00%	15,500.00		**22/23 \$38,645.00 Funds received from CA Statewide Communities Development Authority - Water Revenue Refunding Bonds; \$8,075.00 Reimbursement from Aquafix. **23/24 \$10,000.00 Disposal of one vehicle
Late Charges	22,800.00	21,695.00	95.15%	22,000.00		
Inspection Fees	18,990.00	11,395.00	60.01%	10,130.00		(22/23 - 10 Lots Villa Cordoba) (23/24 - 16 Lots Villa Cordoba)
Court Settlement	-	1,480,070.00	N/A	-		
Other Fund Sources: Interest, Etc.	-	13,400.00		48,000.00		
Grants	-	-		-		
SRF Loan	-	-		-		
Business Loans	-	-		-		
<b>Total Other Revenue:</b>	<b>200,290.00</b>	<b>1,757,030.00</b>	<b>877.24%</b>	<b>265,630.00</b>		
<b>TOTAL REVENUES</b>	<b>\$ 1,892,860.00</b>	<b>3,392,235.00</b>	<b>179.21%</b>	<b>\$ 2,130,235.00</b>		

FINAL

**OPERATING EXPENDITURES 2023/2024**

OPERATIONS AND MAINTENANCE	BUDGETED		EST. ACTUAL		%	PROPOSED		NOTES
	FY 22/23	FY 21/22	FY 22/23	FY 21/22		FY 23/24		
Equipment Purchases	10,000.00		26,325.00		263.25%	74,000.00		22/23 Purchased a Welder and Custom Cabinet for Router at the Office \$13,605.00. New AC Unit for the Office \$12,720.00. 23/24 New Pickup
Water Meters - Subdivision Projects	13,275.00		1,515.00		11.41%	9,850.00		23/24 16 Lots
Water Meters - Replacements	-		-		0.00%	18,000.00		
Shop Building Rental	25,200.00		25,200.00		100.00%	25,100.00		
Water Testing	14,000.00		16,950.00		121.07%	15,000.00		
Sewer Testing	25,500.00		26,375.00		103.43%	28,500.00		
Water Maintenance	45,000.00		59,820.00		132.93%	35,000.00		22/23 Leak Repair on Lander \$5,780.00
Wells Maintenance	20,000.00		102,155.00		510.78%	30,000.00		22/23 - Woody Well #7 Sand Issue \$71,194.00; Well Profiling \$19,470.00
Sewer Maintenance	40,000.00		43,165.00		107.91%	40,000.00		
WWTF Maintenance	45,000.00		62,855.00		139.68%	45,000.00		22/23 Aquatix <del>271,000.00</del> - Did Received \$8,075.00 as Reimbursement for the Product Purchase Reflected in Other Income
Storm Drain Maintenance	5,000.00		2,610.00		52.20%	5,000.00		
Water - SCADA Annual Fees	-		-		0.00%	32,730.00		
Sewer - SCADA Annual Fees	-		-		0.00%	32,730.00		
Storm Drain - SCADA Annual Fees	-		-		0.00%	4,175.00		
Wells - TID	70,000.00		65,080.00		92.97%	70,000.00		
Sewer - TID	13,000.00		12,705.00		97.73%	13,800.00		
WWTF - TID	24,000.00		22,150.00		92.29%	24,000.00		
Storm Drain - TID	10,000.00		10,230.00		102.30%	13,000.00		
Administration - TID	4,000.00		3,360.00		84.00%	4,000.00		
Street Sweeping	40,000.00		37,640.00		94.10%	40,000.00		
Water - Vehicle Fuel	25,000.00		19,425.00		77.70%	23,000.00		
Water - Vehicle Maintenance	10,000.00		7,020.00		70.20%	10,000.00		
Sewer - Vehicle Fuel	25,000.00		19,425.00		77.70%	23,000.00		
Sewer - Vehicle Maintenance	10,000.00		7,020.00		70.20%	10,000.00		
Storm Drain - Vehicle Fuel	3,500.00		2,480.00		70.86%	3,000.00		
Storm Drain - Vehicle Maintenance	1,500.00		900.00		60.00%	1,500.00		
Water Annual Fees	21,000.00		19,425.00		92.50%	23,000.00		
Sewer Annual Fees	32,000.00		32,430.00		101.34%	33,000.00		
Postage	12,000.00		11,110.00		92.58%	13,000.00		
Shop - Supplies	9,000.00		8,725.00		96.94%	9,000.00		
Office Supplies/Equipment	20,000.00		19,530.00		97.65%	20,000.00		
IT - Information Technology	25,000.00		20,875.00		83.50%	25,000.00		
Property Taxes	250.00		220.00		88.00%	250.00		
Bank Fees	1,200.00		55.00		4.58%	200.00		
Telephone	11,500.00		12,005.00		104.39%	13,000.00		
Uniforms	4,500.00		4,640.00		103.11%	4,800.00		
PG&E	2,500.00		3,455.00		138.20%	4,500.00		
Garbage	2,000.00		1,740.00		87.00%	2,000.00		

