A regular meeting of the Templeton Community Services District was held on Tuesday, February 4, 2020 at 7:00 p.m. in the District’s Board Meeting Room of the Templeton Community Services District located at 206 5th Street, Templeton, CA.

Call to Order: 7:00 p.m.

Roll Call:
Present: Directors Petersen, Logan, Jardini, Fardanesh, and English.

Staff: General Manager Jeff Briltz, District Engineer Tina Mayer, Finance Officer Natalie Klock and Board Secretary Laurie Ion.

Audience:

Order of Business:
No changes were made to the order of business.

Special Reports and/or Presentations:
None.

Public Comment:
None.

Consent Agenda:

Vice-President Fardanesh made a motion to approve Consent Agenda Item a. a. Minutes: Consider adoption of the minutes of January 21, 2020.

Director Petersen seconded the motion.

Roll Call Vote - Ayes: Fardanesh, Petersen, Logan, and English. Abstain: Jardini.
President English reviewed the following Norms:

**COMMUNICATION & PROCESS NORMS**

- *Listen respectfully and actively when communicated with.*
- *The Board and Staff are committed to TCSD’s mission and to work as a team.*

**Business**

**Water Supply Buffer Model Update:** District Engineer Tina Mayer reviewed the Water Supply Buffer Model Report and presented a PowerPoint presentation on the 2019 Annual Update. She advised those present that the policy reserves a percentage of the District’s water supply to provide a buffer against potential problems with existing water supply sources. She provided examples as follows:

- Well Failure (issues with the District’s Bonita Well)
- Well Contamination
- Nacimiento Line Failure: Out of service since September 2019. This is the second time the system has been off-line.
- Water Quality Issues
- Increase of private allotment of the Templeton Sub-Unit
- Legislative Changes (State has enacted legislation requiring the District to provide water service to Accessory Dwelling Units (ADU) that meet certain conditions.

Mayer referenced the U.S. Drought Monitor in California (2016). She indicated that the policy ensured customers could be supplied during the drought. Mayer’s presentation reviewed:

- The District Water Supply Portfolio
- District Water Supply by Source (an overview of supply from 2020 - 2027)
- Water Supply Buffer Model 2019 Annual Update (included 10-year average - Production, Zero Use Meters, and Outstanding Units). She indicated that the Production Forecast was 1,736 AFY)

Mayer noted that there were questions in letters received on 02/04/20 that asked questions about consumption versus production. She noted that production numbers used include water used due to fire hydrant use, line flushing and inaccurate meters (system loss). She advised that the system loss in 2019 was 10%. She further advised that during the drought the District did not do waterline flushing to save water.

Mayer reported that the 2020 Supply was 2142 Acre Feet (AF). She reported that the Buffer was at 18.9%. She anticipates that the buffer will be at 19.8% in 2022 (2165 AF supply) and 20% in 2025 (2213 AF supply). She indicated
that 52 water units would become available for allocation in 2025. In 2027 she anticipated that 494 units would become available for allocation but only if the Nacimiento Water was part of the District's supply (2611 AFY). Mayer reviewed the Water Supply Buffer Forecast Model History (2015 - 2020 Production Forecast) and Supply Forecast (2020-2027). Mayer concluded with the Patterns Shown slide.

President English asked about the gallons-per-day allocation. He noted in her report allocations were referenced by 300 gpd, 430 gpd, and current 575 gpd units. He asked how they were determined and how do they correspond to actual use. Mayer advised that the allocation of water per water unit was determined by ordinance. She indicated that assignments of the allocation to the water unit were determined at the time of purchase. She further advised that staff had done a lot of research in the records to determine the water unit assignments at that time. She noted the numbers were reflected in the model.

English referenced the peak production slide. He noted that if you looked at the peak production where it matches supply (far left-hand side of slide) in that year if the District had a failure, the District would not have been able to deliver water to our customers. If the District had been relying on a well that went down, there would have had to been some water restrictions in place. English noted that is what we are trying to avoid. Mayer answered affirmatively.

English asked about the percentage of Nacimiento against total production. He was concerned if the supply went down. Mayer advised him that it would be about 15% of the District's supply, once it is available.

English asked about well production capabilities. Mayer indicated that there was a difference between well capacity and available supply. GM Brilitz elaborated by noting that the District has more well capacity than supply during certain times of the year. He advised that the District's issue deals with supplies having constraints. English noted that if the District was unable to draw water during a dry year that users would be protected by the buffer policy. Staff answered affirmatively.

Vice-President Fardanesh inquired about the impact of Accessory Dwelling Units (ADUs). Mayer advised him that staff is beginning to see more interest in ADUS. She anticipated that there could be a few hundred coming on-line over the next few years. Fardanesh asked if an ADU was a full dwelling unit. Mayer advised him it was. Fardanesh noted that there were 568 virtual meters. He asked if there were more riparian water units not being used at this time. GM Brilitz advised that many parties that have
requested riparian studies have asked for high numbers. He indicated that it was not however a good indicator of what the actual demand would be.

