

CENTERVILLE COMMUNITY SERVICES DISTRICT
REGULAR BOARD OF DIRECTORS MEETING

Directors Present: President Oliver, Vice President Whitehead, and Director Hopson
Absent: Directors Woodstrom and Richison
Others Present: Barbara Hopson, Jack and Kathy Hauenstein, John and Elizabeth McKinney, Tom and Lori Groves, Dennis and Elaine Hageman, Aaron Mr. and Mrs. Bjarnason, Lorayne Blankenship, Charles Follis, Bill & Terri Lauerman, Randy Jensen, Carla and Lenny Kerr, Colleen and Richard Murphy, Jewel Green, Kirstin Stalker, Keith and Shirley Mullnix, Dave and Michelle Cave, Ed & Margaret Wilson, Jan & Joe Chicoine, Ken and Mary Branson, Harry and Stella Biggins, John and Heidi Urias, Elizabeth Johnson, Janet O'Brien, Donna Dilts, Mr. and Mrs. Campbell, Mr. and Mrs. Ankeny, Mike and Terri Sherman, Fred Ides, Steve Ferraro, Jan and Dean Edwards, Tony Landi, Rick Von Euw, Russell & Neva Ricks, Dan Christensen, Richard Gifford, Kathy Reschke, Diane Souza, David Steen, Rob Sendiman, Dan Patten, Robert Lorge, Cathy Anderson, Terri Thorne, Kathy Polifroni, Leonard Bandell, Randy Skiles, Mike Minihan, Jill Huang, Cindy Lou Johnson, Lisa Thomas, Mike McKa, April Smalley, Krista Stanfield, Cereasa Treryan, Lisa, Meg, Rob, Jeffrey Jaysu, Collin Bogener, Tina Teuscher and Chris Muehlbacher

PRELIMINARY BUSINESS:

- I Call to Order: President Oliver called the meeting to order at 7:02 pm.
- II Public Comment Period: President Oliver went over a presentation regarding the District's current water supply and Stage III of the Drought Contingency Plan. He stated that the Board would not be answering any questions this evening, they would simply receive comments, then the Resource and Planning committee would take those comments into consideration when approving or denying the water variance requests as well as looking into the potential of amending the District's Drought Contingency Plan. He then opened the public comment period.

Mrs. Heidi Urias asked why the District was using 2019 as the base year. She also mentioned that she heard that Governor Newsom was coming to Red Bluff for the Save The Water Campaign. She asked if the District was going to receive any of the money for the Save The Water Campaign to help cover the penalties of the drought.

Mr. Dennis Hageman stated that he was okay with the overall allocations, but did not like that his usage was low in the winter only because he was not there during the winter of 2019. He also encouraged everyone to check for leaks.

Mrs. Kathy Reski asked why the District chose 2019 as the base year. She stated that they do not water their landscaping. Her water pressure is 140 psi at the meter. She believes this high pressure is to blame for pipes breaking. She mentioned that they did install a PRV at their house, but need to install one at the meter. She stated that her accountant was from Sacramento and he stated that there were no water restrictions there. She asked why all of California was not affected by the drought. She also asked if the District knew if the State was going to implement the "Cash for Grass" program

again. She mentioned that the District's website shows a graph of usage for a year, she asked if they could look into expanding that to two or three years for comparison.

Mr. John McKinney stated that he had submitted a letter to Mr. Muehlbacher stating that he believes the plan is unfair. He stated that those individuals who have been conserving all along, are being penalized while those that waste water are being given more water to use. He also mentioned that there was a leak repaired on Dartmouth Drive where the street repairs remain to be completed. He stated that he had spoken to Centerville staff and they stated that the asphalt plant would need a larger job before they would fire the plant up. He mentioned that Costco just paved their parking lot, so he believes the plant is running and would like the hole covered up.

Mr. Steve Ferraro stated that he received the base amount only because he lost his house in the Carr Fire. He has lived here since 2004 and asked that another year be used because he had no usage in 2019.

Mr. Rich Gifford stated that his mother lived in the house in 2019. She passed away a year ago and he took over the house in September of 2021. Now there is a family of six living in the home. He mentioned that they are not irrigating, but the base allocation is not enough for a family of six.

Mr. Fred Ides stated that his home burned down in the Carr Fire. He asked how the plan allows a variance for the people that lost their homes in the Carr Fire? He asked why the Board did not take into consideration those families that lost their home in the Carr Fire. President Oliver stated that there was a variance process and encouraged him to submit a request. Mr. Ides asked how they could give any variances when there is no additional water.

