

HILMAR COUNTY WATER DISTRICT
PUBLIC HEARING REGARDING WATER AND SEWER CHARGE ADJUSTMENTS
BOARD OF DIRECTORS MEETING

July 1, 2021

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

Members absent – None

Public in Attendance – Various: Six customers and six staff members.

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Action Items

A motion to approve the Agenda was made by Jim Gerdes and seconded by Frank Hilliard. Motion passed 5-0.

Meeting – 07/01/21
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1. The meeting was called to order at 5:30 p.m. by President Jim Jones.
 - a. Mr. Jim Jones welcomed the public in attendance to the meeting.
 - b. Mr. Curtis Jorritsma presented the Board members, District Attorney – Mr. Stuart Spencer, District Engineer – Mr. Spencer Supinger, Mr. Clayton Tuckfield with Tuckfield & Associates and all the Staff members present.
2. A motion was made and seconded to approve the Agenda.
3. Presentation of Proposed Rate Changes
 - a. Mr. Stuart Spencer, reported the District last year hired Tuckfield and Associates to prepare a rate study to evaluate the Districts’ water and wastewater rates. The Board accepted the report on the Water and Wastewater Rate Study at the May 2021, board Meeting. The Board passed the resolution calling for a public hearing announcing the intent to approve ordinance 2021-1 to adjust the monthly charges and rates for the water and wastewater services. The District mailed The Notice of Public Hearing to all District customers on May 14th. Comments from the public may be made after the presentations have been made. Any customer may protest the rate increases in writing. Forms will be provided later in the meeting. To overturn the proposed rate increase, more than half of the customers need to submit a protest. Based on 1650 water connections and 1627 sewer connections. The number of protests will be reported at the end of the meeting. The Board will vote on the proposed rate changes at the regular Board meeting scheduled for July 6th.
 - b. Mr. Clayton Tuckfield presented the results of the Water and Wastewater Rate Study. Mr. Tuckfield stated he had a number of reviews with District Staff. The objectives of the rate study are to (1) evaluate sufficiency of revenues to meet future obligations, (2) develop five-

year financial plans to fund Operation and Maintenance expenses, the Capital Improvement Program, any new debt service, and reserve deficiencies. (3) Create schedules of water and wastewater rates that

- Are fair and equitable
- Provide predictable revenue
- Comply with Proposition 218 and other Legal Requirements
- Meet debt service coverage requirements

Proposition 218 requires that water and wastewater rates be charged based on the cost to provide the service.

Mr. Tuckfield presented the Key Rate Increase Drivers:

- District commissioned Master Plan Study that identified needed Capital Improvements
 - New Debt Payments to support CIP
 - Use of cash out of reserves to support CIP
 - Make provision for annual replacement spending
- Operation and Maintenance Expense continues to increase
- Cure current annual deficits, maintain cash reserves
- Compliance with California legislation Regarding Rates

Mr. Tuckfield provided a breakdown of the Water Master Plan identifying needed infrastructure:

• New Well	\$1.8M
• 1 MG Storage Tank	\$6.3M
• Redundant Transmission Line	\$1.7M
• Old Town Phase 1 Water Replacement	\$1.5M
• Old Town Phase 2 Water Replacement	\$1.6M
• District Facility Improvements	<u>\$1.0M</u>
• Total FY 20-21 to FY 25-26	\$13.9M

Funded by a combination of rate revenue and low interest loans. The District will also pursue grants.

Mr. Tuckfield provided a chart of the proposed water rates and provided an example of a bill based on the average single family residence use of 15,000 gallons per month. The fixed charge based on a ¾ inch meter would be \$13.33 and the variable rate would be \$18.15 for a total water bill of \$31.48 per month. The customer will be paying for the water consumed.

Mr. Tuckfield also provided a breakdown of the Sewer Master Plan identifying the needed infrastructure:

Funded by a combination of rate revenue and low interest loans. The District will also pursue grants.

Mr. Tuckfield provided a chart of the proposed wastewater rates. The wastewater bill for a single family residence will be \$30.43 per month.

There was a question and answer period with the Board, Mr. Tuckfield and Mr. Jorritsma.

Curtis Jorritsma thanked the rate payers for attending. He stated the Board is always very conscientious of how a rate increase will affect our rate payers. He also thanked Board, Staff, the District Engineer, the District Attorney and Mr. Clayton Tuckfield for all of their hard work. Curtis went on to emphasize that the District will always strive to deliver water, wastewater, and storm drain services in the most efficient and economical way possible. We will pursue Grants and low to no interest finance when available.

- c. Mr. Jorritsma introduced the procedure for the public hearing process. He informed the public a valid protest needs to be done in writing and we have forms available. If a majority of the customers’ protest any of the rate adjustments, the monthly charges and rates for such services will not be increased. The District would need 825 protests for water services and 814 protests for wastewater services. As of the beginning of the meeting, the District had received 2 protests.
4. Mr. Jorritsma Opened the Public Hearing and asked the public if they had any additional questions and to submit their protests, if it was their wish. No additional questions were presented.
 5. Mr. Jorritsma provided last call for protests, none were provided.
 6. Public Hearing was closed.
 7. Mr. Jorritsma reported a total of 2 written protests were presented to the District.
 8. Mr. Jorritsma reported the Board will vote on the proposed rate changes at the regular Board meeting scheduled for July 6th at 5:30p.m.

There being no further business the meeting was adjourned at 6:34 p.m.

Respectfully Submitted,

Tina Borgs

Approved by:

Jan Jones

Board Member

8.3.21

Date