**FINAL**

**OPERATING EXPENDITURES 2023/2024**

	BUDGETED	EST. ACTUAL	%	PROPOSED	NOTES
Customer Claims	-	780.00	-	-	
<b>Total O&amp;M Expenses:</b>	<b>619,925.00</b>	<b>709,395.00</b>	<b>114.43%</b>	<b>778,135.00</b>	
<b>SALARIES &amp; BENEFITS</b>					
Water Salaries	120,700.00	126,030.00	104.42%	136,010.00	
Sewer Salaries	174,000.00	156,915.00	90.18%	169,300.00	
Storm Drain Salaries	12,000.00	12,360.00	103.00%	19,075.00	
Administrative Salaries	160,000.00	170,575.00	106.61%	168,150.00	
Employee Health Insurance	72,000.00	62,280.00	86.50%	72,000.00	
Employee Retirement Plan	46,700.00	44,350.00	94.97%	46,800.00	
Director Fees	12,600.00	11,400.00	90.48%	11,700.00	
<b>Total Salary &amp; Benefits Expenses:</b>	<b>598,000.00</b>	<b>583,910.00</b>	<b>97.64%</b>	<b>623,035.00</b>	
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>					
Engineering - General Services	20,000.00	3,625.00	18.13%	20,000.00	
Legal - General Services	30,000.00	27,220.00	90.73%	30,000.00	
Audit & Accounting Services	9,700.00	9,700.00	100.00%	10,275.00	23/24 Audit \$9,750.00; Prepare State Controller Financial Report \$525.00.
Insurance - Liability & Property	25,000.00	26,200.00	104.80%	28,300.00	
Insurance (Worker's Comp.)	21,000.00	22,210.00	105.76%	24,000.00	
Seminar/Class Fees	7,500.00	2,465.00	32.87%	7,500.00	
Association Dues	8,500.00	8,305.00	97.71%	9,000.00	
Studies/Surveys	45,000.00	11,800.00	26.22%	103,000.00	22/23 Median Household Survey \$30,000.00; Developer Fees Rate Study \$8,000.00; 23/24 Update the Capacity Studies for Water, Sewer, and Storm Drain: \$3,000.00
Employer Taxes - Fed & State	39,000.00	39,245.00	100.63%	39,800.00	
Groundwater Association Contribution	13,500.00	13,170.00	97.56%	13,800.00	
<b>Total General and Administrative Expenses:</b>	<b>219,200.00</b>	<b>163,940.00</b>	<b>74.79%</b>	<b>285,675.00</b>	Written Injury & Illness Prevention Program
<b>FUND TRANSFERS</b>					
Unidentified Water Project Fund	142,800.00	142,800.00	100.00%	142,800.00	
Unidentified Sewer/WWTF Project Fund	168,000.00	168,000.00	100.00%	168,000.00	
Reserve Funds	36,000.00	36,000.00	100.00%	36,000.00	
Water Replacement Fund	36,000.00	36,000.00	100.00%	36,000.00	
Sewer Replacement Fund	24,000.00	24,000.00	100.00%	24,000.00	
Storm Drain Replacement Fund	24,000.00	24,000.00	100.00%	24,000.00	
<b>Total Fund Transfer Expenses:</b>	<b>430,800.00</b>	<b>430,800.00</b>	<b>100.00%</b>	<b>430,800.00</b>	
<b>TOTAL EXPENSES</b>	<b>1,867,925.00</b>	<b>1,888,045.00</b>	<b>101.08%</b>	<b>\$ 2,117,645.00</b>	

