

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 District
Board of Directors
Regular Meeting**

Wednesday, May 18, 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=TnBqZGJXbWhCN UdJNXhMZGU3alhDZz09>

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** – 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, May 17, 2022.**
4. **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) April 8, 2022
 - ii) April 20, 2022
 - B. Activity Reports for April**
 - 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

5. Regular Business

- A. Discuss and consider adoption of Bylaws for the Mission Hills Community Services District
- B. Discuss and consider Proposed Cost of Living Adjustment for Salary Schedule effective July 1, 2022
- C. Discuss and consider Approval of FY 2022/23 Final Operating Budget
- D. Discuss and consider approval of a contract with All American Drilling to rebuild well #7
- E. Review and discuss preliminary Draft Rate Study

6. 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 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
- 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 Counter of 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 be made. (Agenda Prepared under Government Code Section 54954.2)

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Brad Hagemann, General Manager

MISSION HILLS COMMUNITY SERVICES DISTRICT

Special Meeting Minutes

9:00 AM Thursday, April 8, 2022

The Special Meeting of the Board of Directors of the Mission Hills Community Services District was called to order at 10:48 am on Friday, April 8, 2022, at the District Meeting Room, 1550 East Burton Mesa Boulevard, Lompoc, California.

DIRECTORS PRESENT:

By roll call: Bruce Nix, Karina Naughton, and Myron Heavin

DIRECTORS ABSENT:

James Mac Kenzie & Steve Dietrich

STAFF PRESENT:

Lupe Huitron, Carol Reynolds, and Brad Hagemann

OTHERS PRESENT:

None

1. **Call to Order:** 10:48am
2. **Pledge of Allegiance**
3. **Roll Call**
4. **Public Comments:** No public comments

5. Regular Business

A. Consideration of Adoption of Resolution to Authorize the Continuance of Remote Teleconferencing Meetings in Accordance with Government Code Section 54953(e) (AB 361).

A brief discussion ensued between Brad Hagemann and the Board regarding adoption of Resolution 22-338 to Authorize the Continuance of Remote Teleconferencing Meetings in Accordance with Government Code Section 54953(e) (AB 361)

Motion made by Director Bruce Nix and seconded by Karina Naughton to adopt Resolution to Authorize the Continuance of Remote Teleconferencing Meetings in Accordance with Government Code Section 54953 (e) (AB 361).

Ayes: 2 (Karina Naughton and Bruce Nix.) **Noes: 1** (Myron Heavin)

Abstains: 0

Absent: Steve Dietrich and Jim Mac Kenzie

The motion fails.

ADJOURNMENT: 10:54 am

With no further business to come before the Board, the Meeting adjourned 10:54am.

Respectfully Submitted:

Lupe Huitron

Bruce Nix, President

Lupe Huitron, Board Secretary

Board of Directors

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Jim Mac Kenzie, Vice President
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Brad Hagemann, General Manager

**Mission Hills Community Services District
Board of Directors Regular Meetings Minutes
Wednesday April 20, 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 4:35pm pm on Wednesday, April 20, 2022, at the District Meeting Room, 1550 East Burton Mesa Boulevard, Lompoc, California.

DIRECTORS PRESENT:

By roll call: Bruce Nix, Karina Naughton, Steve Dietrich, Myron Heavin and Jim MacKenzie

DIRECTORS ABSENT:

None

STAFF PRESENT:

Carol Reynolds, Dale Oviedo, Javier Rodriguez, Brad Hagemann and Lupe Huitron

OTHERS PRESENT:

Mark Hensley

1. Call to Order and Pledge of Allegiance- 4:35pm

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**REGULAR MEETING – 5:13pm****Reports out of 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

Motion made by Director Dietrich and second by Director Heavin to authorize Board President Nix to sign a Memorandum of Understanding (MOU) with the City of Lompoc and Burton Ranch Developers to settle the matter of utility services to the proposed Burton Ranch Development.

Roll call Vote

Ayes: Directors Heavin, Nix, Naughton, Dietrich and Mac Kenzie

Noes: None

Absent: None

Abstain: None

5. Public Comment – None**6. Consent Agenda**

- A.** Approval of Minutes

i) March 16, 2022

B. Activity Reports for March

- 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 Accordance 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 Director Naughton and seconded by Director Nix, to accept the Consent Agenda as presented). **Motion passed 5-0 vote**

Discussion Items

A. Discussion and consideration adoption of By-Laws for Mission Hills Community Services District.

Staff presented updated District By-Laws were brought to the Board of Directors for review, comments and consideration of approval. The Directors had questions and comments on the draft By-Laws and directed staff to discuss with legal counsel and bring the By-Laws back for consideration at the next Board Meeting.

Review and approval of FY 2022/2023 Preliminary Operating Budget

The General Manager presented the FY 2022/2023 Preliminary Operating Budget for review and discussion purposes so that they can provide direction to staff on budget. The final Operating Budget will be brought back on the next Regular Board Meeting for review discussion and approval.

B. Consider an update to the Pay Schedule for the Operating in Training position classification

Motion was made by Director Mac Kenzie and second by Director Naughton to update the Pay Schedule for the Operating in Training Position classification. **Motion passed 5-0 vote.**

7. 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-

B. Directors' Comments-None-none

C. Public Comments (up to 3 minutes for topics within the District's jurisdiction)-None

ADJOURNMENT: 7:03pm

With no further business to come before the Board, the meeting adjourned at 7:03pm.

Respectfully submitted:

Lupe Huitron

X

Bruce Nix, President

X

Lupe Huitron, Board Secretary



Administrative Activity Reports
May 18, 2022

Administrative Assistant

- Complied all minutes from March 2021-Current requested by Administrative Services Manager
- Prepared Committee Agenda and Regular Board Meeting Agenda & Packet
- Started working on public Hearing Notice required for the Final operating Budget that will be brought to discussion on May 18, 2022, Regular Board Meeting.
- Began taking online webinars "Practice guide for new Board member orientation".
- Scheduled Remote Teleconference interview meetings for a few applicants that applied for the OIT/Water and Wastewater position.
- Emailed applicants the Zoom invite information to access interview
- Continued sending our reminders for Staff and Board Members to take required webinars to stay in compliance with OSHA/CA guidelines
- Assisted in preparing budget/Rate-study FY 2022-2023 Calendar for General Manger and Accountant
- Continued staying in touch with the Manager from Far Western Tavern regarding the details for the safety Meeting Dinner that was held on May 6, 2022.
- Gathered numbers for Springbrook's Aging Report located in Administrative Services Manager Report
- Assisted with customer payments
- Answered incoming calls

Customer Service

- **Monthly:** New Customer Move Ins & Move outs- # 11
- Applied 10% late fee on Active accounts not paid for April: # 132
- Residential accounts **7** have entered a year payoff agreement for past due balances from COVID, if the monthly payments are met no late fees apply and they are not subject to being shut off per State Guidelines.
- Residential accounts **6** have made a partial payment and stated they will apply to State funding. This program will make a onetime payment up to \$ 2,000 per account.

Enrolled MHCSO to receive direct payments for eligible residents that meet low-income guidelines. They have to apply to the **CSD.CA.Gov** federal funded program which will run June 2022 through October 2023. Webinar and all documents read.



Administrative Activity Reports
May 18, 2022

Administrative Services Manager

- Assisted Customers, Recorded Payments
- Continued to assist with Rate Study Submissions
- Participated in Financial Evaluation with CSDA Representative
- Completed JPIA Course – Diversity and Inclusion
- Completed JPIA Course – How Great Companies Achieve Extraordinary Results
- Completed JPIA Course – Documentation Made Easy
- Completed JPIA Course – Peer to Boss E-Learning
- Completed JPIA Course – Risk Transfer E-Learning
- Completed Workers Compensation Quarterly Audit
- Completed 2022 Estimated Payroll Survey - JPIA
- Began Compiling Resolution Index
- Processed Accounts Payable
- Processed Payroll
- Completed Board Packet Reports
- Completed End of Month Reconciliations
- Continued Preliminary Reports for Budget Planning FYE 2023
- Reviewed Priorities on Operations with General Manager on Weekly Basis
- Attended Board Meeting
- Attended Finance Meeting
- Attended Personnel Meeting
- Reconciled Fixed Asset Listing
- Worked on LAFCO MSR Questionnaire
- Facilitated and Participated in New Hire Interviews
- Sent Cobra Offer to Employee Who Recently Left
- Participated in IT Planning Meeting



Administrative Activity Reports
 May 18, 2022

Administrative Services Manager

SPRINGBROOK AGING REPORT AS OF APRIL 30, 2022

# Days Past Due	\$ Amount	# Accounts
60-90 Days	\$4,496.07	31
90-120 Days	\$2,451.23	24
Over 120 Days	\$24,651.02	84
Past Due Totals	\$31,598.32	Total Accounts:139



Administrative Activity Reports
May 18, 2022

General Manager Report

Lift Station PDR Status

Staff attended a contract kick-off/site meeting on May 5th with Jon Turner from Phoenix Engineering and his electrical consultant to review and verify the existing electrical and site conditions at the lift station. Phoenix requested some additional data from staff and anticipates that we will have a draft report within 8 – 10 weeks. The draft FY 2022/23 Wastewater Capital Improvement budget includes \$200,000 for funding the design and installation of the new Lift Station.

SCADA Project Status

Staff met with our SCADA contractor in early May to continue with the planning and design of the SCADA upgrade project. We reviewed the schedule for the engineering and construction tasks and confirmed the materials needed for the project. The contractor has ordered and received most of the new equipment and we anticipate that their crew will be on-site in late May and early June install and test the new equipment. The contractor anticipates that the project will be complete by the end of June.

Operations Department Vacancy

After an extensive advertising, applicant review and interviews, we are happy to report that Mr. Jose Herrera has accepted a position with the CSD as an Operator In Training. Jose has been interested in a career in the Water and Wastewater industry and he has been taking on-line classes water treatment and distribution system classes through Sacramento State. Jose will be taking his Grade 1 certification exam shortly. Jose is scheduled to start with the CSD on May 23, 2022.

Board Member Compensation for Meeting Attendance

Through the development of the District By-Laws, it has come to staff's attention that on several occasions board members that attended more than one meeting in a single day were compensated for both meetings. State law and our By-Laws provide that Board members may only be compensated up to \$125 ***per day of service, not per meeting***. Staff has reviewed the compensation records for the past two years and determined that on a couple occasions several Board members daily compensation exceeded \$125. Going forward, staff will ensure that Board members compensation not exceed \$125 per day. In addition, staff recommends that in order to remedy the "overpayment" days, Board members will simply not be compensated for meeting attendance until the "over payment amount" has been cleared.

Brad Hagemann-General Manager

Board of Directors:

President; Bruce Nix
 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 – April 2022

Monthly Water Distributed: 14,339,000 gallons

Daily average: 477,900 gallons per day

Projects

- Site meeting with Pro-3 Automation regarding SCADA upgrade
- Received Final Conceptual Water Supply Report from Stantec on 4/26/22

Reservoirs, Well Sites, and Treatment Plant

- Well 6: 1. Replaced exhaust housing flanges and flex pipe to stainless steel.
 2. Emissions test was completed for the 2nd quarter.
- Well 7: Pump test was completed and received results.
- Aluminum meter lid was installed on the 12" production meter.
- Raised airgap on the Backwash tank overflow.

Compliance

- Submitted Sanitary Survey Response Report to State Water Resources Control board.
- Updated Operations and Maintenance Manual for the Water Treatment Filter System from Filtronics.

Distribution System Maintenance/Repair

- Replaced 25 Hersey meters to Kamstrup meters.
- Repaired 0 service line leaks or main breaks
- Preventative Maintenance Program: April
 - Isolation Valves exercised: 20
 - Hydrants Maintenance and flushing: 11

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)
 - Weed abatement.

Treatment Plant

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

Board of Directors:

President; Bruce Nix,
Vice President; Jim Mackenzie
Director; Myron Heavin
Director; Karina Naughton
Director; Steve Dietrich



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**MISSION HILLS COMMUNITY SERVICES DISTRICT
Wastewater Report – April 2022**

Total Plant Influent flow: 5,416,763 gallons

Total Plant Effluent Recycle Flow: 2,192,251 gallons

Average Daily Flow: 180,559 gallons per day

Collection system/lift station

- Received quote from Hach and Ponton Industries for one month rental of a Flo-Dar open channel flowmeter.

Wastewater Treatment Plant

- Continuing to use Biological product in the lagoons.
- Triplepoint Environmental is providing technical assistance with current process control issues.
- Mike Smith fabricated a drying basket to put the material that is removed from the bar screen and grit scoop onto.
- Q1-2022 Self Monitoring Report (SMR) was submitted to the Water Board.
- Completed the following Quarterly and Semi-Annual sampling: Water Supply, WW Influent, WW Effluent & Ground Water.
- Participated in job interviews with eight applicants for the OIT/Operator I/Operator II open position.
- The plant effluent recycle pump motor was set up to operate on 480 volt instead of 240 volt power. This was done due to issues with the step down transformer that feeds the 240 volt circuit. Transformer was running hot and making a lot of noise.
- Provided the following data to Steve Tanaka, with Wallace Group, for a Sewer Analysis: Mission Hills WWTP 2019, 2020 & 2021 Annual Self Monitoring Report, Mission Hills La Purisima WWTP Ponds Monthly Sample Analysis for October 2021 & March 2022, estimated population of Mission Hills, and number of service connections.

Safety

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

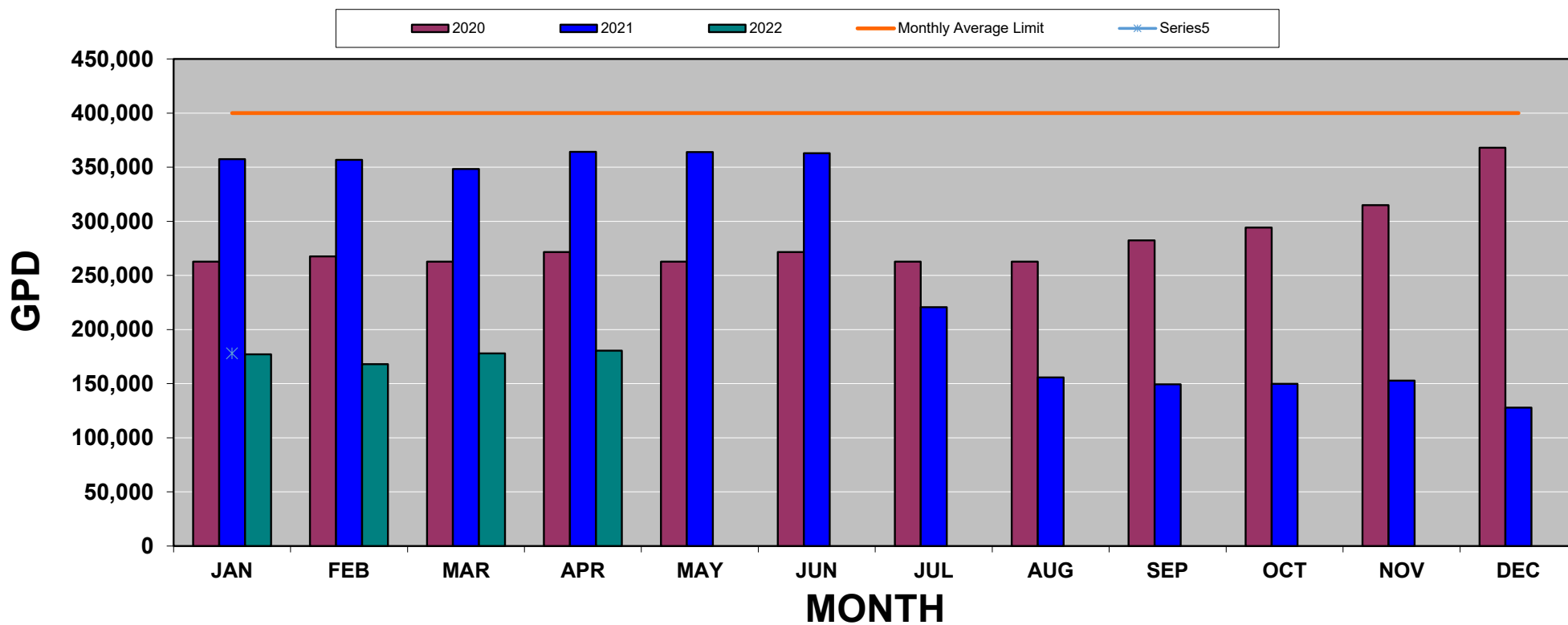
Date	WW Influent Daily Flow	Time	Daily Recycle Flow	WW Effluent Daily Flow
4/1/2022	174,668	9:15 AM	101,480	174,668
4/2/2022	189,021		107,419	189,021
4/3/2022	372,480	11:20 AM	94,590	372,480
4/4/2022	186,270	10:51 AM	23,108	186,270
4/5/2022	162,135	9:16 AM	88,997	162,135
4/6/2022	184,556	11:03 AM	119,394	184,556
4/7/2022	154,724	9:30 AM	95,794	154,724
4/8/2022	145,266	8:15 AM	98,692	145,266
4/9/2022	183,003		114,097	183,003
4/10/2022	201,929	11:15 AM	107,046	201,929
4/11/2022	187,047	8:31 AM	91,747	187,047
4/12/2022	175,089	8:11 AM	104,527	175,089
4/13/2022	181,645	9:12 AM	108,703	181,645
4/14/2022	171,740	9:00 AM	99,410	171,740
4/15/2022	167,246	7:55 AM	131,996	167,246
4/16/2022	183,338	9:27 AM	92,101	183,338
4/17/2022	209,085	9:16 AM	110,325	209,085
4/18/2022	248,316	12:01 PM	125,146	248,316
4/19/2022	150,813	9:15 AM	101,967	150,813
4/20/2022	160,392	8:02 AM	102,140	160,392
4/21/2022	167,919	9:48 AM	30,374	167,919
4/22/2022	165,194	10:25 AM	18,193	165,194
4/23/2022	159,195	11:00 AM	18,323	159,195
4/24/2022	160,035	11:00 AM	18,323	160,035
4/25/2022	166,468	8:38 AM	18,441	166,468
4/26/2022	171,722	10:02 AM	18,539	171,722
4/27/2022	162,667	9:30 AM	17,545	162,667
4/28/2022	148,242	9:35 AM	17,631	148,242
4/29/2022	151,819	9:27 AM	17,739	151,819
4/30/2022	174,739	12:45 PM	16,009	174,739
				0
Total WW Influent Flow	5,416,763			
Avg Daily Flow	180,559		2,192,251	
			Total WW Effluent Flow	5,416,763

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								

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

MISSION HILLS CSD MONTHLY AVERAGE EFFLUENT FLOW

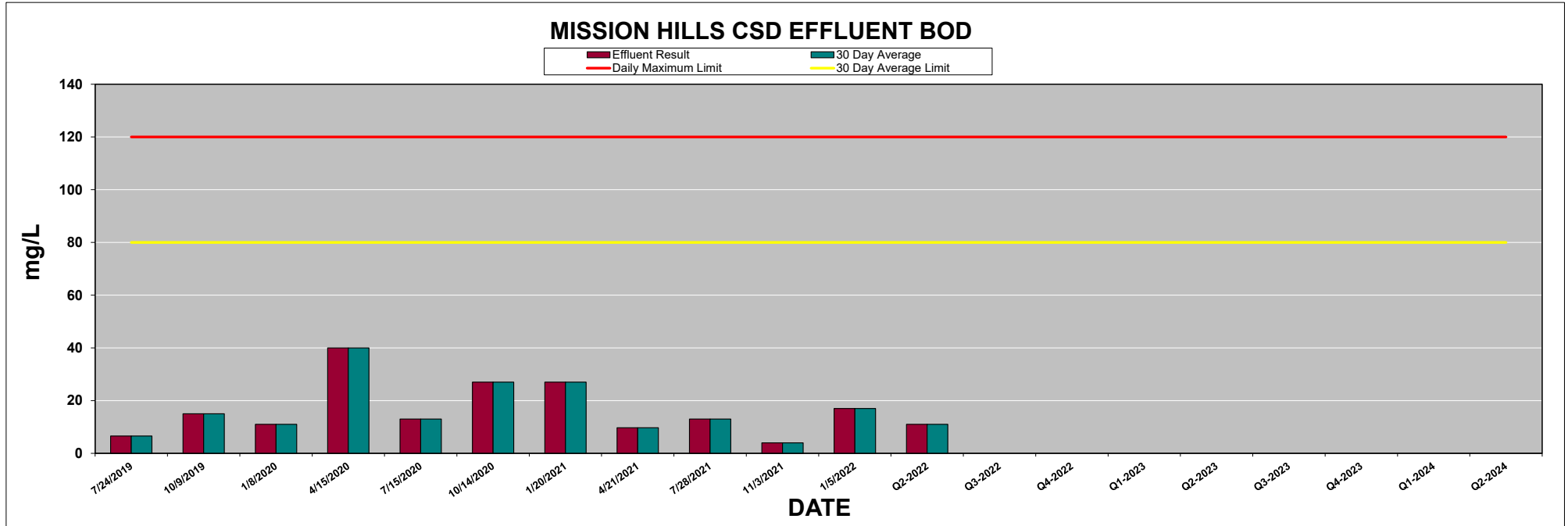


MISSION HILLS CSD EFFLUENT BOD (mg/L)

Consent Item 4. B. iii

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	Q2-2022	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	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	80
Effluent Result	7	15	11	>40	13	27	27	10	13	<4.0	17	11									
30 Day Average	7	15	11	>40	13	27	27	10	13	<4.0	17	11									

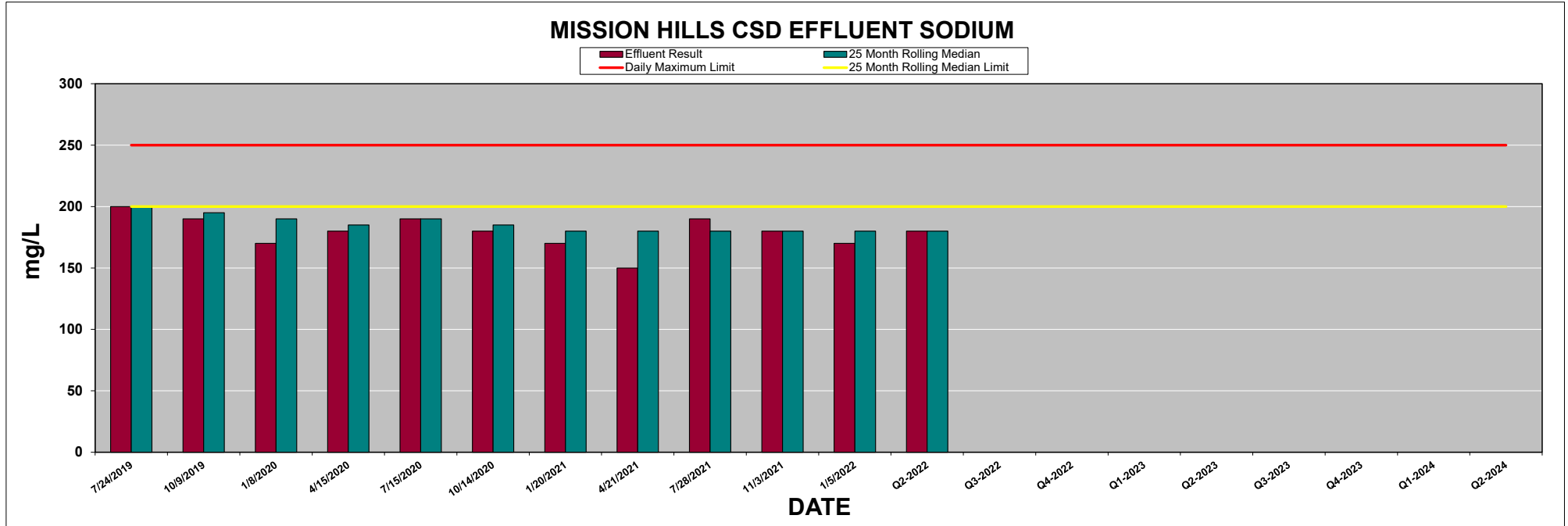
Non-detect, estimated, and greater than (>) results are graphed at their reporting levels or as reported by lab.



