Board of Directors
Bruce Nix, President
Jim Mac Kenzie, Vice President
Karina Naughton, Director
Myron Heavin, Director
Steve Dietrich, Director

1550 East Burton Mesa Blvd.
Lompoc, California, 93436-2100
805.733.4366
www.mhcsd.org

Brad Hagemann, General Manager

Mission Hills Community Services DistrictBoard of Directors
Regular Meeting
Wednesday, September 21, 2022
4:30 PM
1550 East Burton Mesa Blvd, Lompoc, CA - District Board Room

Agenda

Public may access the meeting via Zoom:

URL to sign in for video access
https://zoom.us/j/9467006985?pwd=TnBqZGJXbWhCNUdJNXhMZGU3alhDZz09
Meeting ID: 946 700 6985
To access the meeting via telephone:

Dial in 1 (669) 900-9128

1. **Call to Order and Pledge of Allegiance**
2. **Roll Call**
3. **Public Comment on Closed Session**
4. **Closed Session**

   A. Conference with Legal Counsel – Existing Litigation pursuant to Government Code Section 54956.9(d)(1), Plaintiff is Justine Shaffer, Defendant is Mission Hills CSD

   B. Conference with Legal Counsel – Existing Litigation pursuant to Government Code Section 54956.9(d)(1), Plaintiff is the City of Lompoc, Defendant is Mission Hills CSD

RECONVENE

Report out of Closed Session

5. **Public Comment** – Members of the public may address the Board on any item within the jurisdiction of the Board not included on this agenda for up to 3 minutes (Government Code Section 54954.3). If you are unable to attend, you can submit comments in advance of the meeting to admin@mhcsd.org before 1:00 PM, Tuesday, September 20, 2022.

6. **Consent Agenda -** Staff recommends Directors approve the Consent Agenda in one motion. Members of the public may comment on a consent item (3-minute maximum per speaker). Directors may pull a consent item for discussion or separate vote.

A. Consideration of Approval of Minutes from:

i) August 17, 2022

B. Activity Reports for August

i) Administration includes Administrative Assistant, Account Receivables, Administrative Services Manager and General Manager Reports.
ii) Water
iii) Wastewater
iv) Goals and Committee Updates

C. Financial Reports

i) Profit and Loss Previous Year Comparison
ii) Disbursements Journal
iii) Variation from Projected Income
iv) Bank Account Summary
v) Budget to Actual

7. Regular Business –

A. Discuss and Consider Declaring District Equipment Surplus
B. Discuss and Consider Adopting a Resolution Establishing Volunteer Personnel Coverage under Workers' Compensation
C. Discuss and Consider Adopting a Resolution Approving Amendments to the District's Conflict of Interest Code
D. Accept Fiscal Year 2020/2021 Audited Financial Statements
E. Discuss and Consider Adopting a Resolution Establishing Water Conservation Measures

8. Communications - Board of Directors may ask a question for clarification, make an announcement, or report briefly on recent activities or conferences. Also, Directors may providea reference to staff or other resources for information, direct staff to place a topic or report on afuture committee or regular meeting agenda.

A. General Manager's Comments
B. Directors' Comments
C. Public Comments (up to 3 minutes for topics within the District's jurisdiction)

ADJOURN

Regular Board Meetings are held on the third Wednesday of each month beginning at 4:30 PM Copies of the staff reports, or written materials provided for Mission Hills CSD for Open Session agenda items may be obtained upon request and are also available at the Customer Service Counterof the District Office for public inspection and reproduction during regular business hours. Closed Session items are not available for public review.

In compliance with the Americans with Disabilities Act If you need special assistance to participate in this meeting or if you need the agenda or other documents in the agenda packet provided in an alternative format, contact Board Secretary at 805.733.4366 at least 48 hours before the meeting to ensure that reasonable arrangements can bemade. (Agenda Prepared under Government Code Section 54954.2)

Board of Directors

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Brad Hagemann, General Manager

Mission Hills Community Services District
Board of Directors Regular Meetings Minutes
Wednesday August 17, 2022
REGULAR MEETING
1550 East Burton Mesa Blvd, Lompoc, CA - District Board Room

The Regular Meeting of the Board of Directors of the Mission Hills Community Services District was called to order at 4:30pm on Wednesday, June 15, 2022, at the District Meeting Room, 1550 East Burton Mesa Boulevard, Lompoc, California.

DIRECTORS PRESENT:	By roll call: Myron Heavin Karina Naughton James MacKenzie and Bruce Nix attended in person.
DIRECTORS ABSENT:	**Steve Dietrich**
STAFF PRESENT:	Dale Oviedo, Javier Rodriguez, Brad Hagemann Lupe Huitron and Jose Herrera
OTHERS PRESENT:	Gordon Williams, D.M Torres, JoeAnn Schuyler, Julia Parra, Howard Howe, Ed Hall, C Fowler, Roberta Chavez, Joy Hoover, Robert Peterson, Janet Leininger and Danny Hayes**.**

1. **Call to Order**-4:30pm **and Pledge of Allegiance**
2. **Roll Call**
3. **Public Comment on Closed Session**

   No public comment received.
4. **Closed Session**

   A. Conference with Legal Counsel – Existing Litigation pursuant to Government Code Section 54956.9(d)(1), Plaintiff is the City of Lompoc, Defendant is Mission Hills CSD

RECONVENE – 5:10pm

Reports out of Closed Session – No reportable action.

5. **Public Comment –** None

6. **Consent Agenda**

A. Approval of Minutes
i) June 15, 2022

B. **Activity Reports for June & July**
i) Administration includes Administration Assistant, Account Receivables, Administrative Services Manager and General Manager Reports.
ii) Water
iii) Wastewater Graphs
iv) Goals and Committee Updates
v) Consideration of adoption of Resolution to Authorize Remote Teleconferencing Meetings in Acordance with Newly Adopted Government Code Section 54953 (e) (AB 361)

C. **Financial Reports**
i) Profit and Loss
ii) Disbursements Journal
iii) Variation from Projected Income
iv) Bank Account Summary
v) Budget to Actual

Approved Consent Items

Motion made by Vice President MacKenzie, seconded by Director Heavin, to approve the Consent Agenda as presented. **Motion passed 4-0 vote with Director Dietrich being absent.**

7. **Discussion Items**

A. Public Hearing in accordance with requirments of proposition 218 on the proposed rate increases to water and wastewater rates and consideration of adoption of Resolution 22-342 adopting said rates

Board President Nix opened the public hearing. The Board received public comment. President Nix closed the public comment and the Board deliberated on the issue. The Board Secratary counted the protest ballots received and reported to the Board that the District had received 16 number of protest ballots. President Nix closed the Public Hearing.

Motion made by President Nix and seconded by Jim Mackenzie to approve and adopt Resolution 22-341 to increase rates and charges for water and Wastewater Services . **Motion passed 4-0 with director Dietrich being absent.**

B. Consider Adoption of Resolution No. 22-341 calling for general District Election and requesting Consolidation of the District Biennal Election with the November 8, 2022 County General Election

Motion made by Vice President Mac Kenzie and Seconded by Director Naughton to adopt resolution 22-341 calling for a General Election. **Motion passed with 4-0 with Dietrich being absent.**

8. Communications - Board of Directors may ask a question for clarification, make an announcement, or report briefly on recent activities or conferences. Also, Directors may provide a reference to staff or other resources for information, direct staff to place a topic or report on a future committee or regular meeting agenda.

A. General Manager's Comments- none
B. Directors' Comments- Director Heavin suggested we draft a short consumer friendly notice to have available to the public regarding the rate study.
C. Public Comments (up to 3 minutes for topics within the District's jurisdiction)-Board received public comments from members of the public.

ADJOURNMENT: 6:56 pm

With no further business to come before the Board, the meeting adjourned at 6:56pm.

Respectfully submitted:

Lupe Huitron

X _____
Bruce Nix, President

X _____
Lupe Huitron, Board Secretary

Administrative Activity Reports for
August 2022

Administrative Assistant

- Received Proposition 218 Written Protests from the public and entered them all into Spreadsheet to calculate the total number of notices received.
- Received invoices and scanned to Administrative Services Manager
- Entered and paid Bills in QuickBooks then processed checks
- Entered Springbrook payments
- Assisted customers with payments
- Received and placed phone calls
- Reviewed August's regular Board Meeting recording to be able to start the Meeting minutes
- Assisted Lead Water Operator with Setting up Target Solution/JPIA training to Field Crew
- Received all Backflow test sheets
- Begun searching and gathering documents for the September Regular Board Meeting Packet.
- Contacted the Elections Division for information regarding the Elections Packet send to me in July.

Customer Service/Account Receivables

- **Monthly:** New Customer Move Ins & Move outs: 5
- Applied 10% late fee non pay Aug: 131 accounts
- Accounts **9** have entered a year payoff agreement $ 9,924 from *Paying min. of monthly bill & past due total divided by 12 months.*
- (*2 Owner accounts owe $6, 600 off since May)* 1 of these *S.B CO Environmental Health inquired with G.M about water service to one occupied account and a sewer complaint from another resident. No violation was found at the property.*
- Residential accounts: **6 owe** $ 7, 618 and stated they will apply to State funding. **CSD.CA.Gov** federal funded program low-income families qualify based on persons in the household up to $ 2,000 payment.
- Webinar on Local organization that is running the Low-income Water Program. Direct payment to the District if applicant is approved is 6-8 weeks timeframe.

Administrative Activity Reports for
August 2022

Administrative Services Manager

- Participated in Board Meeting
- Participated in Financial Evaluation with CSDA Representative
- Worked with Compuvision on Approved Projects
- Processed Accounts Payable
- Processed Payroll
- Completed Board Packet Reports
- Completed End of Month Reconciliations
- Reviewed Priorities on Operations with General Manager on Weekly Basis
- Completed State Controller Report
- Completed Review of Audit
- Acting General Manager During General Manager Vacation

Administrative Activity Reports for
August 2022

General Manager Report

Well #7 Repair

All American has installed the new well shaft and tubing for Well #7. As of this writing, they have not yet re-installed the motor due to the need to obtain a certain fitting. They advised us that they have ordered the fitting and it should be in by early next week. All American will test run the well to waste to ensure proper operation and then staff will begin the process of disinfecting and testing the well to make sure it is ready to be put on-line.

Lift Station PDR Status

Staff has met with Jon Turner from Phoenix Engineering several times over the last 2 months to respond to information requests and clarifier the design parameters. Turner has been working with pump vendors to come up with options that meet the "high pressure, low flow" pumping regime needed for the Mesa Oaks Lift station. To further refine the design options, Turner has requested staff to obtain actual flow measurements to the lift station. Staff is obtained a proposal from Fluid Resources Management to conduct the flow measurements. With staff approval, FRM ordered the sensors needed to conduct the flow measurements. However, to date, the supplier has not been able to deliver the sensors. FRM advised that the sensors should be in the week of September 19th. We have scheduled Mainline to clean the sewer lines and FRM will install the flow meters the week of September 19th.

SCADA Project Status (No Changes)

The District's SCADA contractor is 95% complete with the SCADA upgrade project. We still need to tie in Well #7 as soon as the well becomes operational. The new SCADA system is working well. We have expanded the SCADA system it to include operational data from the wastewater treatment plant and the Mesa Oaks lift station.

Water Tank Repair Project

The District's design consultant, Advanced Technical Services (ATS) has submitted their 95% plans and specifications for the project. We have been working with the State Parks staff to work out the State's preferred ingress and egress routes. Operations staff have confirmed the functionality of the water tank isolation valves. Our project bid strategy will be to include the safety and repair items for both tanks and then have a bid alternative for coating the east tank and the west tank. Staff will coordinate with the Water Committee once the plans and specifications are in final draft. We hope to circulate the project for bids in late September and award a contract at the November Board meeting.

Brad Hagemann-General Manager

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Vice President; Jim MacKenzie
Director; Karina Naughton
Director; Steve Dietrich
Director; Myron Heavin

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General Manager, Brad Hagemann

MISSION HILLS COMMUNITY SERVICES DISTRICT
Water Reports – August 2022

Monthly Water Distributed: 18,079,000 gallons

Daily average: 583,000 gallons per day

Monthly Water Sold: Information will be provided at the Board Meeting

Monthly Wastewater Influent: 5,433,000 gallons

Treatment Plant

- Removed and capped off abandoned section of 10" pipe, 10" Cla-Val, and 8 "Automatic Valve. Removal was requested by the SWRCB Sanitary Survey Report.

Reservoirs

- Verified and exercised isolation valves on the East and West tanks. Closing of the isolation valves needed for the tank rehab project.

Wells

- Well 7 Installation of well shaft and casing started on 9/6/2022

Compliance

- Site Visit on 8/11 from APCD to inspect and review maintenance logs at Well 6.
- 2022 Semi-Annual Lead and Copper came back below the action level.
  - Results: 90th percentile level 1.1 mg/L
- Submitted Annual Disinfection Byproduct Report to the SWRCB.

Distribution System Maintenance/Repair

- Replaced **11** Hersey meters to Kamstrup meters
- Repaired **1** service line leaks or main breaks
- Preventative Maintenance Program: **July**
  - Mainline Valve exercised: **9**
  - Hydrant Maintenance and flush: **9**

Recurring Tasks

- **Daily:**
  - Electronically monitor levels via SCADA System
- **Weekly**:
  - Electronically check CL2 levels
  - Reorganize shop and tool inventory
- **Quarterly:**
  - Clean and inspect the solar panel for backup battery (Jan, Apr, Jul, Oct)
- **As Needed:**
  - Weed abatement

Treatment Plant

- **Daily:**
  - Electronically record bulk storage tank levels
  - Determine daily filtration chemical rate.
  - Record water produced from Wells 5,6, and 7

- **Weekly:**
  - Clean chlorine injection lines
  - Take and record Iron and Manganese treatment samples.
- **Monthly:** Complete State Water Resource Control Board (SWRCB) reports
- **Quarterly:** Remove weeds around shop and filtration plant (Feb, May, Aug, Nov)

Distribution System

- **Weekly:**
  - Collect and report weekly chlorine, phosphate, and PH results.
  - Sample "Bac-T" (coliform detection) every Wednesday
- **Monthly:**
  - Take distribution samples for State Water Board reports as needed.
  - End of month Residential and Commercial Meter Reads
  - Install new Kamstrup meters under Capital Improvement Project
  - Test and Inspect field equipment.
  - Mainline valve exercising
  - Hydrant flushing
- **Semi-Annually**
  - Complete dead-end flushing (Jun & Dec)

Safety

☒ Attend Weekly Safety Meetings
☒ Inspect Fire Extinguishers at water treatment plant, shop, and vehicles.
☒ Perform Daily Visual Inspection at Water Treatment Plant and Park

MISSION HILLS COMMUNITY SERVICES DISTRICT
Wastewater Report – August 2022

Total Plant Influent flow: 5,433,758 gallons

Total Plant Effluent Recycle flow: 736,592 gallons

Average Daily Flow: 181,125 gallons per day

Collection system/lift station

- Bill Callahan, with Wallace Group, has completed the Sewer System Management Plan update. The document needs to be approved by the MHCSD Board of Directors and then uploaded to CIWQS and certified.
- Met with Jon Turner, Phoenix Engineering to discuss pump configurations for the new lift station.
- Jon Turner has requested that the WW influent flow to or from the lift station be metered. The CSD is going to have temporary flow meters installed in the collection system lines that feed the lift station wet well.
- Sewer System Overflow (SSO) occurred on 08/24 from the manhole located near 2945 Chandler Drive. The SSO was reported to California Office of Emergency Service (OES). All required follow up reporting was also completed. The root cause of the SSO was a root ball in the collection system line downstream from the manhole that overflowed. The CPO called City of Lompoc WW Department, requested assistance and they responded by sending a Vactor truck to clear the obstruction.
- Mainline Utility was brought in after the SSO to jet the collection system in the vicinity of the location of the SSO.

Wastewater Treatment Plant

- Chief Plant Operator Dale Oviedo attended the Tri-State Seminar in Las Vegas, Nevada August 8-12. The seminar is an annual water utility event that provides training and contact hours for licensed water system operators from California, Nevada and Arizona.
- A submersible pump is running in pond 1 anoxic zone as a mixer. The pump runs 24/7.