Mr. Bruce Anderson asked if this rain that we are getting will impact a change in the allocation from the Bureau. President Oliver stated that although it is raining, this rain is not enough for the Bureau to increase the District's water allocation.

Mr. Rob Swendiman stated that those customer's that are the 30% of the District using the majority of water should be contacted and they should be made to cut back their usage significantly. He asked if the District was going to contact those individuals who are using the water. He mentioned that some of those individuals will spend the money and pay penalties for going over their usage. He asked what the Board will do when those individuals are going over their allocation besides fine them \$5 for 100 cubic-feet over their allocation.

Mrs. Mary Branson stated that she appreciates the Board taking the time to look at the allocations and possibly amending the Drought Contingency Plan. She stated that everyone has the same needs when it comes to water. She believes that everyone should get the same amount of water. She believes the \$5 penalty is not enough. She believes that the Board needs to come down on those users who are using the majority of the water. She stated that running out of water is not an option. The Board should be speaking to those customers who are using the most water and curtail their usage, not the customer that is already conserving.

Mr. David Stein (representing Mr. and Mrs. Cole) stated that his clients purchased a home from Cousin Gary's and they will begin paying on their construction loan next month. Their permits have been approved and they have moved from Southern California and are now living in a fifth wheel. He stated that they have submitted a variance request for approval. President Oliver asked that he hold any further comments until that item came up on the agenda.

Mr. Roger Ankeny asked how the Board was going to have enough money to operate with only half of the revenue due to lower water sales. He mentioned that he was at the last Finance Committee meeting and there was talk of not hiring another field operator at this time due to the lack of revenue. He also mentioned that everyone with high water pressure should place a Pressure Reducing Valve (PRV) at their meter.

President Oliver explained to everyone that what Mr. Ankeny was saying is true. The District's revenue is based on water sales and consumption is charged by 100 cubic-feet. When the water sales are down the revenue is down. The operation costs of the District do not change.

Mrs. Diana Souza stated that she had a leak because of the high water pressure at the meter. She explained that there are two hose bibs down on her driveway for fire protection and she believes that her leaks were due to the high pressure over the years on those pipes. She has since placed a PRV at her meter. She stated that she has one more small leak that needs to be fixed; however, it is under her driveway and they are having a tough time locating it. She is doing her best to conserve water.

No other comments were received. The public comment period was closed.

III Authorize Payment of Bills for Current Expenses: Director Whitehead moved to pay the bills. Director Hopson seconded. Mr. Muehlbacher stated that the payment to Clear Creek is for the last three months. They are now current with their billing. The CUSI payment is for necessary programming to create the allocation sheets. The Foothill Fire Protection payment is for the maintenance on the District's fire extinguishers. The vote was unanimous. Motion carried.

IV Status of the Budget Report: Mr. Muehlbacher stated that the O&M revenues were \$1,049,353 verses expenses of \$1,044,369. He stated that revenues are on target; however, he is beginning to see a drop in consumption. Regarding expenses, Clear Creek is now on target with what was budgeted.

Mr. Muehlbacher stated that the Capital revenue was \$197,430 and expenses were \$394,427. He mentioned that there were very few changes to the revenue and expenses are reflecting all payments made to date for the Tank Recoating program.

Reserve Fund Status Sheet: The total reserve is \$1,156,658. He stated that there were minimal changes from last month. He mentioned that he added a new line item to the report for pending transactions.

CONSENT AGENDA:

- I Approval of the minutes of: March 16, 2022 Regular Board Meeting;
- II Continue local emergency pursuant to AB 361 due to COVID-19 directly impacting members to meet in person: Director Whitehead moved to approve the consent agenda items. Director Hopson seconded. The vote was unanimous. Motion carried.

NEW BUSINESS:

- I Drought Contingency Plan – Stage III – Consider Waiving All Overage Penalties Until the May Monthly Billing: Director Whitehead moved to waive the allocation penalties for April. Director Hopson seconded. Director Whitehead explained that the allocations were not received by customers until they were already 2 weeks into the billing cycle. It is recommended to waive the penalties. The vote was unanimous. Motion carried.
- II Water Variance, New Meter and Landscape Maintenance District Requests Update: President Oliver opened up the public comment period. Mr. David Stein stated that he was here on behalf of Mr. and Mrs. Cole who had purchased a home from Cousin Gary's. He asked that the Board allow this couple to install their home knowing that they can not put in a pool or landscaping. He also mentioned that Cousin Gary's will be mindful to not execute any more homes in the District until such time there is more water. Mr. Muehlbacher stated that the Cole's are the WAC customers that sent in a variance request.