MISSION HILLS CSD EFFLUENT SODIUM (mg/L)

Consent Item 4. B. iii

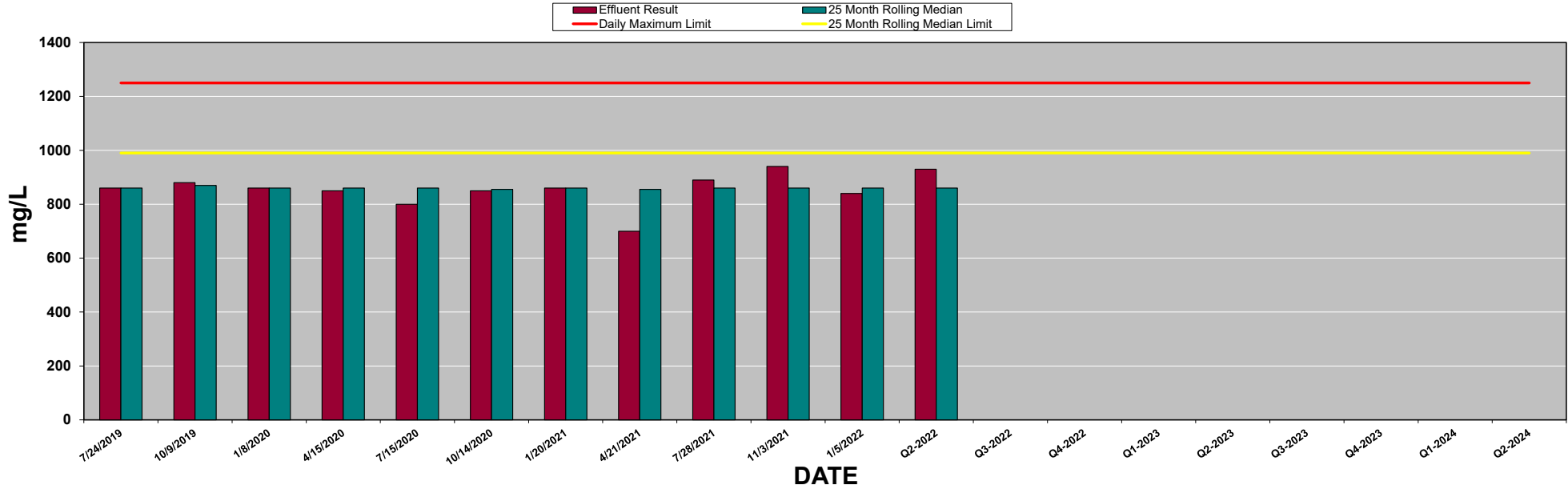
MONTH	7/24/2019	10/9/2019	1/8/2020	4/15/2020	7/15/2020	10/14/2020	1/20/2021	4/21/2021	7/28/2021	11/3/2021	1/5/2022	Q2-2022	Q3-2022	Q4-2022	Q1-2023	Q2-2023	Q3-2023	Q4-2023	Q1-2024	Q2-2024	
Daily Maximum Limit	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250
25 Month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



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	Q2-2022	Q3-2022	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	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	990
Effluent Result	860	880	860	850	800	850	860	700	890	940	840	930									
25 Month Rolling Median	860	870	860	860	860	855	860	855	860	860	860	860									

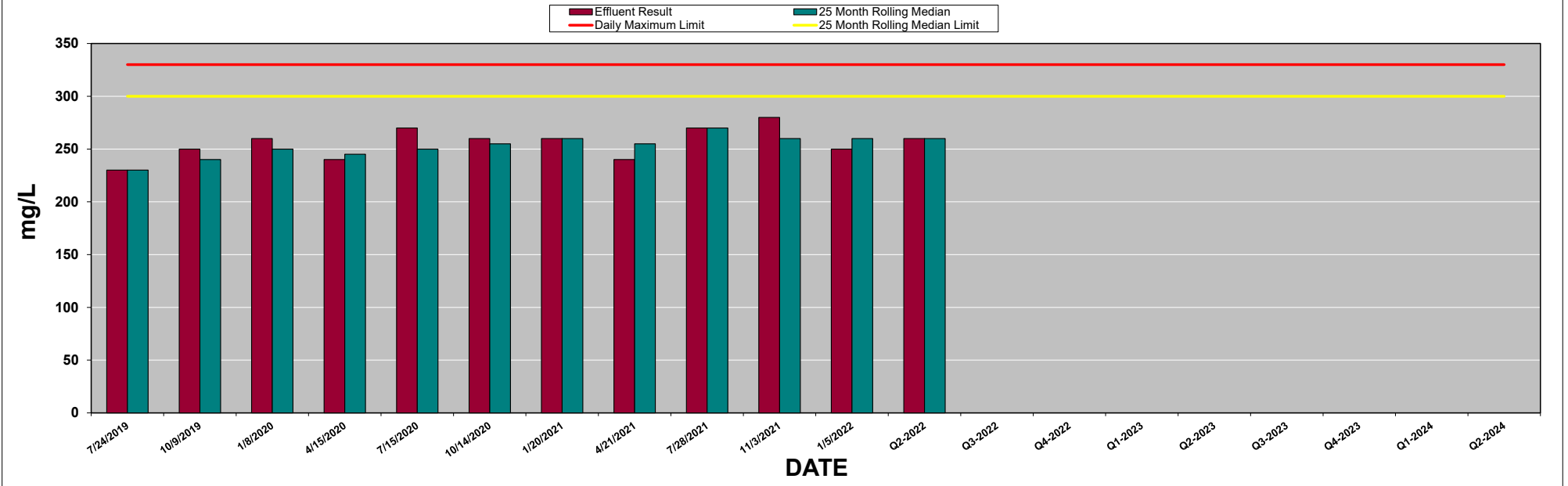
MISSION HILLS CSD EFFLUENT TOTAL DISSOLVED SOLIDS



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	Q2-2022	Q3-2022	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	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	300
Effluent Result	230	250	260	240	270	260	260	240	270	280	250	260									
25 Month Rolling Median	230	240	250	245	250	255	260	255	270	260	260	260									

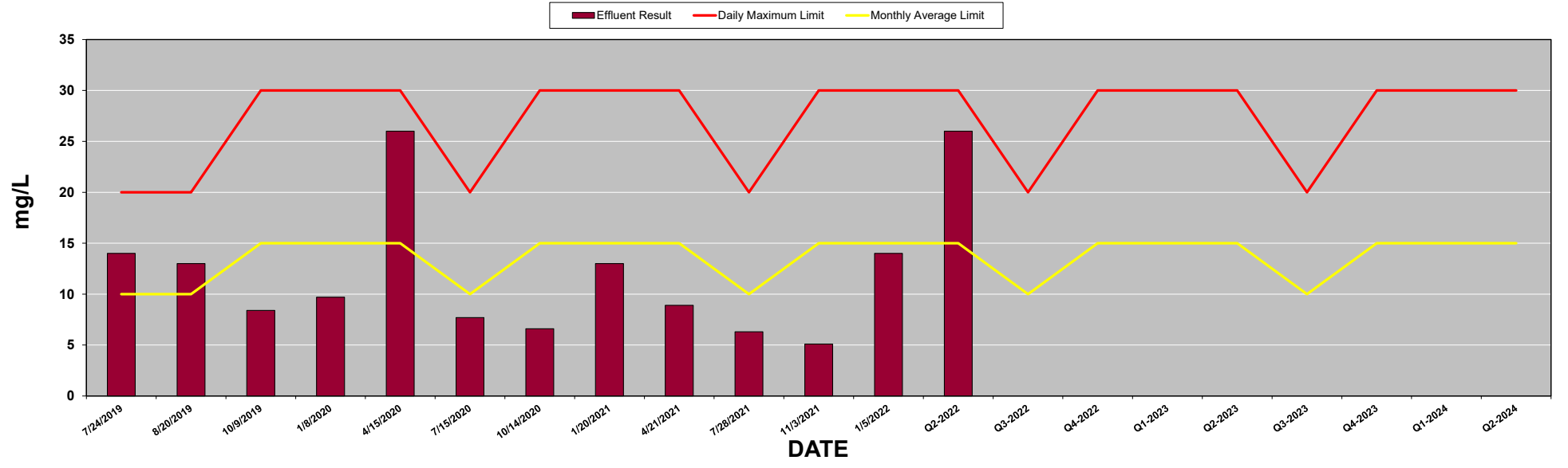
MISSION HILLS CSD EFFLUENT CHLORIDE



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	Q2-2022	Q3-2022	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								

MISSION HILLS CSD EFFLUENT TOTAL NITROGEN



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.

- Sewer Jetting and Inspection- Phoenix Engineering Specifications were accepted by CSD Management. Staff directed Phoenix to use VVCSO “front-end” contract documents and assume a \$50,000 per year line cleaning budget. Phoenix will incorporate this information into the contract documents. Phoenix Engineering advised staff they they will be sending the draft bid documents to the District within the next two weeks. **The project is 90% complete.**
- Lift Station upgrade project- Phoenix staff and their electrical subconsultant conducted a site visit on May 5th to review electrical and physical site conditions. Phoenix requested WW flow and pressure head information. Staff is in the process of providing the requested info. **15% Complete**
- The Triplepoint Environmental Nitrification Case Study to document the benefits of increased effluent recycling on nutrient removal has been postponed due to current WW plant effluent quality. **The project is 10% complete. [No Changes]**

2. Lawsuit defense against the City of Lompoc

All parties to the lawsuit have signed the MOU agreeing to continue to work diligently on resolving the issues. On May 12, 2022, Staff met with the developers to review and discuss the Conceptual Water Supply Technical Memo prepared for the CSD by Stantec. The cost estimates provided in the Tech Memo will inform details to be included in the Development Agreement.

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

Board member Heavin and GM Hagemann attended an ACWA sponsored webinar on the use of batteries to provide peak power demand and back-up power. Hagemann contacted the vendor and requested no charge analysis of the District’s electrical bills to determine the cost-effectiveness of adding batteries and/or solar panels to the District’s power supply.

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

Staff has made significant efforts on improving information posted on the website to include agendas, board packets, Consumer Confidence Report, and the newsletter from the Santa Ynez River Water Conservation District. Staff has opened the office and is interacting with the public more frequently, thus resulting in more public outreach and information of the community. [No Updates]

5. Pursue Grant Funding Opportunities for Capital Projects

Staff contacted several agencies including RCAC, CSDA, AWCA/JPIA and other CSD’s and Special Districts regarding recommendations for assistance with grant writing. Staff met with Water Systems Consulting Engineering to discuss their knowledge and capabilities to assist with grant writing and awards. Staff will provide an update at the May Board meeting. [No Updates]

Committee	Completed Meeting Date	Summary of Discussion	Future Meeting Date	Topics for Discussion
<p><u>Wastewater</u> Dietrich & Mac Kenzie Alternative- Naughton</p>		<p>Discussion of Wastewater Treatment Plant and Maintenance. Discussion of Colection System Operations and Maintenance Discussion of RWQCB Time Scheduled Order (TSO) and associated work underway.</p>	TBD	TBD
<p><u>Finance</u> Naughton & Nix Alternative- Dietrich</p>	<u>5/4/2022</u>	<p>Committee received a presentation on the Draft Rate Study Report. The Committee directed staff to send the Draft Study to all Board members and agendize the Study for review/comment at the May Board Meeting.</p>	TBD	TBD
<p><u>Water</u> Dietrich & MacKenzie Alternative- Nix</p>	<u>8/26/2021</u>	<p>Discussion of Water Operations and Maintenance</p>	TBD	TBD
<p><u>Energy</u> Heavin & Nix Alternative- Naughton</p>	<u>4/20/2022</u>	<p>Director Heavin and GM Hagemann attended an ACWA sponsored webinar on Smart Energy Storage and how the use of batteries and solar panels can potentially reduce power costs. Hagemann has followed up with the vendor to request an analysis for the District.</p>	TBD	TBD
<p><u>Personnel</u> Naughton & Nix Alternative-Heavin</p>	<u>4/8/2022</u>	<p>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.</p>	TBD	TBD
<p><u>Western Managment Area Committee for Groundwater Sustainability</u> Heavin Alternative- Nix</p>	<u>3/23/2022</u>	<p>Director Heavin & GM attended the March 23, 2022 GSA Meeting. The meetng agenda is attached to this report. The next Regular meeting of the WMA GSA is scheduled for May 25, 2022.</p>	TBD	TBD

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

	A	B	C	D	E	F	G	H	J	L	O
								Apr 22	Apr 21	\$ Change	Explanation
1											
2								Apr 22	Apr 21	\$ Change	Explanation
3							Ordinary Income/Expense				
4							Income				
5							4005 · 48 hour notice fees	420.00	210.00	210.00	
6							4025 · Construction hydrant meter	0.00	50.00	-50.00	
7							4050 · Miscellaneous income	0.00	35,236.97	-35,236.97	2021 - JPIA Retro Allocation
8							4075 · Returned check fees	50.00	50.00	0.00	
9							4085 · Sewer basic charges	84,237.93	82,416.17	1,821.76	Slight Increase
10							4095 · Street sweeping charges	1,512.72	1,506.12	6.60	
11							4105 · Water basic charges	60,380.89	59,248.93	1,131.96	Slight Increase
12							4115 · Water usage charges	48,536.34	42,861.12	5,675.22	Slight Increase
13							Total Income	195,137.88	221,579.31	-26,441.43	
14							Gross Profit	195,137.88	221,579.31	-26,441.43	
15							Expense				
16							6000 · Salaries and wages				
17							6005 · Wage expense	29,388.99	70,218.74	-40,829.75	2021 - 3 Pay Periods
18							6010 · Payroll tax expense	4,148.66	5,973.55	-1,824.89	2021 - 3 Pay Periods
19							Total 6000 · Salaries and wages	33,537.65	76,192.29	-42,654.64	
20							6050 · Employee benefits				
21							6060 · Disability insurance	232.44	256.27	-23.83	
22							6065 · Health insurance	-627.68	8,945.54	-9,573.22	Timing of Payment
23							6075 · Retirement expenses	1,419.42	1,925.72	-506.30	
24							6085 · Workers compensation expe	0.00	2,156.92	-2,156.92	
25							6090 · Vacation & Sick Leave	1,929.06	4,882.02	-2,952.96	2021 - Covid Pay & More Vacation
26							6095 · Benefit Administration	89.82	89.82	0.00	
27							Total 6050 · Employee benefits	3,043.06	18,256.29	-15,213.23	
28							6100 · Director fees	1,500.00	2,125.00	-625.00	2021 - More Meetings
29							6110 · Depreciation expense	31,054.00	31,054.00	0.00	
30							6140 · Vehicle expenses				
31							6145 · Tractor and equipment	0.00	0.00	0.00	
32							6150 · Vehicle fuel	0.00	838.22	-838.22	
33							6155 · Vehicle maintenance	0.00	122.50	-122.50	
34							6160 · Automobile Allowance	0.00	700.00	-700.00	
35							Total 6140 · Vehicle expenses	0.00	1,660.72	-1,660.72	
36							6170 · Insurance expense				
37							6180 · Liability insurance	0.00	1,522.00	-1,522.00	
38							Total 6170 · Insurance expense	0.00	1,522.00	-1,522.00	
39							6190 · Dues and memberships	198.00	0.00	198.00	
40							6200 · Office expenses				
41							6210 · Cash (over) / short	122.48	-172.86	295.34	
42							6220 · Licenses and fees	0.00	60.00	-60.00	
43							6225 · Miscellaneous expenses	0.00	233.44	-233.44	
44							6230 · Office supplies	208.19	889.78	-681.59	
45							6235 · Postage expense	570.00	666.67	-96.67	
46							6240 · Subscriptions	0.00	210.00	-210.00	
47							6245 · Office Equipment	169.17	169.17	0.00	
48							Total 6200 · Office expenses	1,069.84	2,056.20	-986.36	
49							6300 · Operating supplies and expenses				
50							6310 · Miscellaneous supplies	1,242.02	46.58	1,195.44	Hach Company
51							6325 · Portable equipment	225.02	0.00	225.02	
52							6330 · Shop supplies	592.30	0.00	592.30	
53							6335 · Small tools and appliances	41.72	1,932.35	-1,890.63	
54							6340 · Chemicals				
55							6342 · Bioremediation	0.00	2,115.49	-2,115.49	2021 - More Chemicals Used
56							6344 · Chlorine	1,443.85	1,464.04	-20.19	
57							6345 · Corrosion inhibitor	5,886.11	0.00	5,886.11	2022 - More Chemicals Used
58							Total 6340 · Chemicals	7,329.96	3,579.53	3,750.43	
59							Total 6300 · Operating supplies and ex	9,431.02	5,558.46	3,872.56	
60							6350 · Safety expenses				
61							6360 · Protective Clothing/Uniforms	117.46	0.00	117.46	
62							6365 · Safety equipment	115.20	0.00	115.20	
63							6370 · Safety training	0.00	300.00	-300.00	
64							6375 · Other safety expenses	0.00	119.08	-119.08	
65							Total 6350 · Safety expenses	232.66	419.08	-186.42	
66							6410 · Contractual services				
67							6420 · Cleaning service	200.00	236.00	-36.00	
68							6425 · Office equip maintenance	251.86	326.63	-74.77	
69							6430 · Internet access	163.35	159.73	3.62	
70							6435 · Landscaping services	1,172.00	217.36	954.64	2022 - Lift Station/Tree Trimming
71							6437 · Pest Control	0.00	50.00	-50.00	
72							6445 · Security expense	112.50	112.50	0.00	

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

	A	B	C	D	E	F	G	H	J	L	O
1											
2								Apr 22	Apr 21	\$ Change	Explanation
73						6449 · SCADA Support		0.00	3,173.00	-3,173.00	
74						6450 · Software support		1,185.00	3,412.10	-2,227.10	
75						6452 · Credit Card Processing		179.12	354.27	-175.15	
76						6453 · Software Subscriptions		111.98	97.16	14.82	
77						6455 · Street sweeping services		1,414.60	1,286.00	128.60	
78						6466 · Emissions Testing		2,150.86	0.00	2,150.86	
79						6470 · Other contractual services		8,254.90	1,229.35	7,025.55	2022 - Welding Projects
80						Total 6410 · Contractual services		15,196.17	10,654.10	4,542.07	
81						6475 · Professional services					
82						6476 · Financial Management Fees		2,172.00	2,210.00	-38.00	
83						6480 · Accounting services		919.25	0.00	919.25	
84						6490 · Legal services		15,942.25	13,454.22	2,488.03	
85						6497 · Interim General Manager		0.00	6,976.30	-6,976.30	
86						Total 6475 · Professional services		19,033.50	22,640.52	-3,607.02	
87						6500 · Printing and publication		463.56	48.94	414.62	
88						6505 · Equipment lease and rentals		598.43	2,580.27	-1,981.84	
89						6525 · Research and monitoring					
90						6535 · Monitoring expense		4,864.00	2,016.50	2,847.50	
91						Total 6525 · Research and monitoring		4,864.00	2,016.50	2,847.50	
92						6600 · Travel and meetings					
93						6610 · Meals		0.00	214.88	-214.88	
94						6620 · Staff training		-470.00	550.00	-1,020.00	
95						Total 6600 · Travel and meetings		-470.00	764.88	-1,234.88	
96						6650 · Utilities					
97						6655 · Cell phones		0.00	240.24	-240.24	
98						6660 · Dump fees		0.00	391.29	-391.29	
99						6665 · Electrical		9,255.51	10,103.08	-847.57	
100						6670 · Natural gas		2,133.49	4,895.88	-2,762.39	Increase in Utility Cost
101						6685 · Telephone		347.22	462.96	-115.74	
102						6691 · Trash & Recycling		202.09	199.53	2.56	
103						Total 6650 · Utilities		11,938.31	16,292.98	-4,354.67	
104						6720 · Repairs and maintenance					
105						6730 · Distribution expense		0.00	231.82	-231.82	
106						6745 · Lift station expenses		0.00	34.96	-34.96	
107						6750 · Collection expense		0.00	56.23	-56.23	
108						6760 · Shop and equip repairs		0.00	215.49	-215.49	
109						6785 · Wells and pumping		0.00	3,895.50	-3,895.50	2021 - McCrometer/Cannon
110						6795 · Other repairs and mainten		0.00	650.00	-650.00	
111						Total 6720 · Repairs and maintenance		0.00	5,084.00	-5,084.00	
112						Total Expense		131,690.20	198,926.23	-67,236.03	
113						Net Ordinary Income		63,447.68	22,653.08	40,794.60	
114						Other Income/Expense					
115						Other Income					
116						7006 · Market Appreciation/(Depr)		-5,643.47	-3,503.05	-2,140.42	2022 - Increased Market Depreciation
117						7010 · Interest income		2,359.15	7,059.70	-4,700.55	2022 - Decreased Interest Received
118						Total Other Income		-3,284.32	3,556.65	-6,840.97	
119						Net Other Income		-3,284.32	3,556.65	-6,840.97	
120						Net Income		60,163.36	26,209.73	33,953.63	