**FINAL**

**RESTRICTED FUNDS (REVENUES & EXPENDITURES) 2023/2024**

	BUDGETED			EST. ACTUAL		PROPOSED	NOTES
	FY 22/23	FY 22/23	%	FY 22/23	FY 23/24		
<b>WATER BEGINNING BALANCE AS OF 06/30/22</b>							
Water Facility Fees	568,375.00						
Water Capital Improvement	771,835.00						
<b>TOTAL BEGINNING BALANCE</b>	<b>1,340,210.00</b>	<b>1,340,210.00</b>	100.00%	<b>1,340,210.00</b>	<b>1,327,320.00</b>		
<b>REVENUES</b>							
Water Facility Fee Charges	-	-		-	-		(22/23 Villa Cordoba 26 Lots; Dayton Project 4 Services) (23/24 Villa Cordoba 16 Lots)
Water Capital Fee Charges	204,680.00	110,920.00	54.19%	110,920.00	115,040.00		
Interest	1,800.00	18,900.00	1050.00%	18,900.00	41,900.00		
<b>TOTAL REVENUES</b>	<b>206,480.00</b>	<b>129,820.00</b>		<b>129,820.00</b>	<b>156,940.00</b>		
<b>EXPENDITURES</b>							
D01 - SCADA System Implementation	(182,620.00)	(142,710.00)	78.15%	(142,710.00)	-		
W01 - Wells 8/9 Pilot Hole and Production Project	-	-		-	(810,539.00)		
<b>TOTAL EXPENDITURES</b>	<b>(182,620.00)</b>	<b>(142,710.00)</b>	78.15%	<b>(142,710.00)</b>	<b>(810,539.00)</b>		
<b>WATER ENDING BALANCE</b>	<b>1,364,070.00</b>	<b>1,327,320.00</b>		<b>1,327,320.00</b>	<b>673,721.00</b>		

**FINAL**

**RESTRICTED FUNDS (REVENUES & EXPENDITURES) 2023/2024**

	BUDGETED			EST. ACTUAL		%	PROPOSED		NOTES
	FY 22/23	FY 22/23	FY 22/23	FY 22/23	FY 23/24				
<b>SEWER BEGINNING BALANCE AS OF 06/30/22</b>									
Sewer Facility Fees	506,595.00								
Sewer Capital Improvement	530,415.00								
<b>TOTAL BEGINNING BALANCE</b>	<b>1,037,010.00</b>			<b>1,037,010.00</b>		100.00%	<b>677,750.00</b>		
<b>REVENUES</b>									
Sewer Facility Fee Charges	-			-		0.00%	-		
Sewer Capital Fee Charges	126,880.00			74,060.00		58.37%	104,720.00	(22/23 Villa Cordoba 26 Lots; Dayton Project 4 Services) (23/24 Villa Cordoba 16 Lots)	
Interest	400.00			8,450.00		2112.50%	29,000.00		
<b>TOTAL REVENUES</b>	<b>127,280.00</b>			<b>82,510.00</b>			<b>133,720.00</b>		
<b>EXPENDITURES</b>									
TF01 - HCWWD WWTF Safety Improvements	(308,719.00)			(69,850.00)		22.63%	-		
D01 - SCADA System Implementation	(309,500.00)			(371,920.00)		120.17%	-		
CS02 - Collection System Condition Assessment	-			-			(424,600.00)		
CS05 - Shoreen Street Lfistation Improvements	-			-			(314,820.00)		
<b>TOTAL EXPENDITURES</b>	<b>(618,219.00)</b>			<b>(441,770.00)</b>			<b>(739,420.00)</b>		
<b>SEWER ENDING BALANCE</b>	<b>546,071.00</b>			<b>677,750.00</b>			<b>72,050.00</b>		