Safety

☒ Attend Weekly Safety Meetings
☒ Inspect Fire Extinguishers at water treatment plant, shop, and vehicles.
☒ Perform Once Daily Visual Inspection at Wastewater Treatment Plant

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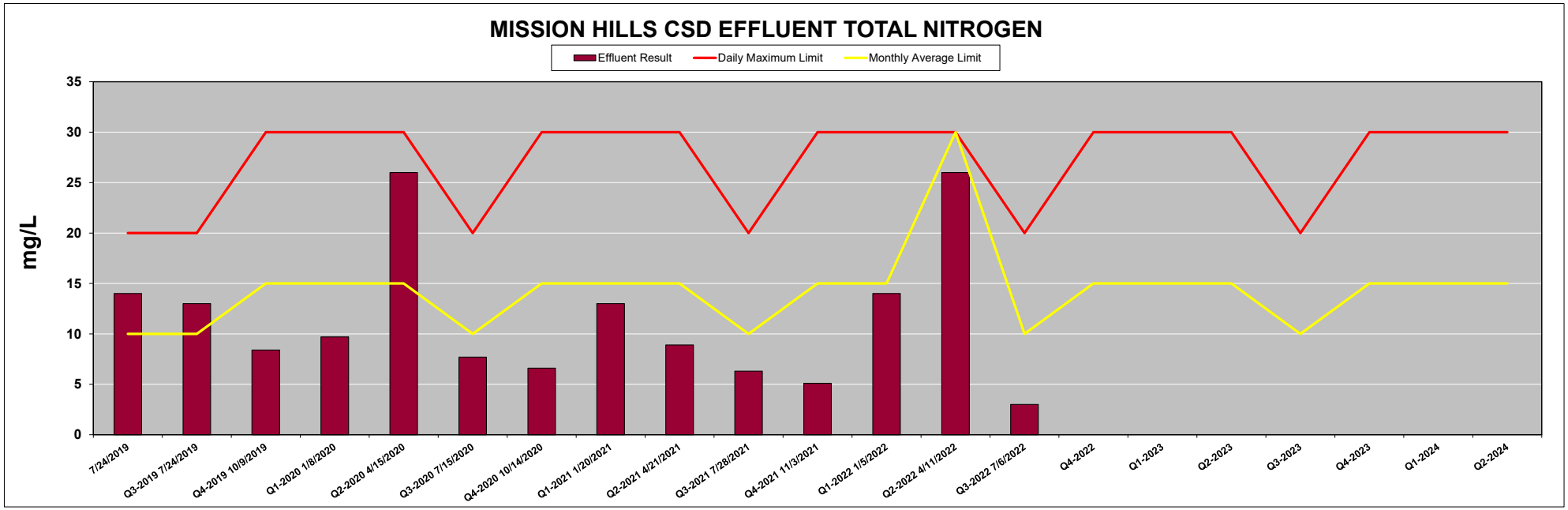
Safety

☒ Attend Weekly Safety Meetings
☒ Inspect Fire Extinguishers at water treatment plant, shop, and vehicles.
☒ Perform Once Daily Visual Inspection at Wastewater Treatment Plant

MISSION HILLS CSD EFFLUENT TOTAL NITROGEN (mg/L)

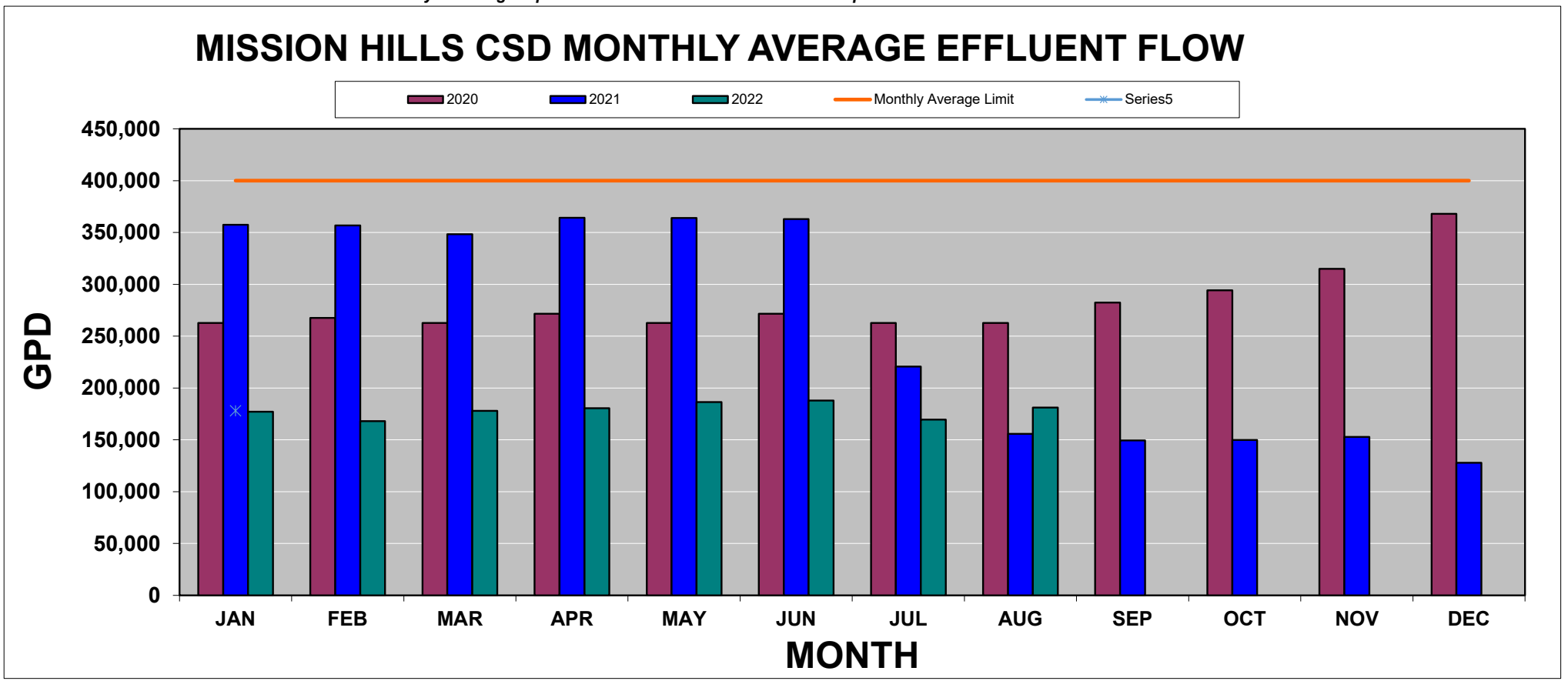
MONTH	7/24/2019	8/20/2019	10/9/2019	1/8/2020	4/15/2020	7/15/2020	10/14/2020	1/20/2021	4/21/2021	7/28/2021	11/3/2021	1/5/2022	4/11/2022	7/6/2022	Q4-2022	Q1-2023	Q2-2023	Q3-2023	Q4-2023	Q1-2024	Q2-2024
Daily Maximum Limit	20	20	30	30	30	20	30	30	30	20	30	30	30	20	30	30	30	20	30	30	30
Monthly Average Limit	10	10	15	15	15	10	15	15	15	10	15	15	15	10	15	15	15	10	15	15	15
Effluent Result	14	13	8	10	26	8	7	13	9	6	5	14	26	3							



MISSION HILLS CSD MONTHLY AVERAGE EFFLUENT FLOW (GPD)

MONTH	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Monthly Average Limit	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
2020	262,783	267,663	262,783	271,543	262,783	271,543	262,783	262,783	282,404	294,317	314,989	367,896
2021	357,387	356,786	348,300	364,137	364,059	362,893	220,668	155,799	149,498	149,936	152,728	127,829
2022	177,041	168,115	177,989	180,559	186,491	187,850	169,490	181,125				

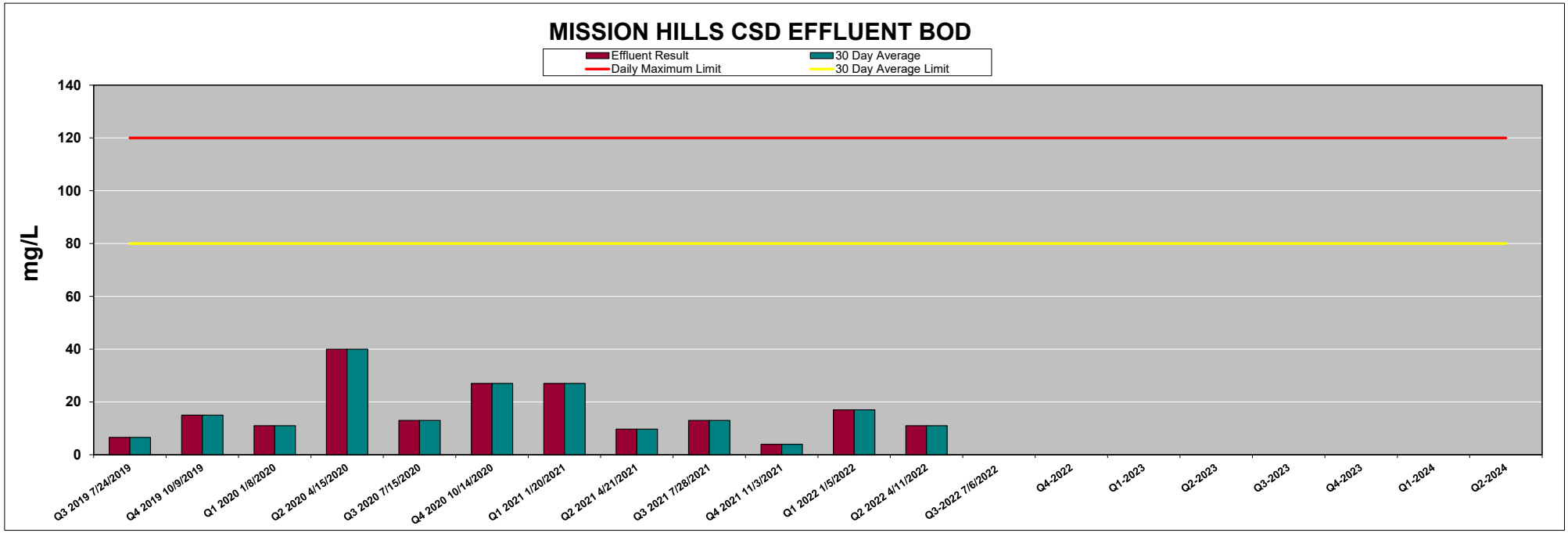
Flows from 2020 are estimated based on total monthly discharge reported in the 2020 Annual Volumetric Report.



MISSION HILLS CSD EFFLUENT BOD (mg/L)

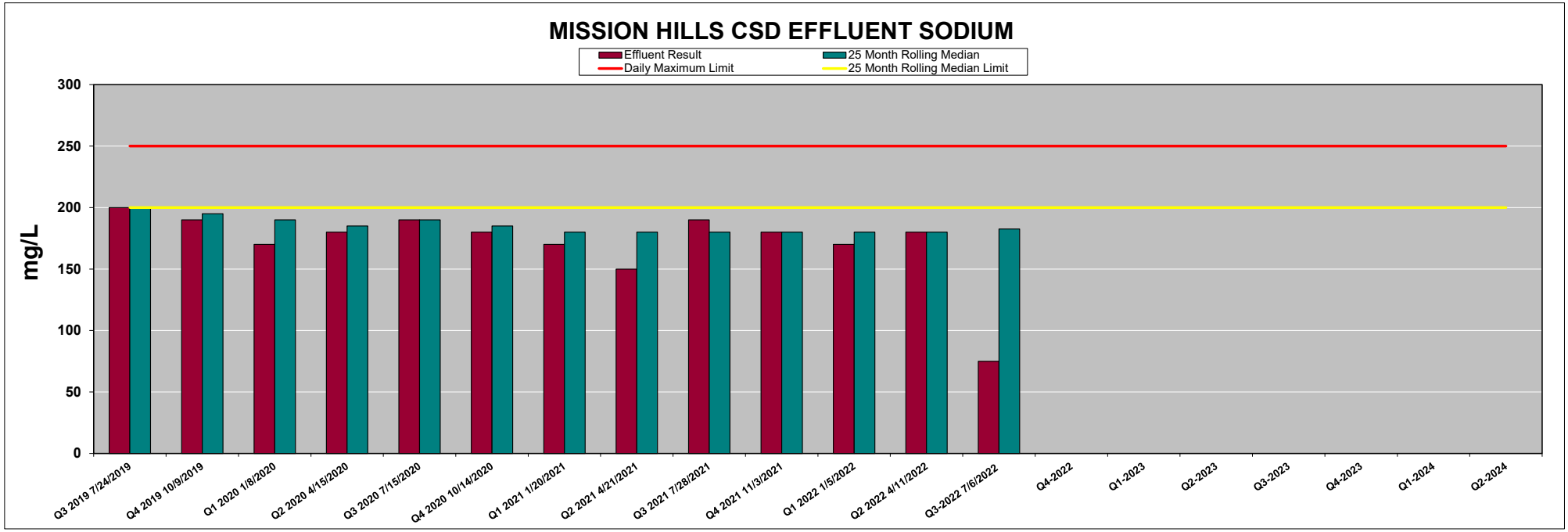
MONTH	7/24/2019	10/9/2019	1/8/2020	4/15/2020	7/15/2020	10/14/2020	1/20/2021	4/21/2021	7/28/2021	11/3/2021	1/5/2022	4/11/2022	Q3-2022	Q4-2022	Q1-2023	Q2-2023	Q3-2023	Q4-2023	Q1-2024	Q2-2024
Daily Maximum Limit	120	120	120	120	120	120	120	120	120	120	120	120	120	120	120	120	120	120	120	120
30 Day Average Limit	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80
Effluent Result	7	15	11	>40	13	27	27	10	13	<4.0	17	11	<4.0							
30 Day Average	7	15	11	>40	13	27	27	10	13	<4.0	17	11	<4.0							

Non-detect, estimated, and greater than (>) results are graphed at their reporting levels or as reported by lab.



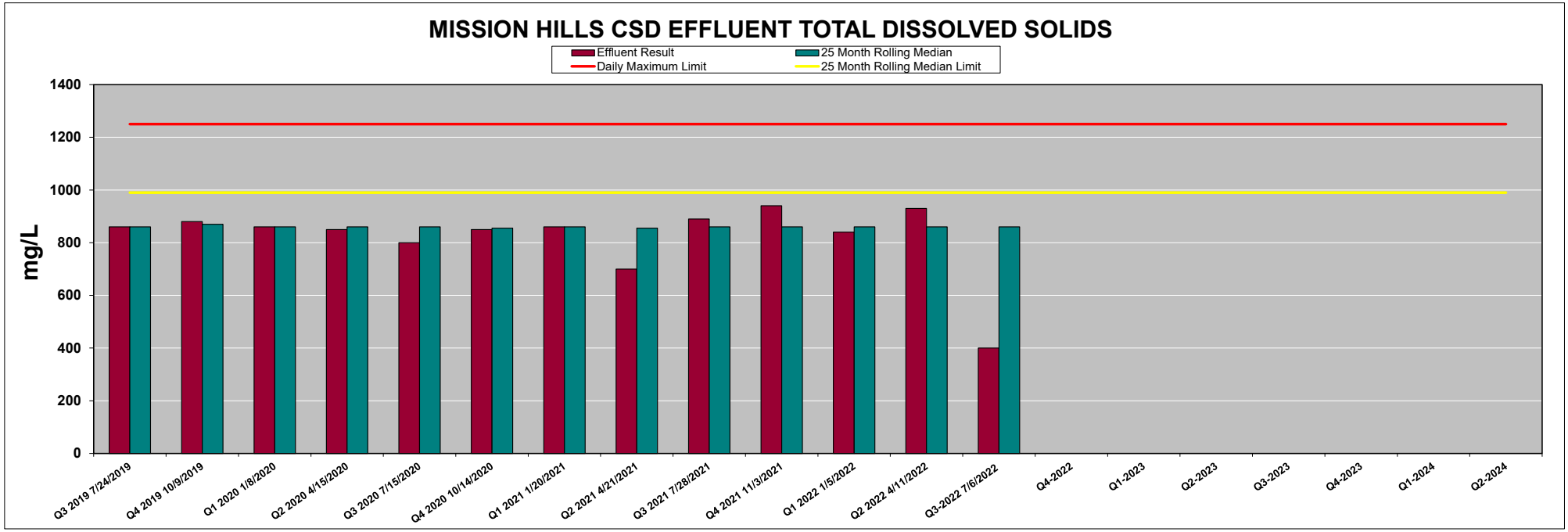
MISSION HILLS CSD EFFLUENT SODIUM (mg/L)

MONTH	7/24/2019	10/9/2019	1/8/2020	4/15/2020	7/15/2020	10/14/2020	1/20/2021	4/21/2021	7/28/2021	11/3/2021	1/5/2022	4/11/2022	7/6/2022	Q4-2022	Q1-2023	Q2-2023	Q3-2023	Q4-2023	Q1-2024	Q2-2024
Daily Maximum Limit	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250
25 Month Rolling Median Limit	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200
Effluent Result	200	190	170	180	190	180	170	150	190	180	170	180	75							
25 Month Rolling Median	200	195	190	185	190	185	180	180	180	180	180	180	183							



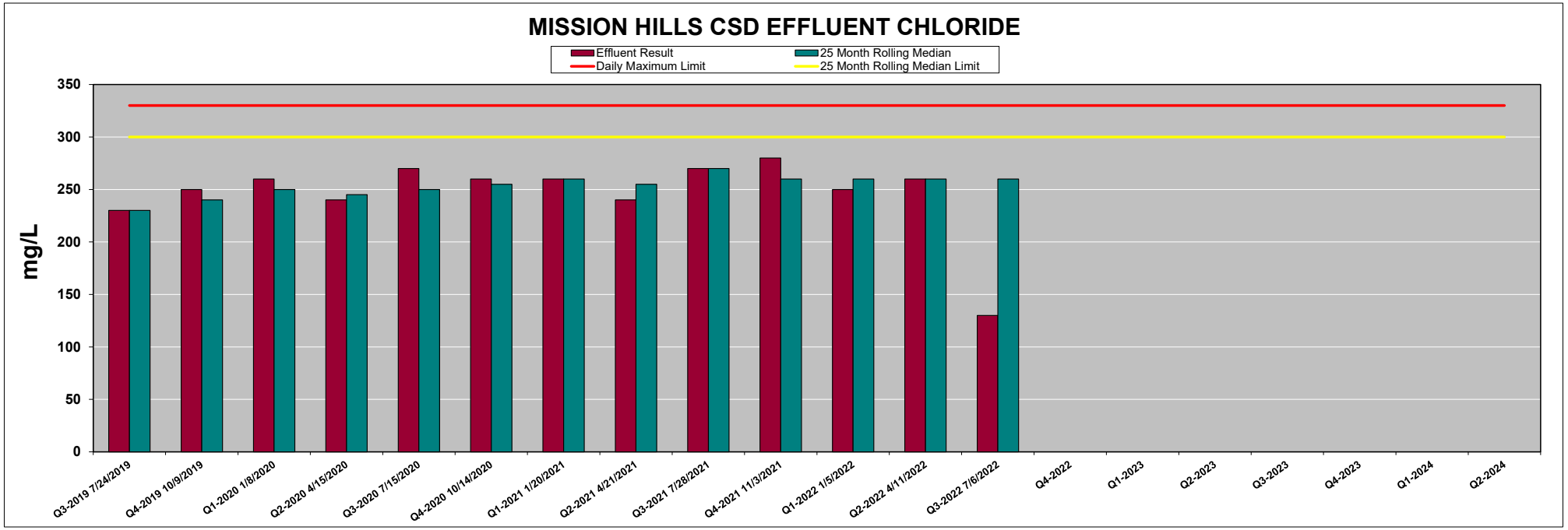
MISSION HILLS CSD EFFLUENT TOTAL DISSOLVED SOLIDS (mg/L)

MONTH	7/24/2019	10/9/2019	1/8/2020	4/15/2020	7/15/2020	10/14/2020	1/20/2021	4/21/2021	7/28/2021	11/3/2021	1/5/2022	4/11/2022	7/6/2022	Q4-2022	Q1-2023	Q2-2023	Q3-2023	Q4-2023	Q1-2024	Q2-2024
Daily Maximum Limit	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
25 Month Rolling Median Limit	990	990	990	990	990	990	990	990	990	990	990	990	990	990	990	990	990	990	990	990
Effluent Result	860	880	860	850	800	850	860	700	890	940	840	930	400							
25 Month Rolling Median	860	870	860	860	860	855	860	855	860	860	860	860	860							



MISSION HILLS CSD EFFLUENT CHLORIDE (mg/L)

MONTH	7/24/2019	10/9/2019	1/8/2020	4/15/2020	7/15/2020	10/14/2020	1/20/2021	4/21/2021	7/28/2021	11/3/2021	1/5/2022	4/11/2022	7/6/2022	Q4-2022	Q1-2023	Q2-2023	Q3-2023	Q4-2023	Q1-2024	Q2-2024
Daily Maximum Limit	330	330	330	330	330	330	330	330	330	330	330	330	330	330	330	330	330	330	330	330
25 Month Rolling Median Limit	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300
Effluent Result	230	250	260	240	270	260	260	240	270	280	250	260	130							
25 Month Rolling Median	230	240	250	245	250	255	260	255	270	260	260	260	260							



Top Goals

Established by Board of Directors

1. Wastewater TN (Total Nitrogen), Na (Sodium) & Chloride concentration reduction plan and compliance with RWQCB Time Schedule Order.