Mission Hills Community Services District
Disbursements Journal
April 2022

A	B	C	D	G	I	K	M	P
1				Date	Num	Name	Amount	Explanation
2	1060 - CHCU - General 4163							
3				04/05/2022	EFT	SoCalGas	-2,231.91	Utility Bill
4				04/06/2022	EFT	PG&E	-3,771.20	Utility Bill
5				04/07/2022	32488	ACWA/JPIA *Medical Insurance	-10,517.55	Monthly Medical/Dental/Vision, Life, EAP
6				04/07/2022	32489	Box Shop	-87.50	
7				04/07/2022	32490	California Special Districts Association	-1,187.48	
8				04/07/2022	32491	Carmel & Naccasha LLP	-1,473.70	
9				04/07/2022	32492	Comcast	-163.35	
10				04/07/2022	32493	Energy Link	-1,218.46	
11				04/07/2022	32494	Giant Tree Service	-675.00	
12				04/07/2022	32495	Hensley Law Group	-4,470.00	
13				04/07/2022	32496	Jon's Lawn Mowing	-197.00	
14				04/07/2022	32497	Lompoc Valley Chamber of Commerce	-198.00	
15				04/07/2022	32498	Office Depot Business Credit	-58.68	
16				04/07/2022	32499	Oilfield Environmental & Compliance, Inc.	-429.00	
17				04/07/2022	32500	Quadient Leasing USA, Inc.	-396.14	
18				04/07/2022	32501	SoCalGas	-119.86	
19				04/07/2022	32502	SP Maintenance Services, Inc.	-1,414.60	
20				04/07/2022	32503	Stantec	-10,094.25	Conceptual Water Study
21				04/07/2022	32504	Staples	-59.89	
22				04/07/2022	32505	Tuckfield & Associates	-7,343.24	Rate Study Consultant
23				04/07/2022	32506	Ultrax Inc	-185.62	
24				04/07/2022	32507	Underground Service Alert of SC	-19.90	
25				04/07/2022	32508	Verizon	-261.30	
26				04/07/2022	32509	Wallace Group	-2,508.50	
27				04/07/2022	32510	Waste Management	-202.09	
28				04/07/2022	32511	Home Depot	-56.45	
29				04/15/2022	EFT	PG&E	-9,245.04	Utility Bill
30				04/15/2022	32512	American Industrial Supply	-313.82	
31				04/15/2022	32513	County of Santa Barbara- Gen Svcs	-4,534.15	2 Months
32				04/15/2022	32514	East Mesa Oaks HOA	-30.91	
33				04/15/2022	32515	Frontier Communications	-89.79	
34				04/15/2022	32516	Hach Company	-147.45	
35				04/15/2022	32517	Jon's Lawn Mowing	-350.00	
36				04/15/2022	32518	Juana Garcia Rodriguez Janitorial	-200.00	
37				04/15/2022	32519	Michael Smith Welding	-1,500.00	
38				04/15/2022	32520	Oilfield Environmental & Compliance, Inc.	-1,774.00	
39				04/15/2022	32521	Pro3 Automation Inc	-21,196.35	SCADA Upgrade
40				04/15/2022	32522	Smith Alarms & Electronics, Inc.	-112.50	
41				04/19/2022	32523	American Industrial Supply	-414.60	
42				04/19/2022	32524	Compuvision	-1,185.00	
43				04/19/2022	32525	East Mesa Oaks HOA	-30.81	
44				04/19/2022	32526	Hach Company	-1,899.00	
45				04/19/2022	32527	Hensley Law Group	-6,788.55	
46				04/19/2022	32528	Oilfield Environmental & Compliance, Inc.	-765.00	
47				04/20/2022	32529	Standard Insurance Company	-232.44	
48				04/25/2022	EFT	TASC	-89.82	
49				04/26/2022	32530	ACWA Joint Powers Insurance Authority	-4,268.16	Work Comp Qtrly Audit
50				04/26/2022	32531	Frontier Communications	-145.48	
51				04/26/2022	32532	Hensley Law Group	-7,680.00	
52				04/26/2022	32533	Iflow Energy Solutions, Inc	-12,418.40	Meter Replacement
53				04/26/2022	32534	Lompoc Phone And Computer LLC	-155.00	
54				04/26/2022	32535	Michael Smith	-6,350.00	Welding Projects
55				04/26/2022	32536	Oilfield Environmental & Compliance, Inc.	-1,084.00	
56				04/26/2022	32537	PG&E	-10.47	
57				04/30/2022	EFT	Right Networks	-111.98	
58	Total 1060 - CHCU - General 4163						-132,463.39	
59	1070 - CHCU - Payroll 4155							
60				04/01/2022	E-pay	EDD	-1,236.27	
61				04/01/2022	E-pay	IRS USATAXPYMT	-5,088.92	
62				04/01/2022	EFT	CA State Disbursement Unit/Expert Pay	-299.07	
63				04/13/2022		Payroll	-16,961.56	
72				04/15/2022	E-pay	EDD	-1,310.53	
73				04/15/2022	E-pay	IRS USATAXPYMT	-5,119.80	
74				04/15/2022	EFT	CA State Disbursement Unit/Expert Pay	-299.07	
75				04/15/2022	1338	Matrix Trust Company	-4,437.95	457 Contributions
76				04/26/2022	1339	Matrix Trust Company	-4,926.29	457 Contributions
77				04/27/2022		Payroll	-17,260.90	
78				04/27/2022		Payroll	-1,314.74	
92				04/29/2022	E-pay	EDD	-1,471.70	

Mission Hills Community Services District
Disbursements Journal
 April 2022

	A	B	C	D	G	I	K	M	P
1					Date	Num	Name	Amount	Explanation
93					04/29/2022	E-pay	IRS USATAXPYMT	-5,715.58	
94					04/29/2022	EFT	CA State Disbursement Unit/Expert Pay	-299.07	
95					04/29/2022	EFT	AFLAC	-66.82	
96		Total 1070 · CHCU - Payroll 4155						-65,808.27	
97		1075 · CHCU - ACH 4130							
98					04/16/2022	EFT	Springbrook (ACH Services)	-179.12	ACH Services Fees
99		Total 1075 · CHCU - ACH 4130						-179.12	
100		TOTAL						-198,450.78	

	A	B	C	D	E	F	G	H	I	J	K
1	Variation From Projected Income										
2	Fiscal Year Ending 6-30-2022										
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-21	\$ 115,252	\$ 122,000	\$ 6,748	\$ 84,454	\$ 83,471	\$ (983)	\$ 5,765	23,039	23,904	21,775
7	Aug-21	\$ 119,122	\$ 116,636	\$ (2,486)	\$ 84,454	\$ 83,009	\$ (1,444)	\$ (3,931)	25,038	23,897	23,255
8	Sep-21	\$ 117,519	\$ 121,999	\$ 4,480	\$ 84,454	\$ 83,804	\$ (650)	\$ 3,830	21,488	20,974	22,642
9	Oct-21	\$ 113,146	\$ 113,334	\$ 188	\$ 84,454	\$ 84,128	\$ (325)	\$ (137)	18,786	27,170	20,969
10	Nov-21	\$ 111,193	\$ 106,482	\$ (4,711)	\$ 84,454	\$ 83,875	\$ (579)	\$ (5,289)	17,377	21,595	20,222
11	Dec-21	\$ 98,443	\$ 103,214	\$ 4,771	\$ 84,454	\$ 84,141	\$ (313)	\$ 4,458	11,828	15,049	15,344
12	Jan-22	\$ 89,730	\$ 89,421	\$ (309)	\$ 84,454	\$ 83,953	\$ (501)	\$ (810)	12,272	16,328	12,011
13	Feb-22	\$ 95,116	\$ 91,471	\$ (3,645)	\$ 84,454	\$ 84,024	\$ (430)	\$ (4,075)	16,772	16,413	14,071
14	Mar-22	\$ 91,555	\$ 101,536	\$ 9,981	\$ 84,454	\$ 83,883	\$ (570)	\$ 9,410	19,671	11,832	12,709
15	Apr-22	\$ 92,250	\$ 108,917	\$ 16,667	\$ 84,454	\$ 84,238	\$ (216)	\$ 16,451	17,676	17,348	12,975
16	May-22	\$ 94,843	\$ -	\$ -	\$ 84,454	\$ -	\$ -	\$ -	-	18,352	13,967
17	Jun-22	\$ 102,418	\$ -	\$ -	\$ 84,454	\$ -	\$ -	\$ -	-	19,957	16,865
18											
19	Total	\$ 1,240,587	\$ 1,075,009	\$ 31,684	\$ 1,013,445	\$ 838,527	\$ (6,010)	\$ 25,673	183,947	232,819	206,807
21									Year to Date Monthly Averages		
22	YTD avg	100%	87%		100%	83%			15,329	19,402	17,234
23									Yearly Average	19,402	17,234
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	AF	AG	AH	AI	AJ
1	Bank Account Summary					
2						
3		12/31/2021	1/31/2022	2/28/2022	3/31/2022	4/30/2022
31						
32	LAIF	\$1,735,248	\$1,736,247	\$1,736,247	\$1,736,247	\$1,737,615
33						
34	TD Ameritrade/RNC Genter	\$1,753,427	\$1,743,313	\$1,738,724	\$1,728,599	\$1,721,549
35						
36	Coast Hills FCU					
37	Checking	\$449,974	\$445,002	\$438,336	\$472,124	\$462,203
38	Development	\$261,349	\$261,360	\$261,370	\$261,382	\$261,392
39	Investment Checking	\$202	\$202	\$202	\$202	\$202
40	Savings	\$0	\$0	\$0	\$0	\$0
41	Payroll	\$31,860	\$43,653	\$39,099	\$48,233	\$42,805
42	ACH (Sweep Account)	\$2,216	\$2,826	\$33,453	\$1,632	\$1,000
43	Total Coast Hill FCU	\$745,601	\$753,043	\$772,460	\$783,573	\$767,602
44						
45	Combined Balance	\$4,234,276	\$4,232,604	\$4,247,431	\$4,248,419	\$4,226,767
46						
47	Monthly Change	-\$30,598	-\$1,673	\$14,827	\$988	-\$21,652
48						
49	Monthly Change To Date					
50	-\$45,006					
51						
52	INVESTMENT STRATEGY	<p>Current Percentage</p> <ul style="list-style-type: none"> LAIF: 44% TD Ameritrade/RNC Genter: 43% Total Coast Hill FCU Less Development: 13% 				
53	Along with resuming active management, the Finance Committee and Staff recommend a					
54	balanced distribution of monies as stated below					
55	between TD Ameritrade, LAIF and Coast Hills Credit					
56	Union. This distribution will allow the District to					
57	maximize yields on investments, while meeting					
58	operating and capital cash needs					
59						
60	Recommended Investment Strategy:					
61	01. Coast Hills CU: \$300,000 (2 months FYE20					
62	budgeted operating expense, less depreciation, not					
63	Goal of about 10%					
64	02. TD Ameritrade: 50% of balance of unrestricted					
65	cash					
66	Goal of about 45%					
67	03. LAIF: 50% of the balance of unrestricted cash					
68	Goal of about 45%					
69						
70						

	B	C	D	E	F	G	H	L	M
1	Mission Hills Community Services District								10
2	Budget to Actual Comparison								0.83
3	JUL 21 -APR 22								2
4		Budgeted	Prorated Budget	Actual		Remainder		% of Budget	Explanation
5	Income	Fiscal Year 21-22	JUL 21 -APR 22	JUL 21 -APR 22	Difference	Budgeted Amount		83%	
6	Late Fees/Charges	\$ 35,000	\$ 29,167	\$ 20,396	\$ (8,771)	\$ 14,604		58%	No Late Fees Charged - Moratorium Removed December 31, 2021 For Lock-Offs
7	Water Service	\$ 1,240,587	\$ 1,033,823	\$ 1,074,902	\$ 41,079	\$ 165,685		87%	Usage Higher Than Budgeted
8	Sewer Service	\$ 1,013,445	\$ 844,538	\$ 838,497	\$ (6,041)	\$ 174,948		83%	On Track with Budget
9	Street Sweeping	\$ 18,707	\$ 15,589	\$ 15,085	\$ (505)	\$ 3,622		81%	Slightly Lower Than Budgeted - Rate Increase in January 2022
10		\$ 2,307,739	\$ 1,923,116	\$ 1,948,879	\$ 25,763	\$ 358,860		84%	Revenue is 1% Above Budget
11									
12									
13		Budgeted	Prorated Budget	Actual		Remainder			
14	Expense	Fiscal Year 21-22	JUL 21 -APR 22	JUL 21 -APR 22	Difference	Budgeted Amount			
15	Salaries & Wages	\$ 715,469	\$ 596,224	\$ 563,006	\$ 33,218	\$ 152,463		79%	Slightly Lower Than Budgeted
16	Employee Benefits	\$ 254,310	\$ 211,925	\$ 170,900	\$ 41,025	\$ 83,410		67%	Lower Than Budgeted
17	Director Fees	\$ 23,000	\$ 19,167	\$ 12,625	\$ 6,542	\$ 10,375		55%	Less Meetings Than Budgeted
18	Depreciation	\$ 372,648	\$ 310,540	\$ 310,540	\$ -	\$ 62,108		83%	Depreciation On Track With Budget
19	Election Expense	\$ -	\$ -	\$ -	\$ -	\$ -		0%	No Election Expense
20	Vehicle Expense	\$ 26,000	\$ 21,667	\$ 20,815	\$ 851	\$ 5,185		80%	Slightly Lower Than Budgeted
21	Insurance	\$ 36,000	\$ 30,000	\$ 12,523	\$ 17,477	\$ 23,477		35%	Lower Than Budgeted
22	Memberships	\$ 20,000	\$ 16,667	\$ 24,656	\$ (7,989)	\$ (4,656)		123%	Timing of Memberships, ACWA, CSDA, Additional Memberships LCW
23	Office Expenses	\$ 23,000	\$ 19,167	\$ 20,443	\$ (1,276)	\$ 2,557		89%	Higher Than Budgeted, Supplies New Employees
24	Operating Supplies	\$ 21,869	\$ 18,224	\$ 35,787	\$ (17,562)	\$ (13,918)		164%	Higher Operating Supplies Ordered Than Budgeted, New Employees, Stocking Shop
25	Chemicals	\$ 78,000	\$ 65,000	\$ 71,992	\$ (6,992)	\$ 6,008		92%	Slightly Higher Chemical Cost Than Budgeted
26	Safety	\$ 7,500	\$ 6,250	\$ 2,684	\$ 3,566	\$ 4,816		36%	Safety Expense Lower Than Budgeted
27	Contractual Services	\$ 78,000	\$ 65,000	\$ 185,761	\$ (120,761)	\$ (107,761)		238%	Large Portion is for County Manhole Project Which Was Not Included in Budget
28	Professional Services	\$ 150,000	\$ 125,000	\$ 213,146	\$ (88,146)	\$ (63,146)		142%	Professional Fees Higher Than Budgeted - Includes Interim GM Expense
29	Printing & Publication	\$ 6,300	\$ 5,250	\$ 3,165	\$ 2,085	\$ 3,135		50%	Lower Than Budgeted
30	Equipment Lease	\$ 13,500	\$ 11,250	\$ 8,099	\$ 3,151	\$ 5,401		60%	Lower Than Budgeted
31	Monitoring	\$ 32,000	\$ 26,667	\$ 32,129	\$ (5,463)	\$ (129)		100%	Higher Than Budgeted - Timing L&C Testing
32	Travel/Meetings/Meals	\$ 20,000	\$ 16,667	\$ 7,754	\$ 8,913	\$ 12,246		39%	Travel Expenses Lower Than Budgeted - Covid 19
33	Utilities	\$ 170,000	\$ 141,667	\$ 161,133	\$ (19,467)	\$ 8,867		95%	Slightly Higher Utility Bills Than Budgeted
34	Government Fees	\$ 82,635	\$ 68,863	\$ 26,960	\$ 41,903	\$ 55,675		33%	Less Government Fees Than Budgeted
35	Repairs & Maintenance	\$ 175,000	\$ 145,833	\$ 49,202	\$ 96,631	\$ 125,798		28%	Less Repair Breaks Than Budgeted
36	Miscellaneous Expenses	\$ -	\$ -	\$ 2,676	\$ (2,676)	\$ (2,676)		0%	Uncollectables or Write Offs
37		\$ 2,305,231	\$ 1,921,026	\$ 1,935,997	\$ (14,971)	\$ 369,234		84%	Expenses Are 1% Above 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% =	\$ 115,261.55			



MISSION HILLS COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Mission Hills Community Services District Board of Directors
FROM: Brad Hagemann, General Manager
DATE: May 18, 2022
SUBJECT: Update/Adoption of District Bylaws

Recommendation:

Staff recommends that the Board of Directors review the attached updated draft Bylaws, and consider adopting the Bylaws or provide other direction to staff.

Fiscal Impact:

No significant fiscal impact.

Discussion:

At the April 20, 2022, Regular meeting, staff presented draft Bylaws that were prepared in coordination with District Legal Counsel. The Board provided comments and questions on several sections of the draft Bylaws and requested staff to consult with District Legal Counsel on the questions. Staff’s proposed changes to the Bylaws are shown in “redline” mode for ease of review. The attached updated draft Bylaws are provided for the Directors’ review, comment and consideration for formal adoption.

Attachment:

- 1) Updated Draft Bylaws for the Mission Hills Community Services District, dated May 18, 2022 v2

MISSION HILLS COMMUNITY SERVICES DISTRICT BYLAWS

May 18, 2022 Draft

1. OFFICERS OF THE BOARD OF DIRECTORS

- 1.1 The officers of the Board of Directors are the President, Vice President, and Finance Officer.
- 1.2 The President of the Board of Directors shall serve as presiding officer at all Board meetings. The President shall have the same rights as the other members of the Board in making and voting on motions, resolutions and ordinances, and participating in any discussion.
- 1.3 In the absence of the President, the Vice President of the Board of Directors shall serve as presiding officer over all meetings of the Board. If the President and Vice President are both absent, the remaining members shall select one among themselves to act as presiding officer of the meeting.
- 1.4 The Finance Officer shall oversee financial issues of the District.
- 1.5 The President, Vice President, and Finance Officer shall be elected annually at the regular meeting in December and the term of office shall commence at the first meeting in January ~~immediately upon election~~ and continue until replaced.
- 1.6 The President or his or her designee shall be the spokesperson for the Board and point person for intergovernmental relations.

2. MEETINGS

- 2.1 Regular meetings of the Board of Directors shall be on the third Wednesday of each calendar month in the District Office, located at 1550 East Burton Mesa Boulevard, Lompoc, unless otherwise directed by the Board of Directors. The time for holding Regular meetings of the Board of Directors shall be established by resolution.
- 2.2 For regular meetings, a block of time shall be set aside to receive general public comment. Comments on items on the agenda should be held until the appropriate item is called. Public comment shall be directed to the President of the Board and limited to three minutes

unless extended or shortened at the President's discretion.

During general public comment:

- (a) Board Members may briefly respond to statements or questions from the public; and
- (b) Board Members may, on their initiative or in response to public questions, ask questions for clarification, provide references to staff or other resources for factual information, or request staff to report back at a subsequent meeting; and The President of the Board or a Board majority in open session may take action to direct staff to place a matter on a future agenda.

3. AGENDAS

- 3.1 The General Manager, in cooperation with the Board President and Vice President, shall prepare an agenda for each regular and special meeting of the Board of Directors. An item placed on an agenda in this manner shall only be removed by the General Manager, in cooperation with the President and Vice President. Any Director's request to place an item on the agenda must be approved by the Board President or a majority of the Board Members acting in open session.
- 3.2 Those items, which are considered to be of a routine and noncontroversial nature, are placed on the Consent Agenda. These items shall be approved, adopted, and accepted by one motion of the Board of Directors.
 - (a) Board members may request any item listed under the Consent Agenda be removed from the Consent Agenda, and the Board will take action separately on that item.
 - (b) A Board member may ask a minor question, for clarification, on any item on the Consent Agenda. The item may be briefly discussed for clarification and the questions will be addressed along with the rest of the Consent Agenda.
 - (c) When a Board member wishes to pull an item simply to register a dissenting vote, the Board member shall inform the presiding officer they wish to register a dissenting vote without discussion. These items will be handled along with the rest of the Consent

Agenda, and the Board Secretary will register a “no” vote in the minutes.

4. PREPARATION OF MINUTES

- 4.1 The minutes of the Board shall be kept by the Board Secretary.
- 4.2 The Board Secretary shall be required to make a record only of such business as was actually passed upon by a vote of the Board and, except as provided in Section 4.3 and 4.6 below, shall not be required to record any remarks of Board members or any other person.
- 4.3 Any Director may request for inclusion into the minutes brief comments pertinent to an agenda item, only at the meeting in which the item is discussed or considered.
- 4.4 Written comments delivered to the Board at the meeting that were not contained in the Board Agenda Packet for review by the Board prior to the meeting shall be maintained as a separate public record.
- 4.5 The Board Secretary shall attempt to record the names and general place of residence of persons addressing the Board and the title of the subject matter to which their remarks related.
- 4.6 Whenever the Board acts in a quasi-judicial proceeding, the Board Secretary shall create a record of a summary of the testimony of the witnesses.

5. MEMBERS OF THE BOARD OF DIRECTORS

- 5.1 Information that is exchanged before meetings shall be distributed through the Board Secretary, and all Directors will receive all information being distributed.
- 5.2 Directors shall at all times conduct themselves with courtesy to each other, to staff and to members of the audience present at Board meetings or those attending remotely.
- 5.3 Individual Directors have the right to disagree with ideas or opinions, while being respectful. Once the Board of Directors takes action, Directors should not create barriers to the implementation of that action.

5.4 At the President's discretion District Counsel shall act as parliamentarian. The rules contained in the current edition of Rosenberg's Rules of Order shall govern the Board of Directors in all cases to which they are applicable and in which they are not inconsistent with these Bylaws, any special rules of order the Board may adopt and any statutes applicable to the District that do not authorize the provisions of these Bylaws to take precedence.

6. AUTHORITY OF DIRECTORS

6.1 The Board of Directors is the unit of authority within the District. Apart from their normal function as a part of this unit, Directors have no individual authority. As individuals, Directors may not commit the District to any policy, act or expenditure.

6.2 All members of the Board of Directors shall exercise their independent judgment on behalf of the interests of the entire District, including the residents, property owners, and the public as a whole. Directors do not represent any fractional segment of the community, but are rather a part of the body which represents and acts for the community as a whole.

6.3 The Board of Directors shall adopt policies for the operation of the District, including, but not limited to, administrative policies, fiscal policies, personnel policies, and purchasing policies.

6.4 The primary responsibilities of the Board of Directors are:

- a) The formulation and evaluation of policy.
- b) Monitoring the District's progress in attaining its goals and objectives.
- c) Appointment, oversight and evaluation of a General Manager to handle all matters concerning the operational aspects of the District.
- d) Appointment, oversight and evaluation of a District Counsel to handle all matters concerning the legal aspects of the District.

