

CENTERVILLE COMMUNITY SERVICES DISTRICT
SPECIAL BOARD OF DIRECTORS MEETING

Directors Present: President Oliver, Vice President Whitehead, Director Woodstrom, Director Richison and Director Hopson

Absent: Larry Hopson

Others Present: Ray Butler, Kim Crummett, Diana Souza, Don Spellman, Leo Eickhoff, Kim Shera, Marycha Smith, Mr. and Mrs. Ankeny, April Carroll, Maxine Butera, Mr. and Mrs. Timmerman, Dave Ercolano, Keith Mullinx, Frank Lehmann, Melody Brown, J. Parker, Tina Teuscher and Chris Muehlbacher

PRELIMINARY BUSINESS:

- I Call to Order: President Oliver called the meeting to order at 7:00 pm.
- II Public Comment Period: President Oliver opened the public comment period. No comments were received. Public comment period closed.

NEW BUSINESS:

- I Workshop: Review and Discuss the Stage I Voluntary Conservation of the District's Drought Contingency Plan and Water Supply Outlook followed by a question-and-answer session from the public:

President Oliver introduced the Board and staff. He went through his presentation and gave a recap of the District's contracts with the Bureau of Reclamation and how the Bureau's water restrictions affect the District during a drought. He mentioned that the District did not receive any of their Project water this year which left the District with only 900 acre-feet of water, which prompted the Board to purchase water from McConnel. This gave the District a total of 1,050 acre-feet for the year, sending customers into Stage III of the District's Drought Contingency Plan (DCP). He stated that the Board was able to purchase an additional 500 acre-feet from the City of Redding leaving the District with a total of 1,212 acre-feet to finish the 2022/23 water year. He mentioned that in 2021 the District used a total of 1,282 from July 2021 through February 2022, so with everyone voluntarily reducing their usage by 25%, we should have enough water for the remainder of the year. He mentioned that if the usage begins to go back up, then the Board may need to enter Stage II of the DCP.

President Oliver stated that the District is proposing a drought surcharge to cover the cost of the water purchased. He explained that the Board does not believe it is fair to make individuals who use very little water and are already conserving to cover the cost of the purchased water, so they have set usage limits based on the month and anything over those limits will be charged the drought surcharge.

Mrs. Marycha Smith asked about water theft and how individuals stealing water from the District affects our water availability. She also mentioned that there were several leaks caused by the large PGE trucks driving around looking at trees and possible fire

hazards. She does not believe it is fair for customers to have to pay overage penalties for a leak that was caused by someone else. Mr. Muehlbacher mentioned the District's Adopt a Hydrant program. He stated that the District caught two separate water trucks taking water from hydrants without permission. They were billed and fined. He stated that they were caught because of customers in the District watching the hydrants. Vice President Whitehead stated that if a contractor has purchased a hydrant meter, there will be a meter on the hydrant. If anyone sees someone taking water from a hydrant and there is no meter on the hydrant, they are taking the water without permission.

Mrs. Smith also asked if a fire were to start and Calfire had to use the hydrants to put out a fire, would that usage come from the 1,212 acre-feet. Vice President Whitehead stated that the first thing would be to put out the fire and then they would discuss and figure out the usage with the Bureau.

Mr. Leo Eickhoff asked why the District used 2019 as the year to base the usage off of. Vice President Whitehead stated that Bureau of Reclamation chose 2019 because it was the year with no restrictions.

Mr. Ankeny thanked the Board and Mr. Muehlbacher for purchasing the additional water from the City of Redding. He asked if there was any word of Westridge beginning construction and what that would mean to the District's allocation. The Board stated that there has been no development on that project. He also asked if there were enough reserves to cover the District's operational costs with the reduced usage. The Board assured him that there were reserves if needed. Mr. Ankeny also asked if the District had filled the vacant operator position. Mr. Muehlbacher stated that he is in the process of advertising the vacant position.

Mr. Swendiman asked if there had been any penalties giving for watering on the wrong day or during wrong time of day. Mr. Muehlbacher stated no. Mr. Swendiman stated that he read through the proposed rate increases and suggested that the Board hold the public hearing for the rate increases at Grant School instead of the office. He also asked if the District had been submitting applications for grants from the State of California to help cover operating costs. Mr. Muehlbacher explained that Centerville is not a disadvantaged community per the State of California, therefore we are not eligible for those grants.

Mr. Swendiman stated that he is concerned about the future if the drought continues. He stated that he knows individuals who don't care how much the water cost, they will continue to use as much as they want because they have the money to pay the penalties. He asked if Board had the authority to restrict an individual's usage. He does not believe it is fair for those with money to be able to use as much water as they want, just because they have more money. President Oliver stated that if we have another dry year, all bets are off. The restrictions would be more severe.

Mr. Lehmann stated that he heard there were about 30 customers that use about 70% of the water. He asked if that was true. Mr. Muehlbacher stated that the District had sent out letters in February because there were approximately 300 customers who had used 70% of the water for that month. He stated that most of the customers that

received the letter were thankful for the insight and some of them found that they had leaks and repaired them.

Mr. Swendiman stated that he had just read in the Prop 218 Notice that it was a small percentage that were the high users. Mr. Muehlbacher stated yes, there is a small percentage of customers who use the majority of water, but he did not have those figures with him.

Diane Souza asked when the District would vote on the proposed rate increases. Mr. Muehlbacher explained that there is not a vote by District customers. If she wanted to protest the rates, she would need to submit a letter of protest. He mentioned that the public hearing is on July 29th at 7 pm. She also asked for an explanation of the WAC Charge. The Board explained that this rate is for those customers who purchased a meter when the District was forming. They did not need the meter at the time, so the District pulled the meter until they were going to build a home. Those customers entered into an agreement with the District to pay a monthly fee to avoid larger capacity fees in the future. They explained that if she was a customer, she would not have the WAC fee on her invoice.

No other comments or questions were given.

GENERAL BUSINESS:

- I Announcements: The next Regular Board Meeting will be held next Wednesday at the District Office.
- II Adjournment: 8:03 pm