- Staff continues to carefully monitor make adjustments as needed to the treatment system to get the effluent total Nitrogen levels in compliance with the TSO and WDR standards. The most recent compliance monitoring results and process control monitoring results have been well below the permit limits. The next TSO milestones are: Develop and Implement valve repair program - due date 10/31/2022; and Develop a Chloride Reduction program – due date 11/30/2022. Staff has evaluated several of the pond valves and worked with a contractor on repair options/ideas. The pond valves are very deep and submerged in treated wastewater.

2. Lawsuit with the City of Lompoc

The City completed their WWTP "compatibility" study and the consultant concluded that the additional WW from the BR Development will not negatively impact their WWTP. We have not had any other correspondence or contact from City staff on this issue. Staff will reach out to the City and the Developer prior to the September 21 Board meeting and provide a verbal update at the meeting.

3. Cost Reduction – Energy usage (solar) and other applicable initiatives

District staff are now working with a consultant from SWELL Energy to determine the appropriate sizing and feasibility of a battery system that could be funded via the SGIP-ER Program. District staff have been directed to a number of different consultants in an effort to find a firm that could conduct an analysis and provide a cost estimate for a battery back-up system. We will continue to work with Cris Manickam-Shirley at Swell. [No Updates]

4. Public Outreach – Implement regular information to the community.

Staff continues to look for ways to improve our public outreach. We consistently post updated information on the website to include agendas, board packets, Consumer Confidence Report, and the newsletter from the Santa Ynez River Water Conservation District. Operations and Admin staff frequently interact with our customers thus resulting in opportunities for public outreach and providing information to the community.

5. Pursue Grant Funding Opportunities for Capital Projects

Staff recently met with a representative from Provost & Pritchard Consulting Group regarding any Grant funding opportunities. The consultant provided a copy of the Urban Community Drought Relief Program Grant Summary and the Draft Guidelines and Proposal Package. With the Board's concurrence staff would like to retain Provost & Pritchard to conduct a preliminary evaluation to determine if any of the District's proposed CIP projects may be eligible for grant funding. A copy of the Grant Program Summary is provided as an attachment to this report.

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PROVOST& PRITCHARD CONSULTING GROUP

An Employee-Owned Company

DWR - 2022 Urban Community Drought Relief Program

Summary of Grant Program

Funding Program Name: Urban Community Drought Relief Program

Funding Agency: DWR

Background Information: Offers financial assistance to address drought impacts through implementation of projects with multiple benefits. For communities, including Tribes, facing the loss or contamination of their water supplies due to the drought; to address immediate drought impacts on human health and safety; and to protect fish and wildlife resources plus other public benefits, such as ecosystem improvements.

Funding:

- Available funding: $190 million
- Minimum award amount: $5 million
- Match funding: 25% non-state funding match
- Project completion date: December 31, 2026
- Costs incurred after July 1, 2022 are eligible for reimbursement

Eligible applicants: Public agencies (e.g., counties, cities), public utilities, special districts, colleges and universities, mutual water companies, nonprofit organizations, regional water management groups, federally recognized California Native American Tribes, and non-federally recognized Native American Tribes listed on the Native American Heritage Commission's California Tribal Consultation List.

Eligible Projects: For this Grant Solicitation, "Project" under this program means all planning, design, engineering, construction, and related activities. Projects (e.g., groundwater recharge and ecosystem restoration) not explicitly identified may still be eligible if projects address a drought impact.

- **Hauled water-** • Transporting water via truck from source to beneficiary community, • Transporting water via rail from source to beneficiary community.
- **Temporary community water tanks-** • Installing temporary water tanks at locations for community use. • Installing temporary water tanks at private homes, if deemed feasible and necessary by program.
- **Bottled water-** • Distribution of bottled water for drinking.
- **Water vending machines-** • Installing of potable water vending machines at public places for community consumption.
- **Emergency water interties-** • Constructing emergency water interties.
- **New wells or rehabilitation of existing wells-•** Drilling of new community wells.• Rehabilitation of existing water system wells. • Equipping of new wells. • Equipping of existing wells. • Installation of well-head treatment.
- **Construction or installation of permanent connection to adjacent water systems**
- **Fish and wildlife rescue, protection, and relocation**
- **Education, outreach, direct installation programs, rebate programs, and other activities to increase water conservation**
- **Turf replacement projects**
- **Drought resilience planning**
- **Other projects that support immediate drought response**

Schedule (tentative):

- Applications accepted following release of the final guidelines and proposal solicitation package in **September 2022**
- Applicants must submit the required attachments using DWR's GRanTS electronic submittal tool.

DWR - 2022 Urban Community Drought Relief Program

Summary of Grant Program

- Awards expected starting early **November 2022**

Website: 2022 Urban Community Drought Relief Funding (ca.gov)

Grant Link: Urban Community Drought Relief Draft Solicitation Package (ca.gov)

Questions: contact the Urban Community Drought Relief Program at Urbandrought@water.ca.gov

Committee	Completed Meeting Date	Summary of Discussion	Future Meeting Date	Topics for Discussion
Wastewater Heavin & Mac Kenzie Alternative- Naughton			TBD	TBD
Finance Naughton & Nix Alternative- Dietrich	5/4/2022	Committee received a presentation on the Draft Rate Study Report and directed staff to send the Draft Study to all Board members and agendize the Study for review/comment at the May Board Meeting.	TBD	TBD
Water Dietrich & MacKenzie Alternative- Nix	6/1/2022	The Committee discussed the April 26, 2022 Stantec Conceptual Water Supply Technical Memo regarding water facilities needed to support the Burton Ranch Development. The Committee will provide an oral report update to the full Board at the June 15 meeting	TBD	TBD
Energy Heavin & Nix Alternative- Naughton	4/20/2022	Director Heavin and GM Hagemann attended an ACWA sponsored webinar on Smart Energy Storage and how the use of batteries and solar panels can reduce power costs. At Hagemann 's request, the vendor provided an analysis & cost estimate for a battery installation project to support the WWTP. The cost estimate was approximatley $500,000. The Vendor will provide staff a list of installation contractors to further refine the cost estimates.	TBD	TBD
Personnel Naughton & Nix Alternative-Heavin	4/8/2022	The Committee discussed the process for Past Due Accounts; Conducting an informal Salary Survey; and Adjusting the pay scale for the Operator in Training classification. The Committee directed staff to bring the OIT pay scale adjustment to the full Board at the April 20th Board meeting.	TBD	TBD
Western Managment Area Committee for Groundwater Sustainability Heavin Alternative- Nix	8/31/2022	The GM attended the August 31, 2022 WMA GSA Special Meeting (Director Heavin could not attend). The meeting agenda and minutes from the May 25 and August 10 meetings are attached to this report. The next Regular meeting of the WMA GSA is scheduled for August 24, 2022, but has been cancelled. The next Regular Meeting of the WMA GSA is scheduled for September 28, 2022.	TBD	TBD

NOTICE AND AGENDA OF SPECIAL MEETING

GROUNDWATER SUSTAINABILITY AGENCY
FOR THE **WESTERN MANAGEMENT AREA**
IN THE SANTA YNEZ RIVER GROUNDWATER BASIN

SPECIAL MEETING WILL BE HELD
REMOTE PARTICIPATION ONLY
AT 10:00 A.M., WEDNESDAY, AUGUST 31, 2022

Remote participation available via ZOOM

Pursuant to AB361, Directors may participate in this meeting via teleconference.
The public can only participate via teleconference. There will be no public meeting location.

To access the meeting via telephone, please dial: 1-669-900-9128
And/or via the Web at: http://join.zoom.us

"Join a Meeting" - Meeting ID: 842 4729 6005 - Meeting Passcode: 150387

- You do NOT need to create a ZOOM account or login with email for meeting participation.
- If your device does not have a microphone or speakers, you can call in for audio with the phone number and Meeting ID listed above to listen and participate.
- In the interest of clear reception and efficient administration of the meeting, all persons participating remotely are respectfully requested to mute their line after logging or dialing-in and remain muted at all times unless speaking.

Video/Teleconference Meeting During Coronavirus (COVID-19) State of Emergency: As a result of the COVID-19 pandemic, this meeting will be available via video/teleconference as recommended by Santa Barbara County Public Health and authorized by Government Code section 54953(e) (State Assembly Bill 361).

Important Notice Regarding Public Participation in Video/Teleconference Meeting: Those who wish to provide public comment on an Agenda Item, or who otherwise are making a presentation to the GSA Committee, may participate in the meeting using the remote access referenced above. **Those wishing to submit written comments instead, please submit any and all comments and materials to the GSA via electronic mail at bbuelow@syrwcd.com.** All submittals of written comments must be received by the GSA no later than **Tuesday, August 30, 2022**, and should indicate **"August 31, 2022 GSA Meeting"** in the subject line. To the extent practicable, public comments and materials received in advance pursuant to this timeframe will be read into the public record during the meeting. Public comments and materials not read into the record will become part of the post-meeting materials available to the public and posted on the SGMA website.

AGENDA OF SPECIAL MEETING

I. Call to Order and Roll Call

II. Consider findings under Government Code section 54953(e)(3) to authorize continuing teleconference meetings under Resolution WMA-2021-001

III. Additions or Deletions to the Agenda

IV. Public Comment (Any member of the public may address the Committee relating to any non-agenda matter within the Committee's jurisdiction. The total time for all public participation shall not exceed fifteen minutes and the time allotted for each individual shall not exceed five minutes. No action will be taken by the Committee at this meeting on any public item.) *Staff recommends any potential new agenda items based on issues raised be held for discussion under Agenda Item "WMA GSA Committee requests and comments" for items to be included on the next Agenda.*

V. Review and consider approval of meeting minutes of May 25, and August 10, 2022

VI. Review and consider approval of Financial Statements and Warrant List

VII. Biennial Review of WMA GSA Conflict of Interest Code

VIII. Consider Approval of Final Documents for providing WMA GSA written verification of new well permits under Executive Order N-7-22

a) Comments from WMA Citizen Advisory Group

b) WMA Process and Criteria for Administering Written Verifications Per EO N-7-22

c) Indemnification Agreement

d) Reimbursement Agreement

e) Well-Permit Acknowledgement

IX. Consider Resolution WMA-2022-002 Establishing Fee and Deposit for WMA GSA Well Verification as Required by Executive Order N-7-22 (Under Water Code Section 10730)

X. Consider SYRWCD, City of Lompoc, MHCSD, and VVCSD develop contract with GSI Water Solutions to Evaluate Verification Requests

XI. Update on Governance for WMA

a) Received correspondence from Santa Ynez Water Group

XII. Consider Setting Regular Monthly WMA GSA Meetings Through End of 2022

XIII. Next Regular WMA GSA Meeting, Wednesday, September 28, 2022, at 10:00 A.M.

XIV. WMA GSA Committee requests and comments

XV. Adjournment

[This agenda was posted 72 hours prior to the scheduled special meeting at 3669 Sagunto Street, Suite 101, Santa Ynez, California, and https://www.santaynezwater.org in accordance with Government Code Section 54954. In compliance with the Americans with Disabilities Act, if you need special assistance to review agenda materials or participate in this meeting, please contact the Santa Ynez River Water Conservation District at (805) 693-1156. Notification 24 hours prior to the meeting will enable the GSA to make reasonable arrangements to ensure accessibility to this meeting.]

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MEETING MINUTES

Groundwater Sustainability Agency for the Western Management Area in the Santa Ynez River Groundwater Basin
May 25, 2022

A regular meeting of the Groundwater Sustainability Agency (GSA) for the Western Management Area (WMA) in the Santa Ynez River Groundwater Basin was held on Wednesday, May 25, 2022, at 10:00 a.m. As a result of the COVID-19 emergency, this meeting occurred solely via teleconference as recommended by Santa Barbara County Public Health, as authorized by State Assembly Bill 361, and Resolution WMA-2021-001 (passed 10/20/2021, reaffirmed 3/23/2022).

GSA Directors Present: Jeremy Ball, Chris Brooks, and Steve Jordan

GSA Committee Directors Present: Ron Stassi, Kristin Worthley

Staff Present: Bill Buelow, Marliez Diaz, Amber Thompson, and Kevin Walsh

Others Present: Doug Circle, Maygan Cline, John Fio (EKI), Paeter Garcia, "BH", Curtis Lawler (Stetson Engineers), Miles McCammon (Stetson Engineers), and Tim Nicely (GSI)

I. Call to Order and Roll Call

GSA Chair Chris Brooks called the meeting to order at 10:00 a.m. and asked Mr. Bill Buelow to call roll. A quorum was met with three Directors in attendance. Two Alternate Directors were also present. The Director and Alternate representing Mission Hills Community Services District were absent.

II. Consider findings under Government Code section 54953(e)(3) to authorize continuing teleconference meetings under Resolution WMA-2021-001

Mr. Buelow explained that the reasonings for State Assembly Bill 361 and adoption of Resolution WMA-2021-001, passed on October 20, 2021, and reaffirmed on March 23, 2022, which authorized teleconference public meetings were still in effect. There was no discussion.

GSA Director Steve Jordan made a MOTION to authorize continuing teleconference meetings under Resolution WMA-2021-001. GSA Director Jeremy Ball seconded the motion and it passed 3-0-1 by roll call vote, with both Director and Alternate from Mission Hills Community Services District being absent.

III. Additions or Deletions to the Agenda

No additions or deletions were made.

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IV. Public Comment

There was no public comment.

V. Review and consider approval of meeting minutes of February 23 and March 23, 2022

The minutes of the GSA Committee meetings on February 23 and March 23, 2022, were presented for GSA approval. There was no discussion.

GSA Director Steve Jordan made a MOTION to approve the minutes of February 23 and March 23, 2022, as presented. GSA Director Jeremy Ball seconded the motion and it passed 3-0-1 by roll call vote, with both Director and Alternate from Mission Hills Community Services District being absent.

VI. Review and consider approval of Financial Statements and Warrant List

The GSA reviewed the financial reports of FY 2021-22 Periods 7 through 9 (through March 31, 2022) and the Warrant Lists for January, February, and March 2022. Discussion followed.

GSA Director Steve Jordan made a MOTION to approve the financial reports and the January, February, and March 2022 Warrant Lists (Nos. 1047-1053) totaling $46,324.76, as presented. GSA Director Jeremy Ball seconded the motion and it passed 3-0-1 by roll call vote, with both Director and Alternate from Mission Hills Community Services District being absent

VII. Update on Executive Order N-7-22

Mr. Buelow explained Executive Order N-7-22, Santa Barbara County Urgency Order passed on May 24, 2022 and the requirements of the GSA listed in Section 9a of the Executive Order N-7-22. He advised that member agencies staff have begun working on a process and documentation to address the requirements. Discussion followed and public comments were received.

Directors, by consensus, requested member agencies staff work on developing the acknowledgement process and draft documents to address the requirements and return to the committee for consideration.

VIII. Update on Santa Ynez River Valley Groundwater Basin Well Metering Program

Mr. Buelow and Ms. Diaz provided an update on member agencies staff efforts to develop a Well Metering Program. Discussion followed and public comments were received. No action was taken.

IX. Update on future governance/JPA/interim cost sharing and long-term funding for WMA expenses

No update was provided. Discussion followed. There were no public comments. No action was taken.

X. Update on change of GSA Financial Institution

Ms. Thompson provided an update on the WMA GSA banking account of which some funds had been moved to a new bank. There was no discussion. No action was taken.

XI. Next Regular WMA GSA Meeting, Wednesday, August 24, 2022, at 10:00 A.M.

Mr. Buelow announced the next regular WMA GSA meeting will be Wednesday, August 24, 2022, at 10:00 a.m.

XII. WMA GSA Committee requests and comments

There were no requests or comments.

XIII. Adjournment

GSA Director Chris Brooks adjourned the meeting at 11:15 a.m.

Chris Brooks, Chair

William J. Buelow, Secretary

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MEETING MINUTES

Groundwater Sustainability Agency for the Western Management Area in the Santa Ynez River Groundwater Basin
August 10, 2022

A special meeting of the Groundwater Sustainability Agency (GSA) for the Western Management Area (WMA) in the Santa Ynez River Groundwater Basin was held on Wednesday, August 10, 2022, at 11:00 a.m. As a result of the COVID-19 emergency, this meeting occurred solely via video/teleconference as recommended by Santa Barbara County Public Health, as authorized by State Assembly Bill 361, and Resolution WMA-2021-001 (passed on 10/20/2021, reaffirmed 5/25/2022).