7. DIRECTOR GUIDELINES

- 7.1 Board Members, by making a request of the General Manager, shall have access to information relative to the operation of the District. If the General Manager cannot provide the requested information in a timely manner the General Manager shall inform the individual Board Member why the information is not or cannot be made available.
- 7.2 Individual Board Members should not involve themselves in the day-to-day operations of the District. Their primary role is to participate in the process of establishing the District's policies and goals. The General Manager is responsible for implementing those policies and goals.
- 7.3 Personnel matters and other operational issues that may be of concern to individual Board Members should be addressed through the General Manager. Individual Board Members shall not involve themselves or interfere in personnel matters, except in rare circumstances, as approved by the District Legal Counsel.
- 7.4 The General Manager shall take direction and instruction from the Board of Directors, as a body, when it is sitting in a duly convened meeting. Individual Board Members should refrain from giving orders or instruction to the General Manager or any subordinates of the General Manager.
- 7.5 When presented with questions or complaints from citizens or staff related to operational or personnel matters, Board Members should listen to the concerns expressed and either: (1) confer with the General Manager or District Counsel, as appropriate; or (2) refer the individual to the General Manager for resolution of their concerns.

8. DIRECTOR COMPENSATION

- 8.1 Directors may receive compensation of one hundred twenty-five dollars (\$125.00) for each authorized day of service rendered as a Director. Attendance at multiple meetings in a single day will not result in compensation of more than \$125.00.
- 8.2 The following are authorized meetings for which a Director may be compensated:

- (a) Regular Board meetings.
- (b) Special Board meetings.
- (c) Standing Committee meetings of which the Director is a Committee member.
- (d) Participation in a training program on a topic that is directly related to the District, provided that the Board of Directors has previously approved the member's participation at a Board meeting and that the member delivers a ~~written~~ report (written or oral) to the Board regarding the member's participation at the next Board meeting following the training program.
- (e) Representation of the District at a public event, provided that the Board of Directors has previously approved the member's representation at a Board meeting and that the member delivers a written report to the Board regarding the member's representation at the next Board meeting following the public event.
- (f) Representation of the District at a public meeting or a public hearing conducted by another public agency, provided that the Board of Directors has previously approved the member's representation at a Board meeting and that the member delivers a written report to the Board regarding the member's representation at the next Board meeting following the public meeting or public hearing.
- (g) Representation of the District at a meeting of a public benefit nonprofit corporation on whose board the District has membership, provided that the Board of Directors has previously approved the member's representation at a Board meeting and that the member delivers a written report to the Board regarding the member's representation at the next Board meeting following the corporation's meeting.

8.3 Director compensation shall not exceed six days of service in any calendar month.

8.4 Director's compensation shall not exceed \$125.00 per day or \$750.00 per month.

- 8.5 Each Board Member is entitled to reimbursement for their travel, meals, lodging and other actual and necessary expenses incurred in the performance of the duties required or authorized by the Board pursuant to Government Code Section 53232.2
- 8.6 Board Members shall provide brief reports on meetings attended at the expense of the District at the next regular Board meeting, as provided by Government Code Section 53232.3.

9. STANDING COMMITTEES

- 9.1 Standing committees are those that have continuing subject matter jurisdiction. The General Manager may be an ex-officio member of all standing committees.
- 9.2 The following shall be the standing committees of the District:
 - a) Personnel
 - b) Finance
 - c) Water
 - d) Wastewater
 - e) Energy
- 9.3 Meetings
 - a) All committees shall comply with the provisions of the Ralph M. Brown Act concerning the calling of public meetings.
 - b) With the exception of the Board Members serving on the committee, Board Members may attend meetings of the District's Standing Committees as observers only and shall not participate in such meetings.

10. AD HOC COMMITTEES

- 10.1 The President or a majority of the Board may create ad hoc committees consisting of two Board members in accordance with the provisions of the Brown Act from time to time with a defined task and limited duration. Ad hoc committees shall meet on an as needed basis.

10.2 The defined task of an ad hoc committee shall be outlined at the time of appointment, and the committee shall be considered dissolved when its final report has been made.

11. COMPLIANCE WITH FEDERAL AND STATE LAW

11.1 If it is determined any of these Bylaws conflict with Federal or State rules or statutes, the Federal or State rules or statutes will take precedence.

11.2 These Bylaws are for the purpose of providing guidance to the Mission Hills Community Services District (District) Board of Directors in the performance their duties.

11.3 These Bylaws are not intended to amend any laws governing the behavior of any individual Director in a private capacity. Each Director will comply with all Federal and State laws governing their conduct in the performance of their duties as Directors.

DRAFT



MISSION HILLS COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors
FROM: Brad Hagemann, General Manager
DATE: May 18, 2022
SUBJECT: Resolution No. 22-339 – Cost of Living Salary Adjustment

Recommendation / Proposed Motion

Proposed Motion: Approve Resolution No. 22-339 Approving Cost of Living Salary Adjustments for all permanent District employees, effective July 1, 2022.

Policy Reference

- California Government Code §61242 and §61244 allows the Board to determine the compensation for District employees.
- Mission Hills CSD Policy 2150 requires all salary adjustments recommended by the General Manager be considered and approved by the Board of Directors.

Budget Resource

A cost-of-living allowance was included in the pay schedule of the fiscal year 2022/2023 budget.

Alternatives Considered

The Board may consider a higher or lower cost of living adjustment.

Discussion

Staff recommends a cost-of-living adjustment for fiscal year 2022/2023 of 5.5%. This number is calculated by the US Department of Labor, Bureau of Labor Statistics and can be found on the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). This index specifically reflects the economic adjustments for our region.

https://data.bls.gov/timeseries/CWURN400SA0&output_view=pct_12mths

Attachment(s):

1. Resolution – Approval of Cost-of-Living Adjustments

RESOLUTION NO. 22-339

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MISSION
HILLS COMMUNITY SERVICES DISTRICT APPROVING COST OF
LIVING ADJUSTMENTS FOR ALL PERMANENT DISTRICT
EMPLOYEES**

WHEREAS, the Mission Hills Community Services District (the “District”) is formed pursuant to California Government Code Section 61000 et seq.;

WHEREAS, pursuant to California Government Code Section 61241 and Section 61244, the District Board of Directors (“Board”) may fix compensation of District employees.

WHEREAS, on May 18, 2022, the Board approved the District’s Budget (the “Budget”) for fiscal year 2022/2023 which included a new pay schedule that incorporated a **five-point five percent (5.5%)** cost of living adjustment for all permanent District employees; and

WHEREAS, the Board finds that it is in the best interests of the District and the community, to adjust employee compensation consistent with the Budget and the cost of living in the area.

NOW, THEREFORE BE IT RESOLVED that the Board of Directors of the Mission Hills Community Services District hereby approves a **Five-point five percent (5.5%)** cost of living increase to all District employees’ compensation. This Resolution shall become effective the **1st of July 2022**.

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

AYES:

NOES:

ABSENT:

the foregoing Resolution was passed and adopted this **18th day of May 2022**.

By: _____
Bruce Nix, President, Board of Directors

Attest:

By: _____
Guadalupe Huitron, Board Secretary



MISSION HILLS COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors
FROM: Finance Committee
VIA: Brad Hagemann
DATE: May 18, 2022
SUBJECT: Final Budget for fiscal Year 2022-23-Public reading and adoption

Recommendation / Proposed Motion

- Recommendation: District Board of Directors recognize notice of public reading and adoption of the Final Budget for Fiscal Year 2022-23.
- Proposed Motion: Adopt the Final budget for Fiscal Year 2022-2023 (as attached)

Policy Reference

- California government code section §61110 requires the Board to hold a public Hearing and publish a notice in a newspaper of general circulation at least two weeks before the Hearing.
- Mission Hills CSD Policy 3020 directs the development and approval of the Final Budget to be completed by May 31.

Budget Resource

The Proposed Fiscal Year 2022-23 Operating budget includes projected revenues of \$2,323,000 and \$2,262,000 in Operating Expenses.

The Proposed Capital improvements Program includes \$476,000 in Water projects and \$440,000 in Wastewater projects.

Discussion

On April 8, 2022, staff met with the Finance Committee to discuss the FY 2022/23 Preliminary Budget. The Committee provided input to staff on the Preliminary Budget and directed staff to bring the Preliminary Budget to the full board for review and comment at the next regularly scheduled Board meeting. At the April 20, 2022, Board meeting, staff presented the projected FY 21/22-year end revenues and expenditures; the preliminary FY 22/23 revenue and expenditure

budget estimates; and the proposed Five-Year Water and Sewer Capital Improvement Program budget. The Board received the Staff Report and Preliminary Budget and directed staff to prepare the Final FY 2022/23 Budget for consideration at the May 18, 2022, regular Board meeting. Staff published a Budget Hearing Notice in the Lompoc Record on May 4, 2022.

The Final FY 2022/23 Budget does not include any Water or Sewer rate increases. The Budget anticipates that FY 2022/23 revenues will remain about the same and overall operational expenses may increase approximately 2% - 3%. Staff anticipates that professional and contract service expenditures should significantly decrease while utility and chemical costs may increase.

Staff recommends the Board adopt the proposed Final FY 2022/23 Budget and Five-Year Capital Improvement Program

Rate Study

Staff is currently working with the District's Rate Study consultant to prepare an updated Cost of Services and Rate Study. The draft Rate Study is included as an agenda item for the May 18, 2022, Board meeting. Staff anticipates that the Board will approve the Rate Study and authorized staff to initiate the Prop 218 Rate Hearing process at the June 15, 2022, Board meeting. Any rate updates to the Water or Sewer rates approved through the Prop 218 process are anticipated to be effective on or about October 1, 2022.

Attachment(s):

- The Fiscal Year 2022-23 Final Operating Budget
- The Fiscal Year 2022-23 Final Five Year Water and Sewer Capital Budget

Final FY 2022/2023 Operating Budget

Agenda Item 5. C
Attachment

	A	B	C	D	E	F	I	J	
1		Mission Hills Community Services District							
2		Final Fiscal Year 2022-2023 Budget							
3		Wednesday, May 18, 2022	CONSOLIDATED TOTAL FOR ALL FUNDS						
4									
5			FYE 2021 ACTUAL	FYE 2022 ANNUAL BUDGET	FYE 2022 ANNUAL PROJECTION	FYE 2023 PROPOSED	Increase/Decrease from previous year	Reason for Changes	
6		Revenue							
7	1	Late Fees/Charges	\$ 58,314	\$ 35,000	\$ 4,076	\$ 50,000	\$ 15,000	Estimate including late fees being charged	
8	2	Water Service	\$ 1,274,422	\$ 1,240,587	\$ 1,302,525	\$ 1,250,000	\$ 9,413	Current Rates Pending Approval of Rate Study	
9	3	Sewer Service	\$ 978,143	\$ 1,013,445	\$ 1,004,796	\$ 1,005,000	\$ (8,445)	Current Rates Pending Approval of Rate Study	
10	4	Street Sweeping	\$ 17,910	\$ 18,707	\$ 20,520	\$ 18,000	\$ (707)	Current Rates Pending Approval of Rate Study	
11	5	Total Operating Revenue	\$ 2,328,788	\$ 2,307,739	\$ 2,331,916	\$ 2,323,000	\$ 15,261		
12									
13									
14		Operating Expenses	FYE 2021 ACTUAL	FYE 2022 ADOPTED BUDGET	FYE 2022 ANNUAL PROJECTION	FYE 2023 PROPOSED	FYE 2023 minus FYE 2022	Reason for Changes	
15	6	Salaries & Wages	\$ 562,964	\$ 715,469	\$ 679,481	\$ 705,000	\$ (10,469)	Anticipates full staffing and 5.5% COLA	
16	7	Employee Benefits & Payroll Taxes	\$ 196,945	\$ 254,310	\$ 203,454	\$ 250,000	\$ (4,310)	Fully Staffed - Lower Paying Positions	
17	8	Director Fees	\$ 23,065	\$ 23,000	\$ 16,250	\$ 16,500	\$ (6,500)	Less Meetings expected for 2022	
18	9	Depreciation (Reserves)	\$ 372,654	\$ 372,648	\$ 372,648	\$ 375,000	\$ 2,352	Slight Increase in Depreciation	
19	10	Election Expense	\$ 2,809	\$ -	\$ -	\$ 3,000	\$ 3,000	2 Positions Contemplated	
20	11	Vehicle Expense	\$ 21,019	\$ 26,000	\$ 25,969	\$ 23,000	\$ (3,000)	Slightly Lower Projection - Newer Vehicle	
21	12	Insurance	\$ 26,640	\$ 36,000	\$ 25,045	\$ 25,000	\$ (11,000)	Insurance Cost Flat with FYE 22 - Good Safety Record	
22	13	Memberships	\$ 19,989	\$ 20,000	\$ 30,000	\$ 30,000	\$ 10,000	Plan on Decreasing Memberships from FYE 22	
23	14	Office Expenses	\$ 22,868	\$ 23,000	\$ 28,226	\$ 25,000	\$ 2,000	Slightly Lower Projection from FYE 22	
24	15	Operating Supplies	\$ 18,757	\$ 21,869	\$ 37,530	\$ 25,000	\$ 3,131	Need to Lower costs from FYE 22	
25	16	Chemicals	\$ 48,263	\$ 78,000	\$ 96,287	\$ 100,000	\$ 22,000	Slight Increase from FYE 2022 Projected	
26	17	Safety	\$ 5,987	\$ 7,500	\$ 2,296	\$ 5,000	\$ (2,500)	Flat Projection	
27	18	Contractual Services	\$ 98,067	\$ 78,000	\$ 180,000	\$ 125,000	\$ 47,000	Contemplates Decrease in FYE22 Actual Costs	
28	19	Professional Services	\$ 222,713	\$ 150,000	\$ 150,000	\$ 125,000	\$ (25,000)	Project a Decrease in legal fees	
29	20	Equipment Lease	\$ 8,824	\$ 13,500	\$ 10,063	\$ 13,500	\$ 0	Flat Projection	
30	21	Printing & Publication	\$ 5,674	\$ 6,300	\$ 5,101	\$ 5,300	\$ (1,000)	Slight Reduction From FYE 2022 Budget	
31	22	Monitoring (Lab Samples)	\$ 29,539	\$ 32,000	\$ 31,686	\$ 36,000	\$ 4,000	Flat Projection	
32	23	Training/Meetings/Meals	\$ 4,511	\$ 20,000	\$ 11,889	\$ 15,000	\$ (5,000)	Slight Reduction From FYE 2022 Budget	
33	24	Utilities	\$ 160,851	\$ 170,000	\$ 216,674	\$ 220,000	\$ 50,000	Contemplates Increase in Utilities Expense - Due to Inflation	
34	25	Government Fees	\$ 50,603	\$ 82,635	\$ 31,978	\$ 35,000	\$ (47,635)	Anticipates Slight Increase in FYE 22 Projected Costs	
35	26	Repairs & Maintenance	\$ 138,832	\$ 175,000	\$ 77,877	\$ 80,000	\$ (95,000)	Contemplates Reduction in Repairs & Maintenance Expense	
36	27	Ratepayer write offs	\$ 9,099	\$ -	\$ -	\$ 25,000	\$ 25,000	Contemplates Writing Off Old Debts	
37	28	Total Operating Expenses	\$ 2,050,672	\$ 2,305,231	\$ 2,232,454	\$ 2,262,300	\$ (42,931)		
38									
39		Net Operating Gain/(Loss)	\$ 278,116	\$ 2,508	\$ 99,463	\$ 60,700			

	A	F	G	H	I	J	K
1	FY 22/23 Water - 5-Year Capital Improvement Plans DRAFT	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
2	Distribution						
3							
4	Valve Replacement Project	\$ 20,000	\$ 50,000	\$ 25,000	\$ 20,000	\$ 50,000	\$ 50,000
5	Upgrade Cla-Vals - Pressure Reducing Stations	\$ 15,000		\$ 15,000		\$ 15,000	
6	Meter Replacement Program	\$ 75,000	\$ 30,000	\$ 50,000	\$ 50,000	\$ 50,000	
7	Water Main Replacement (New line from Reservoirs)	\$ -	\$ -	\$ -	\$ -		\$ 150,000
8	SCADA System	\$ 75,000	\$ -	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
9		\$ -	\$ -	\$ -	\$ -		
10	Equipment						
11	Backup Generator - Shop w/Auto Transfer Switch	\$ -		\$ 40,000	\$ -		
12	Purchase Company Vehicle GM -50%	\$ 15,000					
13	Replace Dump Truck					\$ 65,000	
16	Replace Ops Truck (50%)	\$ -	\$ -		\$ 40,000		
17	Case Tractor / Backhoe (50%)		\$ 60,000				
18	Storage						
19	Rehabilitate Reservoir Tanks						
20	Tank #1 East (Repair)	\$ 30,000	\$ 175,000				
21	Tank #2 West (Initial Repair)	\$ 30,000	\$ 25,000	\$ 150,000	\$ 115,000		
22	Raw Water Reservoir (Reimbursement by Others)	\$ -	\$ -				
23	Treatment						
24	Water Treatment Plant Filter Media	\$ -	\$ -	\$ 36,000	\$ -		\$ 50,000
25	Wells & Pumping						
26	New Well Installation - #8 (Reimbursement by Others)	\$ -	\$ -				
27	Replace or Rebuild Waukesha Engine	\$ -				\$ 60,000	
28	Well #6 Rehabilitation		\$ 85,000	\$ -	\$ 70,000		
29	Well #7 Rehabilitation	\$ 150,000		\$ -	\$ -		
30	Well #5 Rehabilitation	\$ -	\$ -		\$ -		\$ 80,000
31	Solar Energy (50% Water)						
32	Construction Bid Documents, Specifications, PM Estimate	\$ -	\$ -	\$ -	\$ -		
33	Solar Energy Installation	\$ -	\$ -	\$ -	\$ -		
34	Sub Total	\$ 410,000	\$ 425,000	\$ 331,000	\$ 310,000	\$ 255,000	\$ 345,000
35	Contingency	\$ 41,000	\$ 42,500	\$ 33,100	\$ 31,000	\$ 25,500	\$ 34,500
36	TOTAL	\$ 451,000	\$ 467,500	\$ 364,100	\$ 341,000	\$ 280,500	\$ 379,500

FY 22/23 Wastewater - 5-Year Capital Improvement Plans (DRAFT)	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Collections						
Collection System Replacement (Slip Lining)						
Video & Clean Sewer Lines	\$ 40,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Equipment						
Replace Vehicle 2007 GMC Pickup			\$ 60,000			
Case Tractor / Backhoe (50%)		\$ 60,000				
Replace Ops Truck (50%)				\$ 40,000		\$ 50,000
New Jetter	\$ 40,000					
Lift Station						
Lift Station Upgrades (limited scope)						
Lift Station (Replace Lift Station with back-up power)	\$ 165,000	\$ 200,000	\$ 75,000			
Lift Station - Wet Well Coating						
Wastewater SCADA Install		\$ 25,000	\$ 25,000	\$ 15,000		
Property Acquisition						
Line Pond #8 to reduce Lift Station overflow impact			\$ 50,000	\$ 50,000	\$ 50,000	
Sewer Treatment						
Pond Valve Stem Replacement	\$ 40,000	\$ 50,000	\$ 40,000	\$ 40,000		
Aeration System Replacement					\$ 100,000	\$ 100,000
Pond Rehabilitation or Upgrade		\$ -	\$ 50,000	\$ 100,000	\$ 100,000	\$ 100,000
Bio-Remediation (Sludge Removal)	\$ -			\$ 50,000	\$ 50,000	
New Wastewater Treatment System - Addt'l. Loads						
Solar/Battery Energy (50% Wastewater)						
Bid Documents, Specifications, PM Estimate		\$ 15,000	\$ 25,000			
Solar/Battery Energy Installation						
Total	\$ 285,000	\$ 400,000	\$ 375,000	\$ 345,000	\$ 350,000	\$ 300,000
Contingency	\$ 27,075	\$ 40,000	\$ 37,500	\$ 34,500	\$ 35,000	\$ 30,000
TOTAL	\$ 312,075	\$ 440,000	\$ 412,500	\$ 379,500	\$ 385,000	\$ 330,000



MISSION HILLS COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors
FROM: Brad Hagemann, General Manager
DATE: May 18, 2022
SUBJECT: Emergency Contract to Repair Well #7

Recommendation / Proposed Motion

Proposed Motion: Direct Staff to Accept the Proposal from All American Drilling dated May 4, 2022, to repair and bring well #7 back online

Alternatives Considered

Put the Well Repair Project out to formal bid.

Discussion

As staff reported in previous Board agenda packets, in late January 2022, Well #7 stopped producing water. Staff retained All American Drilling to pull the well shaft and pumps and inspect the system to determine the issue. All American provided a report dated February 2, 2022, that noted among other things, "the pump shaft had snapped and most of the bowl veins had been gutted". On February 1, 2022, All American performed a video inspection of the well casing and noted heavy bio fouling in the perforations starting at approximately 320 feet down to the bottom of the casing at 578 feet. In accordance with All-American's recommendation, they chemically treated and brushed the well casing, conducted another video inspection, and pumped the well to clean out any remaining sediment and chemicals and generate a summary report.

Staff then requested a quote from All American to perform a continuous drawdown test on the well to determine if the aquifer around the well casing had suffered any serious deterioration. In addition, staff requested All American to provide a quote engineer, purchase and install new column, pump bowls and all equipment needed to bring the well back on-line. The proposal for this work is included as an attachment to this staff report.

Well #7 is a critical component of the District's water production portfolio. Well #5 and Well #6 have been handling the water demand but bringing Well #7 back on-line prior to the summer heavy water demand months is a high priority. Staff recommends the Board authorize staff to execute a contract with All American Drilling to complete the work outlined in their May 4, 2022, proposal.

Attachment(s):

1. Proposal from All American Drilling, Inc., dated May 4, 2022



All American Drilling, Inc.
Fisher Pump & Well Service
 2361 "A" Street
 Santa Maria, Ca. 93455
 805.346.2422 / 805.346.1844



Proposal


Customer **Mission Hills CSD**
 Lompoc CA

Date 05/04/22

Invoice #

Contact **Brad Hageman**
Phone/Cell 805-733-4366
Fax No. bh@mhcsd.org

Site Info **Well #7 New Pump System**

Date	Qty	Description		
		Work Summary		
	12	Pick up pump, pipe, inner column and mobilize on site. Rig up crane and stab inner column in new 8" pipe. Connect new bowl unit and start in hole.		
	12	Run 340' of pipe in and land on discharge head. Get tope tube messurments.		
	4	Cut new top tube and shaft with machinist		
	8	Land motor and discharge head. Wire in and check rotation. Set lateral and bring well online. Clean up site and demobilize equipment		
		Materials		
	1	FW9HC 13stg pump end coated		
	340	ft. of 8" column pipe butt thread coated		
	340	ft. of 2.5"x1.5" shaft and tube coated		
	7	8"x2.5" spiders		
	340	ft. 1 1/4" PVC sounding tube		
	1	Misc materials		
			Labor Total:	\$ 19,160.00
			Materials Total:	\$ 102,268.23
			Total Job Cost:	\$ 121,428.23
		Total Includes Materials, Tax & Installation		
		 <hr/> Richard Banks		

Thank You Allowing All American Drilling/Fisher Pump Service To Assist You.



