

VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT

3757 Constellation Road • Vandenberg Village • Lompoc, CA 93436
Telephone: (805) 733-2475 • Fax: (805) 733-2109



REGULAR MEETING

Tuesday, April 3, 2018

7:00 p.m.

AGENDA

Teleconference Notice: Pursuant to Government Code Section 54953(b) the Board meeting will include teleconference participation by Director Robert Bumpass from: Hilton Orlando, 6001 Destination Parkway, Orlando, Florida 32819, Main Lobby.

This Agenda will be posted at the teleconference location, Public comment from this address shall be allowed pursuant to Government Code Section 54953.3

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE
2. ROLL CALL: Directors Blair, Brooks, Bumpass, Fox, and Wyckoff
3. ADDITIONS AND DELETIONS TO AGENDA
4. PUBLIC FORUM

The Board will invite public comment on each action item as it is considered during the meeting.

At this time members of the public wishing to address the Board on other matters that are within the jurisdiction of the District may do so when recognized by the President. Please begin by stating your name and place of residence.

5. OPERATIONS REPORT
6. ADMINISTRATIVE REPORT

7. CONSENT CALENDAR

- A. Minutes of the Regular Meeting on March 6, 2018 and Special Meeting on March 9, 2018 page 1
- B. Treasurer Report
 - 1) Monthly Financials page 9
 - 2) Disbursements through March 31, 2018 page 17

8. ACTION ITEMS *(All actions require a roll call vote)*

- A. **Capital Budget [Public Hearing]:** Consider adopting FY 2018-19 Water and Wastewater Capital Budgets page 25
- B. **Operating Budget [Public Hearing]:** Consider adopting FY 2018-19 Water and Wastewater Operating Budgets, and Administrative Overhead Fees..... page 33
- C. **Integrated Regional Water Management (IRWM) Program:** Consider approving a memorandum of understanding with the county... page 45

9. REPORTS

- A. Committees
- B. District Representatives to External Agencies
- C. Board President
- D. General Manager

10. INFORMATIONAL CORRESPONDENCE

- A. U.S. Drought Monitor March 27, 2018..... page 61
- B. Letters dated March 21, 2018 to AS Manager Allen and General Manager Barget regarding Special District Leadership Foundation page 63

11. DIRECTORS FORUM: Any member of the Board may address the Board on any subject within the jurisdiction of the District.

12. ADJOURN

NOTICE: The Board of Directors of the Vandenberg Village Community Services District will meet at the District Office Conference Room, 3757 Constellation Road, Vandenberg Village, in compliance with §54954.2 of the Government Code of the State of California.

If you need reasonable accommodations due to a disability, please contact the Board Secretary 24 hours prior to the meeting at (805) 733-2475.

Please silence all cell phones during the meeting, as a courtesy to others.

Board package is available at the Vandenberg Village Public Library and on the District's website at <http://www.vvcasd.org>.

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"Pride in Community Service"

<http://vvcasd.org>
info@vvcasd.org

MINUTES Regular Meeting

March 6, 2018

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

The meeting was called to order at 7:00 p.m. by President Brooks who led the Pledge of Allegiance.

2. ROLL CALL: Directors Blair, Brooks, Bumpass and Wyckoff were present. Director Fox participated via teleconference.

OTHERS PRESENT

Joe Barget, General Manager; Cynthia Allen, Administrative Services (AS) Manager; Mike Garner, Operations & Maintenance (O&M) Manager; Rick Hoffman, Hoffman & Associates; Loch Dreizler, General Manager of MHCSO; and Katherine Stewart, 4475 Titan Avenue.

3. ADDITIONS AND DELETIONS TO AGENDA - None

4. PUBLIC FORUM

President Brooks invited public comment and there were none.

5. OPERATIONS REPORT

O&M Manager Garner reported the District pumped 29.1 million gallons of water for the month of February. This was 46 percent more than last year. Vandenberg Village received .19 inches of rain in February bringing the total to 2.76 inches for the year.

Well levels (below ground surface) for February were 1B-141', 3A-136', and 3B-135'.

The District rehabilitates wells every five years and performs scheduled maintenance on the three large booster pumps at Well Site 1 every seven years. The booster pumps are in this year's budget. The first pump was just removed and inspected showing heavy wear. The impellers and shafts need to be replaced and the booster motor will be refurbished to give the pump another 14 years of service. The budgeted amount was underestimated at \$7,500. Based on the poor condition of the first pump, the cost to maintain all three pumps could be as high as \$75,000. O&M Manager Garner shared photos showing wear and tear on the pump.

Field crew repaired two service lines and had no sewer system overflows during the month of February.

To conclude his report, O &M Manager Garner said he attended the Santa Barbara County Chapter of the California Special Districts Association (CSDA) meeting. The District nominated RL Johnson for contractor of the year and Mr. and Mrs. Johnson were there to receive the award.

6. ADMINISTRATION REPORT

AS Manager Allen reported progress is being made at the new office. Framing of walls is complete, drywall and electrical will be done by the end of the week. She has been responding to a flurry of paperwork and emails. The encroachment permit for the county's easement was approved and county arborist approved planting three Raywood Ash trees. Completion date of remodel is the end of May and move-in possibly July. President Brooks asked if the contractor has insurance should vandalism occur. AS Manager Allen said the contractor has adequate insurance.

7. CONSENT CALENDAR

A. Minutes from the Regular Meeting on February 6, 2018

Motion by Director Blair, seconded by Director Wyckoff to accept the Minutes of the Regular Meeting.

Roll call vote:

Ayes: Directors Blair, Brooks Bumpass, Fox and Wyckoff
Noes: None

Abstain: None
Absent: None

B. Treasurer Report

- 1) Disbursements through February 28, 2018
- 2) Approval of Monthly Financials

Motion by Director Blair, seconded by Director Wyckoff to accept the treasurer report as presented.

Roll call vote:

Ayes: Directors Blair, Brooks, Bumpass, Fox and Wyckoff
Noes: None
Abstain: None
Absent: None

8. ACTION ITEMS

A. Filter Pump

Motion by Director Fox, seconded by Director Blair to increase the FY 2017-18 Capital Budget by \$10,000 to rehabilitate the 25-horsepower pump for the iron & manganese filter

Roll call vote:

Ayes: Directors Blair, Brooks, Bumpass Fox and Wyckoff
Noes: None
Abstain: None
Absent: None

B. Test Well

Rick Hoffman gave a presentation about the test well at the old County Fire Station 51. The illustrations were included in the board package showing preliminary well testing from June 1, 2017 through January 9, 2018. Mr. Hoffman explained that Careaga formation is a large water-bearing zone within the Lompoc Uplands aquifer and surrounding area. He's drilled 60-80 wells in the Careaga. Many have low levels of arsenic but only two or three had arsenic higher than the maximum contaminant level of 10 parts per

billion (ppb). Extensive testing on the District's test well revealed arsenic concentration in the low 30s ppb. He characterized it as "a super good well with arsenic". Due to the high arsenic content, and the costs and constraints in removing it, Mr. Hoffman advised against pursuing this location as a future well site. He is preparing a detailed written report on the project.

C. Local Agency Formation Commission (LAFCO)

The Directors discussed the upcoming LAFCO meeting to select Regular and Alternate Special District members. All Directors support Judith Ishkanian as the regular member and Dave Seymore as the alternate.

9. REPORTS

A. Committees

Legal/Personnel met and will discuss further during tonight's closed session.