WMA GSA Directors Present: Jeremy Ball, Chris Brooks, Myron Heavin, and Steve Jordan

WMA GSA Alternate Directors Present: Ron Stassi, Kristin Worthley

Staff Present: Joe Barget, Bill Buelow, Marliez Diaz, Amber Thompson, and Matt Young

Others Present: Doug Circle, Ken Domako (VSFB), John Fio (EKI), Paeter Garcia, BH, Karen Kistler, Curtis Lawler, Tim Nicely (GSI Water Solutions), Dmunk, and Dianna

I. Call to Order and Roll Call

GSA Chair Chris Brooks called the meeting to order at 11:00 a.m. and asked Mr. Bill Buelow to call roll. A quorum was met with four Directors in attendance. Two Alternate Directors were also present.

II. Consider findings under Government Code section 54953(e)(3) to authorize continuing teleconference meetings under Resolution WMA-2021-001

Mr. Buelow reported of increased COVID infection rates in the County. State Assembly Bill 361 and adoption of Resolution WMA-2021-001, passed on October 20, 2021, and reaffirmed on May 25, 2022, authorize teleconference public meetings in such situations. There was no discussion.

GSA Director Myron Heavin made a MOTION to authorize continuing teleconference meetings under Resolution WMA-2021-001. GSA Director Steve Jordan seconded the motion, and it passed 4-0 by roll call vote.

III. Additions or Deletions to the Agenda

No additions or deletions were made.

IV. Public Comment

There was no public comment. Mr. Buelow announced he did not receive any public comments in advance of the meeting.

V. Receive, and Discuss and Consider Approval of Draft Documents for providing WMA GSA verification of new well permits under Executive Order Number 7-22

Mr. Buelow introduced four draft documents created to provide WMA GSA written verification for new well permits as required by Executive Order Number 7-22 and scope of work proposal received from GSI Water Solutions. He explained that for consistency through the Santa Ynez River Valley Groundwater Basin, the WMA GSA draft documents were created by using the documents originally created by EMA GSA member agencies staff and attorney group as an EMA GSA response to Executive Order Number 7-22. The WMA GSA member agency staff and legal counsels have reviewed and provided comments on the WMA GSA draft documents. The draft documents also already incorporate changes due to comments received from the Santa Ynez Water Group on the EMA GSA version of these documents to align the process in all three management areas of the basin.

GSA Director Chris Brooks opened floor for questions and comments. Discussion followed and public comments were received.

a. Draft WMA Process and Criteria for Administering Written Verifications Per EO N-7-22

Mr. Buelow reviewed and explained the draft WMA "Process and Criteria for Administering Written Verifications per Executive Order N-7-22". He emphasized that the WMA GSA is not approving or denying well permits. It is only administering requests for written verification per Executive Order N-7-22 and that the Santa Barbara County Environmental Health Services (EHS) is still the agency responsible for processing well applications and issuing permits for Santa Barbara County. There was no discussion. No public comments were received.

b. Draft Written Verification Indemnification Agreement

Mr. Buelow reviewed and explained the draft Written Verification Indemnification Agreement and has been reviewed by legal counsels for the WMA GSA member agencies. GSA Director Jeremy Ball asked for clarification on item 1c of the draft Written Verification Indemnification Agreement. Mr. Buelow or Ms. Worthley will request clarification from legal counsel for Director Ball. There was no further discussion. No public comments were received.

Director Myron Heavin, representing the Mission Hills CSD, left the meeting.

c. Draft Deposit/Reimbursement Agreement

Mr. Buelow reviewed and explained the draft Deposit/Reimbursement Agreement. Initial deposit proposed was $1,200 total for 6 hours at $200 per hour blended rate. He reported that prior to the WMA GSA setting a fee, a Proposition 26

compliant formal fee hearing is required. Discussion followed. No public comments were received.

d. Draft Well Permit Acknowledgement Form

There was no discussion. No public comments were received.

Mr. Buelow recommended the WMA CAG review the draft documents and requested direction from the WMA GSA Committee. There was no discussion and no public comments were received.

GSA Director Jeremy Ball made a MOTION to move forward with the draft documents, as presented, to be considered for approval and proceed to plan a fee adoption hearing to be held on August 31, 2022 with the initial deposit fee not to exceed $1,200 or $200 per hour. GSA Director Steve Jordan seconded the motion, and it passed by roll call vote 3-0-1, with representatives from Mission Hills CSD being absent.

e. GSI Scope of Work - Proposal

Mr. Tim Nicely reviewed and explained the Scope of Work proposal, dated August 9, 2022, from GSI Water Solutions. Mr. Buelow added that GSI Water Solutions provided a similar proposal for the EMA and CMA GSAs, is familiar with the WMA Groundwater Sustainability Plan (GSP) as they worked closely with Stetson Engineers on the coordination efforts for the CMA, EMA, and WMA GSPs, and is developing a team to process well verifications with a limited budget and scope of work. Discussion followed. No public comments were received.

VI. Update on Publication of Notice Under Government Code Section 6066 and Water Code Section 10730 of Intent to Adopt Fee for Compliance with EO N-7-22

Mr. Buelow presented a draft legal notice and reported that the required legal notices announcing the August 31, 2022 WMA GSA Committee meeting for the WMA GSA Committee to consider imposing a fee can be published in two editions of the Santa Barbara News Press, in compliance with Proposition 26, at a cost of approximately $100. Discussion followed. No public comments were received.

GSA Director Steve Jordan made a MOTION to set policy to authorize staff to proceed and spend up to $1,000 on any items and receive approval of expenditures on the Warrant Lists when submitted to the GSA. Consensus agreement received from the three directors, with representatives from Mission Hills CSD being absent.

VII. Next Regular WMA GSA Meeting, Wednesday, August 24, 2022, CANCELLED

Mr. Buelow announced the next regular WMA GSA meeting originally scheduled for Wednesday, August 24, 2022 is cancelled due to scheduling conflicts and the need for additional time to notice a public hearing to set a fee as required by Proposition 26.

VIII. Next Special WMA GSA Meeting, Wednesday, August 31, 2022, at 10:00 a.m.

Mr. Buelow announced the next WMA GSA meeting will be a special meeting, including a hearing on setting a fee, on Wednesday, August 31, 2022 at 10:00 a.m., most likely via Zoom. The details will be determined closer to the meeting date based on continuing health concerns presented by the COVID-19 pandemic.

Mr. Buelow explained the possible need for monthly regular meetings and asked if Directors would like a monthly schedule of meeting for the rest of 2022. Consensus received to provide a schedule of monthly regular meetings for consideration at the next meeting.

IX. WMA GSA Committee requests and comments

GSA Director Steve Jordan asked that preliminary organization of the GSA beyond this WMA GSA committee be on the agenda to be discussed at the next meeting.

X. Adjournment

GSA Chair Chris Brooks adjourned the meeting at 12:13 p.m.

Chris Brooks, Chairman

William J. Buelow, Secretary

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Mission Hills Community Services District
Profit & Loss Prev Year Comparison
August 2022

	A	B	C	D	E	F	G	I	K	L
1										
2							Aug 22	Aug 21	$ Change	Explanation
3	Ordinary Income/Expense									
4			Income							
5				4005 · 48 hour notice fees			250.00	210.00	40.00	
6				4025 · Construction hydrant meter			344.28	300.00	44.28	
7				4045 · Late fees			2,070.90	0.00	2,070.90	Late Fees Charged 2022
8				4060 · Reconnection fees			480.00	0.00	480.00	
9				4075 · Returned check fees			100.00	25.00	75.00	
10				4085 · Sewer basic charges			84,012.03	83,009.48	1,002.55	Slight Increase
11				4095 · Street sweeping charges			1,502.97	1,506.12	-3.15	
12				4105 · Water basic charges			60,283.19	59,813.95	469.24	Slight Increase
13				4115 · Water usage charges			56,128.00	56,821.62	-693.62	Slight Decrease
14			Total Income				205,171.37	201,686.17	3,485.20	
15		Gross Profit					205,171.37	201,686.17	3,485.20	
16			Expense							
17				6000 · Salaries and wages						
18					6005 · Wage expense		50,620.79	49,222.08	1,398.71	Slight Increase
19					6010 · Payroll tax expense		4,348.23	4,252.85	95.38	Slight Increase
20				Total 6000 · Salaries and wages			54,969.02	53,474.93	1,494.09	
21				6050 · Employee benefits						
22					6060 · Disability insurance		0.00	258.66	-258.66	
23					6065 · Health insurance		16,697.14	14,539.67	2,157.47	More People on Plan
24					6075 · Retirement expenses		1,416.57	1,283.85	132.72	
25					6090 · Vacation & Sick Leave		6,231.63	4,543.30	1,688.33	More Vacation Taken 2022
26					6095 · Benefit Administration		89.82	339.82	-250.00	
27				Total 6050 · Employee benefits			24,435.16	20,965.30	3,469.86	
28				6100 · Director fees			0.00	1,250.00	-1,250.00	Less Meetings
29				6110 · Depreciation expense			28,189.70	31,054.00	-2,864.30	Slight Decrease
30				6140 · Vehicle expenses						
31					6145 · Tractor and equipment		0.00	1,614.35	-1,614.35	
32					6150 · Vehicle fuel		1,284.97	1,133.12	151.85	
33					6155 · Vehicle maintenance		221.50	984.65	-763.15	
34					6160 · Automobile Allowance		0.00	700.00	-700.00	
35				Total 6140 · Vehicle expenses			1,506.47	4,432.12	-2,925.65	
36				6170 · Insurance expense						
37					6180 · Liability insurance		1,224.60	1,522.00	-297.40	
38				Total 6170 · Insurance expense			1,224.60	1,522.00	-297.40	
39				6190 · Dues and memberships			770.00	192.00	578.00	
40				6200 · Office expenses						
41					6210 · Cash (over) / short		-1.00	0.71	-1.71	
42					6215 · Cleaning supplies		0.00	27.18	-27.18	
43					6220 · Licenses and fees		0.00	180.00	-180.00	
44					6230 · Office supplies		185.30	604.15	-418.85	
45					6235 · Postage expense		708.33	613.55	94.78	
46					6240 · Subscriptions		90.00	90.00	0.00	
47					6245 · Office Equipment		169.17	2,937.37	-2,768.20	Laptop Purchased 2021
48				Total 6200 · Office expenses			1,151.80	4,452.96	-3,301.16	
49				6300 · Operating supplies and expenses						
50					6310 · Miscellaneous supplies		56.55	801.21	-744.66	
51					6315 · Oil expense		0.00	733.78	-733.78	
52					6325 · Portable equipment		0.00	207.50	-207.50	
53					6330 · Shop supplies		21.70	995.74	-974.04	
54					6335 · Small tools and appliances		41.72	1,168.71	-1,126.99	
55					6340 · Chemicals					
56						6342 · Bioremediation	0.00	3,013.05	-3,013.05	Less Chemicals Purchased

Mission Hills Community Services District
Profit & Loss Prev Year Comparison
August 2022

	F	G	I	K	L
2		Aug 22	Aug 21	$ Change	Explanation
57	6344 · Chlorine	0.00	742.04	-742.04	Less Chemicals Purchased
58	6345 · Corrosion inhibitor	0.00	6,141.63	-6,141.63	Less Chemicals Purchased
59	6347 · Other chemicals	315.00	0.00	315.00	
60	Total 6340 · Chemicals	315.00	9,896.72	-9,581.72	
61	Total 6300 · Operating supplies and ex	434.97	13,803.66	-13,368.69	
62	6350 · Safety expenses				
63	6360 · Protective Clothing/Uniforms	0.00	237.63	-237.63	
64	6365 · Safety equipment	0.00	56.44	-56.44	
65	Total 6350 · Safety expenses	0.00	294.07	-294.07	
66	6410 · Contractual services				
67	6420 · Cleaning service	200.00	200.00	0.00	
68	6425 · Office equip maintenance	358.84	263.29	95.55	
69	6430 · Internet access	163.35	159.73	3.62	
70	6435 · Landscaping services	249.44	206.84	42.60	
71	6437 · Pest Control	100.00	50.00	50.00	
72	6445 · Security expense	112.50	112.50	0.00	
73	6449 · SCADA Support	0.00	6,111.45	-6,111.45	Cannon Invoices 2021
74	6450 · Software support	2,940.16	1,060.00	1,880.16	Includes Cyber Liabiilty 2022
75	6452 · Credit Card Processing	196.45	327.91	-131.46	
76	6453 · Software Subscriptions	118.38	262.72	-144.34	
77	6455 · Street sweeping services	1,414.60	1,286.00	128.60	
78	6460 · Uniforms	0.00	1,235.25	-1,235.25	
79	6466 · Emissions Testing	932.40	1,606.80	-674.40	
80	6470 · Other contractual services	1,602.50	2,386.50	-784.00	
81	Total 6410 · Contractual services	8,388.62	15,268.99	-6,880.37	
82	6475 · Professional services				
83	6485 · Engineering services	91.18	0.00	91.18	
84	6490 · Legal services	484.75	1,108.04	-623.29	
85	Total 6475 · Professional services	575.93	1,108.04	-532.11	
86	6500 · Printing and publication	0.00	2,403.63	-2,403.63	Timing of Print Jobs 2021
87	6505 · Equipment lease and rentals	598.43	783.73	-185.30	
88	6525 · Research and monitoring				
89	6535 · Monitoring expense	1,368.20	2,839.81	-1,471.61	Less Monitoring 2022
90	Total 6525 · Research and monitoring	1,368.20	2,839.81	-1,471.61	
91	6600 · Travel and meetings				
92	6610 · Meals	0.00	164.81	-164.81	
93	6620 · Staff training	0.00	784.16	-784.16	
94	Total 6600 · Travel and meetings	0.00	948.97	-948.97	
95	6650 · Utilities				
96	6655 · Cell phones	376.94	211.27	165.67	
97	6660 · Dump fees	0.00	1,214.66	-1,214.66	
98	6665 · Electrical	15,377.43	15,391.81	-14.38	
99	6670 · Natural gas	3,514.41	762.89	2,751.52	Well #7 Offline - Using Gas Powered Well
100	6685 · Telephone	226.38	461.56	-235.18	
101	6691 · Trash & Recycling	277.37	198.03	79.34	
102	Total 6650 · Utilities	19,772.53	18,240.22	1,532.31	
103	6700 · Government fees and charges	2,702.00	0.00	2,702.00	LAFCO
104	6720 · Repairs and maintenance				
105	6730 · Distribution expense	94.65	0.00	94.65	
106	6740 · Hydrants	0.00	2,637.04	-2,637.04	
107	6745 · Lift station expenses	0.00	1,284.00	-1,284.00	
108	6750 · Collection expense	0.00	66.95	-66.95	

Mission Hills Community Services District
Profit & Loss Prev Year Comparison
August 2022

	A	B	C	D	E	F	G	I	K	L
1										
2							**Aug 22**	**Aug 21**	**$ Change**	**Explanation**
109						**6765 · Supplies and small tools**	635.13	0.00	635.13	
110						**6775 · Filtration Plant**	994.37	0.00	994.37	
111						**6785 · Wells and pumping**	0.00	1,360.00	-1,360.00	
112						**6790 · Waste water plant**	135.36	2,111.01	-1,975.65	
113					**Total 6720 · Repairs and maintenance**		1,859.51	7,459.00	-5,599.49	
114				**Total Expense**			147,946.94	180,493.43	-32,546.49	
115	**Net Ordinary Income**						57,224.43	21,192.74	36,031.69	
116	**Other Income/Expense**									
117			**Other Income**							
118				**7006 · Market Appreciation/(Depr)**			-3,290.61	-2,128.31	-1,162.30	
119				**7010 · Interest income**			1,488.05	879.74	608.31	
120			**Total Other Income**				-1,802.56	-1,248.57	-553.99	
121	**Net Other Income**						-1,802.56	-1,248.57	-553.99	
122							**55,421.87**	**19,944.17**	**35,477.70**	