MISSION HILLS COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Mission Hills Community Services District Board of Directors

FROM: Brad Hagemann, General Manager

DATE: May 18, 2022

SUBJECT: Draft Water, Wastewater and Street Sweeping Rate Study

Recommendation:

Staff recommends that the Board of Directors receive this staff report, review the attached draft Cost of Services and Rate Study and provide direction to staff.

Fiscal Impact:

Water and Wastewater revenues will be impacted if the Board chooses to change the water and/or wastewater rates

Discussion:

In late 2020 the Board retained Tuckfield and Associates to prepare a Cost of Services and Rate Study for the District. Tuckfield prepared the draft Rate Study and presented it to the Board in May 2021. However, the Board decided to not take any action on the Report and the Water, Wastewater and Street Sweeping rates remained unchanged. In early 2022, the Board directed staff to retain Tuckfield to update the previous Cost of Services/Rate Study with updated financial data and provide recommended Water, Wastewater and Street Sweeping rates for the next five years.

On May 4, 2022, Tuckfield presented a draft Rate Study to the Finance Committee. The Committee provided comments to Tuckfield and requested staff to circulate the draft Rate Study to all Board members and include the draft Rate Study on the May 18, 2022 regular Board meeting agenda. Staff did receive written comments from Director Dietrich. Responses to those comments will be provided at the Board meeting.

Attachment:

- 1) DRAFT Water, Wastewater and Street Sweeping Rate Study, May 18, 2022



Report to:

Mission Hills Community Services District

1550 Burton Mesa Boulevard
Lompoc, CA 93436
(805) 733-4366

Water, Wastewater, and Street Sweeping Rate Study

Submitted By:

Tuckfield & Associates

Contact: Mr. Clayton Tuckfield
2549 Eastbluff Dr, #450B
Newport Beach, CA 92660
(949) 760-9454

www.tuckfieldassociates.com

DRAFT

FINANCIAL CONSULTING
**TUCKFIELD &
ASSOCIATES**
MANAGEMENT CONSULTING

May 2022

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DRAFT

Tuckfield & Associates

2549 Eastbluff Drive, Suite 450B, Newport Beach, CA 92660
Phone (949) 760-9454 Fax (949) 760-2725
Email ctuckfield@tuckfieldassociates.com

May 18, 2022

Mr. Brad Hagemann
General Manager
Mission Hills Community Services District
1550 Burton Mesa Boulevard
Lompoc, CA 93436

Dear Mr. Hagemann:

I am pleased to present this Water, Wastewater, and Street Sweeping Rate Study (Study) report for the Mission Hills Community Services District (District). The rates presented in this report have been developed based on cost of service principles and industry methods that result in fair and equitable rates for the users of the systems.

This study included a review and analysis of the water, wastewater, and street sweeping revenue and revenue requirements, number of customers, volumes, and current rate structures. The major objectives of the Study include the following.

- Generate positive levels of income in the Study period
- Maintain operating and capital reserves at or greater than target levels
- Maintain debt service coverage ratios at or greater than the minimum required
- Meet annual capital replacement spending from the water, wastewater, and street sweeping rates and charges and cash reserves

This report presents the findings and recommendations for the financial plans and rates for the District's water, wastewater, and street sweeping systems. Tables and figures throughout the report are provided to demonstrate the calculations.

It has been a pleasure to work with District staff during the performance of this study. If there are any questions, please contact me at (949) 760-9454.

Very Truly Yours,

TUCKFIELD & ASSOCIATES



G. Clayton Tuckfield
President/Project Consultant

DRAFT

Water and Wastewater Rate Study

MISSION HILLS COMMUNITY SERVICES DISTRICT

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Water and Wastewater Rate Study

MISSION HILLS COMMUNITY SERVICES DISTRICT

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Water and Wastewater Rate Study

MISSION HILLS COMMUNITY SERVICES DISTRICT

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Water and Wastewater Rate Study

MISSION HILLS COMMUNITY SERVICES DISTRICT

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Executive Summary

In September of 2020, the Mission Hills Community Services District (District) retained Tuckfield & Associates to conduct a comprehensive Water, Wastewater, and Street Sweeping Rate Study (Study). The objectives of the Study included determining water, wastewater, and street sweeping rates for FY 2021-22 through FY 2026-27 (the “Study Period”) by projecting revenues and revenue requirements for each system and determining the costs of providing service.

Enterprise Financial Plans

Financial plans were developed for the water, wastewater, and street sweeping enterprises that projected revenue and revenue requirements (costs) for each system. The amount of revenue needed to meet the revenue requirements of each system was determined such that the revenue is increased annually by various percentages to create financially sustainable enterprises for each system. The revenue increases are necessary to maintain the financial health of each enterprise while funding the operation and maintenance (O&M) expenses, capital funding needs, debt service, and reserve requirements. Tables 11, 28, and 35 provide the financial plans for the water, wastewater, and street sweeping systems respectively.

Proposed Water Rate Structure and Rates

The District’s current water rate structure was reviewed in relation to current industry practice, trends, and state of California guidelines. It is recommended that the current tiered rate structure be revised as discussed below.

For the Residential classification, it is recommended that a tiered rate structure be implemented with tier break points that reflect the current classification consumption patterns. It is proposed that Tier 1 be established as zero to 9 hundred cubic feet (HCF), reflecting current indoor water consumption for SFR customers as follows.

$$\text{Tier 1} = 4 \text{ pph} * 55 \text{ gpcd} * \frac{365 \text{ days}}{\text{year}} * \frac{1}{748 \text{ gal/HCF}} * \frac{1 \text{ year}}{12 \text{ months}} = \sim 9 \text{ HCF/month}$$

pph = persons per household

gpcd = gallons per capita per day

In addition, it is proposed that the Tier 2 break point be established as the summer peak average consumption for the Residential classification. Therefore, Tier 2 is 10 to 19 HCF. Tier 3 is proposed for all use over Tier 2. The recommended Residential Tier restructuring is provided in Table ES-1.

For the Commercial and Irrigation classifications, it is recommended that they have an individual class uniform volume rate structure where all consumption is charged at a uniform rate in dollars per HCF (\$/HCF). Outdoor consumption for Commercial customers should be captured in separate landscape irrigation meters.

Table ES-1
Current and Proposed Tiers

Tier	Current Residential Tiers	Proposed Residential Tiers	Current Commercial Tiers	Proposed Commercial Tiers	Current Irrigation Tiers	Proposed Irrigation Tiers
Tier 1	All Use	0 - 9 units	All Use	All use	All Use	All use
Tier 2	All Use	10 - 19 units	All Use	All Use	All Use	All use
Tier 3	All Use	Over 19 units	All Use	All Use	All Use	All use

The proposed water rate structure and rates are provided in Table ES-2 for implementation beginning October 1, 2022 and each July 1 thereafter.

Table ES-2
Current and Proposed Water Fixed and Variable Charges

	Current Rate	October 1, FY 22-23	July 1, FY 23-24	July 1, FY 24-25	July 1, FY 25-26	July 1, FY 26-27
Fixed Charge (\$ per month)						
Meter Size						
3/4"	\$43.52	\$41.91	\$44.13	\$46.47	\$48.93	\$51.52
3/4" x 1" (residential only)	\$48.56	\$41.91	\$44.13	\$46.47	\$48.93	\$51.52
1"	\$48.56	\$43.37	\$45.67	\$48.09	\$50.64	\$53.32
1.5"	\$55.28	\$45.32	\$47.72	\$50.25	\$52.91	\$55.71
2"	\$73.74	\$50.68	\$53.37	\$56.20	\$59.18	\$62.32
3"	\$209.79	\$90.15	\$94.93	\$99.96	\$105.26	\$110.84
4"	\$260.18	\$104.77	\$110.32	\$116.17	\$122.33	\$128.81
Variable Charge (\$ per HCF)						
Residential						
Tier 1 - 0 to 9 units	\$2.46	\$2.30	\$2.42	\$2.55	\$2.69	\$2.83
Tier 2 - 10 to 19 units	\$2.46	\$2.57	\$2.71	\$2.85	\$3.00	\$3.16
Tier 3 - 19 and Over	\$2.46	\$3.85	\$4.05	\$4.26	\$4.49	\$4.73
Commercial						
All Consumption	\$2.46	\$3.61	\$3.80	\$4.00	\$4.21	\$4.43
Irrigation						
All Consumption	\$2.46	\$3.96	\$4.17	\$4.39	\$4.62	\$4.86
Hydrant Meter						
All Consumption	\$2.46	\$6.65	\$7.00	\$7.37	\$7.76	\$8.17

Water Bill Impacts

Table ES-3 presents the impacts to single-family residential (SFR) water bills from the implementation of the proposed October 1, 2022 water rates. For a SFR customer with a 3/4-inch meter using the average consumption of 13 HCF monthly, the bill will decrease from \$75.50 to \$72.89, a decrease of \$2.61, or -3.5 percent.

Table ES-3
Comparison of Current Single-family Residential Monthly Water Bill with 3/4-inch Meter with Proposed Bill Using October 2022 Water Rates

Description	Use (HCF)	Current Bill			Proposed FY 22-23 Bill				
		Service Charge	Volume Charge	Current Bill	Service Charge	Volume Charge	Proposed Bill	Dollar Difference	Percent Change
	0	\$43.52	\$0.00	\$43.52	\$41.91	\$0.00	\$41.91	(\$1.61)	-3.7%
Very Low	5	\$43.52	\$12.30	\$55.82	\$41.91	\$11.50	\$53.41	(\$2.41)	-4.3%
Low	8	\$43.52	\$19.68	\$63.20	\$41.91	\$18.40	\$60.31	(\$2.89)	-4.6%
Median	11	\$43.52	\$27.06	\$70.58	\$41.91	\$25.84	\$67.75	(\$2.83)	-4.0%
Average	13	\$43.52	\$31.98	\$75.50	\$41.91	\$30.98	\$72.89	(\$2.61)	-3.5%
	20	\$43.52	\$49.20	\$92.72	\$41.91	\$50.25	\$92.16	(\$0.56)	-0.6%
High	30	\$43.52	\$73.80	\$117.32	\$41.91	\$88.75	\$130.66	\$13.34	11.4%
Very High	50	\$43.52	\$123.00	\$166.52	\$41.91	\$165.75	\$207.66	\$207.45	24.7%

Chart ES-1 has been prepared to compare the District’s average SFR water bill with those of other communities at the same consumption. The chart indicates that with the October 1, 2022 rates, a SFR customer with a 3/4-inch meter using the average monthly consumption of 13 HCF will experience a bill that is in the lower half of the communities listed.

Chart ES-1
Single-family Residential Monthly Water Bills with 3/4-inch Meter Using 13 HCF



Note: Above table uses water rates in effect April 2022. Bills are not adjusted for property tax revenue received by an agency. Mission Hills Community Services District October 2022 bill is based on the rate structure and rates in Table ES-2.

Proposed Wastewater Rate Structure and Rates

It is proposed that the current wastewater rate structure be maintained. Table ES-4 presents the wastewater rates for the next five years.

Table ES-4
Current and Proposed Wastewater Fixed and Variable Charges

Rate Description	Current Rate	October 1, FY 22-23	July 1, FY 23-24	July 1, FY 24-25	July 1, FY 25-26	July 1, FY 26-27
Monthly Fixed Charges						
Residential	\$63.83	\$68.82	\$74.60	\$80.87	\$87.66	\$95.02
Commercial	\$63.83	\$68.82	\$74.60	\$80.87	\$87.66	\$95.02
School (per ADA)	\$1.17	\$1.24	\$1.34	\$1.46	\$1.58	\$1.71
Variable Charges						
Commercial	\$3.87	\$5.04	\$5.46	\$5.92	\$6.42	\$6.96

Wastewater Bill Impacts

Table ES-5 presents the impacts to SFR wastewater bills from the implementation of the proposed October 1, 2022 wastewater rates. For a SFR customer with a 3/4-inch meter using the average consumption of 13 HCF monthly, the wastewater bill will increase from \$63.83 to \$68.82, an increase of \$4.99, or 7.8 percent.

Table ES-5
Comparison of Current Single-family Residential Monthly Wastewater Bill with 3/4-inch Meter with Proposed Bill Using October 2022 Wastewater Rates

Description	Use (HCF)	Current Bill			Proposed FY 22-23 Bill				
		Service Charge	Volume Charge	Current Bill	Service Charge	Volume Charge	Proposed Bill	Dollar Difference	Percent Change
	0	\$63.83	\$0.00	\$63.83	\$68.82	\$0.00	\$68.82	\$4.99	7.8%
Very Low	5	\$63.83	\$0.00	\$63.83	\$68.82	\$0.00	\$68.82	\$4.99	7.8%
Low	10	\$63.83	\$0.00	\$63.83	\$68.82	\$0.00	\$68.82	\$4.99	7.8%
Median	10	\$63.83	\$0.00	\$63.83	\$68.82	\$0.00	\$68.82	\$4.99	7.8%
Average	13	\$63.83	\$0.00	\$63.83	\$68.82	\$0.00	\$68.82	\$4.99	7.8%
	20	\$63.83	\$0.00	\$63.83	\$68.82	\$0.00	\$68.82	\$4.99	7.8%
High	30	\$63.83	\$0.00	\$63.83	\$68.82	\$0.00	\$68.82	\$4.99	7.8%
Very High	50	\$63.83	\$0.00	\$63.83	\$68.82	\$0.00	\$68.82	\$4.99	7.8%

Chart ES-2 has been prepared to compare the District’s average SFR wastewater bill with a 3/4-inch meter using 13 HCF per month bill with those of other communities at the same consumption. The chart indicates that the District’s SFR wastewater bill is in the mid-range of the communities listed.

Chart ES-2
Single-family Residential Monthly Wastewater Bills with 3/4-inch Meter Using 13 HCF



Note: Above table uses wastewater rates in effect March 2020. Bills are not adjusted for property tax revenue received by an agency. Cities of Santa Barbara and Lompoc assume 10 HCF per month. Mission Hills Community Services District October 2022 bill is based on the rate structure and rates in Table ES-4.

Proposed Street Sweeping Rate Structure and Rates

The financial plan prepared for the street sweeping activity in Table 35 showed that no increase in the rate of \$1.32 per account is needed at this time.

Introduction

The Mission Hills Community Services District (District) retained Tuckfield & Associates to conduct a comprehensive Water, Wastewater, and Street Sweeping Rate Study (Study) for its water, wastewater, and street sweeping enterprise systems. This Study develops pro forma statements of revenues and revenue requirements for each enterprise, determines the cost of providing service to customers, and designs new rates and charges for implementation.

Objectives

The objectives of this Study are to (1) review the current and future financial status of each of the water, wastewater, and street sweeping enterprises, (2) make any adjustments to the revenue being received to ensure that the financial obligations are being met now and in the future, including adequate reserves and debt service coverage, and (3) design water, wastewater, and street sweeping rates that generate the required revenue while being fair and equitable for its customers.

Scope of the Study

This Study includes the findings and recommendations of analyzing each of the water, wastewater, and street sweeping system's financial status and related CIP projects. Historical trends were analyzed from data supplied by the District showing the number of customers, volumes, revenue, and revenue requirements.

Revenue requirements of each enterprise includes operation and maintenance (O&M) expense, routine capital outlays, CIP funding, debt service, and additions to reserves. Changing conditions such as additional facilities, system growth, employee additions/reductions, and non-recurring maintenance expenditures are recognized. Inflation for ongoing expenditures is included to reflect cost escalation.

The financial plan and rates developed herein are based on funding of the CIP and estimates of O&M expenses provided by the District. Deviation from the financial plans, construction cost estimates and funding requirements, major operational changes, or other financial policy changes that were not foreseen, may result in the need for lower or higher revenue than anticipated. It is suggested that the District conduct an update to the rate study at least every three years for prudent rate planning.

Assumptions

Several assumptions were used to conduct the Study for the period FY 2021-22 to FY 2026-27. The assumptions included growth rates in customer accounts and related consumption, expense inflation factors, financing and other assumptions used for projecting revenue and expense and estimating debt service payments. The financial planning assumptions are provided in Table 1.

Table 1
Assumptions and Planning Factors

Description	Value
Annual Account & Demand growth [1]	
Residential	0.0%
All Other	0.0%
Interest earnings on fund reserves (annual)	0.50%
Cost Escalation	
Personnel Services [2]	5.0%
Benefits	2.5%
Electrical Power	3.0%
Chemicals	6.0%
All Other Operations & Maintenance	4.0%
Capital	4.0%

[1] Annualized growth in water accounts is based on historical information provided by staff.

[2] Personnel Services growth in staffing, promotions, and inflation is 5.0% annually.

Reserve Policy

The District has a reserve policy in Resolution No. 16-306 that provides for maintaining the District's fixed asset list and maintaining cash reserves for the water and wastewater systems. The reserves provide a means to meet unanticipated reductions in revenues, meet changes in the costs of providing services, provide for fixed asset repair and replacement, natural disaster needs, and other issues. The reserves also provide guidelines to maintain the financial health and stability of the enterprise funds. The reserve types and the amount of reserves used in this Study are discussed below.

Operating Reserve

The purpose of the Operating Reserve is to provide working capital to meet cash flow needs during normal operations and support the operation, maintenance, and administration of the utility. This reserve ensures that operations can continue should there be significant events that impact cash flows. The target balance to be maintained is 20 percent of the annual operating expense budget which may increase annually with the District's future expense budgets.

Capital Replacement Reserve

The purpose of the Capital Replacement Reserve is to fund future replacement of assets and CIP projects. The capital reserves are used to fund replacement of system assets as they reach their useful life or reach obsolescence. The reserve target has been established as 50 percent of the total value of accumulated depreciation which will increase annually as replacement assets and CIP are booked by District.

Emergency Capital Reserve

The purpose of the Emergency Capital Reserve is to provide protection against catastrophic loss and to provide a cushion for inaccuracy in the long-range replacement program. The Target reserve is established at 5 percent of the value of capital fixed asset value. The value of capital assets will continue to increase as CIP is booked into fixed assets.

Beginning Balances and Reserve Targets

As of June 30, 2021, the District's beginning reserve balances are listed in the table below. The reserves are used in developing the financial plans for the water and wastewater utility systems. The Target Reserves are also provided in the table.

Table 2
June 30, 2021 Beginning Fund Balances and Reserve Targets

Reserve Type	Water		Wastewater	
	Reserve Balance	Reserve Target	Reserve Balance	Reserve Target
Operating Fund Reserve	\$246,400	\$246,400	\$211,500	\$211,500
Capital Replacement Reserve	\$2,145,679	\$1,853,000	\$1,309,487	\$1,086,900
Emergency Capital Reserve	\$131,000	\$131,000	\$194,000	\$194,000
Total	\$2,523,079	\$2,230,400	\$1,714,987	\$1,492,400

Water Financial Planning

Financial planning for the water system includes identifying and projecting revenues and revenue requirements for a five-year planning period. This section discusses current water rates, current user classifications, projected revenues and revenue requirements, capital improvement expenditures and financing sources, and proposed revenue adjustments.

Current Water Rates

Table 3 provides the current water rates of the water system. The current rate structure was established with the District's last rate study. The water rates consist of monthly fixed and variable charges to residential and non-residential customers. All customers are charged a monthly fixed charge that increases with their meter size. Additionally, all customers are charged for consumption using a uniform volume rate structure.

Table 3
Current Water Rates

Meter Size	All Customers
	(\$/month)
3/4"	\$43.52
3/4" x 1" (residential only)	\$48.56
1"	\$48.56
1.5"	\$55.28
2"	\$73.74
3"	\$209.79
4"	\$260.18

Customer Class	Variable Rate
	(\$/HCF)
All Customers	\$2.46

Water User Classifications

Number of Customers

The District classifies water customers as Residential, Commercial, Irrigation, and Hydrant meter. Residential customers account for over 98 percent of the total customers served by the water system. No growth is projected for the Study Period. Table 4 provides the historical and projected average number of customers by classification.

Table 4
Historical and Projected Water Customers by Classification

Customer Class	Historical	Projected					
	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27
Number of Accounts							
Residential	1,279	1,279	1,279	1,279	1,279	1,279	1,279
Commercial	11	11	11	11	11	11	11
Irrigation	8	8	8	8	8	8	8
Hydrant Meter	1	1	1	1	1	1	1
Total Accounts	1,299	1,299	1,299	1,299	1,299	1,299	1,299
Fire Protection							
Public Fire Hydrants	106	106	106	106	106	106	106
Private Firelines	1	1	1	1	1	1	1
Total Fire Protection	107	107	107	107	107	107	107

Number of Water Meters

Table 5 provides a summary of the current and projected average number of water customers by meter size. The majority of customers have 3/4-inch meter (70 percent) installed at the service location. It is assumed that all new residential customers will have 3/4 x 1-inch meters (residential only meters) installed and this is the minimum size for new Residential meter installations for the District's customer base.

Table 5
Historical and Projected Average Number of Water Meters by Size

Description	Historical		Projected				
	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27
Active Water Meters/Accounts [1]							
3/4"	855	855	855	855	855	855	855
3/4" x 1" (residential only)	428	428	428	428	428	428	428
1"	5	5	5	5	5	5	5
1.5"	2	2	2	2	2	2	2
2"	6	6	6	6	6	6	6
3"	1	1	1	1	1	1	1
4"	2	2	2	2	2	2	2
Total Meters	1,299	1,299	1,299	1,299	1,299	1,299	1,299

[1] Historical water accounts for FY20-21 were provided through District billing records.

Water Sales Volumes

Table 6 provides the historical and projected water sales volume by customer classification. Water sales volumes were projected by recognizing the growth in the number of accounts and the FY 2020-21 water use per customer.

Table 6
Historical and Projected Water Consumption (in HCF)

Description	Historical		Projected ^[1]				
	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27
Residential	206,972	206,972	206,972	206,972	206,972	206,972	206,972
Commercial	11,891	11,891	11,891	11,891	11,891	11,891	11,891
Irrigation	13,273	13,273	13,273	13,273	13,273	13,273	13,273
Hydrant Meter	79	79	79	79	79	79	79
Total Projected Consumption	232,215	232,215	232,215	232,215	232,215	232,215	232,215

[1] Forecast assumes that the use per customer from FY 20-21 and applied to the number of customers.

Water Financial Plan

The financial plan provides the means of analyzing the revenue and revenue requirements of the water system and its impact on reserves as well as the ability to fund on-going operation and maintenance (O&M) expense and capital infrastructure requirements. Below is a discussion of the projection of revenue, O&M expense, capital improvement needs of the water system and its financing, debt service requirements, and revenue adjustments needed to maintain a sustainable water enterprise.

Revenues

The Water Fund receives revenue from rates and charges for water service and miscellaneous sources. Revenue from water rates is projected by applying the current water rates to the projected number of accounts and consumption volume. Table 7 presents the projected revenue from current water rates of the water system.