Fardanesh asked how many water units were connected to date. GM Brilz advised that there were 2,916 meters to date.

President English advised the Board that 28 letters were delivered to the Board late this afternoon. He indicated that it was the same letter but signed by different people.

Public Comment:
Templeton Chamber of Commerce Executive Director Jessica Main said that the Water Buffer issue had been brought to the Chamber’s attention. She had been asked to speak tonight on the subject. Main advised that people were questioning the 300/430 and 575 gpd allocations. She advised that she has businesses telling her they only need a few more meters to expand, etc. She said some people were concerned with missing a building boom. They want the Board to be proactive and release units sooner than what is being forecasted.

Rob Rosales inquired about secondary dwelling units not being restricted on size. GM Brilz advised that the County is moving forward in not having a lot size restriction.

Gwen Pelfrey noted she was on the Templeton CSD Board of Directors when the Buffer Policy was enacted. She is very pleased with the report. She noted that originally the buffer was not going to be reached until 2032. She is excited about units being available in 2025. She further noted it was very disconcerting to hear that the Nacimiento Project was offline again. She further commented that the Selby Ponds cannot handle the East Side Force Main Flows and the Nacimiento allocation. She cited the drought issue as an example of why it’s important to watch supply. She believed the Board was being prudent and had a sound policy in place.

President English thanked the Chamber of Commerce for the letters and getting people involved. He said he was disappointed that there was a reference to lack of transparency. He said the Board’s business is conducted in open session which are very transparent. He said they encourage public participation and information is on the District’s website. He believed the Board has lived up to being transparent. He believed the comment was a false narrative.

English noted that he believed the District has a solid policy. He said as the former Director of Public Works in Arroyo Grande that it is important to have a prudent policy to ensure the District can meet its obligation to
deliver water. He said the policy was not to make decisions based on economic swings. He said the District was responsible to provide a reliable water source to its customers. He said he was disappointed that the District has not gotten the credit for improving the water supply. He noted that the Board has taken action to get Nacimiento Water. The Board also raised rates for capital improvements projects so that water is available down the road. He also noted that the District had separated itself from the Paso Robles Groundwater Basin. He believed the Board was doing its best to provide water but he was open to looking at the policy. He noted that there could be options for developers to participate in a turf removal program.

GM Briltz noted that four years ago the Buffer was only at 3.1%. Today it’s at 18.9%. He was very pleased with the progress made.

Director Logan said she was pleased that looking at past projections and today that the gap has been narrowed. She shared a concern about not having water available more quickly but noted that the District has a responsibility to its customer base and outstanding units. She asked about the 20% buffer policy versus a 15% buffer.

GM Briltz indicated that 20% was an industry standard used by other agencies. He advised that he participates with the County-Wide Action Team. They have a 20% buffer as a standard. He further advised that systems with fewer sources must be careful. He noted that on April 1, 2020 the District will not be able to draw water from the river. He also noted that the Nacimiento Water is the largest water supply. However, Nacimiento was down 11 months in 2014/2015 and it is down again. He also indicted that there was an issue drawing water from the District’s river wells during the drought. He noted that one issue can impact three or four supplies. President English agreed. Hence the reason to have a policy that addresses more than one source.

Public Comment:
Gwen Pelfrey noted that on paper it looked great but there have been times that the District has not been able to pump water out of the ground, particularly during some summer months.

Jessica Main said she appreciated out of the box thinking. She asked if the District could consider parties selling their water privately. She said she was also a proponent of changing the buffer from 20% to 15%. President English advised that the Board had discussed private water sales and they did not proceed with the item.
Director Logan noted that the District cannot look at the Buffer Policy as a revenue maker. She said that would not be a prudent policy. She was not a proponent of allowing private water sales.

Director Petersen asked if there was a Best Practices Methodology for setting a buffer. GM Britzl advised that it was 20%. He noted that is what the Department of Water Resources uses currently.

Director Jardini noted that she was on the Board when the Water Policy was adopted. She said at that time she had called the cities regarding their policies and of those she called all but one had a 20% buffer policy. In regards to transparency she cautioned that the Board should be careful in reprimanding people who wrote a letter because they didn’t understand a graphic (chart). She indicated that the Board is committed to a high level of public engagement, public participation and transparency. She said a few people that had signed the letters were “heavy hitters” and that they have stood behind the District on other issues. She said the District therefore needed to be careful.

Director Jardini noted that Ms. Main and others were trying to understand the buffer policy. She said they were trying to understand if water units could be transferred. She noted that when the District took Measure A to the public it was due in part to it not being addressed in the past. She asked if the Board was going to kick the Community Facilities District (CFD) down the road. She spoke about her concern for timelines to go through the County system noting it could take six-months to three years. And, then the developer has to get building permits and construction. She estimated it could take 8 years for a project from start to finish. She said she was mad about the Fire Department coming to such a critical point. She believed the Board needed to think outside the box.