Mission Hills Community Services District
Disbursements Journal
August 2022

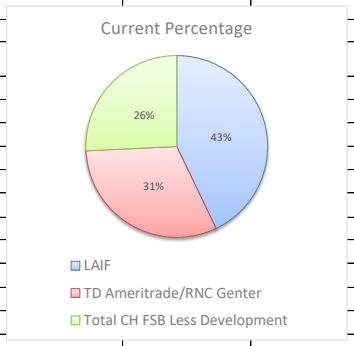
	A	B	C	G	I	K	M	N
1				**Date**	**Num**	**Name**	**Amount**	**Explanation**
2		**1060 · CHCU - General 4163**						
3				08/01/2022	32719	CSDA	-922.07	
4				08/01/2022	32720	Cut & Clean Landscape Services,	-480.00	
5				08/01/2022	32721	D.L. Electric, Inc	-6,861.19	**Installation of 120V Receptacle Between Ponds 1 & 2**
6				08/01/2022	32722	De Lage Landen Financial Service	-177.63	
7				08/01/2022	32723	Hensley Law Group	-2,070.00	
8				08/01/2022	32724	James C. Cushman Inc	-8,223.00	**TSO Task 12 Pond Transfer Structure Valve Assessment**
9				08/01/2022	32725	Jon's Lawn Mowing	-236.84	
10				08/01/2022	32726	Kendra L Estes Marketing Supplies	-1,087.65	
11				08/01/2022	32727	Oilfield Environmental & Complian	-75.10	
12				08/01/2022	32728	SoCalGas	-23.74	
13				08/01/2022	32729	SP Maintenance Services, Inc.	-1,414.60	
14				08/01/2022	32730	TASC	-689.16	
15				08/01/2022	32731	Ultrex Inc	-113.74	
16				08/01/2022	32732	Underground Service Alert of SC	-123.75	
17				08/01/2022	32733	Wallace Group	-86.50	
18				08/01/2022	32734	Five Star Bank	-150,000.00	**Transfer Funds to Five Star Bank**
19				08/01/2022	EFT	Tierzero	-21.95	
20				08/11/2022	EFT	PG&E	-4,396.16	**Utility Bill**
21				08/16/2022	EFT	PG&E	-308.31	**Utility Bill**
22				08/16/2022	EFT	PG&E	-7,712.29	**Utility Bill**
23				08/16/2022	EFT	PG&E	-1,572.49	**Utility Bill**
24				08/16/2022	EFT	PG&E	-577.86	**Utility Bill**
25				08/16/2022	EFT	PG&E	-24.64	**Utility Bill**
26				08/16/2022	EFT	PG&E	-49.69	**Utility Bill**
27				08/17/2022	EFT	Pitney Bowes	-185.30	
28				08/17/2022	32735	ACECO Equipment Rentals	-71.54	
29				08/17/2022	32736	American Industrial Supply	-59.71	
30				08/17/2022	32737	ACWA Joint Powers Insurance Au	-1,224.60	
31				08/17/2022	32738	ACWA/JPIA *Medical Insurance	-17,583.72	**Medical, Dental, Vision Insurance Monthly Fee**
32				08/17/2022	32739	California Water Environment Ass	-297.00	
33				08/17/2022	32740	Comcast	-163.35	
34				08/17/2022	32741	Compuvision	-1,138.75	
35				08/17/2022	32742	County of Santa Barbara- Gen Svc	-2,977.58	
36				08/17/2022	32743	County of Santa Barbara - DPW W	-294.31	
37				08/17/2022	32744	East Mesa Oaks HOA	-38.36	
38				08/17/2022	32745	Energy Link	-932.40	
39				08/17/2022	32746	Famcon Pipe & Supply Inc.	-467.08	
40				08/17/2022	32747	Hach Company	-672.24	
41				08/17/2022	32748	Home Depot	-1,015.62	
42				08/17/2022	32749	Juana Garcia Rodriguez Janitorial Service	-200.00	
43				08/17/2022	32750	LAFCO	-2,702.00	
44				08/17/2022	32751	Linde Gas & Equipment Inc	-40.99	
45				08/17/2022	32752	O'Connor Pest Control	-100.00	
46				08/17/2022	32753	Oilfield Environmental & Complian	-1,393.50	
47				08/17/2022	32754	Quinn Company	-801.08	
48				08/17/2022	32755	Smith Alarms & Electronics, Inc.	-112.50	
49				08/17/2022	32756	Staples Business Credit	-476.07	
50				08/17/2022	32757	USA BlueBook	-705.88	
51				08/17/2022	32758	Waste Management	-277.37	
52				08/25/2022	EFT	TASC	-89.82	
53				08/31/2022	EFT	Verizon	-376.94	
54				08/31/2022	EFT	Right Networks	-118.38	
55		Total 1060 · CHCU - General 4163					-221,764.45	
56		**1070 · CHCU - Payroll 4155**						
57				08/01/2022	EFT	AFLAC	-66.82	
58				08/01/2022	1346	Matrix Trust Company	-3,991.22	
59				08/03/2022		Payroll	-19,228.08	
60				08/05/2022	E-pay	EDD	-1,485.64	

Mission Hills Community Services District
Disbursements Journal
August 2022

	A	B	C	G	I	K	M	N
1				**Date**	**Num**	**Name**	**Amount**	**Explanation**
61				08/05/2022	E-pay	IRS USATAXPYMT	-5,656.98	
62				08/05/2022	EFT	CA State Disbursement Unit/Expe	-299.07	
63				08/17/2022		Payroll	-19,094.58	
64				08/19/2022	E-pay	EDD	-1,506.26	
65				08/19/2022	E-pay	IRS USATAXPYMT	-5,677.72	
66				08/19/2022	EFT	CA State Disbursement Unit/Expe	-299.07	
67				08/31/2022		Payroll	-19,034.14	
68		Total 1070 · CHCU - Payroll 4155					-76,339.58	
69		**1075 · CHCU - ACH 4130**						
70				08/16/2022	EFT	Springbrook (ACH Services)	-196.45	
71				08/31/2022	EFT	Springbrook (ACH Services)	-199.33	
72		Total 1075 · CHCU - ACH 4130					-395.78	
73	**TOTAL**						**-298,499.81**	

	A	B	C	D	E	F	G	H	I	J	K
1	**Variation From Projected Income**										
2	Fiscal Year Ending 6-30-2023										
3											
4		**Water**			**Wastewater**						
5	**Billing Month**	**Projected Income***	**Actual Income**	**Variation**	**Projected Income**	**Actual Income**	**Variation**	**Total (Loss) / Gain**	**Current Year Units Sold**	**Last Year Units Sold**	**Previous 5 Year Average Units Sold**
6	Jul-22	$ 114,125	$ 115,954	$ 1,829	$ 83,750	$ 84,284	$ 534	$ 2,363	22,621	23,039	22,132
7	Aug-22	$ 117,875	$ 116,411	$ (1,464)	$ 83,750	$ 84,012	$ 262	$ (1,202)	25,362	25,038	23,996
8	Sep-22	$ 116,250	$ -	$ -	$ 83,750	$ -	$ -	$ -		21,488	22,537
9	Oct-22	$ 112,000	$ -	$ -	$ 83,750	$ -	$ -	$ -		18,786	21,233
10	Nov-22	$ 110,125	$ -	$ -	$ 83,750	$ -	$ -	$ -		17,377	20,745
11	Dec-22	$ 100,625	$ -	$ -	$ 83,750	$ -	$ -	$ -		11,828	15,537
12	Jan-23	$ 89,125	$ -	$ -	$ 83,750	$ -	$ -	$ -		12,272	12,405
13	Feb-23	$ 94,375	$ -	$ -	$ 83,750	$ -	$ -	$ -		16,772	14,913
14	Mar-23	$ 91,000	$ -	$ -	$ 83,750	$ -	$ -	$ -		19,671	13,658
15	Apr-23	$ 90,625	$ -	$ -	$ 83,750	$ -	$ -	$ -		17,723	13,480
16	May-23	$ 102,750	$ -	$ -	$ 83,750	$ -	$ -	$ -		23,118	18,271
17	Jun-23	$ 111,125	$ -	$ -	$ 83,750	$ -	$ -	$ -		22,524	20,430
18											
19	**Total**	$ 1,250,000	**$ 232,365**	**$ 365**	$ 1,005,000	$ 168,296	**$ 796**	**$ 1,161**	47,983	229,636	219,335
21									**Year to Date Monthly Averages**		
22	YTD avg	100%	**19%**		100%	**17%**			23,992	19,136	18,278
23									**Yearly Average**	19,136	18,278
24											
25		* Projected Income is calculated by using current year and previous 5 year average monthly units sold.									
26											
27		**Units Sold by Calendar Year (1 Unit = 1 HCF = 748 Gallons)**									

	A	AL	AM	AN
1				
2	**Bank Account Summary**			
3		**6/30/2022**	**7/31/2022**	**8/31/2022**
31				
32	**LAIF**	**$1,737,615**	**$1,740,868**	**$1,740,868**
33				
34	**TD Ameritrade/RNC Genter**	**$1,274,822**	**$1,275,353**	**$1,272,832**
35				
36	**Coast Hills FCU**			
37	Checking	**$538,890**	**$509,281**	**$403,898**
38	Development	**$0**	**$0**	**$0**
39	Investment Checking	**$202**	**$202**	**$202**
40	Savings	**$0**	**$0**	**$0**
41	Payroll	**$34,981**	**$62,923**	**$33,096**
42	ACH (Sweep Account)	**$2,256**	**$1,000**	**$2,522**
43	**Total Coast Hill FCU**	**$576,328**	**$573,406**	**$439,717**
44				
45	**Five Star Bank**			
46	Operating	**$369**	**$369**	**$150,380**
47	Development	**$261,415**	**$261,437**	**$261,459**
48	Money Market	**$455,340**	**$455,694**	**$456,275**
49	ACH (Sweep Account)	**$0**	**$0**	**$0**
50	Payroll	**$0**	**$0**	**$0**
51	**Total Five Star Bank**	**$717,124**	**$717,500**	**$868,114**
52				
53				
54	**Combined Balance**	**$4,305,889**	**$4,307,127**	**$4,321,532**
55				
56	**Monthly Change**	**$62,383**	**$1,238**	**$14,404**
57				
58	**Fiscal Year Monthly Change To Date**			
59	**$15,643**			
60				
61	**INVESTMENT STRATEGY**			
62	Along with resuming active management, the Finance Committee and Staff recommend a balanced distribution of monies as stated below between TD Ameritrade, LAIF and Coast Hills Credit Union/Five Star Bank. This distribution will allow the District to maximize yields on investments, while meeting operating and capital cash needs			
63				
64				
65				
66				
67				
68				
69	**Recommended Investment Strategy:**			
70	01. Coast Hills CU/Five Star Bank: $300,000 (2 months FYE20 budgeted operating expense, less			
71				
72	**Goal of about 10%**			
73	02. TD Ameritrade: 50% of balance of unrestricted cash			
74				
75	**Goal of about 45%**			
76	03. LAIF: 50% of the balance of unrestricted cash			
77	**Goal of about 45%**			
78				
79				



	B	C	D	E	F	G	L	M
1	Mission Hills Community Services District							2
2	Budget to Actual Comparison							0.17
3	JUL 22 -AUG 22							10
4		Budgeted	Prorated Budget	Actual		Remainder	% of Budget	**Explanation**
5	**Income**	Fiscal Year 22-23	JUL 22 -AUG 22	JUL 22 -AUG 22	Difference	Budgeted Amount	**17%**	
6	Late Fees/Charges	$ 50,000	$ 8,333	$ 6,304	$ (2,029)	$ 43,696	13%	**Slightly Lower Than Budgeted**
7	Water Service	$ 1,250,000	$ 208,333	$ 232,365	$ 24,032	$ 1,017,635	19%	**Slightly Higher Than Budgeted**
8	Sewer Service	$ 1,005,000	$ 167,500	$ 168,296	$ 796	$ 836,704	17%	**On Track With Budget**
9	Street Sweeping	$ 18,000	$ 3,000	$ 3,008	$ 8	$ 14,992	17%	**On Track With Budget**
10		$ 2,323,000	$ 387,167	$ 409,973	$ 22,807	$ 1,913,027	**18%**	**Revenue is 1% Above Budget**
11								
12								
13		Budgeted		Actual		Remainder		
14	**Expense**	Fiscal Year 22-23	JUL 22 -AUG 22	JUL 22 -AUG 22	Difference	Budgeted Amount		
15	Salaries & Wages	$ 705,000	$ 117,500	$ 111,133	$ 6,367	$ 593,867	16%	**Slightly Lower Than Budgeted**
16	Employee Benefits	$ 250,000	$ 41,667	$ 40,667	$ 1,000	$ 209,333	16%	**Slightly Lower Than Budgeted**
17	Director Fees	$ 16,500	$ 2,750	$ -	$ 2,750	$ 16,500	0%	**Less Meetings Than Budgeted**
18	Depreciation	$ 375,000	$ 62,500	$ 56,379	$ 6,121	$ 318,621	15%	**Depreciation Slightly Lower Than Budgeted**
19	Election Expense	$ 3,000	$ 500	$ -	$ 500	$ 3,000	0%	**No Election Expense**
20	Vehicle Expense	$ 23,000	$ 3,833	$ 2,308	$ 1,526	$ 20,692	10%	**Lower Than Budgeted**
21	Insurance	$ 25,000	$ 4,167	$ 11,875	$ (7,708)	$ 13,125	47%	**Timing of Paying Insurance**
22	Memberships	$ 30,000	$ 5,000	$ 5,550	$ (550)	$ 24,450	19%	**Timing of Membership LCW**
23	Office Expenses	$ 25,000	$ 4,167	$ 2,817	$ 1,349	$ 22,183	11%	**Lower Than Budgeted**
24	Operating Supplies	$ 25,000	$ 4,167	$ 2,603	$ 1,563	$ 22,397	10%	**Lower Than Budgeted**
25	Chemicals	$ 100,000	$ 16,667	$ 109	$ 16,558	$ 99,891	0%	**Lower Than Budgeted**
26	Safety	$ 5,000	$ 833	$ -	$ 833	$ 5,000	0%	**Lower Than Budgeted**
27	Contractual Services	$ 125,000	$ 20,833	$ 25,236	$ (4,403)	$ 99,764	20%	**D L Electrical Work - WWTP, IT Cybersecurity**
28	Professional Services	$ 125,000	$ 20,833	$ 3,094	$ 17,739	$ 121,906	2%	**Lower Than Budgeted**
29	Printing & Publication	$ 5,300	$ 883	$ -	$ 883	$ 5,300	0%	**Lower Than Budgeted**
30	Equipment Lease	$ 13,500	$ 2,250	$ 1,593	$ 657	$ 11,907	12%	**Lower Than Budgeted**
31	Monitoring	$ 36,000	$ 6,000	$ 3,631	$ 2,369	$ 32,369	10%	**Lower Than Budgeted**
32	Travel/Meetings/Meals	$ 15,000	$ 2,500	$ -	$ 2,500	$ 15,000	0%	**Lower Than Budgeted**
33	Utilities	$ 220,000	$ 36,667	$ 38,726	$ (2,060)	$ 181,274	18%	**Slightly Higher Than Budgeted**
34	Government Fees	$ 35,000	$ 5,833	$ 2,702	$ 3,131	$ 32,298	8%	**Lower Than Budgeted**
35	Repairs & Maintenance	$ 80,000	$ 13,333	$ 8,132	$ 5,202	$ 71,868	10%	**Slightly Lower Than Budgeted**
36	Miscellaneous Expenses	$ 25,000	$ 4,167	$ -	$ 4,167	$ 25,000	0%	**Uncollectables or Write Offs**
37		$ 2,262,300	$ 377,050	$ 316,555	$ 60,495	$ 1,945,745	**14%**	**Expenses Are 3% Below Budget**
38								
46	Resolution 15-229 - Budget Preparation and Approval Process							
47	C.3. - Whenever a budgeted expense line item has circumstances where a projected expense exceeds a 5% variance of the total budget,							
48	the GM will be required to seek a super majority approval from the BoD before the expense is finalized, when possible.							
49					5% =	$ 113,115.00		

MISSION HILLS COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Brad Hagemann, General Manager
Lupe Huitron, Administrative Assistant

DATE: September 21, 2022

SUBJECT: **Surplus Equipment**

Recommendation / Proposed Motion

- Recommendation: Adopt Resolution No. 22-343, updating the District's Policy governing disposal of surplus property and review items for surplus property.
- Proposed Motion: Adopt Resolution No. 22-343 and Declare the attached list of District equipment as surplus.

Policy Reference

- In October 2005, the Board adopted Resolution No. 05-173, which adopted policies and procedures governing the Disposal of Surplus Property. Staff recommends the Board adopt Resolution No. 22-343 which slightly modifies and updates the District Surplus Property Policy.
  - Resolution No. 22-343 prescribes that the General Manager shall "periodically" inventory District property and recommend Board approve items to be declared surplus.
  - Surplus should attempt to maximize the overall dollar value to the District.
  - In the event the General Manager determines there is no value, the surplus items may be recycled or thrown away.

Alternatives Considered Budget Resource

Revenue: Proceeds from the sale of District-owned property will be retained in the General Fund/Other Income.

Discussion

Outdated equipment that is not currently being utilized by the District is defined as surplus. District staff will sell the surplus equipment in an open auction environment through Gov Deals, Public Surplus, or other similar programs. These programs provide services to various government agencies that will allow Mission Hills CSD to document and sell surplus items via the Internet. The District established a surplus equipment Policy in October 2005 via Resolution No. 05-173. Staff recommends that the Board adopt Resolution No. 22-343 to update and replace the 2005 Resolution.

RESOLUTION NO. 22-343

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MISSION HILLS COMMUNITY SERVICES DISTRICT ADOPTING POLICIES AND PROCEDURES GOVERNING THE DISPOSAL OF SURPLUS PROPERTY

WHEREAS, California Government Code Sections 54201 et seq. requires local agencies to adopt policies and procedures for the purchase of supplies and equipment; and

WHEREAS, there is not a California Government Code Section specifically regulating the disposal of supplies and equipment; and

WHEREAS, it is common practice for public agencies to adopt policies and procedures for the disposal of supplies and equipment: and

WHEREAS, policies and procedures for the disposal of surplus property will ensure that disposition of surplus property will be fair and impartial; and

WHEREAS, it is the desire of the Board of Directors of the Mission Hills Community Services District to adopt policies and procedures for the disposal of supplies and equipment.

NOW, THEREFORE, IT IS HEREBY RESOLVED, by the Board of Directors ("Board") of the Mission Hills Community Services District ("District"), as follows:

1. The disposal of supplies or equipment by District shall be made pursuant to these policies and procedures.

2. Periodically, the District General Manager ("Manager") shall inventory District property and shall recommend for Board approval items to be declared surplus for disposal and to drop accountability of lost or missing accountable items.

3. The Manager is authorized, in his or her sole discretion, to determine the appropriate manner and method of disposal of District property that has been determined by the Board to be surplus to the needs of the District.

4. Disposal methods may include negotiated sale, auction, consignment, scrap or salvage, or donation to non-profit charitable or government entities.

5. Disposal should attempt to maximize the overall dollar return to the District if a buyer can be found.

6. In the event the Manager determines there is no salvage value, no buyers, or no donee to benefit from donation, the surplus items may be discarded.

7. The Manager shall document the disposal of items originally purchased using Federal or State grants and shall review such grant to determine if the grant requires that the revenue received from the disposition be applied towards similar funding uses.

8. To the extent feasible, the District shall document disposal of surplus District property.

On motion of Director _____, seconded by Director _____, and on the following roll call vote, to wit:

AYES:
NOES

ABSENT:

Passed and approved this 21st day of September, 2022.

_____
Bruce Nix, President
Board of Directors

ATTEST:

_____
Guadalupe Huitron, Secretary
Board of Directors

:

Mission Hills CSD

Surplus Items

Item	Serial/Model#	License Plate	Condition
John Deere Tractor	4T95J	N/A	Poor
Wacker Light Tower	LTC4L	N/A	Good
Multiquip Cement Mixer	AB752101 / **MC-94**	N/A	Fair
1993 Ingersoll Air-Compressor w/ Jackhammer	238172UHD309 / P175BWJD	N/A	Good

MISSION HILLS COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Brad Hagemann, General Manager

DATE: September 21, 2022

SUBJECT: **Resolution to Provide District Volunteers with Workman's Compensation Insurance**

Recommendation / Proposed Motion

- Recommendation: Adopt Resolution No. 22-344, which will provide Workman's Compensation Insurance to District Volunteers
- Proposed Motion: Adopt Resolution No. 22-344.