B. District Representatives to External Agencies

Director Blair, General Manager Barget, AS Manager Allen, O&M Manager Garner and Board Secretary Garner attended the Santa Barbara County Chapter, CSDA meeting on February 26.

C. President

President Brooks said he participated in a CSDA Board Leadership webinar and shared a quote from the webinar, "to whom much is given, much is expected". He appreciates the Directors putting their trust in him as board president.

D. General Manager Report

General Manager Barget, AS Manager Allen, and staff prepared a draft FY 2018-19 Budget and will meet with the Finance/Budget Committee on March 9 at 3:00 p.m. The committee will make their recommendation to the Board at the April 3 regular meeting.

The Oak Hills Estate Project is on the County Board of Supervisors March 13 meeting agenda. VVCSD issued an intent to serve letter for the project October 1995. The project consists of rezoning the 16.88-acre parcel from RR-10 (Residential Ranchette, 10-acre minimum parcel size) to DR 1.8 (Design Residential, 1.8 residences per acre), and construction of 29 single-family residences. The county may require developer to mitigate approximately 14 offsite acres and VVCSD has made Lot 54 available for this purpose. If the Board of Supervisors approves the rezoning, the District will begin working on a can and will serve letter and development agreement.

The Santa Barbara County Public Works Department hired BKF Engineers from Newport Beach to design the Floradale Bridge which Caltrans determined to be seismically vulnerable. County Public Works is not taking any responsibility or assisting with the design of replacing the two sewer lines which convey VVCSD's and Vandenberg Air Force Base sewer to Lompoc. According to the 1974 construction agreement, the 10-inch sewer line from Vandenberg Village is owned by the city of Lompoc. General Manager Barget is working with Lompoc Utilities Director Larry Bean to have the city manage and pay for the project and have VVCSD reimburse the city from the District's Wastewater Capital Reserve Fund.

To conclude his report, General Manager Barget said LAFCO requested the District review and update the April 2011 municipal service review (MSR) and sphere of influence (SOI). There are no changes to the SOI but information in the MSR should be updated. General Manager Barget will prepare a response to LAFCO.

10. INFORMATIONAL CORRESPONDENCE

- A. US Drought Monitor-California, February 27, 2018
- B. Letter dated February 16, 2018, from California Special Districts Association (CSDA) regarding CSDA Board of Directors Call for Nominations Seat A

11. DIRECTORS FORUM

Director Bumpass would like staff to survey customers about whether to sell this building or keep it after staff has moved.

General Manager Barget said he and Director Bumpass are going to visit Templeton CSD to obtain information about how they manage their community center.

Director Fox thanked Board Secretary Garner for setting up the teleconference so he was able to participate in tonight's meeting.

President Brooks asked the Director's if tonight's Closed Session item could be deferred to a Special Meeting so all Directors could be present. All agreed to hold a Special Meeting on Friday, March 9 at 4:30 p.m.

12. ADJOURN

President Brooks declared the meeting adjourned at 8:43 p.m.

Attest:

Signed:

Stephanie Garner
Secretary, Board of Directors

Christopher C. Brooks
President, Board of Directors

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MINUTES Special Meeting

March 9, 2018

The Board of Directors of the Vandenberg Village Community Services District met for a Special Meeting at 4:30 p.m. at the District Office Conference Room.

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

The meeting was called to order at 4:30 p.m. by President Brooks and he led the Pledge of Allegiance.

2. ROLL CALL: Directors Blair, Brooks, Bumpass, Fox, and Wyckoff were present.

OTHERS PRESENT: Joe Barget, General Manager.

3. ADDITIONS AND DELETIONS TO AGENDA

There were no additions or deletions to the agenda.

4. PUBLIC FORUM – No members of the public were present.

5. CLOSED SESSION – The Board convened into closed session at 4:32 p.m. to discuss compensation of district employees; and the General Manager's working relationship with the Board, performance, salary, benefits, and term in accordance with his employment agreement.

6. OPEN SESSION – The Board reconvened into open session at 5:25 p.m. President Brooks announced that the board discussed the two items on the agenda during closed session and invited directors to make any motions regarding those items.

Motion by Director Blair, seconded by Director Wyckoff, to approve a 2.4 percent cost of living increase for all employees including the General Manager effective July 1, 2018.

**Ayes: Directors Blair, Brooks, Bumpass, Fox, and Wyckoff
Noes: None
Abstain: None
Absent: None**

Motion by Director Bumpass, seconded by Director Fox, to increase the number of sick leave days that employees earn from 10 to 13 days annually.

**Ayes: Directors Blair, Brooks, Bumpass, Fox, and Wyckoff
Noes: None
Abstain: None
Absent: None**

Motion by Director Bumpass, seconded by Director Brooks, to increase the number of vacation days that employees earn to 13 days (1-5 years), 18 days (6-15 years), and 22 days (16+ years).

**Ayes: Directors Blair, Brooks, Bumpass, Fox, and Wyckoff
Noes: None
Abstain: None
Absent: None**

7. ADJOURN

President Brooks declared the meeting adjourned at 5:35 p.m.

Attest:

Signed:

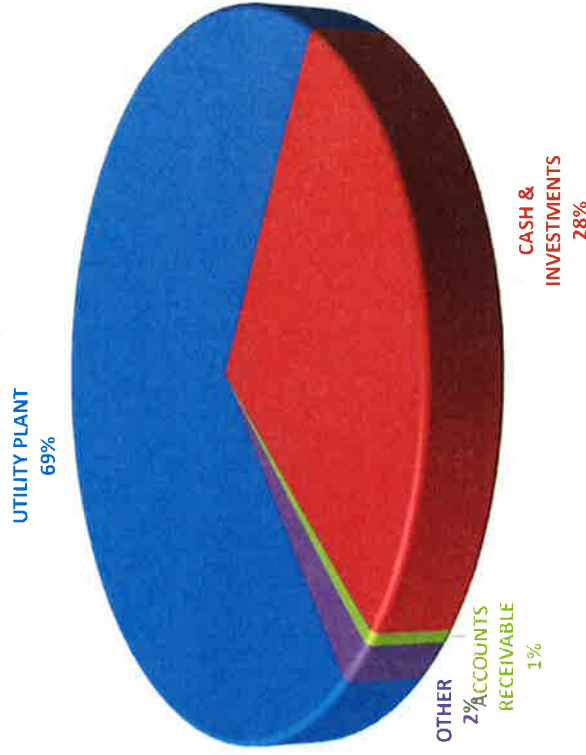
**Joe Barget
Assistant Secretary,
Board of Directors**

