



MISSION HILLS COMMUNITY SERVICES DISTRICT
Closed and Regular Meeting Minutes
4:30 PM Wednesday, October 16th, 2019

The Regular Meeting of the Board of Directors of the Mission Hills Community Services District was called to order at 4:37 pm on Wednesday, October 16th, 2019, at the District Meeting Room, 1550 East Burton Mesa Boulevard, Lompoc, California.

DIRECTORS PRESENT:

By roll call: Walt Fasold, Myron Heavin, Karina Naughton, Steve Dietrich, and Bruce Nix (Via Teleconference)

DIRECTORS ABSENT:

STAFF PRESENT:

Loch Dreizler, Melissa Smith, and Kayla Cunningham

OTHERS PRESENT:

Kevin Maxwell Telfer, Allen Eschenbach, and John Hunt

PLEDGE OF ALLEGIANCE

1. 4:00 PM Call to Order

2. Roll Call

3. Pledge of Allegiance

4. Adjourn to Closed Session (Time Closed Began 4:05 PM & Time Open: 4:35 PM)

Conference with Legal Counsel – Anticipated Litigation under Government Code §54956.9(d)(4) - Initiation of Litigation (One case)

Comment to the Public out of Closed Session – There was no reportable action out of the closed session. Also, there were no comments from the public out of closed session.

5. Reconvene to Regularly Scheduled Meeting

6. Public Comment: No public comment about items not on the Agenda.

7. Presentations:

Allen Eschenbach, CPA with Glenn Burdette, presented this year's Annual Audit to the Board of Directors and staff. A Draft Financial Statement has been distributed to Board Members while Mr. Eschenbach is currently waiting on a final legal letter to conclude the Audit. He provided a quick overview of the financials, with very minimal adjusting journal entries. Mr. Eschenbach commended the District's Accountant, Melissa Smith, on being substantially consistent and clean on all journal entries throughout the years. She has been

receptive to learning and growing, staying professional, and leaving the Accounting department a lot better off for the next Accountant in line.

John Hunt with CompuVision gave a presentation on transitioning to a Cloud-Based Server file structure using Egnite from the District's current setup (an old file server) needing replacing January 2020. He reviewed the District's infrastructure and concluded a file server is no longer necessary when all data can be automatically transferred to the Cloud while being encrypted for protection. Ongoing support costs will go down and become more reliable, being able to have access to a 24-hour support group using remote access. Going Cloud-Based will also allow CompuVision to provide the service of transitioning to Office 365 from the Microsoft Exchange Server. Mr. Hunt inquired about purchasing "No Before," a service that shoots out fake e-mails, testing staff to see if they fall for hacked e-mail's to train them for real-world hacking situations.

8. Consent Items:

Consent Item 8A. Approval of Minutes

The Board of Directors approved Regular Meeting Minutes, September 18, 2019, without modification.

Consent Item 8B. Activity Reports for September 2019:

Director Dietrich and Director Fasold inquired about the SCADA update with Cannon. The G.M. mentioned it is part of the Districts Capital Improvement Project to upgrade the SCADA system, and the value of the contract was less than \$25,000. Three vendors reviewed our existing equipment (including Cannon) and all agreed tht replacing the PLC's in the SCADA system as the District's first piece to upgrade moving forward. The District's G.M added in the past; Cannon has been excellent with troubleshooting for the District, ultimately deciding to work with them again, because of their familiarity with our system

Director Dietrich suggests posting on social media and the District's website, a note of assurance to our customers. If PGE shuts off the power, water will still be accessible.

Consent Item 8C. Financial and Expenditures Report for September 2019

Cordial Discussion ensued

Approval of Consent Items

Motion and Second by Fasold and Heavin, to approve the Consent Agenda after review and discussion - motion passed 5 to 0

9. Discussion Items:

Discussion Item 9A. Cloud-Based Server – Consider Migration

Recommendation for the Board of Directors to review and discuss the migration to a Cloud-Based Server.

Public Comment: Mr. Telfer inquired about the estimated monthly service fees and off-site backup service for the current server the District has, moving towards a Cloud-Based Server. He would like to know what the cost has been for the past five years in service, and the numbers to be justified. District Accountant offered estimates, but details could be provided upon request. Also, there were cost comparisons provided in the board memo.

“Motion to approve CompuVision to go to take Mission Hills CSD to a cloud-based server proposed by the Finance Committee.” The motion received 4-1. Motion and Second by Heavin and Naughton.

Discussion Item 9B. Investment Policy – District’s Investment Strategy

Recommendation for the Board of Directors reviews and discuss the District’s investment strategy proposed by the Finance Committee.

Public Comment: Mr. Telfer Telfer asked if there are other options for the District’s investments to be placed elsewhere. District Accountant stated, at this time, the option in place honors the duty of the Board of Directors to be the judiciary defenders of the District’s investments, and it is the safest option for the District.

“Motion to approve the investment strategy proposed by the Finance Committee.” Director Heavin motioned with no second. After discussion ensued, modifications to the motion received from Director Dietrich stating “Motion to approve the investment strategy proposed by Finance Committee with a limitation of a max term of three years to maturity with the obligations purchased.” The motion received 5-0. Motion Dietrich and Second by Naughton

Discussion Item 9C – SB 998 – Aligning District policy with SB 998 - Effective February 1st, 2020 – No motion required just for review and discussion

G.M and staff will Rescind the District's existing ordinance complying with State law. Will also, rewrite the Customer Policy to incorporate Senate Bill 998 to the policy and add some additional items to cover the State requirements.

Discussion Item 9D - Committee Updates – Summary of Committee Meetings

- Proposed agenda for Committee Meetings as followed: Development Committee: Waiting on Burton Ranch Developers to come up with a proposed date to meet.
- The proposed Wastewater Committee will be meeting on October 25, 2019, at 8:30 AM to review the aeration proposal.
- The proposed Water Committee will be meeting on October 30, 2019, at 10:00 AM to talk about, Water pressure model review with Cannon via Skype.
- Proposed Finance Committee meeting on November 6, 2019, at 8:00 AM to review customer policy alignment with SB 998.
- The Western Management Area Committee for Groundwater Sustainability will be on October 23, 2019, at 10:00 AM at the City of Lompoc Water Treatment Plant Conference Room.

Discussion Item 9E – FYE19 Audit Approval

Recommendation for the Board of Directors to review, discuss and approve the Fiscal Year Ended June 30, 2019 Draft Audited Financial Statements presented by Glenn Burdette Attest

Corporation. "Motion to approve the Fiscal Year Ended June 30, 2019 Draft Audited Financial statements report to the County Auditor and the State Controller every year." G.M's recommendation is to wait until MHCS D receives the response from Mark Hensley. The exact Board Memo will come back to the Board next month for the Board to approve.

10. Communications:

- A. Sexual Harassment for Board Members October 22, 2019, at Vandenberg Village CSD**
Naughton and Heavin will be attending the course. Director Nix and Dietrich to attend a live webinar sometime in December of this year.
- B. ACWA Conference, early December in San Diego**
No voluntary Board members to attend this year's conference.
- C. November 2nd Rotary BBQ to raise/reimburse money for MHCS D playground equipment**
Mission Hills CSD has created and posted flyers around the Community, advertised on social media platforms, and posted on the MHCS D website. For all the effort the Rotary Club of Vandenberg Village has shown to make the Mission Hills playground possible, MHCS D is deeply grateful.

ADJOURNMENT:

With no further business to come before the Board, the meeting adjourned at 6:13 PM

Respectfully Submitted,

Kayla Barker, Board Secretary

Walt Fasold President, Board of Directors