Policy Reference/Discussion

During a recent Risk Management inspection, our Joint Powers Insurance Agency (JPIA) inspector recommended that the District adopt a Resolution making volunteers subject to Workers' Compensation coverage. Covering volunteers under workers' compensation has benefits that include but are not limited to: claims cost are lower and more limited; claims are easier to control since litigation is generally avoided; and having volunteers covered under workers compensation program is viewed positively by volunteers and the public.

I am attaching a Preamble document that was provided by our JPIA inspector that discusses in more detail the background and benefits of having this resolution in place. Even though we do not currently have any volunteers working at the District, staff recommends the Board adopt Resolution No. 22-344 to cover any future volunteer workers.

JPIA Model Resolution for Volunteer Personnel Coverage Under Workers' Compensation

Preamble

At its November 18, 1997, meeting, the JPIA's Board of Directors approved a recommendation of the Executive and Risk Management Committees which requires all Liability Program members to adopt a resolution making volunteers subject to Workers' Compensation coverage. This is a standard recommendation of the Risk Management and Member Services Departments. Most members have adopted such a resolution.

Section 3363.5 of the California Labor Code empowers public agencies to designate that persons performing voluntary service without pay for the agency shall be deemed employees for purposes of workers' compensation benefits. This is accomplished by means of the governing body of the agency adopting a resolution to that effect.

Covering volunteers under workers' compensation has significant benefits. Workers' compensation benefits are statutorily defined. Claims costs are usually significantly lower compared to liability lawsuits for the same injuries or illnesses. The claims are easier to control, since litigation is generally avoided. Also, providing benefits to volunteer workers under the "no-fault" workers' compensation system can be seen as good public relations.

Many members have volunteers; sometimes, the member might not even be aware of the exposure. Volunteers can include student interns, youth and civic groups undertaking projects, work-release inmates, or individuals responding to or assisting in emergency situations. Even members' directors attending meetings or performing other services for which they are not compensated on a per diem or other basis are considered volunteers. All of these can be provided with workers' compensation benefits.

Even if a member has no employees and an unpaid board of directors, the member needs to adopt a volunteer resolution. If a member does not currently carry workers' compensation coverage, an insurance policy should be obtained. For an agency with no employees a minimum premium workers' compensation policy can be obtained through the State Insurance Compensation Fund.

Members should keep a record of any volunteer service performed. Information required should include names of volunteers, type of work performed, and number of hours worked. An "equivalent payroll" should be reported for both Workers' Compensation and Liability purposes. An "equivalent payroll" would be the hourly wage that would normally be paid for the work done by a volunteer.

We are highlighting the need for this resolution due to some recent losses where a resolution had not been in place. Please take steps now to have your Board adopt this important resolution. Following is a copy of a sample resolution. If by chance your Board has already passed this resolution, please provide a copy of the resolution for our records. If you have any questions, please contact either Member Services or your Risk Management Advisor.

RESOLUTION NO. 22-344

RESOLUTION MAKING
VOLUNTEER PERSONNEL
SUBJECT TO
WORKERS' COMPENSATION INSURANCE

WHEREAS, this board desires to provide Workers' Compensation Insurance benefits for persons authorized by the District to perform volunteer services for the District, and

WHEREAS, the Legislature of the State of California has provided through legislation (Labor Code Section 3363.5) authorization for the inclusion of such coverage in the District's workers' compensation insurance policy.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Mission Hills Community Services District hereby adopts the policy that an unpaid person authorized to perform volunteer service for the District shall be deemed to be an employee of the District for the purposes of Workers' Compensation Insurance benefits provided for by law for any injury or illness sustained by them while engaged in the performance of services for the District under its direction and control.

On motion of Director _____, seconded by Director _____, and on the following roll call vote, to wit:

AYES:
NOES

ABSENT:

Passed and approved this 21st day of September 2022.

_____
Bruce Nix, President
Board of Directors

ATTEST:

_____
Guadalupe Huitron, Secretary
Board of Directors

MISSION HILLS COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Brad Hagemann, General Manager

DATE: September 21, 2022

SUBJECT: 2022 Conflict of Interest Biennial Review

Recommendation / Proposed Motion

- Recommendation: Review the current Conflict of Interest Code
- Proposed Motion(s): Adopt Resolution 22-345 amending the District's Conflict of Interest Code by adding the position of Administrative Services Manager and direct district staff to submit the required documentation.

Policy Reference

On September 19, 2012, the MHCSD passed Resolution 12-205 amending the District's Conflict of Interest code and approving Policy 1002 Conflict of Interest.

Budget Resource

Staff's recommendation would not require the use of funds

Alternatives Considered

No alternatives considered at this time

Background

The Political Reform Act, Government Code Section 81000, et seq., requires state and local government agencies adopt and publicize conflict of interest codes. The Fair Political Practices Commission has adopted regulation, 2 Cal. Code of Regs. Section 18730, which contains the terms of a standard conflict of interest code and is discussed in greater detail on Policy 1002. Specific employees of the District are designated and shall follow the disclosure categories as stated in the Conflict of Interest Code of the Mission Hills Community Services District.

Discussion

In reviewing the District's Conflict of Interest Code the key areas of importance are as follows:

1. Incorporation of the FPPC Regulation 18730 by reference, which provides the rules for disqualification procedures, reporting financial interests, and references the current gift limit. This section also designates where the form 700's are filed and retained.
2. List of Designated Employees – The code must specifically list positions that make or participate in decision making decisions. The District added a new position in 2021, Administrative Services Manager, that should be added to the list of Designated Employees who are to file annual Conflict of Interest statements.
3. Detailed Disclosure Categories – a description of the types of financial interests to be included on their form 700s.

Staff has prepared an updated Resolution and Policy that address FPPC regulations , and adds the position of Administrative Services Manager to the list of Designated Employees. The County has requested that any changes be submitted to them by October 3, 2022.

Attachment(s):

1. Resolution No 22-345
2. Policy 1002 Updated effective September 21, 2022

RESOLUTION NO. 22-345

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MISSION HILLS COMMUNITY SERVICES DISTRICT AMENDING THE DISTRICT'S CONFLICT OF INTEREST CODE

WHEREAS, the Mission Hills Community Services District (the "District") is a community services District duly formed under California Government Code Section 61000 *et. seq*., to provide community services within the District's service area, including water and sewer services; and

WHEREAS, the District has the authority to establish policies for the operation of the District, pursuant to Government Code Section 61045(g); and

WHEREAS, the Political Reform Act, Government Code Section 81000 et. seq., requires State and local government agencies to adopt a conflict of interest code; and

WHEREAS, the Fair Political Practices Commission has adopted a regulation, 2 Cal. Code of Regs. Section 18730, which contains the terms of a standard conflict of interest code; and

WHEREAS, the Fair Political Practices Commission recommends that public agencies incorporate Section 18730 by reference, along with an Appendix A, in which employees are designated and disclosure categories are set forth; and

WHEREAS, the District previously adopted a Conflict of Interest Code; and

WHEREAS, Government Code Section 87306.5 requires public agencies to review their conflict of interest codes each even-numbered year and if a change to its code is necessary due to changed circumstances, the agency must submit an amended conflict of interest code to the code reviewing body; and

WHEREAS, the District desires to amend its Conflict of Interest Code in order to more accurately reflect the employee positions at the District for which disclosure is required and to ensure compliance with all of the requirements of the Political Reform Act; and

WHEREAS, the Board of Directors has determined that the attached Appendix, marked Exhibit "A," accurately sets forth those employees that should be designated and the categories of financial interests that should be disclosed; and

WHEREAS, the attached Conflict of Interest Code will not be effective until it has been approved by the County Board of Supervisors, pursuant to Government Code Section 87303.

NOW THEREFORE, be it resolved by the Board of Directors of the Mission Hills Community Services District as follows:

1. The District's Conflict of Interest Code is hereby amended and replaced in its entirety with Exhibit "A," attached hereto and incorporated herein by this reference.

2. In accordance with Government Code Sections 87303 and 87306.5, this Resolution amending the Mission Hills Community Services District's Conflict of Interest Code shall be submitted to the Santa Barbara County Board of Supervisors, as the designated code reviewing body, along with the executed "2022 Local Agency Biennial Notice."

On motion of Director _____, seconded by Director _____, and on the following roll call vote, to-wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

The foregoing Resolution is hereby passed and adopted this 21st day of September, 2022.

_____
Bruce Nix, President
Board of Directors

ATTEST:

_____
Guadalupe Huitron, Secretary to the Board

APPROVED AS TO FORM:

_____
Tim Carmel, District Counsel

Attachment: Exhibit "A"

Exhibit "A"

1002 Conflict of Interest

Effective Date: **September 21, 2022,**
Resolution Reference: **Resolution 22-345**
Revision Date: September 21, 2022
Resolution Reference:

1. The Political Reform Act, Government Code Section 81000, et seq., requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation, 2 Cal. Code of Regs. Section 18730, which contains the terms of a standard conflict of interest code. It can be incorporated by reference and may be amended by the Fair Political Practices Commission after public notice and hearings to conform to amendments in the Political Reform Act. Therefore, the terms of 2 Cal. Code of Regs. Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference and, along with the attached Appendix A in which employees are designated and in which disclosure categories are set forth, shall constitute the Conflict-of-Interest Code of the Mission Hills Community Services District.

2. All persons required to file Statements of Economic Interest, shall file the Statement of Economic Interest either, electronically with the County Clerk, or with the MHCSD Secretary to the Board of Directors. Upon receipt of the Statements of Economic Interest, the District will make and retain a copy and forward the original Statements of Economic Interest to the Clerk of the Board of Supervisors. The Statements of Economic Interest are public records subject to Government Code Section 81008. The public may review and obtain copies of the Statements of Economic Interest pursuant to Section 81008.

APPENDIX A

The positions listed below manage public investments and are subject to the disclosure requirements of Article 2, Chapter 7 of the Political Reform Act and must file a Statement of Economic Interest pursuant to State law:

- Members of the Board of Directors
- District General Manager
- District Counsel

Designated Employees:

1. It has been determined that the designated employees listed below make or participate in the making of decisions that may foreseeably have a material effect on economic interests. These designated employees are subject to the disclosure requirements of Article 3, Chapter 7 of the Political Reform Act and shall disclose pursuant to the disclosure categories designated below:

    - Administrative Services Manager
    - Secretary to the Board of Directors
    - District Accountant
    - Operations Superintendent
    - Consultants*

*Consultants shall disclose pursuant to the broadest disclosure categories subject to the following limitation:

2. The District General Manager may determine in writing that a particular consultant, although a "designated employee," is hired to perform a range of duties that are limited in scope and thus is not required to fully comply with the disclosure requirements described in this section. Such written determination shall include a description of the consultant's duties and based upon that description, a statement of the extent of disclosure requirements. The District General Manager's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict-of-Interest Code.

Disclosure Categories**:**

All designated employees shall disclose financial interests in the following categories:

1. Investments: California Fair Political Practices Commission ("FPPC") Form 700, Schedules A-1 and A-2.

2. Interests in Real Property: FPPC Form 700, Schedule B.

3. Income & Business Positions: FPPC Form 700, Schedule C

MISSION HILLS COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Brad Hagemann, General Manager
Carol Reynolds, District Administrative Services Manager

DATE: September 21, 2022

SUBJECT: **Fiscal Year Ended June 30, 2021 Audited Financial Statements**

Recommendation / Proposed Motion

- Recommendation: Review, discuss and approve the Fiscal Year Ended June 30, 2021 Audited Financial Statements presented by Glenn Burdette Attest Corporation.
- Proposed Motion(s): Approve the Fiscal Year Ended June 30, 2021 Draft Audited Financial statements presented by Glenn Burdette Attest Corporation.

Policy Reference

The Board of Directors oversees the District's finances and formally accepts annual audit reports. California Government Code §26909 requires Special Districts to submit an annual audit report to the County Auditor and the State Controller every year.

Budget Resource

This year's operating budget includes $9,500 for the preparation of the audit report.

Alternatives Considered

None

Background

The objective of the annual audit is to gain a professional opinion as to whether the basic financial statements are fairly presented, in all material respects, in conformance with U.S. generally accepted accounting principles. California Special Districts are required to have their financial statements audited and reported upon annually by a certified public accountant or public accountant and submitted to county and state agencies within twelve months of the end of the fiscal year.

Discussion

The District retained Glenn Burdette Attest Corporation to perform an audit of the District's financial statements for fiscal year ended June 30, 2021. The audit report states that at year-end, the District had $10.77 million in assets, operating revenue of $2.85 million and operating expenses of $2.04 million. A final audit report will be provided upon acceptance of the draft audit report. Mr. Brendan Martin from Glenn Burdette will be available to summarize their findings and respond to any questions.

Attachment(s):

1. Fiscal Year Ended June 30, 2021 Financial Statements

Mission Hills Community Services District

Financial Statements

Year Ended June 30, 2021

Mission Hills Community Services District
Financial Statements
Year Ended June 30, 2021

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GLENN BURDETTE
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

To the Board of Directors of
Mission Hills Community Services District

Report on the Financial Statements
We have audited the accompanying financial statements of the business-type activities of Mission Hills Community Services District (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

SAN LUIS OBISPO
1150 Palm Street
San Luis Obispo, CA 93401
p 805 544 1441
f 805 544 4451

PASO ROBLES
102 South Vine Street, Ste. A
Paso Robles, CA 93446
p 805 237 3995
f 805 239 9332

SANTA MARIA
2222 South Broadway, Ste. A
Santa Maria, CA 93454
p 805 922 4010
f 805 922 4286

GLENNBURDETTE.COM

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Mission Hills Community Services District as of June 30, 2021, and the changes in its net position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Mission Hills Community Services District's basic financial statements. The schedule of directors is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of directors has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 25, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that

testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Mission Hills Community Services District's internal control over financial reporting and compliance.

Glenn Burdette Attest Corporation

Glenn Burdette Attest Corporation
San Luis Obispo, California

August 25, 2022

Mission Hills Community Services District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021

Our Management's Discussion and Analysis of the Mission Hills Community Services District's financial performance provides an overview of the District's financial activities for the year ended June 30, 2021. It should be considered in conjunction with the information within the body of the audited financial statements.

Mission Statement

The Mission Hills Community Services District is committed to providing the residents within the District reliable, high quality water and wastewater services in an efficient, cost-effective and environmentally safe manner.

Basic Financial Statements

The basic financial statements provide readers with a broad overview of the District's finances, combining the water, sewer, and street sweeping enterprise fund data.
The District's financial statements include four components:

- Statement of Net Position
- Statement of Revenues, Expenses and Changes in Net Position
- Statement of Cash Flows
- Notes to Financial Statements

The Statement of Net Position includes all of the District's assets and liabilities, with the difference between the two reported as net position. The Statement of Net Position provides the basis for evaluating the capital structure of the District and assessing its liquidity and financial flexibility.

The Statement of Revenue, Expenses and Changes in Net Position present information which shows how the District's position changed during the year. All of the year's revenues and expenses are recorded when the underlying transaction occurs, regardless of the timing of the related cash flows. The Statement of Revenue, Expenses and Changes in Net Position measure the success of the District's operations during the year and determine whether the District has recovered its costs through user fees and other charges.

The Statement of Cash Flows provides information regarding the District's cash receipts and cash disbursements during the year. This statement reports cash activity in three categories:

- Operating
- Capital and Related Financing
- Investing

This statement differentiates from the Statement of Revenues, Expenses and Changes in Net Position by only accounting for transactions that result in cash receipts or cash disbursements.

The basic financial statements can be found on pages 11 to 13.

The Notes to the Financial Statements provide a description of the accounting policies used to prepare the financial statements and present material disclosures required by generally accepted accounting principles that are not otherwise present in the financial statements.

The notes to the financial statements can be found on pages 14 to 22.

Financial Highlights

- Total assets were $10,768,050 on June 30, 2021.
- Operating revenue was $2,846,594, which consisted of Water Charges, Wastewater Charges, Street Sweeping Charges and Service Charges.
- Total Expenses were $2,038,182, which consisted primarily of Salaries, Benefits, Depreciation, Government Charges, Contractual Services, Engineering Services, Operating Expenses, Utilities and Repairs and Maintenance.

Basic Financial Analysis

Net Position

Net position may serve over time as a useful indicator of the District's financial position. Assets exceeded liabilities by $10,628,204 as of June 30, 2021.

The largest portion of net position reflect investment in capital assets (i.e. land, easements, wells and pumping, mains and distribution systems, buildings and improvements, vehicles, furniture, and equipment). The District uses these capital assets to provide services to residents; consequently, these assets are not available for future spending.

The next largest portion of net position is reserved for future spending. This portion includes cash and investments.

Please see Table A below for a current year to previous year comparison of the district's assets and liabilities.

Table A
Statement of Net Position
June 30, 2021

	2021	2020	% Change
Assets:			
Current assets	$ 3,115,446	$ 2,194,486	42.0%
Non-current assets	1,179,323	1,201,862	-1.9%
Capital assets	6,473,281	6,583,075	-1.7%
Total assets	10,768,050	9,979,423	7.9%
Liabilities:			
Current liabilities	139,846	165,204	-15.3%
Net Position:			
Invested in capital assets	6,473,281	6,583,075	-1.7%
Restricted	661,269	48,159	100.0%
Unrestricted	3,493,654	3,182,985	9.8%
Total net position	$ 10,628,204	$ 9,814,219	8.3%

The following are significant current fiscal year transactions that have an impact on the Statement of Net Position:

- Current assets have increased while non-current assets have decreased due to District investments approaching maturity.
- Liabilities have stayed in line with prior year.
- Regular straight-line depreciation for the fiscal year ending June 30, 2021 decreased capital assets by $393,069, but purchases of additional assets ultimately increased total capital assets.