**Christopher Brooks
President, Board of Directors**

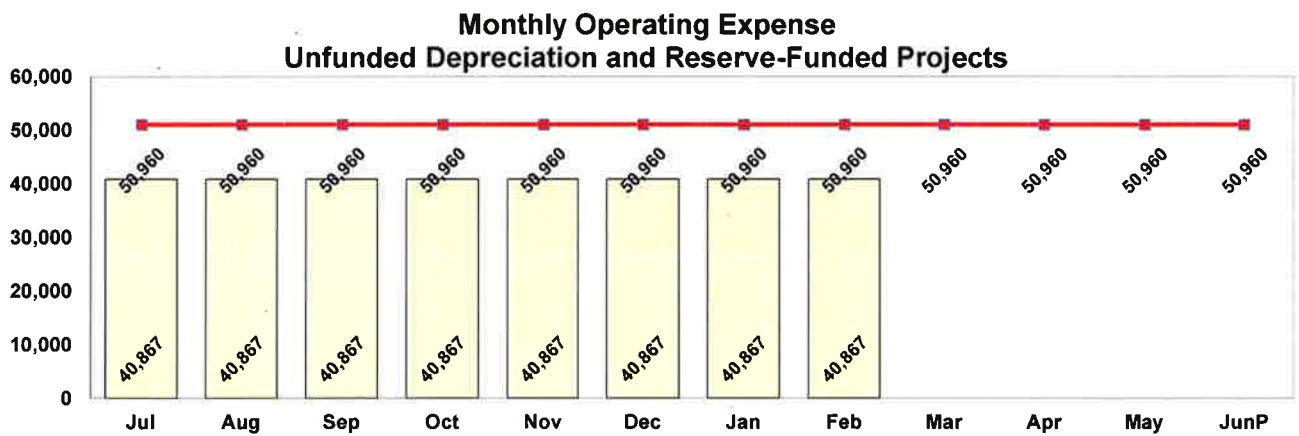
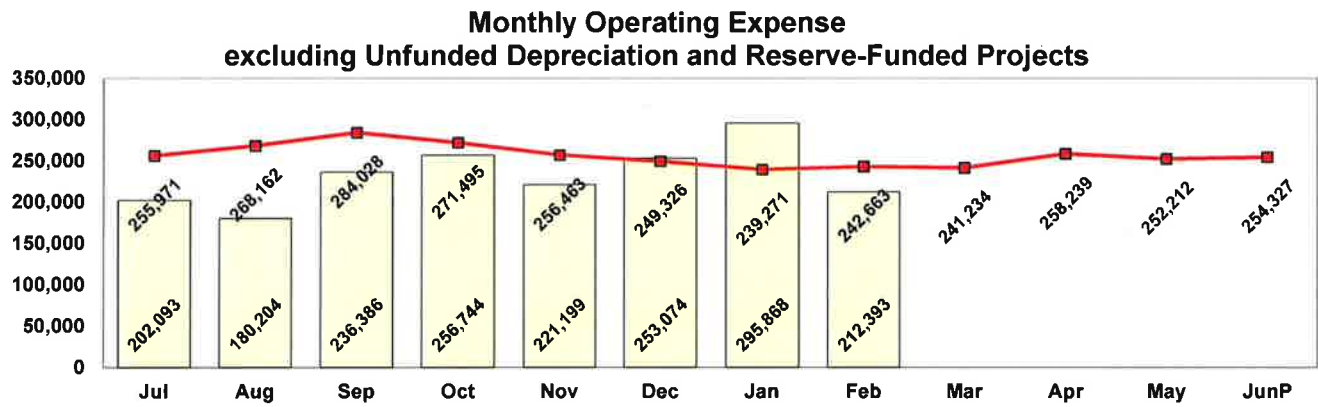
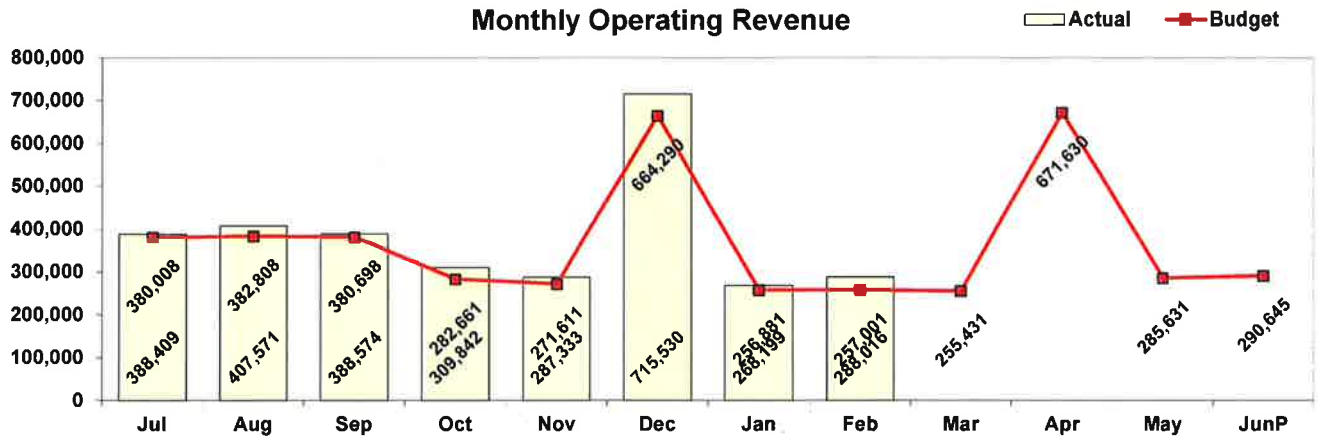
VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT
 Combined Balance Sheet
 As of February 28, 2018

	2018 FYTD	FYE 2017	CHANGE
ASSETS			
UTILITY PLANT	\$22,060,592	\$22,171,722	(\$111,130)
CASH & INVESTMENTS	10,810,577	9,928,367	882,210
ACCOUNTS RECEIVABLE	274,571	279,435	(4,864)
OTHER	797,131	793,213	3,918
TOTAL ASSETS	\$33,942,871	\$33,172,737	\$770,134
DEFERRED OUTFLOWS OF RESOURCES-PENSIONS	\$471,085	\$471,085	\$0
TOTAL ASSETS & DEFERRED OUTFLOWS	\$34,413,956	\$33,643,822	\$770,134
LIABILITIES			
CURRENT LIABILITIES	\$349,855	\$378,508	(\$28,653)
UNEARNED REVENUE	225,150	225,150	0
LONG TERM DEBT - LRWRP UPGRADE PROJECT	7,816,941	7,940,456	(123,515)
NET PENSION LIABILITY	1,072,559	1,072,559	0
TOTAL LIABILITIES	\$9,464,505	\$9,616,673	(\$152,168)
DEFERRED INFLOWS OF RESOURCES-PENSIONS	\$43,360	\$43,360	\$0
EQUITY			
CONTRIBUTED CAPITAL	\$6,614,679	\$6,743,644	(\$128,965)
EQUITY	17,369,111	16,020,583	1,348,528
CURRENT EARNINGS	922,301	1,219,562	(297,261)
TOTAL EQUITY	\$24,906,091	\$23,983,789	\$922,302
TOTAL LIABILITIES, DEFERRED INFLOWS & EQUITY	\$34,413,956	\$33,643,822	\$770,134