Table 7
Projected Rate-based Water Revenue Using Existing Rates

Description	Projected					
	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27
Water Service Revenues						
Fixed Charges ^[1]	\$688,345	\$688,345	\$688,345	\$688,345	\$688,345	\$688,345
Variable Charges ^[2]	571,250	571,250	571,250	571,250	571,250	571,250
Total Revenues From Current Rates	\$1,259,672	\$1,259,672	\$1,259,672	\$1,259,672	\$1,259,672	\$1,259,672

[1] FY 21-22 and forecast revenue calculated by multiplying current water service rate by the number of projected meters.
 [2] FY 21-22 and forecast revenue calculated by multiplying projected water sales by the current variable rates.

Miscellaneous Revenue

Miscellaneous revenues are received from late fees and charges. Table 8 below provides sources of miscellaneous revenue.

Table 8
Projected Water Miscellaneous Revenue

Description	Budget	Projected				
	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27
Late Fees/Charges	\$17,500	\$17,500	\$17,500	\$17,500	\$17,500	\$17,500
Total Miscellaneous Revenues	\$17,500	\$17,500	\$17,500	\$17,500	\$17,500	\$17,500

Revenue Requirements

Revenue requirements of the water system include expenses associated with operating and maintaining the water system as discussed below.

Operation and Maintenance Expense

O&M expenses are an on-going obligation of the water system and such costs are normally met from water service revenue. O&M includes the cost to operate and maintain the water supply, reservoirs, and distribution system facilities. Costs also include technical services and other general and administrative expenses.

O&M has been projected recognizing the major expense categories of personnel services, electric power expense, chemicals, all other expenses, and capital outlay. Personnel costs consist of salaries and benefits expense of those personnel directly involved with providing water service. Salaries and wages are projected to increase by 2.5 percent annually, while benefits expense is also projected to increase by 2.5 percent annually. Electric power expense is projected to increase annually by 3 percent while chemicals expense increases also by 3 percent annually. All other O&M expense is projected to increase by 2 percent annually. Capital outlay is projected to increase by 3 percent annually. Table 9 provides a summary of the O&M expenses for the Study period.

Table 9
Projected Water Operation and Maintenance Expense

Description	Budget		Projected			
	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27
Water Salaries and Benefits Expense						
Salaries & Wages	\$367,282	\$385,646	\$404,928	\$425,175	\$446,434	\$468,755
Benefits	128,033	131,234	134,515	137,878	141,324	144,858
All Other	11,500	11,788	12,082	12,384	12,694	13,011
Subtotal	\$506,815	\$528,668	\$551,525	\$575,437	\$600,452	\$626,624
Water Operations and Maintenance						
Operating Supplies	\$19,683	\$20,470	\$21,289	\$22,141	\$23,027	\$23,948
Chemicals	35,100	36,504	37,964	39,483	41,062	42,704
Contractual Services	46,800	48,672	50,619	52,644	54,750	56,940
Professional Services	81,000	22,100	22,984	23,903	24,859	55,853
Monitoring (Lab Samples)	14,400	14,976	15,575	16,198	16,846	17,520
Utilities	93,500	96,305	99,194	102,170	105,235	108,392
Government Fees	41,318	42,971	44,690	46,478	48,337	50,270
Repairs and Maintenance	140,000	145,599	151,422	157,479	163,777	170,329
All Other	73,480	76,419	79,475	82,654	85,960	89,398
Subtotal	\$545,281	\$504,016	\$523,212	\$543,150	\$563,853	\$615,354
Less Allocated Street Sweeping Costs	(9,259)	(9,444)	(9,633)	(9,826)	(10,022)	(10,223)
Total Water System O&M Expense	\$1,042,837	\$1,023,240	\$1,065,104	\$1,108,761	\$1,154,283	\$1,231,755

Water Capital Improvement Program

The District has developed a CIP shown in Table 10 that lists capital expenditures for FY 2021-22 through FY 2026-27. Over this period the District projects that it would spend about \$3.67 million on various capital projects. The CIP is planned to be funded from District reserves and rate revenue.

Table 10
Water Capital Improvement Program

Description	Budget		Projected			
	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27
Current Capital Improvement Program (CIP) Projects [1]						
Distribution						
Valve Replacement Project	\$20,000	51,500	26,500	21,900	56,300	58,000
Upgrade Cla-Vals - Pressure Reducing Stations	15,000	-	15,900	-	16,900	-
Meter Replacement Programs	75,000	30,900	53,000	54,600	56,300	-
Water Main Replacement	-	-	-	-	-	173,900
SCADA System	75,000	-	15,900	16,400	16,900	17,400
Equipment						
Backup Generator	-	-	42,400	-	-	-
Purchase Company Vehicle GM - 50%	15,000	-	-	-	-	-
Replace Dump Truck	-	-	-	-	73,200	-
Replace Ops Truck	-	-	-	43,700	-	-
Case Tractor / Backhoe	-	61,800	-	-	-	-
Storage						
Tank 1 - East	30,000	180,300	-	-	-	-
Tank 2 - West	30,000	25,800	159,100	125,700	-	-
Treatment						
Water Treatment Plant Filter Media	-	-	38,200	-	-	58,000
Wells & Pumping						
Replace or Rebuild Wakesha Engine	-	-	-	-	67,500	-
Well #6 Rehabilitation	-	87,600	-	76,500	-	-
Well #7 Rehabilitation	150,000	-	-	-	-	-
Well #5 Rehabilitation	-	-	-	-	-	92,700
Contingency	41,000	43,800	35,100	33,900	28,700	40,000
Total Water CIP	\$451,000	\$481,700	\$386,100	\$372,700	\$315,800	\$440,000

[1] CIP Source: FY 21-22 District CIP document.

Water Financial Plan

A financial plan has been prepared that includes the revenues and revenue requirements that were identified for the water system. The financial plan, presented in Table 11, incorporates specific financial planning goals to provide guidance to maintain the health of the water utility on an on-going basis. The goals included the following.

- Generate positive levels of income in each year of the Study period
- Fund the capital improvement program requirements
- Maintain the operating and capital reserves at or greater than target levels
- Fund the required debt service reserves
- Maintain debt service coverage ratios at or greater than the minimum required

Table 11
Water Financial Plan

Description	Projected					
	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27
Proposed Revenue Increase (October 1)		5.3%				
Proposed Revenue Increase (July 1)			5.3%	5.3%	5.3%	5.3%
Water Operations						
Revenue						
Revenues from Existing Water Rates [1]	\$1,259,672	\$1,259,672	\$1,259,672	\$1,259,672	\$1,259,672	\$1,259,672
Total Additional Water Sales Revenue [2]	-	44,508	137,064	211,091	289,041	371,123
Miscellaneous Income [3]	17,500	17,500	17,500	17,500	17,500	17,500
Interest Income [4]	14,365	13,553	12,641	12,648	12,834	13,816
Total Revenues	\$1,291,537	\$1,335,233	\$1,426,877	\$1,500,911	\$1,579,047	\$1,662,111
Revenue Requirements						
Operation and Maintenance Expense	\$1,052,096	\$1,032,684	\$1,074,737	\$1,118,587	\$1,164,305	\$1,241,978
General Expense Allocation [5]	(9,259)	(9,444)	(9,633)	(9,826)	(10,022)	(10,223)
Capital Replacement Transfer	189,363	200,400	197,300	206,100	216,200	230,200
Total Revenue Requirements	\$1,232,200	\$1,223,640	\$1,262,404	\$1,314,861	\$1,370,483	\$1,461,955
Net Funds Available Before Capital	\$59,337	\$111,593	\$164,473	\$186,050	\$208,564	\$200,156
Water Capital						
Capital Sources of Funds						
Capital Replacement Transfer	\$189,363	\$200,400	\$197,300	\$206,100	\$216,200	\$230,200
Reimbursement by Others	-	-	-	-	-	-
Total Capital Sources	\$189,363	\$200,400	\$197,300	\$206,100	\$216,200	\$230,200
Capital Uses of Funds						
Capital Improvement Program [6]	\$451,000	\$467,500	\$364,100	\$341,000	\$280,500	\$379,500
Total Capital Improvement Spending	\$451,000	\$467,500	\$364,100	\$341,000	\$280,500	\$379,500
Net Funds After Capital	(\$202,300)	(\$155,507)	(\$2,327)	\$51,150	\$144,264	\$50,856
Available Operating and Capital Reserves						
Beginning available reserves [7]	\$2,523,079	\$2,320,779	\$2,165,272	\$2,162,945	\$2,214,095	\$2,358,359
Additions (reductions)	(202,300)	(155,507)	(2,327)	51,150	144,264	50,856
Ending available reserves	2,320,779	2,165,272	2,162,945	2,214,095	2,358,359	2,409,215
Target Reserves [8]	2,230,400	2,348,700	2,469,800	2,587,700	2,708,500	2,838,000
Above (below) Target	\$90,379	(\$183,428)	(\$306,855)	(\$373,605)	(\$350,141)	(\$428,785)

[1] Projected using the existing rates.

[2] Includes late fees, miscellaneous, and other income.

[3] Includes capacity charges and late fees.

[4] Interest earnings on the average fund balance calculated at 0.50%.

[5] Excludes street sweeping expenses.

[6] From Table 10.

[7] The available beginning FY 21-22 cash balance provided by District.

[8] Target reserves Includes Operation and Maintenance, Capital Replacement, and Emergency Capital.

Proposed Revenue Adjustments

Table 11 provides the annual revenue increases recommended to meet the financial planning criteria for the five-year Study Period. The financial plan indicates that annual revenue increases of 5.3 percent are recommended beginning on October 1, 2022 and then on each July 1 for the remainder of the Study Period.

A graphical depiction of the revenue and revenue requirements from Table 11 are presented in Figure 1. Revenue using the current rates is shown as the black line while revenue with revenue adjustments is shown as the red line. Figure 1 shows that implementation of the revenue increases will allow the water enterprise to meet annual O&M expense, capital requirements, and reserve contributions which are represented by the columns in the figure.

Figure 1
Water Financial Plan
Comparison of Revenue with Annual Obligations

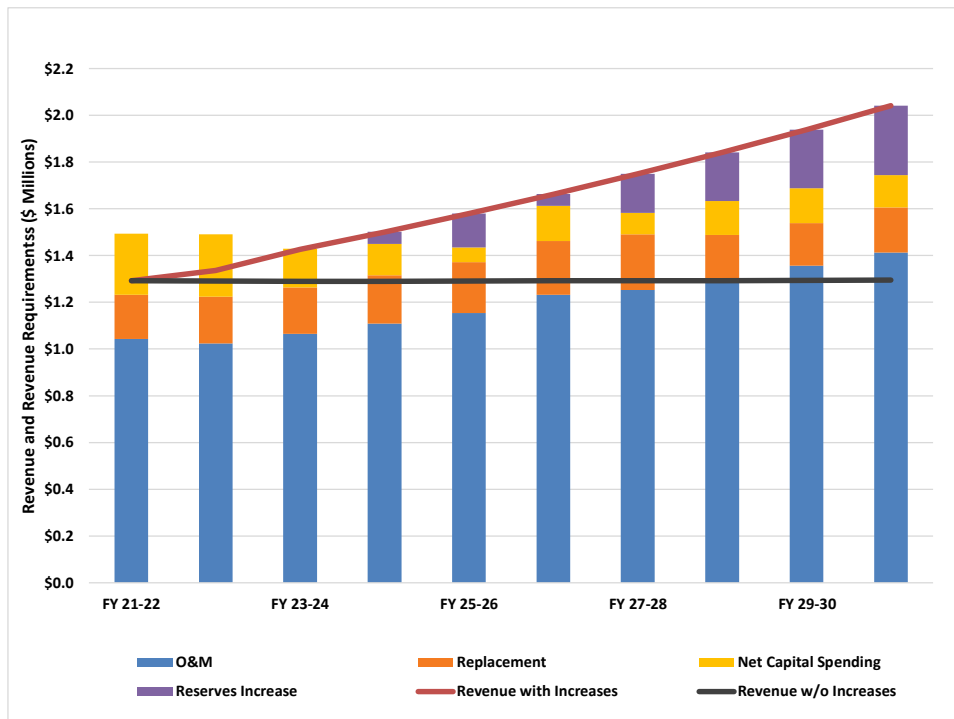


Figure 2 provides a comparison of the projected water system cash reserves with the Target Reserve. The green column represents the cash reserve balance at the end of year (including operating and capital reserves) while the red line indicates the Target Reserve level in total for these reserves. The figure shows that the cash reserve balance increases to meet the Target reserve level in later years assuming implementation of the annual increases from Table 11.

Figure 2
Comparison of Water System Cash Reserves with Target Reserves



Water Cost of Service

This section of the report discusses the allocation of the water system’s operating and capital costs for use in designing water rates. The agency responsible for imposing property-related fees in California is required to establish rates that create a nexus between the cost of providing service and the rates to be imposed.

Industry Methodology

This Study uses methodologies from the American Water Works Association (AWWA) to allocate costs in an appropriate manner. AWWA is an industry trade organization that provides guidance on operations and management of water utilities. AWWA provides general principles to assist agencies in the design of water rates such that they are consistent with local requirements as well as recognizing state laws. The AWWA guidelines have been used to conduct this Study and have been used in the design of the District’s water rates while also following Proposition 218 and the recent San Juan Capistrano court decision.

The annual costs of providing water service from the financial plan are allocated to cost components following guidelines provided in the AWWA Manual M1. The methodology provides the basis to design rates to generate sufficient revenue to meet estimated annual revenue requirements from the financial plan. Costs are then recovered through fixed charges and variable charges to water system users.

Costs of Service to be Allocated

The annual water cost of service consists of the O&M expenses and capital costs of the water system. O&M expenses include costs related to water supply, water distribution, operation and maintenance of the facilities, and general and administrative costs. Capital costs include capital improvement program funding discussed in the financial plan.

Costs are first allocated to water system cost component based on the operating characteristics and design of the water system facilities. Cost allocations consider the average quantity of water consumed as well as the peak rate at which water is consumed. The water system is designed to serve average and peak demands, and costs that are related to serving average and peak demands are allocated in a manner such that they may be recovered appropriately.

The cost allocation components for water service for this Study are Groundwater, Delivery, Peaking, Meters and Services, Customer, and Direct Fire Protection. The 5-year average of District expenses from FY 2021-22 through FY 2025-26, together with average capital costs and revenue offsets, was used for assigning the operating and capital costs of the water system to each of these parameters. The total cost to be recovered from the users of the water system by cost component for FY 2022-23 is presented in Table 12. Appendix A-1 provides a detailed allocation.

Table 12
Allocation of Revenue Requirements to Cost Components

Year	Total Revenue Requirement	Groundwater	Delivery	Peaking	Customer		Direct Fire Protection
					Meters/Serv	Customer	
FY 22-23	\$1,326,435	\$120,657	\$296,018	\$765,596	\$86,381	\$37,179	\$20,604

Water Rate Design

The cost of service analyses described in the previous section provides the basis for water rate design. The intent of the rate design is to achieve fairness and ensure that each customer class pays its fair share of costs. Rates should be simple to administer, easy to understand, and comply with regulatory requirements. This section describes how water rates and charges are designed and includes the proposed schedule of water rates for implementation.

Proposed Water Rate Structure

The recommended water rate structure maintains the fixed charges by meter size structure, however modifies the current uniform volume charge rate structure. The variable rate structure for Residential customers is modified to a tiered rate structure while Commercial and Irrigation customers is modified to an individual class uniform volume rate structure. The design of the water fixed and variable charges is discussed below.

Proposed Fixed Charges

It is proposed that the current fixed charges by meter size structure be maintained. The proposed fixed charges recover Customer and Meters and Services costs identified from Table 12 and allocated Public Fire Protection

costs. Customer and Public Fire Protection costs are recovered based on the number of bills issued. Meters and Services costs are recovered based on meter and service ratios provided by AWWA. The allocation of costs to Public Fire Protection is provided in Table A-3. Private Fire Protection charges are calculated and provided in Appendix A-4 and A-5.

Tables 13 below presents the design of the proposed monthly fixed charges for customers for FY 2022-23 for a 3/4-inch meter. The current fixed charges generate about 56 percent of revenue from water rates. The proposed fixed charges generate approximately 47 percent of the revenue from water rates.

**Table 13
Design of Fixed Charges**

Customer Service Cost		FY 22-23
Customer Cost		\$37,179
Public Fire Protection		532,449
Customer Cost		<u>\$569,629</u>
Number of Bills		15,588
Customer Cost per Unit		\$36.55

Meters and Services Cost		FY 22-23
Meters and Services Cost		\$86,381
Number of Equivalent Meters & Services		16,127
Meters and Services Cost per Unit		\$5.36
Monthly 3/4" Fixed Charge		\$41.91

Fixed charges for meter sizes greater than 3/4-inch are increased as shown below in Table 14 for FY 2022-23. The Meter and Services charge increase with meter and service ratios while the Customer and Public Fire Protection charges do not increase with meter size.

**Table 14
Design of Fixed Charges by Meter Size
FY 22-23**

Meter Size	Meter & Service Ratio	Meter & Services Charge	Public Fire Protection	Customer Charge	Total Monthly Charge
inches					
3/4"	1.00	\$5.36	\$34.16	\$2.39	\$41.91
3/4" x 1"	1.00	\$5.36	\$34.16	\$2.39	\$41.91
1"	1.27	\$6.82	\$34.16	\$2.39	\$43.37
1.5"	1.64	\$8.77	\$34.16	\$2.39	\$45.32
2"	2.64	\$14.13	\$34.16	\$2.39	\$50.68
3"	10.00	\$53.60	\$34.16	\$2.39	\$90.15
4"	12.73	\$68.22	\$34.16	\$2.39	\$104.77

Proposed Variable Charges

Variable charges are designed to recover the costs that were allocated to the Groundwater, Delivery, and Peaking components shown in Table 12. Consumption and peaking characteristics of water system customers were analyzed to allocate costs to customer classification as well as between each tier. The groundwater, delivery, and peaking costs are discussed below.

Groundwater Supply Costs

The District's water supply costs relate to pumping groundwater. These costs consist of electricity, chemicals, and related capital costs that are shared uniformly by all customers of the water system.

Delivery Costs

Delivery costs are operating and capital costs of the water system related to delivering water to all customers at an average rate of use. Delivery costs include a portion of distribution system, reservoirs, treatment, and other related to water consumption under average demand conditions. These costs are also shared uniformly by all customers of the system.

Peaking Costs (Max Day and Max Hour)

Peaking costs are costs associated with meeting peak rates of demand requirements of the water system and include operating and capital costs beyond that required for average rates of use. Water system facilities are designed to meet peak demand requirements and are apportioned to customer classes based on their system use characteristics. Peaking costs include a portion of distribution, reservoirs, utilities, and other costs to meet peak demands and may be assigned to customer classifications and to tiers in a tiered-rate structure based on the customers within the tier that are causing the peak demand.

Proposed Residential Variable Rates

It is proposed that the current uniform volume rate structure be modified to a three-tier rate structure for Residential customers and that individual uniform volume rate structures (no tiers) be established for Commercial and Irrigation customers.

For Residential customers, Tier 1 is defined as consumption to provide basic indoor water use. It is based on 4 persons per household (pph) using 55 gallons per capita per day (gpcd) resulting in a Tier 1 breakpoint of 9 HCF ($4 \text{ pph} \times 55 \text{ gpcd} \times 365 \text{ days per year} \div 748 \text{ HCF}/1,000 \text{ gal} \div 12 \text{ billing periods per year}$). Tier 2 is defined as consumption related to outdoor water use up to the average SFR summer peak demand which was determined from billing information to be 19 HCF. Tier 3 is defined as water use above Tier 2.

Table 15 provides a summary of the variable rate components applicable to the Residential classification consisting of Groundwater, Delivery, and Peaking costs. Groundwater and Delivery costs are allocated to tiers based on water consumption in each tier. Peaking costs are allocated to the defined tiers based on the peaking factors that occur from customers within the tiers based on the tier break points discussed above. Tier 1 is considered to have a peaking factor of 1.0, Tier 2 and Tier 3 have peaking factors that reflect the average use per customer within these tiers as a ratio to Tier 1.

Table 15
Design of Residential Tiered Rate Structure
FY 22-23

Groundwater Supply Component					
Tier	Tier Range	Consumption	% Share	Groundwater Costs	Unit Rate
Tier 1	0 - 9	106,066	51.2%	\$55,110	\$0.52
Tier 2	10 - 19	49,751	24.0%	\$25,850	\$0.52
Tier 3	Over 19	51,155	24.7%	\$26,579	\$0.52
		206,972	100.0%	\$107,539	

Delivery Component					
Tier	Tier Range	Consumption	% Share	Delivery Costs	Unit Rate
Tier 1	0 - 9	106,066	51.2%	\$135,209	\$1.27
Tier 2	10 - 19	49,751	24.0%	\$63,421	\$1.27
Tier 3	Over 19	51,155	24.7%	\$65,210	\$1.27
		206,972	100.0%	\$263,840	

Peaking Component					
Tier	Tier Range	Peaking Factor	Weighted Consumption	Peaking Costs	Unit Rate
Tier 1	0 - 9	1.00	106,066	\$54,507	\$0.51
Tier 2	10 - 19	1.51	75,120	\$38,603	\$0.78
Tier 3	Over 19	4.00	204,592	\$105,138	\$2.06
			385,777	\$198,248	

The sum of the three component's unit rates equals the water rates in the tiers for the Residential classification. Table 16 provides the resulting water rate by tier from summing the Groundwater, Delivery, and Peaking unit rates. Residential customers pay for the same Groundwater and Delivery costs per HCF, however they pay for their individual peaking requirements and associated costs depending on which tier their consumption falls into.

Table 16
Residential Tiered Water Rates
FY 22-23

Description	Range	Groundwater Rate	Delivery Rate	Peaking Rate	Total Rate
	HCF	\$/HCF	\$/HCF	\$/HCF	\$/HCF
Tier 1	0 - 9	\$0.52	\$1.27	\$0.51	\$2.30
Tier 2	10 - 19	\$0.52	\$1.27	\$0.78	\$2.57
Tier 3	Over 19	\$0.52	\$1.27	\$2.06	\$3.85

Proposed Non-Residential Variable Rates

It is proposed that the Commercial and Irrigation classes have an individual uniform volume rate structure that recognizes a blending of the three components of Groundwater, Delivery, and Peaking costs. However, each

classification will recognize the individual peaking characteristics of its class in their variable rate. A uniform variable rate structure is recommended for Commercial classes as they are intended to have separate irrigation meters. Table 17 below provides the non-residential variable rates.

Table 17
Design of Non-Residential Variable Rates
 FY 22-23

Description	Groundwater Costs [1]	Delivery Costs [2]	Peaking Costs [3]	Total Costs sum (1, 2, 3)	Water Volume HCF	Uniform Rate \$/HCF
Commercial	\$6,178	\$15,158	\$21,592	\$42,928	11,891	\$3.61
Irrigation	\$6,896	\$16,920	\$28,699	\$52,515	13,273	\$3.96
Hydrant Meter	\$41	\$101	\$384	\$525	79	\$6.65

Proposed Water Rates

Table 18 presents the proposed fixed charges and variable charges for the water system for the next five years. Table 18 also includes the current fixed and variable rates as well as the future water rates for implementation beginning on October 1, 2022 with the new tiered rate structure. Water fixed and variable charges increase beginning July 1, 2023 with the percentage increases identified in Table 11.