Revenues, Expenses, and Changes in Net Position

The District's financial position results from operating activities, investment activities, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Please see Table B below for a current year to previous year comparison of the districts revenues, expenses and changes in net position.

Table B
Statement of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2021

	2021	2020	% Change
Operating revenues	$ 2,846,594	$ 2,271,151	25%
Nonoperating revenues	5,573	96,047	-94%
Total revenues	2,852,167	2,367,198	20%
Depreciation expense	393,069	343,786	14%
Other operating expenses	1,645,113	1,595,508	3%
Total operating expenses	2,038,182	1,939,294	5%
Change in net position	813,985	427,904	90%
Beginning net position	9,814,219	9,386,315	5%
Ending net position	$ 10,628,204	$ 9,814,219	8%

The following are significant current fiscal year transactions that have had an impact on the statement of revenues, expenses and changes in net position:

- Water utilities exceeded revenue projections for current fiscal year by $99,430; Wastewater utilities exceeded revenue projections for the current fiscal by $45,460.
- Total expenses were $80,277 higher than last fiscal year, and $124,403 lower than projected. This consists of a combination of unspent budgeted amounts in Salaries & Benefits, as a result of position vacancies and staff turnover, lower Professional Fees, and lower Utilities Cost, due to changing equipment use to off peak hours.

Economic Outlook

Mission Hills Community Services District (Mission Hills CSD) has incrementally increased revenues beginning with our 2016 Rate Study. The Rate Study included a review and analysis of the water and wastewater enterprise revenue based on the cost of service principles and industry methods that resulted in fair and equitable rates for water and wastewater users following the State of California's Proposition 218 procedures.

In 2018, Mission Hills CSD retained the professional services of NBS to update our water and wastewater capacity charges (connection fees) to reflect the cost of infrastructure needed to serve future customers. The NBS Study was completed in February of 2019 and gives the Mission Hills CSD legally defensible connection fees that can help maintain quality water and wastewater utilities for the proposed future growth while recognizing the District's commitment not to harm existing ratepayers.

In combination with our new Rate and Capacity Charge Study, Mission Hills CSD created a Board approved, comprehensive Capital Improvement Plan. This Capital Improvement Plan (CIP) contains capital projects, equipment purchases, and significant future rate studies for Mission Hills CSD. The CIP provides a working blueprint for sustaining and improving the District's infrastructure. It will also help identify, prioritize, and optimize the financing of capital projects to align with operations and maintenance.

Mission Hills CSD works with the State Water Board to help protect water quality in the Lompoc Uplands and Lompoc Basin. The State Water Board oversees the implementation of programs throughout the state and coordinates its efforts via Regional Water Quality Control Boards. Mission Hills CSD worked cooperatively with our Regional Water Quality Control Board to renew our Waste Discharge Requirements (WDRs). This renewal requires making modifications to our existing wastewater treatment process, and a portion is included in this year's Capital Improvement Plan and extended to our five-year draft Operations and Maintenance Plan.

Mission Hills CSD is also participating in the Western Management Area Groundwater Sustainability Agency. This Agency is responsible for implementing the requirements of California's Sustainable Groundwater Management Act (SGMA). This District will continue to work with Regional Water Quality Control Board, the Groundwater Sustainability Agency in our area, and to participate and support all applicable local and regional efforts that have the potential to influence and benefit Mission Hills CSD.

Contacting the District

This financial report is designed to provide the District's customers and other interested parties with an overview of the District's financial operations and financial condition. Questions concerning any of the information in this report or requests for additional information should be addressed to the General Manager, Mission Hills Community Services District, 1550 Burton Mesa Boulevard, Lompoc, CA 93436.

Mission Hills Community Services District

Statement of Net Position

June 30, 2021

Assets	
Current assets:	
Cash and cash equivalents	$ 1,782,748
Accounts receivable, net of allowance	56,273
Investments	573,783
Prepaids and deposits	41,373
Total current assets	2,454,177
Property and equipment, net of accumulated depreciation	6,473,281
Other assets:	
Restricted cash	661,269
Investments	1,179,323
Total assets	10,768,050
Liabilities	
Current liabilities:	
Accounts payable and accrued liabilities	62,087
Compensated absences	36,163
Customer and developer deposits and advances	41,596
Total current liabilities	139,846
Total liabilities	139,846
Net Position	
Net investment in capital assets	6,473,281
Restricted	661,269
Unrestricted	3,493,654
Total net position	$ 10,628,204

The accompanying notes are an integral part of these financial statements.

Mission Hills Community Services District

Statement of Revenues, Expenses and Changes in Net Position

Year Ended June 30, 2021

Operating revenues:	
Service charges	$ 2,270,474
Late charges and other revenue	576,120
Total operating revenues	2,846,594
Operating expenses:	
Chemicals	48,263
Contractual services	98,067
Depreciation	393,069
Directors' fees	23,065
Engineering services	42,493
Equipment rentals	8,824
Government charges	50,603
Insurance	26,640
Memberships and dues	19,989
Miscellaneous expense	12,077
Office expense	22,868
Operating supplies	18,757
Printing and publications	5,674
Professional services	169,731
Repairs and maintenance	138,832
Research and monitoring	29,539
Safety expense	5,987
Salaries, benefits and payroll taxes	737,504
Travel and meetings	4,329
Utilities	160,852
Vehicle expense	21,019
Total operating expenses	2,038,182
Operating income	808,412
Nonoperating revenues and expenses:	
Decrease in fair value of investments	(51,451)
Investment income, net of fees	57,024
Total nonoperating revenues and expenses	5,573
Increase in net position	813,985
Net position - beginning of year	9,814,219
Net position - end of year	$ 10,628,204

The accompanying notes are an integral part of these financial statements.

Mission Hills Community Services District

Statement of Cash Flows

Year Ended June 30, 2021

Cash flows from operating activities:		
Cash received from customers	$ 2,853,650	
Cash payments to suppliers for goods and services	(918,448)	
Cash payments to employees for services	(759,910)	
Net cash provided by operating activities		$ 1,175,292
Cash flows from capital and related financing activities:		
Purchases of property and equipment	(283,275)	
Net cash used in capital and financing activities		(283,275)
Cash flows from investing activities:		
Purchase of investments	(48,732)	
Proceeds from sale of investments	396,798	
Investment income, net of fees	57,024	
Net cash provided by investing activities		405,090
Net increase in cash		1,297,107
Cash and cash equivalents - beginning of year		1,146,910
Cash and cash equivalents - end of year		$ 2,444,017
Summary of cash and cash equivalents - end of year:		
Cash and cash equivalents		$ 1,782,748
Restricted cash		661,269
Total cash and cash equivalents - end of year		$ 2,444,017
Reconciliation of operating income to net cash provided by operating activities:		
Operating income		808,412
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	393,069	
Changes in operating assets and liabilities:		
Accounts receivable, net of allowance	4,432	
Prepaids and deposits	(5,263)	
Accounts payable and accrued liabilities	(5,576)	
Accrued payroll	(14,043)	
Compensated absences	(8,363)	
Customer and developer deposits and advances	2,624	
Total adjustments		366,880
Net cash provided by operating activities		$ 1,175,292
Supplemental disclosures of cash flow information:		
Noncash transactions:		
Decrease in fair value of investments		$ (51,451)

The accompanying notes are an integral part of these financial statements.

Mission Hills Community Services District
Notes to Financial Statements
June 30, 2021

Note 1: Nature of Business

The Mission Hills Community Services District (the District) began operations in November of 1979, under the authorization of Section 61000, et. seq., of the Government Code of the State of California, for the purpose of providing water and wastewater disposal services. Prior to the formation of the District, these services were provided by Park Water Company. The District is a political subdivision of the State of California and operates under a Board of Directors – Manager form of government.

Note 2: Summary of Significant Accounting Policies

Basis of Presentation

For financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities. The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). Under the accrual basis, revenues are recognized when earned and expenses are recognized when incurred.

The principal operating revenues of the District are sewer and water usage charges and other related income. Interest income is considered non-operating revenue. When both restricted and unrestricted revenues are available for an expense, the District's policy is to use restricted revenues first, and then unrestricted fees as they are needed.

Budgets and Budgetary Accounting

An annual budget is adopted by the Board of Directors at the start of each fiscal year. Any changes or revisions to that budget throughout the year must be approved by the Board of Directors.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

The District considers all unrestricted highly-liquid investments with an initial maturity of three months or less to be cash equivalents for purposes of the Statement of Cash Flows. Cash equivalents held by brokers at year-end pending long-term reinvestment are considered investments.

Note 2: Summary of Significant Accounting Policies (Continued)

Investments

Investments are reported at fair value. Marketable securities' fair values are based on quoted market prices from independent sources. Short-term investments may consist of equity securities, open-ended mutual funds, certificates of deposit and U.S. government and municipal obligations with an original maturity date of one year or less, and U.S. government and municipal obligations with a maturity date of one year or less.

Investment income consists of interest and dividends. The amounts are presented net of investment management and custodian fees.

Services and Interest Receivable

The District's accounts receivable is primarily comprised of water, wastewater, and street sweeping fees billed on a monthly basis. Customer receivables are written off in full when the receivable is deemed uncollectible. The allowance for uncollectible services is based on prior experience and management's analysis of possible bad debts. At June 30, 2021, the allowance for uncollectible services receivable was $0.

Prepaids and Deposits

Payments made to vendors for services that will benefit any period beyond June 30, 2021 are recorded as prepaid expenses or deposits.

Property and Equipment

Depreciation is provided for on a straight-line basis over the estimated useful lives of the assets. The estimated useful lives of the assets are as follows:

Office furniture and fixtures	5-15 years
Machinery and equipment	2-25 years
Supply distribution system	10-75 years
Building and improvements	10- 40 years
Treatment collection system	10-100 years
Vehicles	7 years

All purchased fixed assets are valued at historical cost. Donated fixed assets were recorded at their estimated net book value when the District was formed. Other donated fixed assets are valued at their estimated fair value on the date received. It is the policy of the District to capitalize assets that have a unit cost of more than $5,000.

Note 2: Summary of Significant Accounting Policies (Continued)

Net Position

The District's net position is required to be classified for accounting and reporting purposes into the following net position categories:

- Net investment in capital assets includes capital assets net of accumulated depreciation and amortization, deferred outflows of resources, less the outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.
- Restricted consists of net position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the District cannot unilaterally alter. At June 30, 2021, $661,269 of the District's net position—representing developer fees paid to the District—was restricted for use on the Purisima Hills project.
- Unrestricted consists of all other categories of net position. Unrestricted may be designated for use by management of the District. These designations limit the area of operations for which expenditures of net position may be made and require that unrestricted net position be used to support future operations in these areas.

The District has adopted a policy of utilizing restricted, expendable funds, when available, prior to unrestricted funds.

Fair Value Measurements

As defined in GASB Statement No. 72, *Fair Value Measurement and Application*, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The District uses valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

GASB Statement No. 72 establishes a hierarchy of inputs to valuation techniques used to measure fair value. That hierarchy has three levels:

Level 1 — Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 — Observable inputs, other than Level 1 prices, for the asset or liability, either directly or indirectly;
Level 3 — Unobservable inputs for the asset or liability.

For fiscal year ended June 30, 2021, the application of valuation techniques applied to the District's financial statements has been consistent.

Note 3: Cash and Cash Equivalents

Cash and cash equivalents at June 30, 2021, consisted of the following:

Cash in bank	$	649,370
Restricted cash in bank		661,269
Cash in Local Agency Investment Fund (LAIF)		1,133,378
	$	2,444,017

Custodial Credit Risk-Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk in addition to the California Government Code collateral requirements. Cash balances held in bank are insured up to $250,000 by the National Credit Union Administration (NCUA). As of June 30, 2021, the District had $1,092,404 in excess of NCUA insured limits. All deposits held by financial institutions are fully insured or collateralized with securities, held by pledging financial institutions' trust departments in the District's name.

The Board has recommended certain restrictions on cash for purposes including capital replacement, emergency and operating reserves.

Local Agency Investment Fund (LAIF)

The District maintained investments with the State of California Local Agency Investment Fund (LAIF). The LAIF is an external investment pool sponsored by the State of California. These pooled funds approximate fair value. The administration of the LAIF is provided by the California State Treasurer and regulatory oversight is provided by the Pooled Money Investment Board and the Local Investment Advisory Board. State statutes, bond resolutions, and LAIF investment policy resolutions allow investments in United States government securities, negotiable certificates of deposit, bankers' acceptances, commercial paper, corporate bonds, bank notes, mortgage loans and notes, other debt securities, repurchase agreements, reverse repurchase agreements, equity securities, real estate, mutual funds and other investments. The LAIF's report discloses the required information in accordance with Governmental Accounting Standards Board Statements No. 3 and 40. Pooled investments are not required to be categorized by risk category.

Note 4: Investments

At June 30, 2021, investments comprised the following:

	Current	Noncurrent	Total
Corporate bonds	$ 112,491	$ 850,705	$ 963,196
Treasury bonds	461,292	328,618	789,910
Total	$ 573,783	$ 1,179,323	$ 1,753,106

Investment Policies

The District's Board of Directors (Board) oversees the management of its investments and establishes investment policy. The Board has delegated the implementation of the investment policy to staff. The Board advises on investment guidelines and selection of investment managers. The District prohibits investments that jeopardize the safety of principal concept, while maintaining a market rate of return and providing sufficient liquidity to enable the District to meet its cash flow requirements.

Investment Risk Factors

Interest Rate Risk:
Interest rate risk is the risk that fixed income securities will decline because of rising interest rates. The District manages interest rate risk by maintaining large coupons with short durations within its portfolio. This practice is utilized to assist the District with a positive total return.

Credit Risk:
Fixed income securities are subject to credit risk, which is the chance that a bond issue will fail to pay interest or principal in a timely manner, or that negative perceptions of the issuer's ability to make these payments will cause security prices to decline. The District maintains policies to manage credit risk which include requiring minimum credit ratings issued by nationally recognized statistical rating organizations, including Standard and Poor's or Moody's Investor Services, for certain investments.

Note 4: Investments (Continued)

The weighted average duration and average credit ratings of the District's fixed income securities held in investments at June 30, 2021 were as follows:

	Fair Value	Weighted Average Duration (in years)	Average Rating
Corporate bonds	$ 613,852	2.3	A
Treasury bonds	1,139,254	1.7	AAA
Total	$ 1,753,106		

Concentration of Credit Risk:
Concentration of credit risk is the risk associated with a lack of diversification, such as having substantial investments in a few individual issuers; thereby exposing the organization to greater risks resulting from adverse conditions or developments. GASB requires disclosure of investments in any one individual issuer that represent 5% or more of total investments. At June 30, 2021, the District had no investments that exceeded this threshold.

Custodial Risk:
Custodial risk is the risk that in the event of the failure of the custodian, the investments may not be returned. Substantially all of the District's investments are issued, registered or held in the name of the District by custodian banks and brokers, as its agent.

Equity Securities Risk:
Equities are subject to both unsystematic and systematic risk. Unsystematic risk is the risk of a price change due to the unique circumstances of a specific security or group of related securities. Equity securities are also subject to systematic risk or market risk. Systematic risk recognizes that equity securities, as an asset class, can change in value as a result of such factors as inflation, exchanges rates, political instability, war, economic conditions and interest rates. This type of risk is not specific to a particular company or industry and cannot be substantially mitigated by diversification. The District does not have any equity securities at this time but is not prohibited by their investment policy to invest in equity securities.

Investment Fair Values:
The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Districts investments are all classified in Level 1 of the fair value hierarchy, which values investments at the unadjusted quoted prices for identical assets in active markets that the District has the ability to access.

Note 5: Property and Equipment

At June 30, 2021, property and equipment consisted of the following:

	Balance June 30, 2020	Increases	Decreases/ Transfers	Balance June 30, 2021
Land	$ 624,862	$	$	$ 624,862
Plant and equipment	12,163,165	283,275		12,446,440
	12,788,027	283,275	-	13,071,302
Less accumulated depreciation	(6,204,952)	(393,069)		(6,598,021)
Property and equipment, net	$ 6,583,075	$ (109,794)	$ -	$ 6,473,281

Note 6: Service Revenues

The operations of the District are primarily funded through the collection of service fees for connection fees, water, wastewater, and street sweeping services provided for by the District. Revenues earned by type during the year ended June 30, 2021, were as follows:

Water charges	$ 1,274,422
Wastewater charges	978,143
Street sweeping charges	17,909
Total	$ 2,270,474

Note 7: Deferred Compensation Plan

The District is currently participating in an FTJ FundChoice governmental eligible 457 Plan administered by Bayhill Advisors, Inc. effective January 1, 2007. The Mission Hills CSD 457 Plan is a deferred compensation plan and covers all employees of the District. Employees may elect to contribute a portion of their salary to the plan with no limitations other than those legally imposed. An employee can also elect to contribute their social security taxes in lieu of paying into social security and the District contributes the employer portion as well. All other District contributions are discretionary and all contributions are vested 100% immediately. Assets are held separately from the District's funds.

Total District contributions were $48,364 for the year ended June 30, 2021.

Note 8: Risk Management

The District is a member of the Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA), which was organized for the purpose of providing general liability, automobile, errors and omission, and property loss insurance coverage to water agencies. The ACWA/JPIA is financed through premium charges to each member. The ACWA/JPIA does not meet the reporting entity criteria and is therefore not included in the accompanying financial statements.

The ACWA/JPIA is administered by a board of directors, consisting of one member of each participating water agency. In addition, the water agencies' board members and staff are eligible to participate on the various committees and subcommittees of the ACWA/JPIA. The board is responsible for establishing premium rates and making budgeting decisions.

Coverage under current policies provide for the District to pay for the first $2,500 of property loss for buildings, personal property, fixed equipment, and mobile equipment and the agency to pay for the next $497,500. There is a $1,000 deductible for licensed vehicles. The auto and general liability program has no deductible. Property losses are limited to the value of the property as assessed by the ACWA/JPIA. The ACWA/JPIA is self-insured for the first $500,000. Claims over the self-insured amounts are covered by a group purchased commercial insurance policy. Each member district is assessed a premium in accordance with the JPIA agreement, creating the ACWA/JPIA.

