

HILMAR COUNTY WATER DISTRICT  
BOARD OF DIRECTORS MEETING  
March 2, 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: March 2021 was made by Jim Gerdes and seconded by David Alvares.  
Motion passed 5-0.

A motion to approve the Preliminary Rate Study Analysis with the possibility of leveling the sewer rates was made by David Anderson and seconded by David Alvares. Motion passed 5-0.

A motion to approve the 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 adopt Resolution No. 539, Indicating Board Authorization and Support of General Manager Curtis Jorritsma’s Candidacy to serve as Board Member of the California Special District Association was made by Jim Gerdes and seconded by Frank Hilliard. Motion passed 5-0.

A motion to adopt Resolution No. 540, Approving and Authorizing Proposed Agreement for Support Services (Special District) with Merced County was made by David Anderson and seconded by Frank Hilliard. Motion failed 0-5.

**Meeting – 03/02/21**  
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The meeting was called to order at 5:26 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 provided an update on the Echo Lift Station. The lift station is up and running. The station was down for approximately 3 ½ weeks. The infrastructure of the bypass was left in place. The total cost of the project was \$61,969.00.

Curtis reported Zach Vasquez has accepted the offer of the 4<sup>th</sup> operator position. His start date will be May 1<sup>st</sup>. He has some wastewater experience from working at Hilmar Cheese and is currently working

for Custom Locksmith bringing with him some security experience. We look forward to welcoming Zach to the HCWD team.

Curtis reported he had a conversation with Alan Marchant from Turlock Scavenger regarding our street sweeping contract. If we were to double the current schedule, the contract amount would double from the current \$27,000.00 per year to \$54,000.00 per year. If it's the Board's desire to pursue changing the amount of times the streets are to be swept, he will work with Turlock Scavenger on a new contract or continue with the current schedule. Mr. Frank Hilliard inquired to the possibility of just increasing the amount of time in the winter months, what would that cost consist of? Mr. David Alvares inquired into the cost of a street sweeper. It was discussed the maintenance of a street sweeper is a pricey endeavor. Mr. Gerdes suggested another possibility might be to pay Turlock Scavenger extra on as needed basis. Curtis will have another conversation with Mr. Marchant and discuss the different options.

Curtis reported he is looking for responses from a couple of companies as to who they use to conduct a Safety Audit, as requested by Mr. Frank Hilliard. He hopes to have more information at the next meeting. e Hhh

Curtis informed the Board there was a water leak on Lander just south of Geer Ave. Staff was able to fix the issue. Curtis also stated he held a staff meeting last Thursday, where he went over the 6-month budget review and went over the projects slated for the rate study. It was a good meeting to have with all the staff.

Curtis reported the water loss percentage for February was 10.8%. He also reported our TSS and BOD results were in compliance with no chemicals being used. Curtis stated Jonathon Sousa has done an excellent job in understanding how the plant works. He has created a new testing schedule for BOD and TSS. The goal is to continue in a matter that accomplishes compliant TSS and BOD results.

**Directors Reports – None.**

**Action Items –**

- A) The bills that are due to be paid in March were presented and a motion was made and seconded to pay them.
- B) Curtis presented the preliminary rate study analysis to the Board. As the Board knows, we have an aging infrastructure. We have also approved a budget for the last 3 years operating in the red. The board has approved these budgets knowing we were working on a Rate Study and on system Master Plans. These Master Plans drive what projects need to be done and are reflected in the rate study. The rate study will project what rates may look like for 5 to 10 years. A CIP was provided to Clayton Tuckfield, who is conducting our rate study, and based on those projects the first preliminary presentation from Clayton showed a significant rate increase based on the projects listed on the CIP. Based on the first preliminary result, Curtis worked diligently to move projects back and forth based on the Master Plan and updated a revised CIP. He provided the revised CIP to Clayton and based on those revisions the current preliminary rate analysis is being presented to the Board. Curtis provided a chart of all the projects based on the Master Plans. He also provided a history of our water and sewer rates from 2005 to current. In 2006/2007 the water rate increased 19.35% and

the sewer rate increased 13.30%. In 2011/2012 the water rate increased by 25.70% and the sewer rate increased by 28.55%. The objectives of a rate study are to evaluate the sufficiency of revenues to meet future obligations. It is to develop a 5-year financial plan to fund operation and maintenance expense, the Capital Improvement Program, new debt service, and reserves. Create schedules of water and wastewater rates that are fair and equitable, provide predictable revenue, comply with Prop 218 and other legal requirements, and meet debt service coverage requirements. Some of the Rate Study assumptions are inflation, salaries and benefits, and new debt issued. A rate study will also establish a reserve policy.

