

HILMAR COUNTY WATER DISTRICT
BOARD OF DIRECTORS MEETING
April 6, 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 approve the Consent Items was made by David Anderson and seconded by Jim Gerdes. Motion passed 5-0.

A motion to approve Bills Payable: April 2021 was made by David Anderson and seconded by Jim Gerdes. Motion passed 5-0.

A motion to approve the Conditional Can and Will Serve Letter for Bloss Woods (Woods Investment, LLC, John Dennis) was made by David Alvares and seconded by Frank Hilliard. Motion passed 5-0.

A motion to approve the Conditional Can and Will Serve Letter for Dayton Street Project – Alan and Erica Reis was made by Jim Gerdes and seconded by Frank Hilliard. Motion passed 5-0.

A motion to approve the Design Contract for TF01: WWTF Safety Improvements was made by Frank Hilliard and seconded by David Alvares. Motion passed 5-0.

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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 Jorritsma reported the water percentage loss for the month of March dropped to 9.5% from 10.3% from the prior month. The amount pumped has increased putting more pressure on the system and possibly causing the water loss. The waste water TSS spiked above the 40 mg/l limit. We have been working on draining the inner high-rate pond. We have drained the outside high-rate pond and maturation pond and are now working on the inside high-rate pond. The fact we are utilizing only one high-rate pond may be causing the spike. We then use the Kubota, with the sweeper and sweep it up and then Applegate Teeples comes and disposes it. Curtis provided an overview of how the design of the plant came about. By design the plant should be able to operate without chemicals thus avoiding increased costs. Mr. Alvares questioned should we reach out to other organizations using the same plant design type and see if their design works for them? Curtis replied our permit is designed for 40/40 mg/l for TSS and BOD and that, according to Dr. Oswald, lead-designer of the plant, it is a hard limit to

meet. By maintaining the system in town and lowering the influent figures, we will continue to move in the proper direction.

Curtis reported it's the time of the year for annual reports. One being, submitting the water used to the State for 2020. Another one is the volumetric annual report and the consumer confidence report. There's nothing negative to report for the 2020 calendar year.

Curtis stated at last week's special board meeting, the Board approved the rate increase of 15% for sewer and 13% for water. Curtis and Dina had a conference call with Mr. Clayton Tuckfield to discuss the next step in the rate study. Mr. Tuckfield explained the fixed charge, the tier rates and the variable rate. The tier option – the first tier would consist of what a consumer would need to live. The second tier is the water used outside and the third tier would be excessive use. The other option for the variable rate, is charging a dollar amount per 1000 gallons used. If it's the Board's wish to have Clayton provide an analysis on the tier option, we won't be able to meet the September 1st effective date. The plan is to send notices no later than May 15th of the rate increase and calling for a public hearing in July and implementing the new rates by September 1st. The Board agreed to have Clayton wrap up the rate study and go with the variable rate option (dollar amount per 1,000 gallons).

Directors Reports – Mr. Hilliard inquired into the status of the Groundwater Sustainability Agency. Curtis replied, the West Turlock Subbasin has drafted parts of the GSP and will provide a copy of the document for the Board's review. Curtis currently represents the District on the Board and Mr. Jones is the backup. Mr. Hilliard inquired into the time frame for the Plan? Curtis replied, plans need to be submitted by January 2022. The plan is a 20-year plan.

Action Items –

- A) The bills that are due to be paid in April were presented and a motion was made and seconded to pay them.
- B) Curtis presented the request to extend the Conditional Can and Will Serve Letter for Bloss Woods (Woods Investment, LLC, John Dennis). This project is a 58-unit subdivision. As with the other subdivisions, the District does not have water for the project. Curtis has had a conversation with Mr. Dennis and let him know the stance of the Board, if a developer brings water with the project they would be able to build. 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 Dayton Street Project (Alan and Erica Reis). At the last meeting, the Board approved the Can and Will Serve Notice for four units leaving 8 units for the project. This Conditional Can and Will Serve Letter is for the remaining units. 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 the Design Contract for TF01: WWTF Safety Improvements. The design work is for catwalks, safe access into the maturation pond, replacement of stop gates with slide gates for easier access, design installation of a bypass structure between the ASP's and the maturation pond, and redo the entry gate at the front of the plant. Blackwater and QK submitted proposals. QK's proposal was for \$34,300.00, significantly lower than Blackwater.

Staff recommends approval of the task order and design from QK. A motion was made and seconded to accept the task order and design contract from QK.

Discussion Items –

- A) As discussed at the last meeting, the District is being charged for bank analysis fees based on our checking accounts activity. By reclassifying accounts from a savings account to a checking account it will help assist with the banking fees. Curtis would like to transfer the funds in the current Sewer Fund Savings, currently uncategorized, to a checking account as a Reserve Account. Once we receive the proposed reserve accounts from the rate study and the rate study is approved, at that point we would present an allocation plan based on that information. We will continue with the \$3,000.00 allocation until then. We will maintain one reserve account and track internally for each reserve classification. If the Board has no objection, we will classify two current savings accounts, Water Project Savings and the Sewer Fund Savings to checking accounts with the balance from the Sewer Fund be classified as Reserve Checking Account. The Board had no objection to Staff recommendation.
- B) Curtis informed the Board the Ethics Compliance Training AB1234 needs to be conducted. We have the opportunity to accomplish the training as an on demand webinar through CSDA. Dina will set this up through CSDA. An email will be sent with information to access the on demand webinar. We request this be completed by April 20th.
- C) As discussed in the past, we have been looking at various options to upgrade our utility billing software. Staff has conducted extensive research with various vendors. We narrowed it down to 3 companies, Black Mountain Software, Caselle Software and Continental Utility Solutions, Inc. (CSUI). Prices are close to each other. The lowest upfront cost was from Black Mountain at \$20,325.00 with an annual fee of \$4,035.00. With Black Mountain, we would not have an accounting interface with their software as they have their own accounting software. It would be an additional cost for their accounting software. With Caselle, we would not be able to use Sage as their package includes their own accounting software. Their upfront cost came in at \$24,104.00 and a monthly fee of \$1,800.00. CUSI is able to provide the District with an interface with Sage. Their upfront cost came in at \$23,958.00 with an annual software and hosting fee of \$6,583.00. CUSI does provide the option of leasing the software for 4 years. Based on 4 years, the lease option is around \$45,000.00 and purchasing the software the total is around \$50,000.00. By purchasing the software, we are able to use the software program without having to look to extend the lease at a possible higher rate. With the new billing software, we will also implement a customer web portal. Customers will have the option of paying online with a credit/debit card, or ACH. We will also implement a credit/debit card service fee. It will be the greater of \$1.75 or 3% per transaction. Customers will have the option of ACH with no fees and the current options of paying by check or cash. Staff recommends purchasing the software from CUSI. Mr. Anderson stated he appreciates staff taking the time to extensively research the different options and believes staff should make the ultimate decision. Mr. Hilliard also expressed his appreciation for the job well done.

Mr. Anderson inquired into how much debris do we get at the WWTF that's not sewage? Curtis stated our head works structure is not as effective as it should be and there's a lot more debris that arrives at the WWTF than anticipated. Grease and flushable wipes are major factors. The District needs to refresh the Fats, Oils & Greases (FOG) ordinance to assist with the amount of debris. Businesses should have grease traps.

There being no further business the meeting was adjourned at 6:52 p.m.

Respectfully Submitted,

Tina Borgs

Approved by:

Jim Jones

Board Member

5-4-2021

Date