Condensed financial information of the ACWA/JPIA was as follows:

	September 30, 2021 *	
Total assets and deferred outflows	$	272,959,501
Total liabilities and deferred inflows		123,148,969
Net assets	$	149,810,532
Total operating revenues	$	189,317,732
Total nonoperating revenues		11,566,049
Total operating expenses		(174,760,456)
Net increase in net position	$	26,123,325

* Latest information available.

Note 9: Operating Lease

The District has three leases for equipment with terms ranging from two to five years expiring in September 2025. Monthly lease payments are $814. The total operating lease expense was $8,824 for the year ended June 30, 2021.

At June 30, 2021, future minimum lease payments were as follows:

For the Year Ending June 30,		
2022	$	9,769
2023		7,974
2024		1,332
2025		704
2026		176
Total	$	19,955

Note 10: Commitments and Contingencies

Santa Ynez River Valley Basin Western Management Area Groundwater Sustainability Agency
Effective January 11, 2017, the District entered into a Memorandum of Agreement (MOA) with various parties within the Santa Ynez River Water Conservation District under the Sustainable Groundwater Management Act to create the Santa Ynez River Valley Basin Western Management Area Groundwater Sustainability Agency (GSA). The parties agreed to cooperate under the MOA to create the GSA and for the GSA to create a Groundwater Sustainability Plan (GSP) on or before January 30, 2022. Under the MOA, the District will have one voting member on the board of eight. Costs incurred to create and implement the GSP will be shared by the voting parties as agreed to by the voting parties. On February 2, 2017, the parties filed a notice to become a GSA with the California Department of Water Resources, Sustainable Groundwater Management Section. For the year ended June 30, 2021, the District contributed $72,113 to the project.

Litigation
From time to time, in the normal course of operations, the District may become involved in litigation for which the District has insurance coverage. Management does not believe these will result in a material impact to the financial statements.

Note 11: COVID-19 Pandemic

The District has been impacted by the recent COVID-19 pandemic. Due to the uncertainty surrounding the pandemic, the length and severity of the outbreak, and the volatility in the world investment markets, there is uncertainty as to how these events will ultimately affect the District's services and resources.

Note 12: Subsequent Events

Events subsequent to June 30, 2021, have been evaluated through August 25, 2022, which is the date the financial statements were available to be issued. Management did not identify any subsequent events that required disclosure.

GLENN BURDETTE
CERTIFIED PUBLIC ACCOUNTANTS

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors of
Mission Hills Community Services District

We have audited, in accordance with the auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the business-type activities of Mission Hills Community Services District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Mission Hills Community Services District's basic financial statements and have issued our report thereon dated August 25, 2022.

Internal Control Over Financial Reporting
In planning and performing our audit, we considered Mission Hills Community Services District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Mission Hills Community Services District's internal control. Accordingly, we do not express an opinion on the effectiveness of Mission Hills Community Services District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatement on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questions costs as 21.001 that we consider to be a material weakness.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Mission Hills Community Services District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose

Glenn Burdette Attest Corporation

Glenn Burdette Attest Corporation
San Luis Obispo, California

August 25, 2022

Mission Hills Community Services District
Schedule of Findings and Recommendations
Year Ended June 30, 2021

Finding 21.001: Inadequate Segregation of Duties (Material Weakness)

Finding:
There are generally four phases for an accounting process or operation: authorization, custody, record keeping and reconciliation. A well-designed system of internal control contemplates the allocation of duties among personnel such that each of these four functions would be performed by a different person. During our audit, we noticed that, due to the small size of the District staff, many of these duties are being performed by the same individuals and that the majority of the employees have access to the cash drawer.

Management has informed us that based upon the size of the District, they believe the cost to employ a sufficient number of employees with sufficient education and training to accomplish this would be cost prohibitive. While the District does not have all four phases of their accounting processes segregated, they have designed their controls to limit the potential of a material misstatement by having mitigating controls in place to detect any material misstatements that might occur. This includes detail oversight review of the trial balance on a monthly basis by both the General Manager and District Accountant.

The effect on the District of not fully segregating these functions could be to have a misappropriation of assets, although the District has mitigated the impact by the controls discussed above.

Recommendation:
We recommend that the District continue to evaluate the assignment of responsibilities and authority in the accounting department and segregate duties to the best of their ability given the size of the District and the resources available.

Supplementary Information

Mission Hills Community Services District
Schedule of Directors
June 30, 2021

Myron Heavin	President
Stephen Dietrich	Vice President
Karina Naughton	Finance Officer
Bruce Nix	Director
James MacKenzie	Director

See independent auditors' report.

MISSION HILLS COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Brad Hagemann, General Manager

DATE: September 21, 2022

SUBJECT: Discuss and Consider Adopting a Resolution to Update Water Conservation Measures

Recommendation / Proposed Motion

- Recommendation: Review the current Water Conservation Measures and Consider Making Changes or Leaving Them as Is
- Proposed Motion(s): Adopt Resolution 22-346 amending the District's Water Conservation Measures

Policy Reference

On October 15, 2014, the District adopted Resolution No. 14-226. Resolution No. 14-226 implemented mandatory water conservation measures for District customers. Resolution 14-226 was adopted in response to an emergency drought proclamation by the Governor and a Resolution adopted (# 2014-0038) by the State Water Resources Control Board. The State Board Resolution recognized the need for California water suppliers to implement local water shortage contingency plans. District Resolution No. 14-226 has never been rescinded and the water conservation terms and conditions are still in effect.

Alternatives Considered

Do not make any changes to Resolution No. 14-226

Discussion

In March 2022, the governor issued Executive Order No. N-7-22 that promoted further water conservation measures and directed state agencies to take certain water conservation measures. On May 24, 2022, the State Water Resources Control Board (SWRCB) adopted Resolution No. 2022-0018 amending regulations to reduce water demand and improve water conservation.
The current California drought stated in February 2020, when drought conditions appeared in nearly 10% of the state. By May 2021, drought conditions existed in nearly 100% of the state. The entire southwest US is now experiencing drought. In California, agencies that rely on surface

water from the State Water Project, Central Valley Project and Colorado River are facing severe water shortages.

None of the three agencies in the Lompoc Valley, Vandenberg Village CSD, Mission Hills CSD, or the City of Lompoc, use surface water as a potable water source. All three entities pump groundwater from the Lompoc Groundwater Basin, which is included in the greater Santa Ynez River Valley Groundwater Basin. VVCSD pumps about 1,500 AFY and MHCSD pumps about 500 AFY from the Lompoc Upland subbasin (sometimes referred to as the lower aquifer). The City of Lompoc pumps about 5,000 AFY from the Lompoc Plain Subbasin (sometimes referred to as the upper aquifer).

The capacity of the Lompoc Upland Basin is approximately 400,000 acre-feet (AF). According to the *44th Annual Engineering and Survey Report on Water Supply Conditions of the Santa Ynez Reiver Water Conservation District*, the accumulated dewatered storage or "empty volume in this aquifer increased by 700 AF (from 36,700 to 37,400 AF) from 2020-21 to 2021-22. This is small relative to the total volume in the aquifer. When full, Lake Cachuma holds approximately 193,000 AF, so the Lompoc Upland subbasin is roughly equivalent to two lake Cachumas. Lake Cachuma is currently at approximately 37% capacity; the Lompoc Upland aquifer is holding at approximately 90% capacity.

California generally divides water agencies into two categories:

- Urban Water Suppliers that have more than 3,000 connection or serve more than 3,000 AFY and
- Small Water Suppliers that have less than 3,000 connections and serve less than 3,000 AFY

Executive Order N-7-22 is mainly directed at Urban Water Suppliers. It requires them to implement Level 2 (20% reduction) of their Water Conservation Plans. The SWRCB Emergency Water Conservation Regulation was similarly aimed at Urban Water Suppliers. However, the Regulation imposes an across-the-board ban on using potable water to irrigate "non-functional turf" at commercial, industrial, and institutional sites. Non-functional turf is defined as turf that is solely ornamental and not regularly used for human recreational purposes or civic community events. It specifically excludes parks and sports fields.

The SWRCB Emergency Regulation establishes the ability to issue fines up to $500 per day for using potable water to irrigate non-functional turf at commercial, industrial, and institutional sites.

The SWRCB emergency water conservation regulation requires Lompoc to implement level 2 of its Water Shortage Contingency Plan. The city prohibits landscape irrigation between 10:00 a.m. and 4:00p.m. but does not limit the number of days per week. A complete list of the city's Water Restrictions is attached to this staff report and available on the City's website.

Vandenberg Village CSD adopted the attached Mandatory Water Restrictions at their September 6, 2022, Board meeting. These measures are similar to the measures that Mission Hills CSD

adopted in 2014 as part of Resolution No. 14-226. The conservation measure that proved problematic for all three agencies in 2015/2016 was limiting landscape irrigation to two specific days of the week (i.e., Wednesdays and Saturdays). This proved difficult for many customers to schedule their landscaping contractors. The city of Lompoc, which had the same Wednesday and Saturday restrictions during the last drought, experienced problems with their water treatment plant handling the dramatic fluctuation in daily water demand that resulted. Staff suggests that the Board consider limiting landscape irrigation to no more than two days per week but allow the customer to choose the days of the week that work best for them.

Attached for the Board's consideration is a Draft Resolution that rescinds Resolution No. 14-226 and updates the District's Water Conservation Measures.

Attachment(s):

1. City of Lompoc Water Restrictions
2. Vandenberg Village Community Services District Water Restrictions
3. Draft Resolution No 22-346 updating Water Conservation Measures

City of LOMPOC

DOES THE CITY HAVE ANY NO WATER WASTING RESTRICTIONS?

Yes, the City does have No Water Wasting Restrictions to help everyone save water and to meet a State Requirement.

WHAT ARE THE NO WATER WASTING RESTRICTIONS?

- You cannot irrigate landscapes between 10:00 am and 4:00 pm, any day of the week.
- You cannot have runoff from irrigation on properties next to your home or on hard surfaces, such as walkway, roadways, parking lots or structures.
- You cannot use potable water (drinking water) to wash hard surfaces. The exception is for dangerous substances and commercial steam cleaning.
- You cannot wash a vehicle with a hose without a positive shutoff nozzle.
- All water leaks must be fixed within 8 hours of detection/notification.
- You must use recycled water for dust control at construction sites, when it's available.
- You can only use potable water in a fountain or other decorative water feature when water is part of a recirculating system.
- You cannot use potable water for outdoor landscapes during and within 48 hours of measurable rainfall (at least .25 or ¼ inches of rain).

ARE THERE ANY EXEMPTIONS TO THE NO WATER WASTING RESTRICTIONS?

Yes, the exemptions to the No Water Waste Restrictions are listed below and are only given with the Utility Director's approval.

- Commercial nurseries can use potable water between 10:00 am and 4:00 pm, as needed.
- Potable water may be used to prepare athletic fields before athletic contests for health and safety, as needed.
- Potable water may be used for irrigation between 10:00 am and 4:00 pm, as needed, for maintenance or repair of facilities or to establish new lawns. (Customers should call 805-875-8297, with the address and request a time period for this.)

ARE THERE FINES FOR VIOLATING THE NO WATER WASTING RESTRICTIONS?

Yes, there are fines if City water customers refuse to cooperate with the No Water Wasting Restrictions. Staff's goal is to work with City customers to save water and follow the restrictions.

- Customers are given a warning for the first violation; a fine up to $50 for the second violation within 1 year; a fine up to $100 for the third violation within 1 year; and a fine no greater than $250 for each additional violation within 1 year.
- If customers do not cooperate with the No Water Wasting Restrictions, their water service can be turned off and they can be charged for the reconnection of the water meter.
- For more information follow the link to the City Code http://qcode.us/codes/lompoc/ Section 13.04.060, Prohibitions and Restrictions on the Use of Water.

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PHONE: 805-736-1261 FAX: 805-736-5347

DRAFT MANDATORY WATER RESTRICTIONS

In 2021, Governor Newsom proclaimed states of emergency across all the counties of California, due to extreme and expanding drought conditions. He issued Executive Order N-7-22 on March 28, 2022. The State Water Resources Control Board adopted a statewide emergency water conservation regulation on May 24, 2022, which prohibits the use of potable water to irrigate "non-functional turf" at commercial, industrial, and institutional sites.

Effective September 6, 2022, VVCSD Mandatory Water Restrictions consist of:

1. Irrigation is only allowed before 10:00 a.m. and after 4:00 p.m., and no more than two days a week (*customers select which days*).
2. Overwatering so that water flows onto adjacent properties, non-irrigated areas, walkways, roads, and driveways is to be avoided.
3. Irrigation during and within 48 hours following measurable rainfall is prohibited.
4. Potable water is not to be used to clean outdoor hard surfaces, with exemptions for dangerous substances and commercial steam cleaning.
5. All water leaks must be fixed as soon as possible after notification by VVCSD.
6. A shut-off nozzle is required when washing a vehicle.
7. Restaurants may only serve water to customers when they request it.
8. Hotels must offer their guests the option of not having their linens and towels laundered daily.

Exceptions:

1. Potable water may be used to irrigate trees throughout the week, on an as-needed basis. Deep soaking with a hose is preferred.
2. Potable water may be used to prepare athletic fields before athletic contests for health and safety, throughout the week, on an as-needed basis.
3. Potable water may be used for new construction between the hours of 10:00 am and 4:00 p.m., throughout the week, per agreement between VVCSD and the developer.
4. Other exceptions as approved by the General Manager.

Enforcement:

1. VVCSD Ordinance §2.3.2.3. allows the District to discontinue water service, after 48 hours notice, to any premises practicing negligent or wasteful use of water.
2. The State Water Resources Control Board may impose a fine of $500 per day for using potable water to irrigate "non-functional turf" at commercial, industrial, and institutional sites.

For more information, visit the Emergency Water Conservation Portal at https://www.waterboards.ca.gov/water_issues/programs/conservation_portal/regs/emergency_regulation.html

To find out how you can qualify for rebates or receive free water-saving devices, please call us at (805) 733-2475 or stop by our office at 3745 Constellation Road.

Vandenberg Village Community Services District is proud to promote a conservation ethic with rebates, grants, and FREE water conservation devices.

RESOLUTION NO. 22-346

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MISSION HILLS COMMUNITY SERVICES DISTRICT ADOPTING MANDATORY WATER CONSERVATION MEASURES

WHEREAS, the Mission Hills Community Services District (the "District") is a community services district duly formed under California Government Code Section 61000 *et seq.* to provide community services within the District's service area, including water and wastewater services; and

WHEREAS, on October 15, 2014, the District adopted Resolution No. 14-226, which adopted mandatory water conservation measures for the District's water customers; and

WHEREAS, on March 28, 2022, the Governor issued Executive Order N-7-22 documented the current drought conditions in the State and directed Agencies to take steps to maximize water conservation efforts and consider drafting emergency water conservation regulations; and

WHEREAS, on May 24, 2022, the State Water Resources Control Board adopted new rules for urban drought response actions (Resolution No. 2022-0018); and

WHEREAS, Water Code Section 375 provides that a public entity which supplies water may, after holding a public hearing, adopt and enforce water conservation programs to reduce the quantity of water used by persons within the entity's service area or jurisdiction for the purpose of conserving the entity's water supply.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MISSION HILLS COMMUNITY SERVICES DISTRICT as follows:

1. The above recitals are true and correct and are incorporated herein by this reference.

2. The Board of Directors finds that the adoption of water conservation measures are necessary due to the following:
   - A. The Governor of California has declared a State of Emergency to exist in California due to severe drought conditions.
   - B. The drought conditions that formed the basis of the Governor's emergency proclamations continue to exist.
   - C. The present year is critically dry and has been immediately preceded by two or more consecutive below normal dry or critically dry years.
   - D. There is no guarantee that winter precipitation will alleviate the drought conditions, which will lead to even more severe impacts if the drought continues.
   - E. Water conservation is the easiest, most efficient and most cost-effective way to quickly reduce water demand and extend water supplies.

F. Most customers use more water outdoors than indoors. Outdoor water use is generally discretionary, and many irrigated landscapes would not suffer greatly from receiving a decreased amount of water.

3. The Board of Directors adopts the following mandatory water conservation measures restricting the use of potable water except where necessary to address an immediate health and safety need or to comply with a term or condition in a permit issued by a state or federal agency.

A. The application of potable water to landscapes in a manner that causes runoff such that water flows onto adjacent property, non-irrigated areas, private and public walkways, roadways, parking lots, or structures is prohibited.

B. Irrigation is only allowed before 10 AM and after 4 PM and no more than two days per week (the customer may select which days)

C. Irrigation during and within 48 hours following measurable rainfall is prohibited.

D. Potable water is not to be used to clean outdoor hard surfaces, with exemptions for dangerous substances and commercial steam cleaning.

E. All water leaks must be fixed as soon as possible.

F. A shut off nozzle is required when washing a vehicle.

G. Restaurants may only serve water customers when they request it.

H. Hotels must offer guest the option of not having their linens and towels laundered daily.

I. The use of potable water in a fountain or other decorative water feature, except where the water is part of a recirculating system is prohibited.

4. A violation of these regulations in addition to any other applicable civil or criminal penalties, is an infraction, punishable by a fine of up to five hundred dollars ($500) for each day in which the violation occurs.

5. Resolution No. 14-226 is hereby rescinded.

6. This Resolution is effective upon adoption.

On motion of Director _____, seconded by Director _____, and on the following roll call vote, to-wit:

AYES:

NOES:

ABSENT:

The foregoing Resolution is hereby adopted this 21th day of September, 2022.

_____
Bruce Nix,
President Board of Directors

ATTEST:

_____
Guadalupe Huitron, Secretary to the Board

MISSION HILLS COMMUNITY SERVICES DISTRICT

COMMUNICATIONS- Board of Directors may ask a question for clarification, make an announcement, or report briefly on recent activities or conferences. Also, Directors may provide a reference to staff or other resources for information, request the Board President consider placing anitem on a future committee meeting or regular meeting.

A. General Manager Comments

B. Director's Comments

C. Public Comments

LAST PAGE OF BOARD PACKET