Curtis provided a snap shot of the Water Capital Improvement Spending based on the projects from the Master Plan. Based on this plan, the water rate increase will be 10% each year for the next 5 years. He then presented the Sewer Capital Improvement Spending list reflecting the projects on the sewer side. Based on this list, the annual increase for sewer would be 40% the first year and 10% each year for the next 4 years. There was a discussion of possibly leveling the sewer percentages. Curtis will have Clayton look at it.

The next step is to have Mr. Clayton Tuckfield work on the tier and structure analysis on the water aspect. This will analyze the delivery charge for the water to be delivered to your meter and what water will be used beyond the meter based on gallons. It's possible to have the new rates in effect in August/September of this year. A motion was made and seconded to approve the Preliminary Rate Study Analysis with possibly leveling the sewer increase.

- C) Curtis presented the Can and Will Serve Letter for the Dayton Street Project – Alan and Erica Reis. This is the proposed project at the end of Dayton Avenue. The owner has broken ground to build the first 4 units of the maximum 12 units. The owner is requesting a modification to the size of the water meter to be a 2" meter. The Can and Will Serve Letter will be issued once the fees are paid by customer. Staff recommends approving the Can and Will Serve Letter for the Dayton Street Project. A motion was made and seconded to approve the Can and Will Serve Letter.
- D) Curtis presented Resolution No. 539, Indicating Board Authorization and Support of General Manager Curtis Jorritsma's Candidacy to serve as Board Member of the California Special District Association. Curtis is considering becoming a candidate for the Board of the California Special District Association "CSDA". CSDA is a non-for-profit association that promotes good governance and improved core services of California's special districts. CSDA requests a resolution of support from the Board of Directors as a condition of candidacy. A motion was made and seconded to adopt Resolution No. 539.
- E) Curtis presented Resolution No. 540, Approving and Authorizing Proposed Agreement for Support Service (Special District) with Merced County. When this agreement was first received from the County, it didn't look like it applied to us. Mr. Stuart Spencer provided his input on the agreement. The agreement is used by the County as a blanket agreement and the services in the agreement do not pertain to us. Mr. Spencer did verify with the County

that they do not provide any of the items listed on the Appendix provided with the agreement. Staff recommends to not approve the agreement. A motion was made and seconded. Motion failed 0-5.

**Discussion Items –**

- A) Mr. Stuart Spencer presented his memorandum regarding recent changes to the Brown Act concerning Social Media. AB 992 adds specific language to the Brown Act in order to accommodate certain interactions of Board Members with the public over social media platforms. This statute allows board members to interact with members of the public over social media, so long as board members do not interact with each other over these online platforms.
- B) Curtis presented the breakdown of the current bank analysis fees being assessed on our checking accounts. We can possibly transfer accounts that are currently savings accounts and transfer to checking accounts, thus assisting in maintaining higher checking account balances and offsetting the monthly analysis fees. The two accounts we are looking at is the Water Project Savings and the Sewer Fund Savings. We currently fund \$3,000.00 on a monthly basis to Sewer Fund Savings account. This account is not clearly defined as to what the funds are to be used for. We can use this as an opportunity to create a reserve account based on the rate study reserve policy and transfer the balance in the Sewer Fund Savings with a current balance of \$125,150.00. These are funds the Board has discretion as to how to be allocate them. Or the Board chooses to leave it as a Sewer fund. Staff recommends transferring the balance in the Sewer Fund Savings and create a reserve checking account. Curtis will present this as an action item at the April Board meeting.

**Closed Session**

The Directors Convened to Closed Session at 7:29 p.m. to conference with Real Property Negotiator per Government Code Section 54956.8.

Directors returned to Open Session at 7:36 p.m. Staff was given direction by the Board.

There being no further business the meeting was adjourned at 7:36 p.m.

Respectfully Submitted,



Approved by:



Board Member



Date