District Engineer Mayer indicated that currently 90% of the total Wastewater Flows are being discharged at Selby. When 100% of the wastewater flows go into the Selby Ponds they will be at capacity. Therefore, she indicated that Nacimiento water needs to be relocated before it will become available.

Director Jardini said that the District needed to sell water meters so they could fund Capital Project. She noted the need to fund the CFD and have money for capital improvements. She indicated that the reason the District relinquishment program didn’t take off is that some of the people with meters only paid $1,200 per unit. They were irritated that the District would pay them the cost of the relinquishment and then turn around and sell them at the current hook-up fee. She again emphasized the need for out of the box thinking.
Vice-President Fardanesh reiterated the reasons for having a 20% Buffer Policy which included: well failure, the Nacimiento pipeline failure and legislative changes (ADUs) that create challenges. He agreed with Director Logan in that the Buffer Supply is not a tool for economic development. He noted that 568 units (virtual meters) could be used at any time. The parties with those units have chosen not to use them. He also noted that funding from Measure A property taxes will continue after ten years.

GM Briltz agreed that there is no sunset clause on Measure A. He also noted that there is a two-percent CPI on it each year. He noted that the financial model prepared for the Board was very conservative in nature.

Vice-President Fardanesh said he was optimistic when he first heard the District had received letters regarding the Buffer Supply agenda item. However, he was disappointed to find it was a form letter. He was also disappointed that the Chamber had not been collaborative with the District on the subject. GM Briltz advised that he had been informed by the Chamber that there would be some correspondence on the subject. However, he did not receive the letters until the day of the Board meeting.

President English suggested that staff look at the gpd calculations for the outstanding units. Directors Logan and Jardini were in favor of his suggestion. English also suggested the possible creation of a lawn removal/buy-back program. He noted that it could reduce consumption. He noted it could be funded by individuals wanting water. Directors Logan and Jardini were in favor of this suggestion.

GM Briltz advised the Board that staff could review the 575 gpd calculations to see if it is accurate. He advised that the values of the units already issued (300/430 gpd) could not be changed. He indicated that residential is very different from commercial. President English said he would appreciate a report at a future date.

**Ordinance No. 2020-1 (Delinquent Utility Bills) and Resolution No. 1-2020:**
Finance Officer Natalie Klock presented the Board with an overview of Senate Bill 998 that required public agencies to establish a policy on the discontinuation of water service for nonpayment for residential customers. She indicated that residential customers will have 60-days to pay. There is also a mechanism for lower income households to have additional time to pay.

GM Briltz indicated that the District’s policy complied with SB 998. Staff was recommending that it apply to water and sewer accounts, as water and sewer bills go out together.
Director Jardini asked how long customers have now before their account is deemed late. Klock advised that the District currently had a 44-day cycle before an account was delinquent. Now it will be a 60-day cycle before an account is deemed delinquent. Director Jardini asked for a clarification on the $150 penalty. Klock advised that the District can charge up to $150. Currently the penalty is $50.

Director Logan said she was concerned about people who were on disability. President English noted that they can go through the appeals process. English asked if the policy would go on the website. Klock advised that it will be on the website in five languages.

Public Comment:
None.

Director Jardini made a motion to: (1) amend sections of the Templeton CSD Water and Sewer Codes relating to discontinuation of bills and by motion waive the first reading and introduce Ordinance No. 2020-1 amending the Templeton Community Services District Water and Sewer Codes and (2) approve Resolution No. 1-2020 establishing a policy for the discontinuance of residential water service in compliance with the Water Shutoff Protection Act (Senate Bill 998).

Director Logan seconded the motion.

GM Briltz asked Director Jardini to amend her motion wherein the words “discontinuation of” were revised to read “delinquent bills”. Director Jardini changed her motion to:

1) amend sections of the Templeton CSD Water and Sewer Codes relating to delinquent bills and by motion waive the first reading and introduce Ordinance No. 2020-1 amending the Templeton Community Services District Water and Sewer Codes and (2) approve Resolution No. 1-2020 establishing a policy for the discontinuance of residential water service in compliance with the Water Shutoff Protection Act (Senate Bill 998).

Director Logan seconded the motion.

Roll Call Vote – Ayes: Jardini, Logan, Petersen, Fardanesh and English.

General Manager’s Report:
No report.

Committee Reports:
None.
Staff Reports:
None.

Director's Comments:
Director Logan noted that the Board would be holding a Strategic Planning Workshop on Saturday, February 29th.

President English thanked the audience for attending the meeting. He said he appreciated the discussion.

Director Petersen thanked the Utilities Crew who worked over night during the recent PG&E outage.

Adjournment: The Board meeting adjourned at 9:21 p.m.

Respectfully submitted,

Laurie Ion, Board Secretary