**FINAL**

**RESTRICTED FUNDS (REVENUES & EXPENDITURES) 2023/2024**

	BUDGETED			PROPOSED	NOTES
	FY 22/23	EST. ACTUAL FY 22/23	% FY 22/23		
<b>STORM DRAIN BEGINNING BALANCE AS OF 06/30/22</b>					
Storm Drain Impact Fees	389,959.00		0.00%		
<b>TOTAL BEGINNING BALANCE</b>	<b>389,959.00</b>	<b>389,959.00</b>		<b>270,312.00</b>	
<b>REVENUES</b>					
East Side Drainage Buy-In	-	-	0.00%	-	
West Side Drainage Buy-In	-	-	0.00%	-	
Interest	100.00	2,048.00	2048.00%	7,800.00	
<b>TOTAL REVENUES</b>	<b>100.00</b>	<b>2,048.00</b>		<b>7,800.00</b>	
<b>EXPENDITURES</b>					
D01-SCADA System Implementation	(120,500.00)	(121,695.00)	0.00%	-	
<b>TOTAL EXPENDITURES</b>	<b>(120,500.00)</b>	<b>(121,695.00)</b>	<b>0.00%</b>	<b>-</b>	
<b>STORM DRAIN ENDING BALANCE</b>	<b>269,559.00</b>	<b>270,312.00</b>		<b>278,112.00</b>	

**FINAL**



# CAPITAL PROJECTS 2023/2024

#	Project Name:			
W01	Wells 8/9 Pilot Hole and Production W01 is the next step in our water Capital Improvement efforts. This project will see two pilot holes drilled for sampling and analysis. If water quality is acceptable at one location (or both), we would develop everything below grade. This project includes \$800K that would develop the sitework and pump components above grade as well.		<b>(\$2,760,000.00)</b>	
	W01 Funding Sources:			New Balance:
		Unidentified Water Project	\$1,949,461.00	<b>(\$810,539.00)</b>
		Restricted Funds	\$810,539.00	\$0.00
		<b>Project Balance:</b>	<b>\$0.00</b>	
W03	1MG Storage Tank w/ Treatment Options This project will complete the 1MG Storage Tank project that has been designed for several years. It will allow us to blend our water while also providing consistent pressure and a small reserve for emergency situations. It will also include the option to treat our water supply for some of the imperfections we may be facing in the future.		<b>(\$6,930,000.00)</b>	
	W01 Funding Sources:			New Balance:
		Grant Funding	\$6,930,000.00	\$0.00
		Loan Funding	\$0.00	\$0.00
		<b>Project Balance:</b>	<b>\$0.00</b>	
CS02	Collection System Condition Assessment This project will analyze and repair deficiencies in the current collection system infrastructure. This is the first phase in a two-phase project.		<b>(\$424,600.00)</b>	
	CS02 Funding Sources:			New Balance:
		Restricted Funds	\$424,600.00	\$0.00
		<b>Project Balance:</b>	<b>\$0.00</b>	
CS05	Shoreen Street Liftstation Improvements This project would repair the leaking wet well and upgrade the liftstation components.		<b>(\$314,820.00)</b>	
	CS05 Funding Sources:			New Balance:
		Restricted Funds	\$314,820.00	\$0.00
		<b>Project Balance:</b>	<b>\$0.00</b>	
TF02	Process Improvements Phase 1 This project will look at the overall process at the WWTF and begin making improvements in an effort to keep things running effectively and efficiently. This is the first phase in a three-phase project.		<b>(\$550,000.00)</b>	
	CS05 Funding Sources:			New Balance:
		Loan Funding	\$550,000.00	\$0.00
		<b>Project Balance:</b>	<b>\$0.00</b>	