Table 18
Current and Proposed Water Fixed and Variable Charges

	Current Rate	October 1, FY 22-23	July 1, FY 23-24	July 1, FY 24-25	July 1, FY 25-26	July 1, FY 26-27
Fixed Charge (\$ per month)						
Meter Size						
3/4"	\$43.52	\$41.91	\$44.13	\$46.47	\$48.93	\$51.52
3/4" x 1" (residential only)	\$48.56	\$41.91	\$44.13	\$46.47	\$48.93	\$51.52
1"	\$48.56	\$43.37	\$45.67	\$48.09	\$50.64	\$53.32
1.5"	\$55.28	\$45.32	\$47.72	\$50.25	\$52.91	\$55.71
2"	\$73.74	\$50.68	\$53.37	\$56.20	\$59.18	\$62.32
3"	\$209.79	\$90.15	\$94.93	\$99.96	\$105.26	\$110.84
4"	\$260.18	\$104.77	\$110.32	\$116.17	\$122.33	\$128.81
Variable Charge (\$ per HCF)						
Residential						
Tier 1 - 0 to 9 units	\$2.46	\$2.30	\$2.42	\$2.55	\$2.69	\$2.83
Tier 2 - 10 to 19 units	\$2.46	\$2.57	\$2.71	\$2.85	\$3.00	\$3.16
Tier 3 - 19 and Over	\$2.46	\$3.85	\$4.05	\$4.26	\$4.49	\$4.73
Commercial						
All Consumption	\$2.46	\$3.61	\$3.80	\$4.00	\$4.21	\$4.43
Irrigation						
All Consumption	\$2.46	\$3.96	\$4.17	\$4.39	\$4.62	\$4.86
Hydrant Meter						
All Consumption	\$2.46	\$6.65	\$7.00	\$7.37	\$7.76	\$8.17

Water Bill Impact Analysis

An impact analysis was performed to evaluate the change in SFR customer water bills that would occur from the implementation of the proposed water rates for the October 1, 2022 rate structure implementation. As shown in Table 19, a SFR customer with a 3/4-inch meter using the average consumption of 13 HCF monthly will experience a bill that will decrease from \$75.50 to \$72.89, a decrease of \$2.61 or -3.5 percent.

Table 19

Comparison of Current Single-family Residential Monthly Water Bill with 3/4-inch Meter Size with Proposed Bill Using October 2022 Water Rates

Description	Use (HCF)	Current Bill			Proposed FY 22-23 Bill				
		Service Charge	Volume Charge	Current Bill	Service Charge	Volume Charge	Proposed Bill	Dollar Difference	Percent Change
	0	\$43.52	\$0.00	\$43.52	\$41.91	\$0.00	\$41.91	(\$1.61)	-3.7%
Very Low	5	\$43.52	\$12.30	\$55.82	\$41.91	\$11.50	\$53.41	(\$2.41)	-4.3%
Low	8	\$43.52	\$19.68	\$63.20	\$41.91	\$18.40	\$60.31	(\$2.89)	-4.6%
Median	11	\$43.52	\$27.06	\$70.58	\$41.91	\$25.84	\$67.75	(\$2.83)	-4.0%
Average	13	\$43.52	\$31.98	\$75.50	\$41.91	\$30.98	\$72.89	(\$2.61)	-3.5%
	20	\$43.52	\$49.20	\$92.72	\$41.91	\$50.25	\$92.16	(\$0.56)	-0.6%
High	30	\$43.52	\$73.80	\$117.32	\$41.91	\$88.75	\$130.66	\$13.34	11.4%
Very High	50	\$43.52	\$123.00	\$166.52	\$41.91	\$165.75	\$207.66	\$207.45	24.7%

Water Rate Survey

A water rate survey was conducted for neighboring communities to the Mission Hills Community Services District. Chart 1 compares the District's SFR average monthly water bill with those of neighboring communities at the same consumption of 13 HCF monthly. The rate survey includes rate schedules in effect April 2022. Water bills for the District are shown using the current rates and the proposed October 1, 2022 rates. The chart indicates that with the October 1, 2022 water rate structure change, a SFR customer with a 3/4-inch meter using the average monthly consumption of 13 HCF will experience a bill that is in the lower half of the communities listed.

Chart 1
Single-family Residential Monthly Water Bills with 3/4-inch Meter Using 13 HCF



Note: Above table uses water rates in effect April 2022. Bills are not adjusted for property tax revenue received by an agency. Mission Hills Community Services District October 2022 bill is based on the rate structure and rates in Table 18.

Wastewater Financial Planning

Financial planning for the wastewater enterprise includes identifying and projecting revenues and revenue requirements of the wastewater system for a five-year planning period. Estimates of revenue from various sources are compared with the projected revenue requirements. This comparison allows the review of the adequacy of existing revenue to meet annual obligations and provide the basis for revenue adjustments. New wastewater rates and charges are created to recover the District’s annual operating and capital costs associated with the wastewater system.

This section discusses the current wastewater rates, user classifications, revenues and revenue requirements, planned CIP projects and financing sources, and proposed revenue adjustments.

Current Wastewater Rates

The current wastewater rates consist of fixed charges to all customers and variable charges to Commercial customers only. All Residential and Commercial customers are charged the same monthly fixed charge whereas School customers are charged a fixed charge by the Average Daily Attendance (ADA), provided to the District annually from each school. The current rates are presented in Table 20.

Table 20
Current Wastewater Rates

Customer Classification	Fixed Charge (\$/month)
Residential	\$63.83
Commercial	\$63.83
Schools (per ADA)	\$1.17

Customer Classification	Variable Rate (\$/HCF)
Commercial	\$3.87

Wastewater User Classifications

Number of Customers

The District currently classifies wastewater customers as Residential, Commercial, and School classifications. No growth is projected for the Study Period. Residential customers account for about 99 percent of the total accounts served by the wastewater system. Table 21 provides the historical and projected average number of customers and dwelling units by classification.

Table 21
Historical and Projected Average Number of Wastewater Customers by Classification

Customer Class	Historical	Projected					
	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27
Number of Accounts							
Residential	1,279	1,279	1,279	1,279	1,279	1,279	1,279
Commercial	10	10	10	10	10	10	10
School	1	1	1	1	1	1	1
Total Accounts	1,290	1,290	1,290	1,290	1,290	1,290	1,290
Number of Units							
Residential	1,279	1,279	1,279	1,279	1,279	1,279	1,279
School (ADA)	479	479	479	479	479	479	479

Number of Water Meters of Wastewater Customers

Table 22 provides a summary of the current and projected average number of wastewater customers by meter size. The majority of customers have 3/4-inch meters (70 percent) installed at the service location. It is assumed that all new residential customers will have 3/4 x 1-inch meters (residential only meters) installed and this is the minimum size for new meter installations for the District’s customer base.

Table 22
Historical and Projected Number of Water Meters by Size of Wastewater Customers

Description	Historical	Projected					
	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27
Active Wastewater Meters/Accounts [1]							
3/4"	855	855	855	855	855	855	855
3/4" x 1"	428	428	428	428	428	428	428
1"	1	1	1	1	1	1	1
1.5"	1	1	1	1	1	1	1
2"	2	2	2	2	2	2	2
3"	1	1	1	1	1	1	1
4"	2	2	2	2	2	2	2
Total Accounts	1,290	1,290	1,290	1,290	1,290	1,290	1,290

[1] Historical Sewer accounts for FY 20-21 were provided through District billing records.

Water Sales Volumes of Wastewater Customers

Table 23 provides the historical and projected water sales volumes of wastewater customers by classification. Water sales volumes were projected by recognizing the growth in the number of accounts and the FY 2020-21 use per customer. Residential customers account for more than 94 percent of the water sales volumes of wastewater customers.

The water sales volumes of wastewater customers are used to calculate projected wastewater revenue and estimate wastewater discharge volumes. The wastewater discharge volumes are used for cost allocation purposes to assign cost responsibility based on wastewater flow of each class.

Table 23
Historical and Projected Water Consumption of Wastewater Customers (in HCF)

Description	Historical	Projected ^[1]					
	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27
Residential	206,972	206,972	206,972	206,972	206,972	206,972	206,972
Commercial	3,647	3,647	3,647	3,647	3,647	3,647	3,647
School	8,244	8,244	8,244	8,244	8,244	8,244	8,244
Total Projected Consumption	218,863	218,863	218,863	218,863	218,863	218,863	218,863

[1] Forecast assumes that the use per customer from FY 20-21 and applied to the number of customers.

Wastewater Financial Plan

The financial plan provides the means of analyzing the revenue and revenue requirements of the wastewater system and its impact on reserves as well as the ability to fund on-going O&M expense and capital infrastructure requirements. Discussed below are the projection of revenue, O&M expense, CIP needs of the wastewater system and its financing, and revenue adjustments needed to maintain a sustainable wastewater enterprise.

Revenues

The Sewer Fund receives revenue from charges for wastewater service and miscellaneous sources. Wastewater service revenue is received from rates and charges for wastewater service. Table 24 presents the projected fixed and variable rate revenue from current wastewater rates. The revenue is projected by applying the current wastewater rates from Table 20 to the projected number of accounts and consumption.

Table 24
Projected Rate-based Wastewater Revenue Using Existing Rates

Description	Projected					
	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27
Wastewater Service Revenues						
Fixed Charges ^[1]	\$986,388	\$986,388	\$986,388	\$986,388	\$986,388	\$986,388
Variable Charges ^[2]	14,114	14,114	14,114	14,114	14,114	14,114
Total Revenues From Current Rates	\$1,000,502	\$1,000,502	\$1,000,502	\$1,000,502	\$1,000,502	\$1,000,502

[1] FY 21-22 and forecast revenue calculated by multiplying current water service rate by the number of projected meters.

[2] FY 21-22 and forecast revenue calculated by multiplying projected water sales by the current variable rates.

Miscellaneous Revenue

Miscellaneous revenues are received from late charges. Table 25 below provides sources of wastewater miscellaneous revenue.

Table 25
Projected Wastewater Miscellaneous Revenue

Description	Budget		Projected			
	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27
Late Fees/Charges	\$17,500	\$17,500	\$17,500	\$17,500	\$17,500	\$17,500
Total Miscellaneous Revenues	\$17,500	\$17,500	\$17,500	\$17,500	\$17,500	\$17,500

Revenue Requirements

Revenue requirements of the wastewater system include expenses associated operating and maintaining the wastewater system as discussed below.

Operation and Maintenance Expense

O&M are an on-going obligation of the wastewater system and such costs are normally met from wastewater service revenue. O&M includes the cost to operate and maintain the wastewater collection system, lift stations, and treatment and disposal facilities. Costs also include technical services and other general and administrative expenses.

O&M has been projected recognizing the major expense categories of personnel services, electric power expense, capital outlay, and all other expenses. Personnel costs consist of salaries and benefits expense of those personnel directly involved with providing wastewater service. Salaries expense is projected to increase by 2.5 percent annually while benefits expense is also projected to increase by 2.5 percent annually. Electric power expense is projected to increase annually at 3 percent while chemicals expense increases by 3 percent. All

other O&M expense is projected to increase by 2 percent annually. Capital outlay is projected to increase by 3 percent annually. Table 26 provides a summary of the wastewater O&M expenses for the Study period.

Table 26
Projected Wastewater Operation and Maintenance Expense

Description	Budget		Projected			
	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27
Wastewater Personnel Services						
Salaries & Wages	\$348,187	\$365,596	\$383,876	\$403,070	\$423,223	\$444,385
Benefits	126,277	132,591	139,220	146,181	153,490	161,165
Subtotal	\$485,964	\$509,975	\$535,178	\$561,635	\$589,407	\$618,561
Wastewater Operations and Maintenance						
Chemicals	\$42,900	\$45,474	\$48,202	\$51,094	\$54,160	\$57,410
Contractual Services	31,200	32,448	33,746	35,096	36,500	37,960
Professional Services	69,000	15,000	15,600	16,224	16,873	37,548
Utilities	76,500	78,795	81,159	83,594	86,102	88,685
Repairs and Maintenance	35,001	36,401	37,856	39,370	40,945	42,583
All Other	139,923	144,980	150,239	155,709	161,397	167,311
Subtotal	\$394,524	\$353,098	\$366,802	\$381,087	\$395,977	\$431,497
Less Allocated Street Sweeping Costs	(\$6,173)	(6,296)	(6,422)	(6,551)	(6,682)	(6,815)
Total Wastewater System O&M Expense	\$874,315	\$856,777	\$895,558	\$936,171	\$978,702	\$1,043,243

Wastewater Capital Improvement Program

The District has developed a CIP that lists wastewater capital expenditures for FY 2021-22 through FY 2026-27, presented in Table 27. The CIP consists of various collection, lift station, treatment, equipment and other capital projects. The District projects that it would expend approximately \$1.9 million over this period. The CIP is funded through District reserves and rate revenue.

Table 27
Wastewater Capital Improvement Program

Description	Budget		Projected			
	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27
Capital Improvement Program (CIP) Projects [1]						
Collection						
Video and Clean Sewer Lines	\$40,000	\$51,500	\$53,000	\$54,600	\$56,300	\$58,000
Equipment						
Replace Vehicle 2007 GMC Pickup	-	-	63,700	-	-	-
Case / Tractor Backhoe	-	61,800	-	-	-	-
Replace Ops Truck	-	-	-	43,700	-	58,000
Jetter	40,000	-	-	-	-	-
Lift Stations						
Replace Lift Station with Backup Power	165,000	206,000	79,600	-	-	-
SCADA Install	-	25,800	26,500	16,400	-	-
Pond #8 Liner (Lift Station overflow Impact Reduction)	-	-	53,000	54,600	56,300	-
Wastewater Treatment						
Pond Valve Stem Replacement	40,000	51,500	42,400	43,700	-	-
Aeration System Replacement	-	-	-	-	112,600	115,900
Pond Rehabilitation or Upgrade	-	-	53,000	109,300	112,600	115,900
Bio-Remediation (sludge removal)	-	-	-	54,600	56,300	-
Solar/Battery Energy						
Bid Documents, Specifications, PM Estimate	-	15,500	26,500	-	-	-
Contingency	27,075	41,200	39,800	37,700	39,400	34,800
Total Water CIP	\$312,075	\$453,300	\$437,500	\$414,600	\$433,500	\$382,600

[1] CIP Source: FY 21-22 District CIP document.

Wastewater Financial Plan

A financial plan has been prepared for the wastewater utility that includes the revenues and revenue requirements that were identified for the wastewater system. The plan is presented in Table 28 and incorporates specific financial planning goals to provide guidance to maintain the health of the wastewater utility on an on-going basis. The goals included the following items.

- Generate positive levels of income in each year of the Study period
- Fund capital improvement program requirements
- Maintain the operating and capital reserves at or greater than target levels
- Fund the required debt service reserve
- Maintain debt service coverage ratios at or greater than the minimum required

Table 28
Wastewater Financial Plan

Description	Projected					
	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27
Proposed Revenue Increase (October 1)		8.4%				
Proposed Revenue Increase (July 1)			8.4%	8.4%	8.4%	8.4%
Wastewater Operations						
Revenue						
Revenues from Existing Sewer Rates [1]	\$1,000,502	\$1,000,502	\$1,000,502	\$1,000,502	\$1,000,502	\$1,000,502
Total Additional Wastewater Service Revenue [2]	0	56,028	175,144	273,898	380,948	496,990
Miscellaneous Income [3]	17,500	17,500	17,500	17,500	17,500	17,500
Interest Income [4]	8,174	7,235	6,425	6,110	6,169	6,644
Total Revenues	\$1,026,176	\$1,081,265	\$1,199,571	\$1,298,010	\$1,405,119	\$1,521,636
Revenue Requirements						
Operation and Maintenance Expense	\$880,488	\$863,073	\$901,980	\$942,722	\$985,384	\$1,050,058
General Expense Allocation [5]	(6,173)	(6,296)	(6,422)	(6,551)	(6,682)	(6,815)
Capital Replacement Transfer	183,285	194,700	219,200	232,300	255,200	278,600
Total Revenue Requirements	\$1,057,600	\$1,051,477	\$1,114,758	\$1,168,471	\$1,233,902	\$1,321,843
Net Funds Available Before Capital	(\$31,424)	\$29,788	\$84,813	\$129,539	\$171,217	\$199,793
Wastewater Capital						
Capital Sources of Funds						
Capital Replacement Transfer	\$183,285	\$194,700	\$219,200	\$232,300	\$255,200	\$278,600
Total Capital Sources	\$183,285	\$194,700	\$219,200	\$232,300	\$255,200	\$278,600
Capital Uses of Funds						
Capital Improvement Program [6]	\$312,075	\$440,000	\$412,500	\$379,500	\$385,000	\$330,000
Total Capital Improvement Spending	\$312,075	\$440,000	\$412,500	\$379,500	\$385,000	\$330,000
Net Funds After Capital	(\$160,214)	(\$215,512)	(\$108,487)	(\$17,661)	\$41,417	\$148,393
Available Operating and Capital Reserves						
Available Reserves						
Beginning available reserves [7]	\$1,714,987	\$1,554,773	\$1,339,261	\$1,230,774	\$1,213,113	\$1,254,530
Additions (reductions)	(160,214)	(215,512)	(108,487)	(17,661)	41,417	148,393
Ending available reserves	1,554,773	1,339,261	1,230,774	1,213,113	1,254,530	1,402,923
Target Reserves [8]	1,492,400	1,600,400	1,722,400	1,851,700	1,989,200	2,140,300
Above (below) Target	\$62,373	(\$261,139)	(\$491,626)	(\$638,587)	(\$734,670)	(\$737,377)

[1] Projected using the existing rates.

[2] Additional revenue from proposed rate adjustments.

[3] Includes capacity charges and late fees.

[4] Interest earnings on the average fund balance calculated at 0.50%.

[5] Excludes street sweeping expenses.

[6] From Table 27.

[7] The available beginning FY 21-22 cash balance provided by District.

[8] Target reserve includes Operation Maintenance, Capital Replacement, and Emergency Reserves.

Proposed Revenue Adjustments

Table 28 provides the annual revenue increases recommended to meet the financial planning goals for the five-year Study period. The financial plan indicates that annual revenue increases of 8.4 percent are recommended on October 1, 2022 and on each July 1 through FY 2026-27. The increases are necessary to meet the planning goals discussed above.

A graphical depiction of the revenue and revenue requirements from Table 28 is presented in Figure 3. Revenue using the current rates is shown as the black line while revenue with increases is shown as the red line. The figure shows that implementation of the revenue increases will provide sufficient revenue to allow the wastewater enterprise to meet annual obligations, capital requirements, and reserve contributions which are represented by columns in the figure.

Figure 3
Wastewater Financial Plan
Comparison of Revenue with Annual Obligations

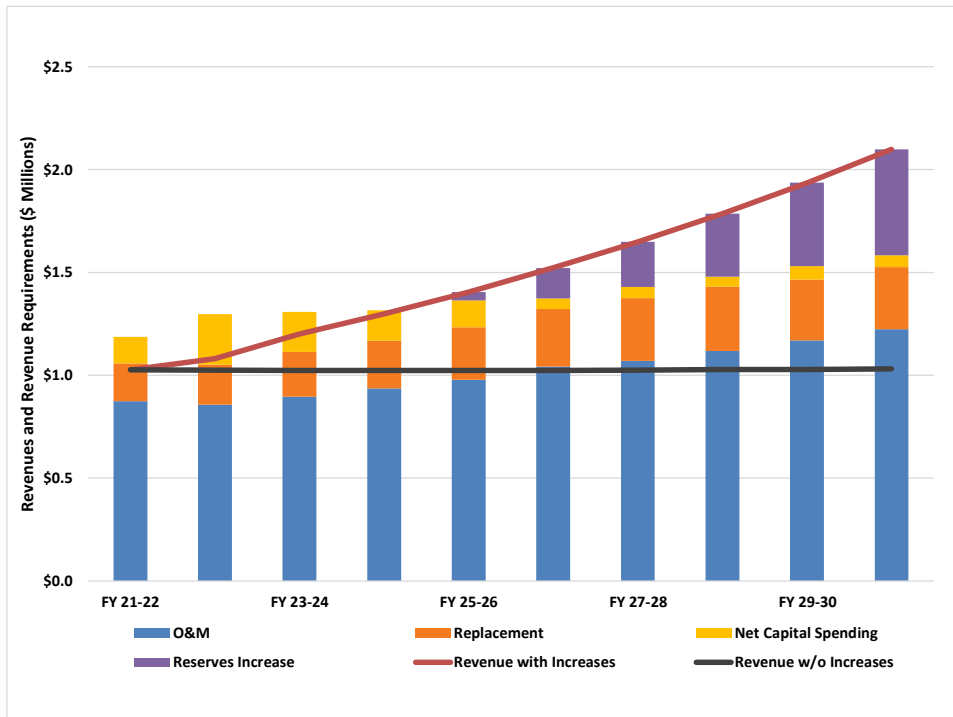
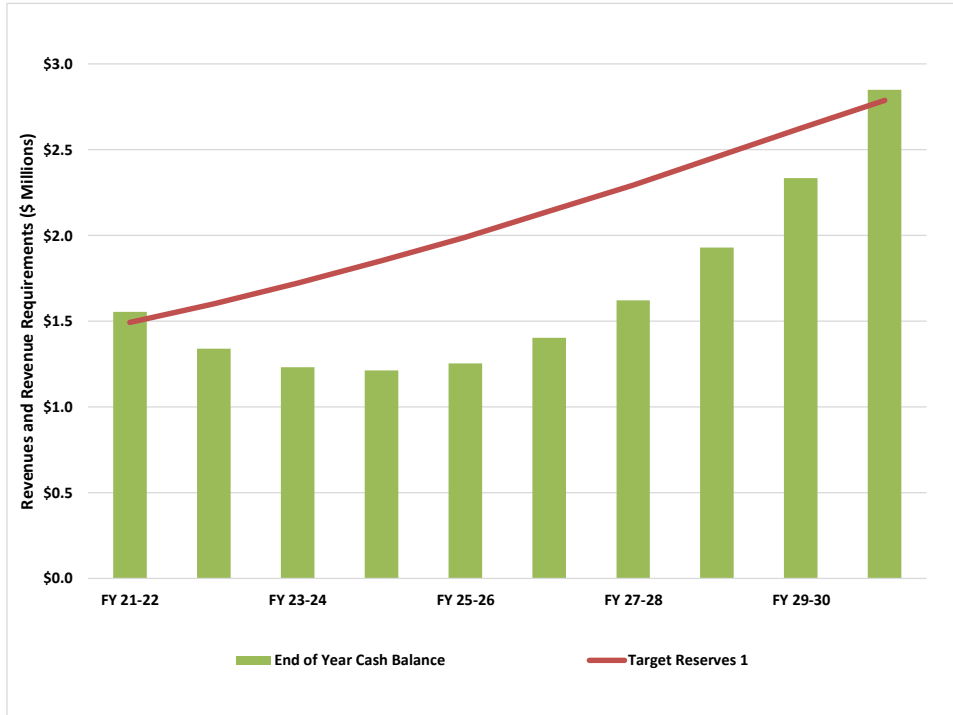


Figure 4 compares the wastewater system cash reserves with the Target Reserves. The green columns represent the cash reserve balance at the end of year while the red line indicates the Target Reserve level. The figure shows that the operating and capital fund reserve balance (green columns) are below the Target Reserve (red line) in the initial years of the Study Period, however, returns to meet the target reserve in the later years of the Study.