ASSETS



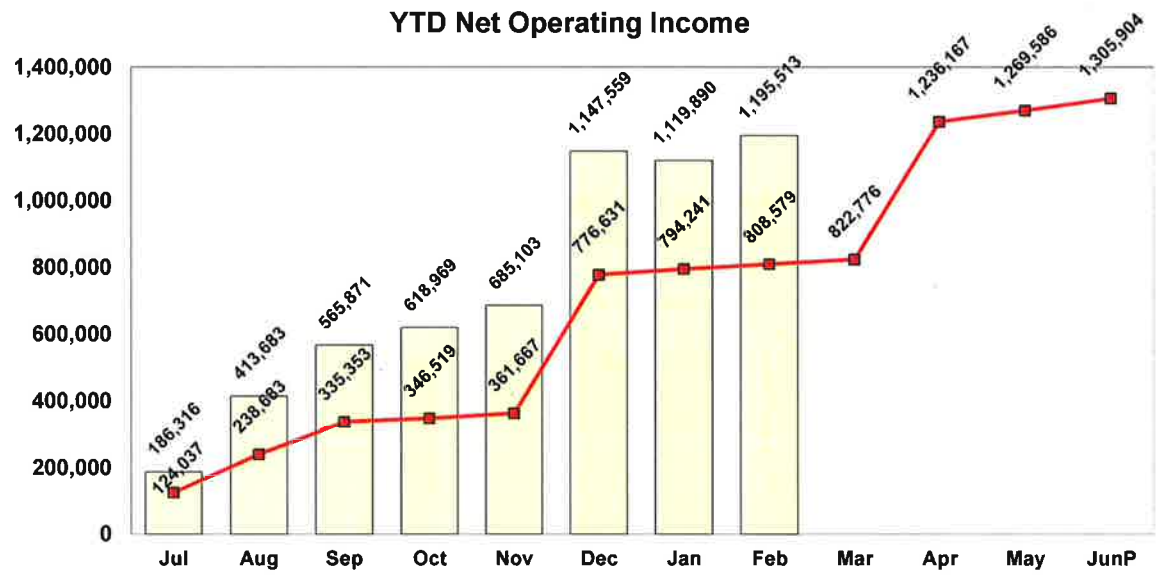
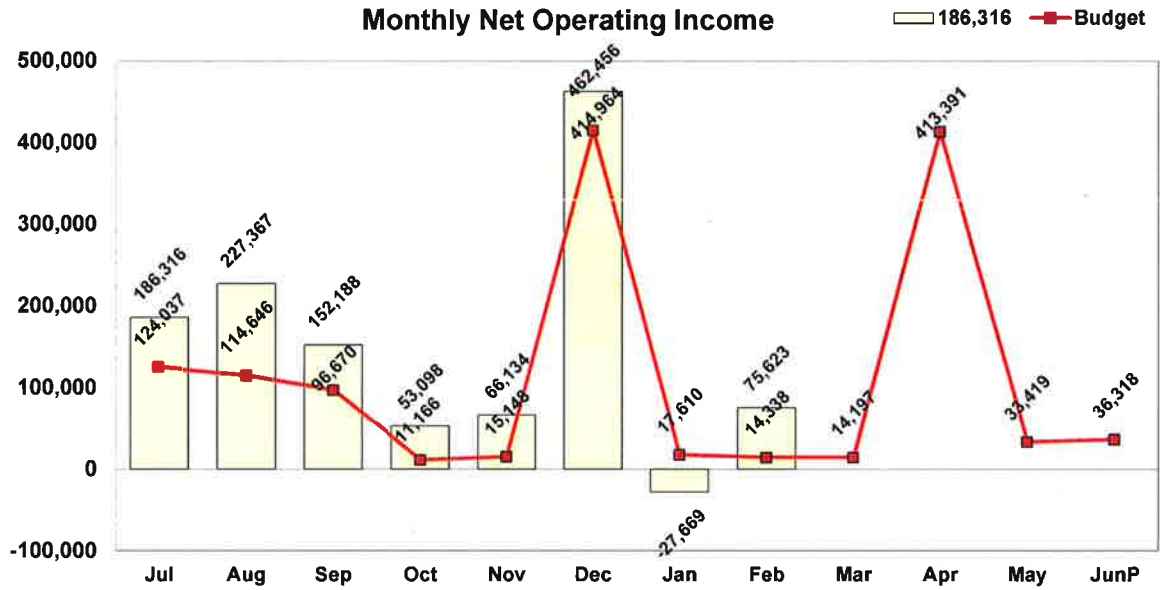
Operating Revenue and Expenses
Vandenberg Village Community Services District
 July 1, 2017 to June 30, 2018



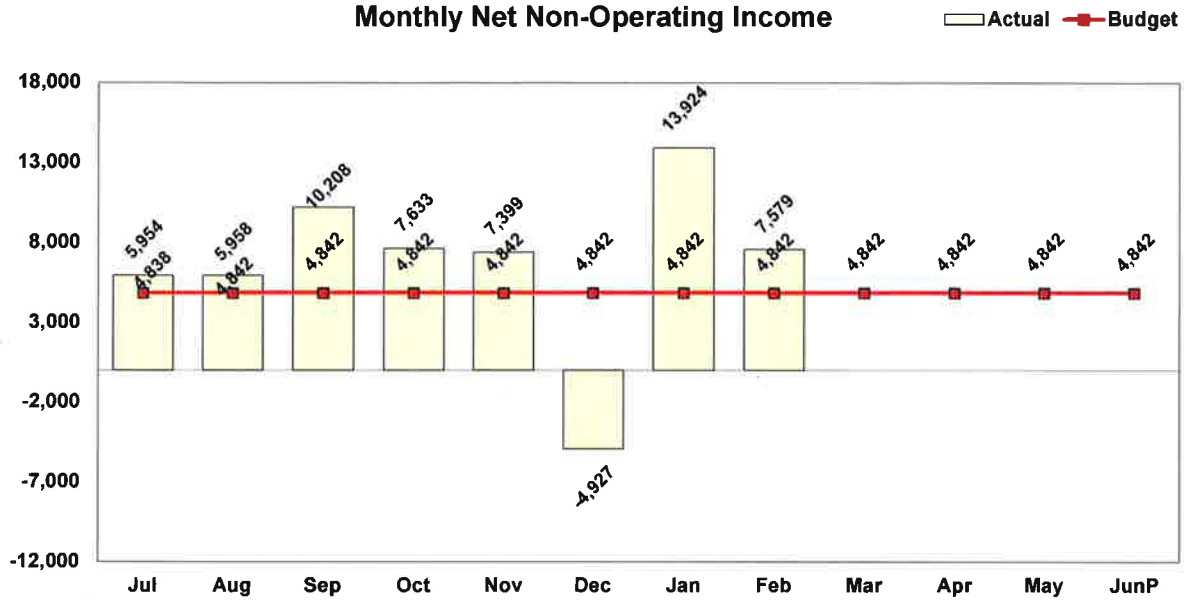
Note: The LRWRP Upgrade Charge revenue will be deposited by Santa Barbara County in December, April and May.

Note: The LRWRP Upgrade depreciation basis has been changed per Moss, Levy & Hartzheim, LLP (auditors).

Operating Income
Vandenberg Village Community Services District
 July 1, 2017 to June 30, 2018

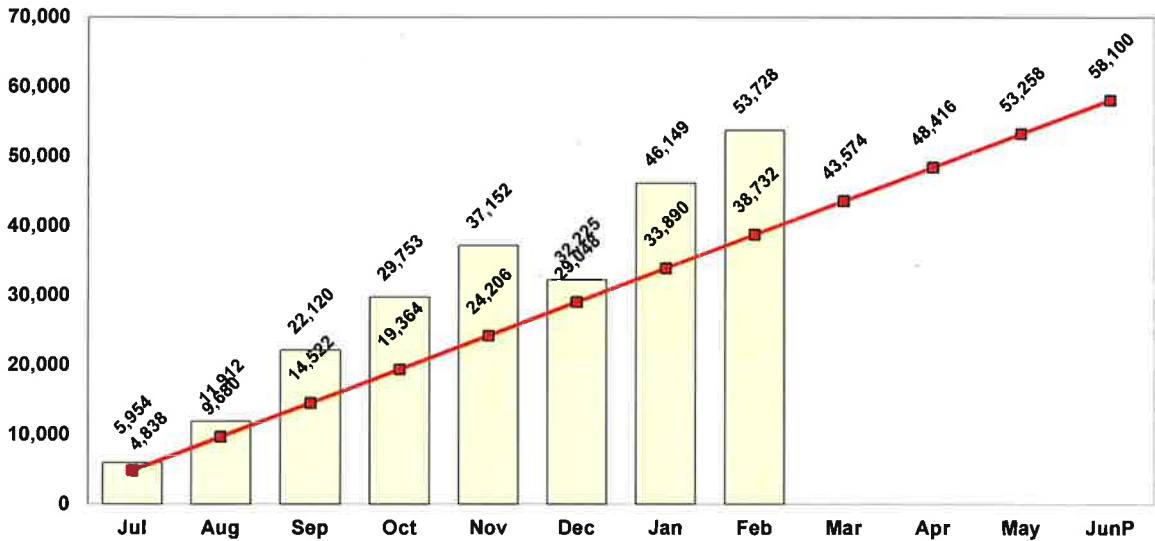


Non-Operating Income Vandenberg Village Community Services District July 1, 2017 to June 30, 2018