Keith Mullnix stated that he submitted a water variance for his landscaping. He explained that he had lost part of his landscaping in the Carr Fire. Since then he has worked hard to relandscape that area. He asked that his allocation be based on a year before the Carr Fire.

Mr. Bjarneson stated that he too has submitted a request for new meter on Silver King Road. He purchased the property and at the time he submitted his building plans to the County, the District signed a Water Sewer Clearance form stating that a meter could be purchased. That was back in December of 2021. When his wife went to purchase the meter at the end of March, she was told we had to go before the Board. He stated that he would not put in any type of landscaping and he would stay within his allocation. He does not want to lose his construction loan and pleaded with the District to allow the construction of his new home.

Mr. Gifford stated that he owns two pieces of property one of which is a WAC customer. He asked if there was a due date on the variance process.

- III Consider WaterSMART Small-Scale Water Efficiency Projects Funding Opportunity No. R22AS00195: Mr. Muehlbacher stated that the District has started a pilot program to evaluate the SET meter technology. A total of six AMI units have been installed. He stated that the WaterSMART Small Scale Water Efficiency Projects offered by the Bureau of Reclamation is a 50/50 funding opportunity for up to \$100k with total project cost being \$225k or less. Director Hopson moved to proceed and submit the grant application. Director Whitehead seconded. The vote was unanimous. Motion carried.

OLD BUSINESS:

- I Public Hearing to Review and Consider Adoption of Ordinance 2022-01 (second reading) – Plant Capacity Charge: President Oliver introduced attorney Colin Bogener. He explained that once adopted the fee would become effective in 30 days. Director Hopson moved to adopt Ordinance 2022-01. Vice President Whitehead seconded. President Oliver called for a roll call vote: Director Hopson – yes; Vice President Whitehead – yes; President Oliver – yes; Director Woodstrom – absent and Director Richison – absent. Mr. Bogener asked Executive Assistant Mrs. Teuscher to read the title of the Ordinance for the second reading. Motion carried.
- II LAFCO Municipal Services Review and Sphere of Influence Update: Mr. Muehlbacher stated that LAFCO revised their recommendation and concurred with the District's opposition to any reduction of SOI for Public lands.
- III Meeting Room Conversion Project Update: Mr. Muehlbacher stated that the application for the building permit was submitted in March. There have been no updates.
- IV Tank Maintenance Program Update: Mr. Muehlbacher stated that the C1 Tank is complete.
- V Muletown Pump Station Generator Project: Mr. Muehlbacher stated that the request for qualifications and proposals was sent out. The deadline is April 29th. He is anticipating to bring this project to the Board for approval in May.
- VI Diggins Repeater Emergency Generator Project: Mr. Muehlbacher stated that the District received a \$10,000 grant from ACWA JPIA. The generator is at the office and requests for proposals for installation will go out soon.
- VII Update on Carr Fire Recovery Project Status: Mr. Muehlbacher stated that the repair of the Tank A coating was the final Carr Fire project. He explained that FEMA awarded a total of seven projects totaling \$346,946. There remains approximately \$141,000 in reserves that was not used. As of today, the CalOES Disaster Closeout has acknowledged that it still needs to assign a project closeout specialist that will guide staff for the remaining close out process.
- VIII Review and Discuss Water Allocation and Water Supply: Mr. Muehlbacher stated that the District only has 1,050 AF available. Earlier this water year, the District was breaking usage records. He stated that he projected a use of 80 AF for April and the usage is decreasing. He stated that the Board will be discussing the possibility of purchasing additional water during closed session.

Director Whitehead asked Mrs. Teuscher to run a report that shows who the top customers are in the District for the Resource and Planning Committee's next meeting.

GENERAL BUSINESS:

- I Correspondence: None
- II President’s Report: None
- III Manager’s Report: Mr. Muehlbacher stated that Mr. Bogener completed his initial review of the Ordinance report. He will schedule a time with him to go over his review. The Muletown Cla-val 16” is out of service because the register is not working. Pump 1 at the Muletown Pump Station is also out of service in need of repair.
- IV Committee Reports: Vice President Whitehead stated that the Public Information Committee had discussed putting signs up asking customers to conserve water. Director Hopson stated that he has looked for a prime location but believes the pump station along Placer would be best.
- V Announcements: The next Board meeting is May 18, 2021.

CLOSED SESSION:

- I Conference with Real Property Negotiations:
- II Annual review of District Manager’s Performance (§54957) - Tabled

President Oliver stated that the Board went into closed session at 8:56 pm and returned at 9:30 pm. The Board directed the District Manager to purchase 500 acre-feet of supplemental water from the City of Redding.

GENERAL BUSINESS CONTINUED:

- VI Adjournment: 9:30 pm.