Figure 4
Comparison of Wastewater System Cash Reserves with Target Reserves



Wastewater Cost of Service

This section of the report discusses how the wastewater system’s operating and capital costs are allocated for use in designing rates. Establishing rates in California requires that the agency responsible for imposing property-related fees create a nexus between the cost of providing service and the rates to be imposed.

Industry Methodology

Methodology from the Water Environment Federation (WEF) is used in this Study to allocate wastewater costs in an appropriate manner. Similar to AWWA, WEF is an industry trade organization that provides guidance on operations, technical training, education, and management of wastewater utilities. General principles are provided to assist agencies with the design of wastewater rates and charges that are consistent with local requirements while also recognizing state laws and legal framework.

Costs of Service to be Allocated

The five-year average annual revenue requirement for years FY 2021-22 through FY 2025-26 is defined as the Test Year used for wastewater rate setting. The annual costs will be used to evaluate the fairness and equity of the current wastewater rates and will form the basis for the proposed rates.

The cost of service consists of O&M expense and capital funding needs. To establish the cost of providing service to the users of the wastewater system, costs need to first be allocated to wastewater parameters.

Cost Allocation to Wastewater Parameters

For the approach used for this Study, the cost allocation components for wastewater service are Flow, Biochemical Oxygen Demand (BOD), suspended solids (SS), and Customer. Operating and capital costs are assigned to each parameter based on the functional operation and design of the facilities.

The total cost to be recovered FY 2022-23 from the users of the wastewater system is presented in Table 29. The annual revenue requirement is allocated to each wastewater parameter based on a detailed review of expenses and capital requirements and is used in calculating the unit costs of service. A detailed allocation is provided in Appendix B-1.

Table 29
Allocation of Revenue Requirements to Cost Components

Year	Total Revenue Requirement	Flow	Strength		
			BOD	SS	Customer
FY 22-23	\$1,084,544	\$181,655	\$359,523	\$359,526	\$183,841

Unit Costs of Service

Each customer classification’s responsibility for a portion of the cost of service is established through developing unit costs of service for each of the wastewater parameters described above. Costs of service by component are then distributed to each user customer classification by identifying how each group uses the wastewater system, or their units of service. By applying the unit costs to each customer class’s units of service, the cost of service by customer class is established.

A wastewater mass balance was performed that reconciled estimated wastewater flow from District customers to the influent flow received at the wastewater treatment plant. The units of service for wastewater flow, BOD, and SS by customer classification were identified from the analysis for FY 2019-20.

Table 30 presents the unit costs of providing service for the wastewater system. Unit costs are determined by dividing the costs by parameter from Table 29 by the units of service provided in Appendix B-2.

Table 30
FY 22-23 Development of Unit Costs

Description	FY 22-23		Strength		
	Total Costs	Flow	BOD	SS	Customer
Total Costs of Service	\$1,084,544	\$181,655	\$359,523	\$359,526	\$183,841
Units of Service		135,067	271,282	240,367	15,480
Unit Costs of Service		\$1.3449	\$1.3253	\$1.4957	\$11.8760
Units of Measure		HCF	lb	lb	Bills

User Class Costs

The unit costs from Table 30 are applied to each customer classifications' flow, BOD, SS, and customer units of service to establish user class costs. The cost of service responsibility of each class is provided in Table 31.

Table 31
Distribution of Costs to Customer Classes FY 22-23

Description	Allocated Total Cost	Flow	Strength		
			BOD	SS	Customer
Unit Costs of Service		\$1.3449	\$1.3253	\$1.4957	\$11.8760
Units of Measure		HCF	lb	lb	Bills
Residential					
Units of Service		130,786	261,950	234,663	15,348
Allocated Cost of Service	\$1,056,318	\$175,896	\$347,154	\$350,994	\$182,273
Commercial					
Units of Service		2,553	7,457	4,261	120
Allocated Cost of Service	\$21,114	\$3,433	\$9,882	\$6,373	\$1,425
School					
Units of Service		1,729	1,876	1,443	12
Allocated Cost of Service	\$7,112	\$2,325	\$2,486	\$2,158	\$143
Total Costs of Service	\$1,084,544	\$181,655	\$359,523	\$359,526	\$183,841

Wastewater Rates

The goal of the rate design is to achieve fairness while ensuring that each customer class pays its fair share of costs. Rates should be simple to administer, easy to understand, and comply with regulatory requirements. This section describes how wastewater rates and charges are designed and includes the proposed schedule of wastewater rates for implementation.

Proposed Wastewater Rates

The recommended wastewater rate structure is the same at the District's current rate structure. The design of the wastewater fixed and variable charges is discussed below.

Proposed Fixed Charges

For Residential customers, fixed charges are designed by taking the total allocated cost and dividing it by the number of bills issued for this class. Commercial customers are charged the same fixed charge as Residential customers. School customers fixed charges are calculated by taking the total allocated cost and dividing it by the number of ADA. Table 32 provides the fixed charges for FY 2022-23.

Proposed Variable Charges

Variable charges calculated for this Study only apply to Commercial customers. All Commercial costs that are not recovered from the fixed charges are recovered from a variable charge calculated to equal to the remaining costs that were not recovered from the fixed charges, divided by the water consumption of this class.

Tables 32 presents the design of the proposed monthly fixed and variable charges for all customers for FY 2022-23. The current fixed charges generate about 99 percent of revenue from wastewater rates. The proposed fixed charges also generate approximately 99 percent of the revenue from wastewater rates.

Table 32
Design of Wastewater Rates

Customer Classification	Total Cost of Service	Number of Bills [1]	Mo. Fixed Charge [2]	Avg Winter Water Volume	Variable Rate [3]
Residential	\$1,056,318	15,348	\$68.82		
Commercial	\$21,114	120	\$68.82	2,553	\$5.04
School	\$7,112	479	\$1.24		
Total	\$1,084,544				

[1] Number of bills except for Schools which is Average Daily Attendance (ADA).

[2] For Residential, total costs divided by number of bills. Commercial charge set equal to Residential Charge.

[3] Total Commercial costs greater than monthly charge multiplied by number of bills is divided by average winter water volume.

Proposed Wastewater Rates

Table 33 presents the proposed fixed charges and variable charges for the wastewater system for the next five years. The current fixed and variable rates are provided in the table as well as the future wastewater rates for implementation beginning on October 1, 2022. Wastewater fixed and variable charges increase beginning July 1, 2023 with the percentage increases identified in Table 28.

Table 33
Current and Proposed Wastewater Fixed and Variable Charges

Rate Description	Current Rate	October 1, FY 22-23	July 1, FY 23-24	July 1, FY 24-25	July 1, FY 25-26	July 1, FY 26-27
Monthly Fixed Charges						
Residential	\$63.83	\$68.82	\$74.60	\$80.87	\$87.66	\$95.02
Commercial	\$63.83	\$68.82	\$74.60	\$80.87	\$87.66	\$95.02
School (per ADA)	\$1.17	\$1.24	\$1.34	\$1.46	\$1.58	\$1.71
Variable Charges						
Commercial	\$3.87	\$5.04	\$5.46	\$5.92	\$6.42	\$6.96

Wastewater Bill Impact Analysis

An impact analysis was performed to evaluate the change in SFR customer wastewater bills that would occur from the implementation of the proposed wastewater rates for the October 1, 2022 increase. As shown in Table 34, a SFR customer will experience a bill that will increase from \$63.83 to \$68.82, an increase of \$4.99 or 7.8 percent.

Table 34
Comparison of Current Single-family Residential Monthly Wastewater Bill with Proposed Bill Using October 2022 Wastewater Rates

Description	Use (HCF)	Current Bill			Proposed FY 22-23 Bill				
		Service Charge	Volume Charge	Current Bill	Service Charge	Volume Charge	Proposed Bill	Dollar Difference	Percent Change
	0	\$63.83	\$0.00	\$63.83	\$68.82	\$0.00	\$68.82	\$4.99	7.8%
Very Low	5	\$63.83	\$0.00	\$63.83	\$68.82	\$0.00	\$68.82	\$4.99	7.8%
Low	10	\$63.83	\$0.00	\$63.83	\$68.82	\$0.00	\$68.82	\$4.99	7.8%
Median	10	\$63.83	\$0.00	\$63.83	\$68.82	\$0.00	\$68.82	\$4.99	7.8%
Average	13	\$63.83	\$0.00	\$63.83	\$68.82	\$0.00	\$68.82	\$4.99	7.8%
	20	\$63.83	\$0.00	\$63.83	\$68.82	\$0.00	\$68.82	\$4.99	7.8%
High	30	\$63.83	\$0.00	\$63.83	\$68.82	\$0.00	\$68.82	\$4.99	7.8%
Very High	50	\$63.83	\$0.00	\$63.83	\$68.82	\$0.00	\$68.82	\$4.99	7.8%

Wastewater Rate Survey

A wastewater rate survey was conducted for neighboring communities to the Mission Hills Community Services District. Chart 2 compares the District's SFR monthly wastewater bill using 13 HCF with those of neighboring communities at the same consumption level. The rate survey includes rate schedules in effect April 2022. Wastewater bills for the District are shown using the current rates and the proposed rates for implementation October 1, 2022. The chart indicates that a District SFR customer will experience a bill that is in the mid-range of the communities listed.

Chart 2
Single-family Residential Monthly Wastewater Bills with 3/4-inch Meter Using 13 HCF



Note: Above table uses wastewater rates in effect April 2020. Bills are not adjusted for property tax revenue received by and agency. Cities of Santa Barbara and Lompoc assume 10 HCF per month. Mission Hills Community Services District October 2022 bill is based on the rate structure and rates in Table 36.

Street Sweeping Rates

A comparison of revenue received from street sweeping charges with projected street sweeping expenses is provided in Table 35 below. Expenses are increased in FY 2022-23 as specified by the District and are projected to increase by 2 percent annually. Revenues are stated as budgeted for FY 2021-22 and are based on the current rate of \$1.32 per account. The table indicates that no changes to the street sweeping rate is required at this time.

Table 35
Street Sweeping Financial Plan

Description	Budget		Forecast			
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Proposed Revenue Increase (July 1)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Sources of Funds						
Street Sweeping Revenues, Existing Rates [1]	\$18,707	\$18,707	\$18,707	\$18,707	\$18,707	\$18,707
Additional Street Sweeping Revenue [2]	0	0	0	0	0	0
Late Fees/Charges	288	300	300	300	300	300
Total Sources of Funds	\$18,995	\$19,007	\$19,007	\$19,007	\$19,007	\$19,007
Uses of Funds						
Operation and Maintenance Expense [3]	\$16,200	\$16,975	\$17,315	\$17,661	\$18,014	\$18,374
Total Uses of Funds	\$16,200	\$16,975	\$17,315	\$17,661	\$18,014	\$18,374
Additions (reductions) to cash	\$2,795	\$2,032	\$1,692	\$1,346	\$993	\$633

[1] Projected using the existing rates.
 [2] Additional street sweeping revenue from rate increases.
 [3] Operation and maintenance expense inflates at 2.0% annually.

Appendix A

Water System Allocation of Revenue Requirements, Units of Service, Cost of Service Allocation, and Private Fire Protection Charges are provided in Appendix A.

Appendix A-1
Allocation of Water Revenue Requirements to Cost Component

Description	5 Year		Delivery		Peaking		Customer		Fire	
	Average	Groundwater	Fixed	Max Day	Max Hour	Meters/Serv	Customer	Protection	General	
Water Salaries and Benefits Expense										
Salaries and Benefits	\$552,579	\$0	\$117,422	\$117,423	\$234,847	\$55,258	\$16,577	\$11,052	\$0	
Total Personnel Services	\$552,579	\$0	\$117,422	\$117,423	\$234,847	\$55,258	\$16,577	\$11,052	\$0	
Water Operations and Maintenance										
Operating Supplies	\$21,322	\$0	\$6,203	\$5,927	\$8,068	\$860	\$0	\$264	\$0	
Chemicals	38,023	38,023	-	-	-	-	-	-	-	
Contractual Services	50,697	-	-	-	-	-	-	-	50,697	
Professional Services	34,969	-	-	-	-	-	-	-	34,969	
Monitoring (Lab Samples)	15,599	-	-	-	-	-	15,599	-	-	
Utilities	99,281	89,353	-	9,928	-	-	-	-	-	
Government Fees	44,759	-	-	-	-	-	-	-	44,759	
Repairs and Maintenance	-	-	-	-	-	-	-	-	-	
Distribution	41,291	-	8,774	8,774	17,549	4,129	-	2,065	-	
Reservoirs	6,079	-	608	5,471	-	-	-	-	-	
Shop & Equipment Repair	5,295	-	-	-	-	-	-	-	5,295	
Treatment Plant	4,847	-	2,424	2,423	-	-	-	-	-	
Wells & Pumping	32,246	-	16,123	16,123	-	-	-	-	-	
Meters	-	-	-	-	-	-	-	-	-	
Miscellaneous	50,898	-	-	-	-	-	-	-	50,898	
All Other	79,598	-	-	-	-	-	-	-	79,598	
Subtotal Water Operations and Maintenance	\$524,902	\$127,375	\$34,131	\$48,646	\$25,617	\$4,989	\$15,599	\$2,329	\$266,216	
General and Administration Expense	-	-	-	-	-	-	-	-	-	
Allocation of Total General Expense		41,798	49,732	54,495	85,471	19,770	10,559	4,391	(266,216)	
Total Operation and Maintenance Expense	\$1,077,482	\$169,173	\$201,286	\$220,564	\$345,935	\$80,017	\$42,735	\$17,772	\$0	
Capital Costs										
Capital Improvement Program [6]	\$380,820	\$0	\$110,795	\$105,850	\$144,096	\$15,367	\$0	\$4,712	\$0	
Total Capital Costs	\$582,693	\$0	\$169,528	\$161,961	\$220,481	\$23,513	\$0	\$7,210	\$0	
Adjustments										
Revenue Offsets	(\$30,708)	\$0	(\$6,806)	(\$7,457)	(\$11,695)	(\$2,706)	(\$1,444)	(\$600)	\$0	
Adjustments for Annual Cash Balance	32,944	-	7,300	8,000	12,547	2,902	1,550	645	-	
Adjustments to Annualize Rate Increase	197,422	-	43,749	47,940	75,189	17,392	9,289	3,863	-	
Total Adjustments	\$199,658	\$0	\$44,243	\$48,483	\$76,041	\$17,588	\$9,395	\$3,908	\$0	
Total Cost of Service	\$1,859,832	\$169,173	\$415,056	\$431,008	\$642,457	\$121,118	\$52,130	\$28,890	\$0	
Percent Allocation		9.1%	22.3%	23.2%	34.5%	6.5%	2.8%	1.6%		
FY 2022-23 Cost of Service	\$1,326,435	120,657	296,018	307,395	458,201	86,381	37,179	20,604		

Table A-2
FY 22-23 Units of Service

Customer Class	FY 22-23		Max Day		Max Hour		Direct	
	Annual Use	Average Daily Use	Extra Capacity	Extra Capacity	Meter Capacity	Meters & Services	Customer	Fire Protection
	HCF	HCF	HCF/day	HCF/day	Eq. Mtr	Eq. Mtr/Srv	Bills	Eq. Hyd
Residential	206,972	567	231	1,357	15,348	15,348	15,348	
Commercial	11,891	33	36	101	983	572	132	
Irrigation	13,273	36	51	124	285	192	96	
Hydrant Meter	79	0	1	1	15	15	12	
Fire Protection								
Public Fire Hydrants			536	3,755				1,272
Private Fire Protection			5	35				
Total System	232,215	636	860	5,373	16,631	16,127	15,588	1,272

Table A-3
Distribution of Costs to Customer Classes FY 22-23

Description	Allocated		Delivery		Peaking		Customer		Direct Fire Protection
	Total Cost	Groundwater	Fixed	Max Day	Max Hour	Meters/Serv	Customer		
Unit Costs of Service		\$0.52	\$1.27	\$357.34	\$85.27	\$5.36	\$2.39	\$16.20	
Units of Measure		HCF	HCF	HCF/day	HCF/day	Eq. Mtr/Srv	Bills	Eq. Hyd	
Residential									
Units of Service		206,972	206,972	231	1,357	15,348	15,348	0	
Allocated Cost of Service	\$688,443	\$107,539	\$263,840	\$82,528	\$115,720	\$82,209	\$36,607	\$0	
Commercial									
Units of Service		11,891	11,891	36	101	572	132	0	
Allocated Cost of Service	\$46,305	\$6,178	\$15,158	\$13,015	\$8,577	\$3,062	\$315	\$0	
Irrigation									
Units of Service		13,273	13,273	51	124	192	96	0	
Allocated Cost of Service	\$53,773	\$6,896	\$16,920	\$18,094	\$10,605	\$1,028	\$229	\$0	
Hydrant Meter									
Units of Service		79	79	1	1	15	12	0	
Allocated Cost of Service	\$636	\$41	\$101	\$280	\$104	\$82	\$29	\$0	
Public Fire Hydrants									
Units of Service			0	536	3,755	0	0	1,272	
Allocated Cost of Service	\$532,449		\$0	\$191,670	\$320,175	\$0	\$0	\$20,604	
Private Fire Protection									
Units of Service			0	5	35	0	0	0	
Allocated Cost of Service	\$4,829		\$0	\$1,808	\$3,021	\$0	\$0	\$0	
Total Costs of Service	\$1,326,435	\$120,655	\$296,018	\$307,395	\$458,201	\$86,381	\$37,179	\$20,604	

Appendix A-4
Design of Private Fire Protection Charges

Fire Protection	FY 22-23
Private Fire Protection Cost	\$4,829
Private Fire Protection Eq. 6" Hydrants	12
Private Fire Protection 6" Charge	\$402.39

Appendix A-5
Proposed Monthly Private Fire Protection Charges

Fireline Size	Hydrant Ratio	October 1, FY 22-23	July 1, FY 23-24	July 1, FY 24-25	July 1, FY 25-26	July 1, FY 26-27
inches						
3/4" x 1"	0.00	\$1.70	\$1.79	\$1.88	\$1.98	\$2.08
1"	0.01	\$3.62	\$3.81	\$4.01	\$4.22	\$4.44
1.5"	0.03	\$10.50	\$11.06	\$11.65	\$12.27	\$12.92
2"	0.06	\$22.38	\$23.56	\$24.81	\$26.12	\$27.50
3"	0.16	\$65.00	\$68.45	\$72.08	\$75.90	\$79.92
4"	0.34	\$138.53	\$145.87	\$153.60	\$161.74	\$170.31
6"	1.00	\$402.39	\$423.72	\$446.18	\$469.83	\$494.73
8"	2.13	\$857.51	\$902.96	\$950.82	\$1,001.21	\$1,054.27

Appendix B

Wastewater System Allocation of Revenue Requirements and Units of Service are provided in Appendix B.

Appendix B-1
Allocation of Wastewater Revenue Requirements to Cost Component

Description	5 Year		Strength		Customer	General
	Average	Flow	BOD	SS		
Wastewater Personnel Services						
Salaries and Benefits [1]	\$536,432	\$0	\$241,393	\$241,396	\$53,643	\$0
Total Personnel Services	\$536,432	\$0	\$241,393	\$241,396	\$53,643	\$0
Wastewater Operations and Maintenance						
Chemicals	\$48,366	\$48,366	-	-	-	-
Contractual Services	33,798	-	-	-	-	33,798
Professional Services	26,539	-	-	-	-	26,539
Utilities	81,230	81,230	-	-	-	-
Repairs and Maintenance	-	-	-	-	-	-
Lift Stations	9,408	9,408	-	-	-	-
Collection	2,455	-	-	-	2,455	-
Treatment Plant	24,634	-	12,317	12,317	-	-
Shop Equipment and Repair	711	-	-	-	-	711
Miscellaneous	707	-	-	-	-	707
All Other	150,450	-	1,184	1,184	22,477	125,604
Total Wastewater Operating Expense	\$378,298	\$139,004	\$13,501	\$13,501	\$24,932	\$187,360
Allocation of Total General Costs	-	2,949	79,891	79,892	24,628	(187,360)
General and Administrative Expense [3]	-	-	-	-	-	-
Total Operation and Maintenance Expense	\$914,730	\$141,953	\$334,785	\$334,789	\$103,203	\$0
Capital Costs						
Capital Replacement Transfer	\$216,937	\$46,280	\$44,040	\$44,040	\$82,577	
Total Capital Costs	\$216,937	\$46,280	\$44,040	\$44,040	\$82,577	
Adjustments						
Revenue Offsets	(\$24,323)	(\$3,775)	(\$8,902)	(\$8,902)	(\$2,744)	
Adjustments for Annual Cash Balance	92,091	14,291	33,705	33,705	10,390	
Adjustments to Annualize Rate Increase	(174,481)	(27,076)	(63,859)	(63,860)	(19,686)	
Total Adjustments	(\$106,712)	(\$16,559)	(\$39,056)	(\$39,057)	(\$12,040)	
Total Cost of Service	\$1,024,955	\$171,674	\$339,769	\$339,772	\$173,740	
Percentage Allocation		16.7%	33.1%	33.1%	17.0%	
FY 2021-22 Cost of Service	\$1,084,544	\$181,655	\$359,523	\$359,526	\$183,841	

Appendix B-2
FY 22-23 Units of Service

Customer Class	FY 22-23 Annual Use	Overall Return Factor	Total Wastewater Volume	Strength		Strength		Equivalent Meters	Customer Bills
				BOD	SS	BOD	SS		
	HCF		HCF	mg/l	mg/l	lb	lb	Eq. Mtr & Serv	Bills
Residential	206,972	63%	130,786	240	215	261,950	234,663	15,862	15,348
Commercial	3,647	70%	2,553	350	200	7,457	4,261	456	120
School	8,244	21%	1,729	130	100	1,876	1,443	168	12
Total System	218,863		135,067			271,282	240,367	16,486	15,480

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MISSION HILLS COMMUNITY SERVICES DISTRICT

6. 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 an item on a future committee meeting or regular meeting.

- A. General Manager Comments
- B. Director's Comments
- C. Public Comments

LAST PAGE OF BOARD PACKET