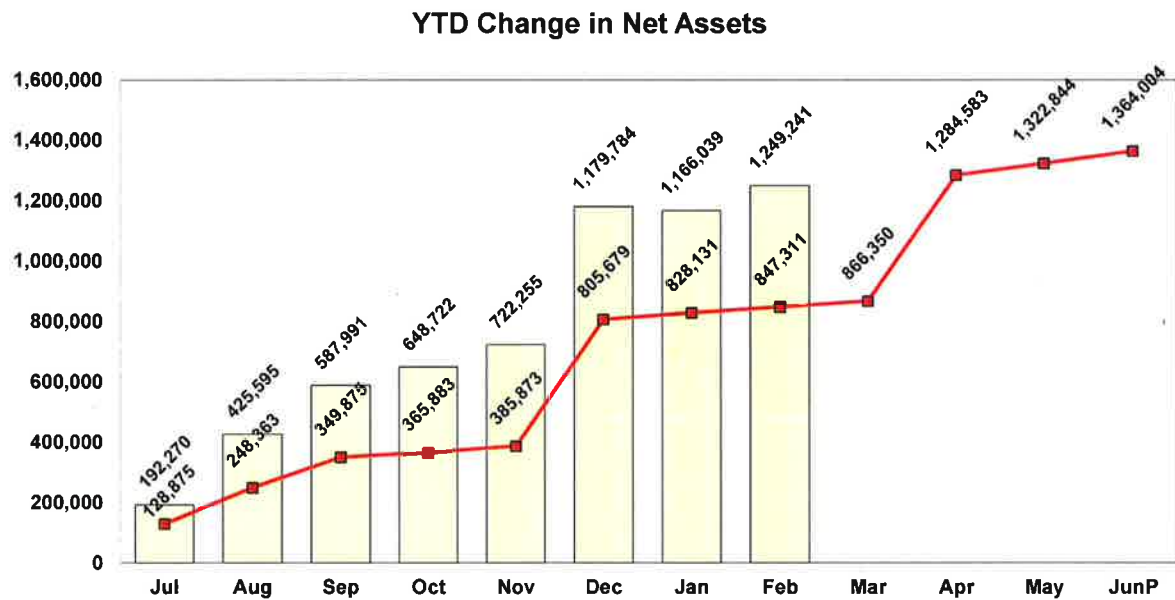
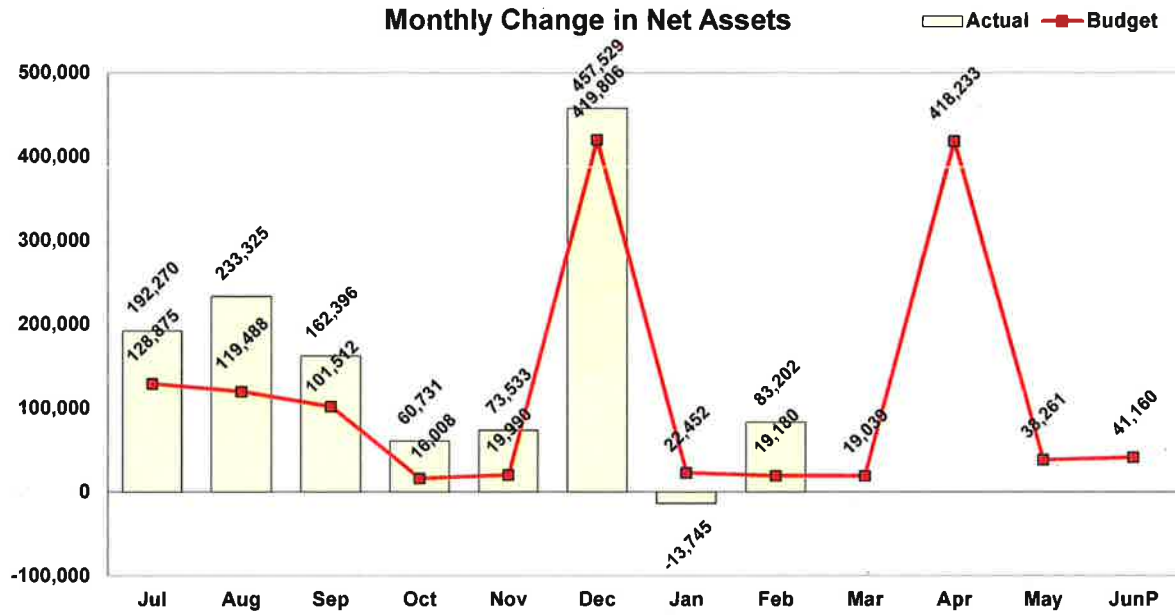


Sept. 2017, Dec. 2017 - Record Fair Market Value adjustment, per GASB requirements.
Jan. 2018 - Received FY17 Audited WCRF Interest Earned.

YTD Net Non-Operating Income



Change in Net Assets Vandenberg Village Community Services District July 1, 2017 to June 30, 2018



Statement of Cash Flow
Vandenberg Village Community Services District
For the Period from July 1, 2017 to February 28, 2018

	Water Fund	WW Fund	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers and users	\$ 1,204,105	\$ 1,818,222	
Cash payments for goods and services	(730,103)	(545,723)	
Cash payments to employees	(299,050)	(143,074)	
Net Cash Provided by Operating Activities			\$ 1,304,378
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES			
Loan payments for LRWRP		(123,515)	
Sale of capital assets	315	-	
Purchase of capital assets	(358,402)	(14,134)	
Net Cash Used - Capital & Related Financing Activities			(495,736)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	33,959	39,610	
Net Cash Provided by Investing Activities			73,568
Net Increase (Decrease) in Cash & Cash Equivalents			882,210
Cash and cash equivalents, beginning of year			9,928,367
Cash and cash equivalents, year-to-date			<u>\$ 10,810,577</u>
Reconciliation to the Statement of Net Assets:			
Cash on hand	400		\$ 400
Cash and short term investments	3,406,276.46	7,403,901	10,810,177
			<u>\$ 10,810,577</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating Income	\$ 104,075	\$ 764,497	
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation	\$ 123,894	\$ 357,616	
Change in operating assets and liabilities:			
(Increase) decrease in accounts receivable	(31,417)	18,285	
(Increase) decrease in prepaid items	13,049	213	
(Increase) decrease in deposits	(17,180)	-	
Increase (decrease) in accounts payable	7,183	(7,013)	
Increase (decrease) in accrued payroll	(11,475)	(4,172)	
Increase (decrease) in customer deposits	(18,013)		
Increase (decrease) in compensated absences	4,836		
Net Cash Provided by Operating Activities	<u>\$ 174,952</u>	<u>\$ 1,129,426</u>	<u>\$ 1,304,378</u>

VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT

Disbursement # 04-18 From 3/1/2018 To 3/31/2018 Item: 7B.2
 Board Meeting Date 4/6/2018

Accounts Payable Amount	\$253,827.44	
Check Numbers	24546 - 25512	Void Checks none
Electronic Vendor Payment Amount	\$1,332.29	
Confirmation Numbers	437012	
A/P Hand Check Amount		
Check Numbers		
Payroll Amount	\$72,239.93	
Wire Transfers		
Check Numbers	electronically transferred	
Wire Numbers		
Disbursements/Investments		
A/P Checks	253,827.44	
Electronic Vendor Payments	1,332.29	
A/P Hand Checks	0.00	
Payroll	72,239.93	
Investments	0.00	
TOTAL	\$327,399.66	

REPORT.: Mar 29 18 Thursday
 RUN...: Mar 29 18 Time: 13:30
 Run By.: PATTY LECAVALIER

VANDENBERG VILLAGE CSD
 Cash Disbursement Detail Report
 Check Listing for 03-18 Bank Account.: 13100

PAGE: 001
 ID #: PY-DP
 CTL.: VAN

Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information Description
025456	03/06/18	/B080	BATES, NATHAN	150.00	.00	150.00	B80216	RETROFIT REIMB-CLOTHES WA SHER-269B BURTON MESA BLV
025457	03/06/18	/C052	CASEREZ, ED	320.00	.00	320.00	B80213	RETROFIT REIMB-2 HE TOILE TS-52 GALAXY WAY
025458	03/06/18	ABA01	ABATEX	11085.99	.00	11085.99	827	3745 CONSTELLATION RD.-AS BESTOS ABATEMENT
025459	03/06/18	ACW03	ACWA JOINT POWERS INSURAN	12014.88	.00	12014.88	0540401	GROUP MEDICAL, DENTAL, VISI ON, LIFE, EAP 4/18
025460	03/06/18	COM03	COMCAST	165.22	.00	165.22	39390218	INTERNET, BASIC CABLE-OFFI CE 2/22/18-3/21/18
025461	03/06/18	COR01	CORBIN WILLITS SYSTEM INC	724.77	.00	724.77	B802151	SERVICE AND ENHANCEMENT F EE 3/18
025462	03/06/18	COR04	CORE & MAIN LP	1831.75	.00	1831.75	I515043	3" OCTAVE METER FOR BURTO N MESA CONDOS
025463	03/06/18	COV01	COVERALL MOUNTAIN & PACIF	160.00	.00	160.00	553147717	JANITORIAL SERVICE 3/18
025464	03/06/18	DEW02	J B DEWAR	32.77	.00	32.77	866991	8.6 GALS DIESEL FUEL FOR DUMP TRUCK
025465	03/06/18	EXC01	EXCEL PERSONNEL SERVICES,	1470.67	.00	1470.67	2463366	PEREZ-2/5/18-2/9/18-SERVI CE PERSON
025466	03/06/18	FER01	FERGUSON ENTERPRISES INC	130.55	.00	130.55	5717089-1	12 VOLT BATTERY FOR HAND TOOLS
025467	03/06/18	HAC01	HACH COMPANY	464.00	.00	464.00	10860384	TRAVEL CHARGE FOR HACH MA INTENANCE TECH
025468	03/06/18	HEA01	HEALTH SANITATION SERVICE	119.04	.00	119.04	30030218	TRASH COLLECTION-SHOP 2/1 8
025469	03/06/18	HOM02	HOME DEPOT	39.68	.00	39.68	50080218	TRASH COLLECTION-3757 CON STELLATION RD. 2/18
Check Total.....:				158.72	.00	158.72		
Check Total.....:				34.05	.00	34.05	10020218	COMPRESSION TEES, COUPLING S, LIGHTBULBS

VANDENBERG VILLAGE CSD
 Cash Disbursement Detail Report
 Check Listing for 03-18 Bank Account.: 13100

Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information-Description
025470	03/06/18	IRO01	IRON MOUNTAIN	50.59	.00	50.59	PWU7330	DOCUMENT SHREDDING SERVIC E 1/24/18-2/20/18
025471	03/06/18	MIL01	MILLER LANDSCAPING AND MA	290.00	.00	290.00	51701	YARD MAINTENANCE-3757/374 5 CONSTELLATION RD. 2/18
025472	03/06/18	NAT01	NATIONAL GROUP TRUST	829.62	.00	829.62	23940418	LONG-TERM DISABILITY 4/18
025473	03/06/18	SOU01	SO.CALIFORNIA GAS CO.INC.	99.02	.00	99.02	79000218	SO.CALIF GAS-WELL 1B 1/22 /18-2/22/18
				39.72	.00	39.72	84000218	SO.CALIF GAS 1/20/18-2/22 /18
				15.29	.00	15.29	84180218	SO.CALIF GAS-3745 CONSTEL LATION RD 1/20/18-2/20/18
			Check Total.....	154.03	.00	154.03		
025474	03/06/18	UND01	UNDERGROUND SERVICE ALERT	19.90	.00	19.90	220180759	USA TICKETS 2/18
025475	03/06/18	USB02	U.S.BANK CORPORATE PAYMEN	2932.04	.00	2932.04	32560218	REGISTRATION,LODGING-TRAI NING;TIERZERO,48HR NOTICE
025476	03/06/18	VAL04	VALLEY ROCK READY MIX, IN	508.58	.00	508.58	18-13242	SLURRY-PB REPLACE-332 OAK HILL DR.
025477	03/06/18	VRE01	JIM VREELAND FORD	827.26	.00	827.26	C14854	UNIT 15-SPARK PLUGS,BOOTS ,COIL,UPPER INTAKE SERVIC
025478	03/06/18	\D002	DEBORAH A. DAHL	83.50	.00	83.50	000B80201	CUSTOMER REFUND-DAH0005-4 482 TITAN AVE.
025479	03/06/18	\H002	HINKENS GROUP	12.17	.00	12.17	000B80201	CUSTOMER REFUND-HIN0025-1 48 ARIES AVE.
025480	03/06/18	\L002	KATHY G. LOVE	125.00	.00	125.00	000B80201	CUSTOMER REFUND-LOV0008-4 251 POLARIS AVE.
025481	03/06/18	\S001	ANGELA G. STICKELS	71.74	.00	71.74	000B80201	CUSTOMER REFUND-STI0008-4 090 DRACO DR.
025482	03/22/18	ACE01	ACECO EQUIPMENT CO., INC.	4.42	.00	4.42	151508	OIL FILLER CAP FOR POLE S AW
025483	03/22/18	AME02	AMERICAN INDUSTRIAL SPPLY	228.34	.00	228.34	69359	RAINBOOTS, RAIN JACKETS, RAIN PANTS
025484	03/22/18	ARA01	ARAMARK UNIFORM SERV.INC.	158.62	.00	158.62	533155889	SHOP TOWELS 3/1/18
				83.43	.00	83.43	533190331	CONTINUOUS TOWELS 3/15/18

REPORT.: Mar 29 18 Thursday
 RUN...: Mar 29 18 Time: 13:30
 Run By.: PATTY LECAVALIER

VANDENBERG VILLAGE CSD
 Cash Disbursement Detail Report
 Check Listing for 03-18 Bank Account.: 13100

