HILMAR COUNTY WATER DISTRICT

BOARD OF DIRECTORS MEETING

June 2, 2026

Members Present – Jim Jones, Frank Hilliard, David Anderson, Tony Salvador Jr., and Jim Gerdes.

Members Absent – None.

Public in Attendance – None.

Action Items

A motion to approve the Consent Items was made by Jim Gerdes and seconded by David Anderson. Motion passed 5-0.

A motion to approve Bills Payable: June 2026 was made by Tony Salvador Jr. and seconded by Jim Gerdes. Motion passed 5-0.

A motion to approve the extension of the Conditional Can & Will Serve Letter for Bloss Cove Project (Bloss Cove Estates Inc. – Ramson Piro), was made by Jim Gerdes and seconded by Frank Hilliard. Motion passed 5-0.

A motion to adopt Resolution No. 594: A Resolution of Intent to Adopt Budget for 2026-2027 Fiscal Year and Calling a Public Hearing Thereon was made by Frank Hilliard and seconded by Tony Salvador Jr. Motion passed 5-0.

A motion to adopt Resolution No. 595: A Resolution Calling for an Election for Certain Members of the Board of Directors and Designating Election Procedures for Coordination with Merced County Elections Department was made by Jim Gerdes and seconded by David Anderson. Motion passed 5-0.

A motion to approve Amendment One to the Memorandum of Understanding with the New Hilmar Pool Fund non-profit group subject to changes discussed, authorizing the subcommittee to review and authorize Curtis to proceed with design planning if acquiring the additional six acres adjacent to the property on Geer Avenue was made by David Anderson and seconded by Frank Hilliard. Motion passed 5-0.

A motion to approve the Purchase of WECO Sewer Inspection System and Authorizing the District Manager to Execute the Purchase Order was made by Jim Gerdes and seconded by Frank Hilliard. Motion passed 5-0.

Meeting – 06/02/26

The meeting was called to order at 5:06 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 that the water loss for May was 18.63%. He also provided the results of the nitrate testing. The results from the TID Yard, this is the water that is making into town, have been well below the standard of 10mg/L as stated below:

	Nitrates	Cox Well #4	Jake Well #6	Woody Well #7	Mark Well #8	TID Yard
	5/5/26	Stand-By	0.40	21.00	0.40	0.40
	5/12/26	Stand-By	0.50	Offline	0.50	0.50
	5/19/26	Stand-By	0.40	14.00	0.40	0.30
	5/26/26	Stand-By	0.40	8.40	0.40	0.40

		Cox Well #4	Jake Well #6	Woody Well #7	Mark Well #8	Total
Production (MG)		0.000	0.208	0.115	31.919	32.242

	Residential (SF)	Residential (MF)	Commercial	Institutional	School	Total
Usage (MG)	21.849	0.892	2.813	0.442	0.238	26.234

% Loss
18.63%

He also provided the TSS and BOD results:

	TSS	BOD
5/5/26	36.00	100.00
5/12/26	42.00	74.00
5/19/26	41.00	51.00
5/26/26	69.00	54.00
Total	**47.00**	**69.75**

Curtis stated that the BOD spiked last month. This is consistent with the past years at this time of the year.

Curtis thanked the Board for their attendance at the Public Hearing. He stated that overall, the meeting went well. He added that the general consensus among the attendees was that customers are concerned about water quality and want clarity on the District's current actions as well as its plans for upcoming projects. He also noted that customers prefer gradual rate increases rather than sudden, significant spikes.

Curtis informed the Board that Mr. Anderson, Mr. Gerdes, and Mr. Hilliard are up for re-election this year. They were provided with the candidate filing information.

Curtis provided an update on the corporation yard. The fence is being installed, still waiting on TID to hook up the power. Once the power is on we will start the process of moving. He also informed the Board he had a meeting with Mr. Ken Olds, of F&M Bank, on the possibility of restructuring the loan with Holman Capital.

Director Reports – Mr. Gerdes inquired into the Woody well and our capacity. Curtis responded that he would be go into the details of the water capacity study results later in meeting.

Mr. Frank Hilliard asked at what point the State could act on regarding the BOD and TSS results, and when we would be required to update the sewer capacity study or upgrade our permit. Curtis believes if the running annual average of TSS and BOD remains within the required standards, we will be in good shape. He also stated that our current plant capacity of 63% is too early to look at conducting a capacity study.