<b>TOTAL CAPITAL INVESTMENT 23/24:</b>	<b>\$10,979,420.00</b>
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**BUDGET REPORT 2023/2024****THREE YEAR LOOK AHEAD**

	22/23 Unaudited Actuals (June 30, 2023)	CURRENT		
		23/24 Proposed Budget	24/25 Proposed Budget	25/26 Proposed Budget
<b>REVENUES</b>				
Water Revenue	737,400.00	854,165.00	982,289.75	1,129,633.21
Sewer Revenue	799,375.00	912,040.00	1,030,605.20	1,164,583.88
Storm Drain Revenue	98,430.00	98,400.00	98,400.00	98,400.00
<b>OTHER REVENUES</b>				
Merced County Taxes	176,500.00	170,000.00	175,100.00	180,353.00
Other Income	53,970.00	15,500.00	15,965.00	16,443.95
Late Charges	21,695.00	22,000.00	20,000.00	20,000.00
Inspection Fees (22/23 - 10 Lots Villa Cordoba) (23/24 - 16 Lots Villa Cordoba)	11,395.00	10,130.00	0.00	0.00
Interest	13,400.00	48,000.00	5,000.00	5,000.00
Budget Adjustments - Court Settlement	1,480,070.00	0.00	0.00	0.00
<b>TOTAL REVENUES</b>	<b>3,392,235.00</b>	<b>2,130,235.00</b>	<b>2,327,359.95</b>	<b>2,614,414.04</b>
<b>EXPENDITURES</b>				
Operations & Maintenance	709,395.00	778,135.00	809,260.40	841,630.82
Salaries & Benefits	583,910.00	623,035.00	672,877.80	726,708.02
General & Administrative	163,940.00	285,675.00	297,102.00	308,986.08
Fund Accounts	430,800.00	430,800.00	430,800.00	430,800.00
Budget Adjustments		0.00	0.00	0.00
<b>TOTAL EXPENDITURES</b>	<b>1,888,045.00</b>	<b>2,117,645.00</b>	<b>2,210,040.20</b>	<b>2,308,124.92</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>1,504,190.00</b>	<b>12,590.00</b>	<b>117,319.75</b>	<b>306,289.12</b>



## Guidelines and Assumptions

2023/2024 Budget

Whereas, the Hilmar County Water District directs the following guidelines and assumptions to be used in developing the 2023/2024 Budget and outer year projections.

- 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 of this budget document.
- Continue to maintain our status as a disadvantaged community. A study that was finalized in June of 2023 does again confirm our disadvantaged status. In addition, should the state MHI go up within the next 5 years, it may allow us to claim “severely” disadvantaged status.
- Fund all **Capital Improvement Projects** for the current Fiscal Year. Per the 2021 Rate Study, we will take on debt this year to fund our projects. This was expected and has been figured accordingly into the budget.
- Continue funding reserve accounts in accordance with 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 (Customer Service Representative, Office Manager, four Operators, and one District Manager)
  - Cost of living, individual performance, and benefits adjusted at a combined rate of 7.4%.
- 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

The following is a list of items that will soon be presented to the Board of Directors:

### July

Fiscal Year 23/24 Budget

Fiscal Year 23/24 Rate Adjustments

### August

Capital Improvement Projects and Funding Plan for FY 23/24

CIP 3-Year Outlook

Employee Reviews, Goal Setting, and Work Development Plan

### September

Fee Schedule Update