PAGE: 003
 ID #: PY-DP
 CTL.: VAN

Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information Description
Check Total.....				242.05	.00	242.05		
025485	03/22/18	BRE01	BREMER AUTO PARTS	57.92	.00	57.92	793937	HOSE AND FITTINGS FOR SEWER JETTER
025486	03/22/18	CLS01	CLINICAL LABS OF SAN	282.00	.00	282.00	961319	BACTERIA, IRON, MANGANESE, PHYSICAL TESTS 2/18
025487	03/22/18	COL01	JEFFREY COLE	97.00	.00	97.00	B80321	MEAL, INCIDENTAL REIMB-HAAKER OPEN HOUSE-COLE
025488	03/22/18	COR04	CORE & MAIN LP	1466.44	.00	1466.44	I501654	REGISTERS (QTY 9)
025489	03/22/18	EXC01	EXCEL PERSONNEL SERVICES,	1154.88	.00	1154.88	2473023	PEREZ-2/20/18-2/23/18-SERV VICE PERSON
Check Total.....				1443.60	.00	1443.60	2477893	PEREZ-2/26/18-3/2/18-SERV ICE PERSON
Check Total.....				2598.48	.00	2598.48		
025490	03/22/18	FER01	FERGUSON ENTERPRISES INC	2370.50	.00	2370.50	5758900	VALVES, COUPLINGS, TEES
Check Total.....				257.96	.00	257.96	5788279	PIPE WRENCH
Check Total.....				2628.46	.00	2628.46		
025491	03/22/18	FIS01	FISHER PUMP & WELL SVC, I	1896.00	.00	1896.00	5387	REPAIR 25HP FILTER BOOSTER PUMP-VOLTAGE SURGE DAMG
Check Total.....				167.00	.00	167.00	5388	FLEX COUPLING RUBBER INSE
Check Total.....				2063.00	.00	2063.00		RIS-25HP FILTER BSTR PUMP
025492	03/22/18	FRO01	FRONTIER	89.76	.00	89.76	28850318	FRONTIER 733-2475/2109 3/13/18-4/12/18
Check Total.....				246.69	.00	246.69	49050318	FRONTIER 733-3615/3975/SC ADA 3/13/18-4/12/18
Check Total.....				336.45	.00	336.45		
025493	03/22/18	GAR01	MICHAEL J. GARNER	97.00	.00	97.00	B80321	MEAL, INCIDENTAL REIMB-HAAKER OPEN HOUSE-GARNER
025494	03/22/18	HER05	HERC RENTALS INC.	129.60	.00	129.60	29891909	10L PRESSURIZED WATER TANK
025495	03/22/18	HOF01	HOFFMAN, DON F.	7100.00	.00	7100.00	B80313	HYDROGEOLOGICAL SERVICES-TEST WELL-9/16/17-3/6/18

REPORT.: Mar 29 18 Thursday
 RUN...: Mar 29 18 Time: 13:30
 Run By.: PATTY LECAVALIER

VANDENBERG VILLAGE CSD
 Cash Disbursement Detail Report
 Check Listing for 03-18 Bank Account.: 13100

PAGE: 004
 ID #: PY-DP
 CTL.: VAN

Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information Description
025496	03/22/18	LOW01	CITY OF LOMPOC, FINANCE	126.83	.00	126.83	99940	LANDFILL CHARGES 2/18
				27048.28	.00	27048.28	100072	1/18 M&O
				46272.80	.00	46272.80	100073	2/18 M&O
			Check Total.....:	73447.91	.00	73447.91		
025497	03/22/18	LOM02	LEE CENTRAL COAST NEWSPAP	60.47	.00	60.47	121567	PUBLIC NOTICE OF FY18-19 BUDGET
025498	03/22/18	MEL01	MELISSA DATA CORP	1916.89	.00	1916.89	3723814	ADDRESS BARCODING SYSTEM RENEWAL 4/18-3/19
025499	03/22/18	MOR01	MORE OFFICE SOLUTIONS	337.98	.00	337.98	1973465	COPIER USAGE, BILLS, FREIGHT ON TONER 2/18
025500	03/22/18	NEW01	NEWTON CONSTRUCTION	113284.84	.00	113284.84	1711001	CONSTRUCTION - 3745 CONSTELLATION RD.
025501	03/22/18	PER01	PERRY'S ELECTRIC MOTORS &	3681.35	.00	3681.35	21529	REHAB 100HP 1800RPM MOTOR FOR B/S#3-PO#1634
025502	03/22/18	PHO01	PHOENIX CIVIL ENGINEERING	1660.00	.00	1660.00	18-379	L/S#1 MODIFICATION-ENGINEERING SERVICES
025503	03/22/18	PIT03	PITNEY BOWES	830.94	.00	830.94	40080218A	POSTAGE FOR BILLS 2/18
025504	03/22/18	RAV01	RAVATT ALBRECHT & ASSOCIA	1082.03	.00	1082.03	0218-602	3745 CONSTELLATION RD-ARCHITECTURE SERVICES 2/18
025505	03/22/18	SAN11	SANTA BARBARA COUNTY	364.00	.00	364.00	B80321	ROAD ENCROACHMENT PERMIT N51826-3745 CONSTELLATION
025506	03/22/18	SAN18	SANTA BARBARA COUNTY SDA	120.00	.00	120.00	B80321	SBCSDA DINNER MEETING-BLAIR, BARGET, BROOKS
025507	03/22/18	SAN35	SANTA BARBARA COUNTY EHS/	303.00	.00	303.00	IN0052675	HAZARDOUS MATERIALS PERMI T-SITE #1
				303.00	.00	303.00	IN0052676	HAZARDOUS MATERIALS PERMI T-L/S#2
			Check Total.....:	606.00	.00	606.00		
025508	03/22/18	STA03	STANLEY CONVERGENT SECURI	410.22	.00	410.22	15373208	SECURITY-OFFICE, SHOP, BOOTER BLDG 4/18-6/18
025509	03/22/18	STA09	STAPLES CREDIT PLAN	1074.56	.00	1074.56	62000318	CHAIR, TONER, TRAYS, DIVIDER S, SORTER, ADDTAPE, DRYERASE
025510	03/22/18	USA01	USA BLUE BOOK	1167.50	.00	1167.50	497596	TRANSDUCER, HYDRANT FLUSHING ELBOWS

REPORT.: Mar 29 18 Thursday
 RUN...: Mar 29 18 Time: 13:30
 Run By.: PATTY LECAVALIER

VANDENBERG VILLAGE CSD
 Cash Disbursement Detail Report
 Check Listing for 03-18 Bank Account.: 13100

PAGE: 005
 ID #: PY-DP
 CTL.: VAN

Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information Description
025511	03/22/18	VAN02	VVCSD--PETTY CASH	144.19	.00	144.19	B80321	PETTY CASH 7/1/17-3/21/18
025512	03/22/18	WES05	WESTERN EXTERMINATOR CO.	56.00	.00	56.00	5853024	MONTHLY SERVICE FOR GOPHE R CONTROL 2/18
437012	03/22/18	CHE02	CHEVRON & TEXACO BUSINESS	1332.29	.00	1332.29	52800065	354.09 GALS FUEL
Cash Account Total.....:				255159.73	.00	255159.73		
Total Disbursements.....:				255159.73	.00	255159.73		
Cash Account Total.....:				.00	.00	.00		

REPORT.: Mar 29 18 Thursday
 RUN...: Mar 29 18 Time: 13:30
 Run By.: PATTY LECAVALIER

VANDEMBERG VILLAGE CSD
 Cash Disbursement Detail Report - Payroll Vendor Payment (s)
 Check Listing for 03-18 Bank Account.: 13101

