

HILMAR COUNTY WATER DISTRICT  
BOARD OF DIRECTORS MEETING  
May 4, 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 Jim Gerdes and seconded by Frank Hilliard. Motion passed 5-0.

A motion to approve Bills Payable: May 2021 was made by Frank Hilliard and seconded by David Anderson. Motion passed 5-0.

A motion to approve the extension of Conditional Can and Will Serve Letter for Ducheneaux Development Project (Lyle and Patty Ducheneaux) was made by David Anderson and seconded by Jim Gerdes. Motion passed 5-0.

A motion to adopt Resolution No. 541, A Resolution to Accept Water and Wastewater Rate Study, Announcing Intent to Adopt Ordinance 2021-01 to Adjust the Monthly Charges and Rates for Water, and Wastewater, and Calling for a Public Hearing Thereon was made by David Anderson and seconded by David Alvares. Motion passed 5-0.

**Meeting – 05/04/21**  
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The meeting was called to order at 5:30 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 April was 3.8%. Total water pumped for April was 28 million gallons. This is a bit higher than normal for the month of April. The BOD and TSS levels for April were within the permit limits.

Curtis informed the Board the Consumer Confidence Report has been ordered and we should be sending it out with the next billing statements. This report is based on the 2020 calendar year.

Curtis provided an update on the new employee, his starting date has been pushed back by a couple of weeks. Curtis also informed the Board that Jonathon took and passed his Water Distribution Grade 1 Operator exam. He is now a Grade 1 Operator across the board. Jeff will be working on getting his certifications as well.

Curtis informed the Board there's possible interest from two developers, Bloss Cove and Villa Cordoba, in helping with a new well. Mr. Piro, with Bloss Cove, inquired into the status of our water and he requested a copy of our well plans in order to have his staff look at the plans and possibly work on developing a well. Mr. Gerdes mentioned he read an article in the Turlock Journal regarding a school went through a "Lease, Lease Back" process. Would this be an option for the District? Mr. Stuart Spencer stated those processes are somewhat complicated. We will evaluate all of our options.

Curtis reported Cody was involved in an accident between his pickup and a loader tractor. No one was hurt. There's significant damage to his pickup and we have reported it to the insurance company.

Curtis provided an update of the safety audit. At a previous meeting, Mr. Hilliard inquired into having the District perform a safety audit. Curtis contacted some companies regarding this process. In the meantime, well #7 was inspected by Merced County and they stated there was no record of a California Accidental Release Prevention Program (CalARP). Based on this finding, we need to take care of the CalARP program and the safety audit will occur after that. Once we have the CalARP program set up, we will go forward with the safety audit.

**Director Reports –None.**

**Presentations –**

- A) Curtis provided to the Board the Executive Summary of the draft rate study. As stated on the summary, the rate study process started in May of 2019. The study covers FY 20-21 through FY 25-26. The information from the rate study report is pulled from our actual records. On the water side, the existing rate structure does not meet the current Proposition 218 principal standards. Looking at the report, the proposed water rate structure and rates would become effective as of September 1, 2021. The fixed charge for delivering water from the source to the customer meter will be \$13.33 and \$1.21 per every 1000 gallons of water consumption. Compared to various local districts, our rates will still remain the lowest. The proposed wastewater rates for single family residential will increase from \$27.25 to \$30.62, an increase of \$3.37.

The goal is to have the board approve the rate study by resolution tonight and have Clayton provide the final document based on any changes the Board may have. We would then start drafting the ordinance and the notice to be sent to our customers. Notices will be sent to the owner and, if applicable, the renter. We are looking at mailing the customer notice by May 14<sup>th</sup>. We will have to wait at least 45 days before holding the public hearing, tentatively July 1<sup>st</sup>. Curtis asked, Mr. Stuart Spencer, to clarify the process for the public hearing. At the public hearing, there will be the presentations, answer any questions the public may have, take protests and count them at the meeting. If there are not enough protests to meet the 50% plus 1 mark, the study will move forward to the board for approval. Mr. Stuart Spencer stated, that is the normal process. The board can still choose to take the protests into consideration and could vote that night, if they chose to. If the District receives written protests from more than 50% of customers, the rate study cannot be approved. If the protests are less than 50%, the process continues and the Board may choose to vote that night or at a later meeting. After further discussion, at the direction of the Board, the public hearing will be held, a formal announcement regarding the number of

the protests received will be made and the Board will vote at the next regular Board meeting.

**Action Items –**

- A) The bills that are due to be paid in May 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 Ducheneaux Development Project (Lyle and Patty Ducheneaux). As with the other subdivisions, the District does not have water for the project. Mr. & Mrs. Ducheneaux continue to look at options for their development. 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 Resolution No. 541, a Resolution to Accept Water and Wastewater Rate Study, Announcing Intent to Adopt Ordinance 2021-01 to Adjust the Monthly Charges and Rates for Water, and Wastewater, and Calling for a Public Hearing Thereon. Curtis stated we went through the report on the water and wastewater rate study under the presentation section. He will have Clayton make any grammatical changes he noted as well as those requested by the Board. We will be looking at changing the construction water billing process, as by law we need to account for all water used. At this time, the District does not install the meter until the developer installs the sod and then starts metering the water use. We currently charge a flat fee until the meter is installed. Now, when a developer receives their Can and Will Serve letter per individual lot we will be installing the meter and the account will be charged according to actual water consumption is used. Mr. Stuart Spencer stated, the intent of tonight’s resolution is to accept the rate study report and to adopt the ordinance and call for a public hearing. A motion was made and seconded to adopt Resolution No. 541.

**Discussion Items –**

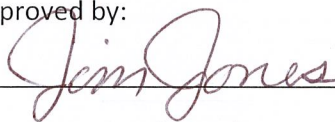
- A) Curtis presented the first draft of the 21/22 Budget. This year’s budget is looking more challenging based on the rate study, on how to predict our revenue. On the first draft, we have implemented the revenue based on the predictions from the rate study. We will provide a second draft at the next board meeting.

There being no further business the meeting was adjourned at 7:31 p.m.

Respectfully Submitted,



Approved by:



Board Member



Date