Action Items –

A) The bills that are due to be paid in June were presented. A motion was made and seconded to pay the bills presented.
B) The Conditional Can & Will Serve Letter for Bloss Cove Project (Bloss Cove Estates Inc. – Ramson Piro) was presented to the Board. Staff recommended approval of the extension of the Conditional Can & Will Serve Notice. A motion was made and seconded to extend the Conditional Can & Will Serve Notice.
C) Curtis presented Resolution No. 594: A Resolution of Intent to Adopt Budget for 2026-2027 Fiscal Year and Calling a Public Hearing Thereon. This resolution calls for a public hearing at the next board meeting to adopt the 2026-2027 budget. A motion was made and seconded to adopt Resolution No. 594.
D) Curtis presented Resolution No. 595: A Resolution Calling for an Election for Certain Members of the Board of Directors and Designating Election Procedures for Coordination with the Merced County Elections Department. This resolution is required to initiate the Board election. A motion was made and seconded to adopt Resolution No. 595.
E) Curtis informed the board, that this item was discussed at the last board meeting, and that it would be an action item at this meeting. Mr. Stuart Spencer, legal counsel, stated that a Memorandum of Understanding (MOU) is an informal agreement that discusses what is agreed upon between parties and allowing the parties to move forward with their project. Mr. Frank Hilliard and Mr. Tony Salvador Jr. are the subcommittee members involved in discussions of the MOU negotiations. Mr. Spencer will be providing questions that will need clarification for the amendment one to the MOU. The amendment will be subject to changes discussed with the subcommittee. A motion was made and seconded to approve an amendment to the MOU with the New Hilmar Pool Fund, subject to changes discussed, authorizing the subcommittee to review and authorize Curtis to proceed with design planning. Mr. David Anderson stated that easement access would be advantageous to the District for future pond/tank etc. Future conversations with the School District would be

advantageous for the possibility of acquiring the triangle piece of property adjacent to our Geer parcel and the parcel belonging to the New Hilmar Pool Fund as the property is not being utilized by the school. Mr. Spencer Supinger, District Engineer, stated it may be worthwhile looking at purchasing the triangle piece and having access to water. Curtis will approach the school and see what options will be available.

F) Curtis informed the Board that we are experiencing problems with the water and sewer camera system in the van we purchased some time ago. We had a representative from WECO Industries perform a demonstration of a portable video inspection unit for storm drainage, and our collection system. The quote is around $117,000.00. We have a budgeted amount of $150,000.00 on our CIP list. Mr. Frank Hilliard stated that he happened to be passing through when the demonstration was being performed and it's a very intuitive system. He was very impressed and felt that it would be very beneficial for the District to invest in this system. A motion was made and seconded to approve the purchase of the WECO sewer inspection system.

Discussion Items –

A) Curtis provided the second draft of the 2026/2027 budget. He provided the CIP list of projects. This list works as a snapshot of what projects are coming up and reflects how the projects will be paid for. The rate study analysis will be accounted for on this list. The final draft will be provided at the next board meeting for approval.

B) Curtis provided the water capacity study that was performed by QK Engineering. Once Well 8 came online we started the process of analyzing our water capacity. The study recommended that the District set aside a reserve of 10%. This provides a factor of safety and gives the District time to evaluate upgrades to their system as the system capacity is approached. The 10% reserve is to be taken off the top of the total capacity of the system, and not off any amount available. Mr. Spencer Supinger, District Engineer, stated that the California Waterworks Standards outline methods for calculating Maximum Day Demand and Peak Hour Demand for the water system. The California Waterworks Standards require water systems using only groundwater to be capable of meeting the Maximum Day Demand with the highest-capacity source offline. Based on the results of the study, we would be able to provide water to the current can and will serve list of 531 EDU's. Curtis will be sending a letter to the development community to inform them of the study results and what the requirements will be going forward to move ahead with their projects. Mr. Frank Hilliard inquired about the current moratorium, will that need to be lifted. Curtis stated that based on capacity study we would have to remove the moratorium. He will work with legal counsel to have it as an action item at the next board meeting.

The Directors Convened to Closed Session at 6:40 p.m.

A) Conference with Legal Counsel – Possible Litigation (Government Code Section 54956.9 (a)).

Directors returned to open session at 6:59 p.m.

There being no further business, the meeting was adjourned at 6:59 p.m.

Respectfully Submitted,

Dona Boggs

Approved by:

Jim Jones ______________________________ 7-7-26 ______________________

Board Member Date