PAGE: 006
 ID #: PY-DP
 CTL.: VAN

Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information-Description
18880	03/09/18	EMP01	EMPLOYMENT DEVELOP.DEPART	1189.95	.00	1189.95	B80309	STATE WH TAXES PP#5
18881	03/09/18	EMP01	EMPLOYMENT DEVELOP.DEPART	303.81	.00	303.81	1B80309	STATE DISABILITY PP#5
61440	03/23/18	EMP01	EMPLOYMENT DEVELOP.DEPART	1175.11	.00	1175.11	B80322	STATE WH TAXES PP#6
61441	03/23/18	EMP01	EMPLOYMENT DEVELOP.DEPART	300.46	.00	300.46	1B80322	STATE DISABILITY PP#6
143280	03/23/18	EFT01	EFTPS	2264.80	.00	2264.80	B80322	FEDERAL WH TAXES PP#6
143281	03/23/18	EFT01	EFTPS	871.30	.00	871.30	1B80322	FICA MEDICARE PP#6
205830	03/09/18	EFT01	EFTPS	2241.63	.00	2241.63	B80309	FEDERAL WH TAXES PP#5
205831	03/09/18	EFT01	EFTPS	62.00	.00	62.00	1B80309	FICA SOCIAL SECURITY DR#3
205832	03/09/18	EFT01	EFTPS	895.56	.00	895.56	2B80309	FICA MEDICARE PP#5
337270	03/09/18	PER04	CALPERS 457 PLAN	845.00	.00	845.00	B80309	EMPLOYER PERS 457 PP#5
337271	03/09/18	PER04	CALPERS 457 PLAN	4495.00	.00	4495.00	1B80309	EMPLOYEE PERS 457 PP#5
337280	03/09/18	PUB02	PUBLIC EMPLOYEES	3342.95	.00	3342.95	B80309	PERS EMPLR CONTRIB PP#5
337281	03/09/18	PUB02	PUBLIC EMPLOYEES	1096.59	.00	1096.59	1B80309	PERS EPMC PP#5
337282	03/09/18	PUB02	PUBLIC EMPLOYEES	1232.66	.00	1232.66	2B80309	PERS TDMC PP#5
417950	03/23/18	PER04	CALPERS 457 PLAN	845.00	.00	845.00	B80322	EMPLOYER PERS 457 PP#6
417951	03/23/18	PER04	CALPERS 457 PLAN	4495.00	.00	4495.00	1B80322	EMPLOYEE PERS 457 PP#6
417960	03/23/18	PUB02	PUBLIC EMPLOYEES	3350.87	.00	3350.87	B80322	PERS EMPLR CONTRIB PP#6
417961	03/23/18	PUB02	PUBLIC EMPLOYEES	1099.31	.00	1099.31	1B80323	PERS EPMC PP#6
417962	03/23/18	PUB02	PUBLIC EMPLOYEES	1235.37	.00	1235.37	2B80323	PERS TDMC PP#6





Cash Account Total.....: 31342.37
 Total Disbursements.....: 31342.37

VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT

AGENDA MEMORANDUM

TO: Board of Directors ITEM: 8.A

FROM: Finance/Budget Committee
(Director Bumpass & Director Fox)

BY: Joe Barget, General Manager 
Cynthia Allen, Administrative Services Manager 
Michael Garner, Operations & Maintenance Manager 
Patricia LeCavalier, Finance Administrator 

DATE: April 3, 2018

SUBJECT: Capital Budget

Recommendation: Adopt the Fiscal Year (FY) 2018-19 capital budgets for Water and Wastewater Enterprise Funds.

Policy Implications:

- California Government Code §61110 requires the Board to adopt an annual (or biennial) budget before September 1. The Code also requires the Board to hold a public hearing and publish a notice at least two weeks before the hearing in a newspaper of general circulation.
- California Government Code §61110(f) specifically requires the budget to conform to generally accepted accounting and budgeting procedures for special districts to include categories for capital outlay, designated reserve for capital outlay, and designated reserve for contingencies.

Resource Impacts:

- This capital budget totals \$3,612,350 and consists of two parts:
 - \$2,437,350 (Water)
 - \$766,350 in current fiscal year capital expenditures
 - \$1,671,000 in carryovers from previous fiscal years

- \$1,175,000 (Wastewater)
 - \$0 current fiscal year capital expenditures
 - \$1,175,000 in carryovers from previous fiscal years
- As of March 31, \$36,713 has been collected from developers to fund specific projects on the capital budget.
- The capital budget is funded by reserves. Sufficient funds are available in the water and wastewater reserves to fund the proposed capital budgets.

	Water	Wastewater	LRWRP	Total
Cash Reserves in Bank on 12/31/17	\$3,418,935	\$1,682,199	\$5,687,962	\$10,789,096
Total Reserve Requirement @ 6/30/19	\$5,367,880	\$1,682,199	\$6,870,788	\$13,920,867
Capital Reserve Requirement	4,024,666	1,044,228	4,784,003	9,852,897
Operating Reserve Requirement	468,089	321,338	370,374	1,159,801
Emergency Reserve Requirement	875,125	316,633	1,716,411	2,908,169
Net Reserves – available (shortfall)	(\$1,948,945)	\$ 0	(\$1,182,826)	(\$3,131,771)

Alternatives Considered: None

Discussion: The Finance/Budget Committee reviewed the staff-recommended capital budgets on March 9 and presents them to the Board for consideration and approval.

The focus of the proposed capital budget is to continue work on the carryovers from previous years and to add the following new capital expenditures:

- Rehabilitate Wells 3A & 3B, and Tanks 5A & 5B
- Continue to replace gate valves throughout the water distribution system
- Continue to replace fire hydrants throughout the water distribution system
- Replace the turbidity meters at the water treatment plant
- Install a power transfer switch at Booster Station #5

The \$300,000 project to clean and video the sewer system has been removed from the wastewater capital budget to make room to replace a section of the sewer interceptor line from Vandenberg Village in conjunction with the County's Floradale Bridge Replacement Project. Originally conceived as a project to contract for a one-time cleaning and video service, the General Manager and Operations & Maintenance Manager anticipate rescoping the project to purchase a custom van containing state-of-the-art video equipment and having the field crew to perform the service on a continuing basis instead. The cost and size of video equipment has gone down dramatically over the last 5-10 years, while the technology has advanced considerably. Given the substantial capital investment of about \$200,000 to purchase this equipment, our relatively small sewer collection system (29 miles), and the anticipated use of only one day a week on average, it makes a lot of sense to consider sharing the equipment—and expense—with nearby Mission Hills Community Services District (MHCS District). Management. Staff will explore the possibility of a combined project with MHCS District in a future budget.

The capital budget expenditures are presented in the following categories:

- Capital Replacement: Replaces existing equipment, infrastructure, or facilities.
- Capital Improvement: Builds upon or improves existing equipment, infrastructure, or facilities.
- Capital Outlay: Purchases or constructs new equipment, infrastructure, or facilities.

The District does not capitalize any expenditures or assets that cost less than \$1,000. All such items are expensed.

The proposed capital budgets, in general, reflect upgrades to the water and wastewater infrastructure and incorporate projects from the Strategic Plan. A brief synopsis and justification for the proposed capital expenditures is included in the attachments.

Capital budget projects are an important way the District maintains and improves its water systems. Setting aside enough money in reserves is crucial.

Charles Fishman addresses this in his book, *The Big Thirst*:

“Maintaining water systems is like saving for retirement. It not only provides no immediate satisfaction, it actually reduces your ability to enjoy yourself right now. But if you don’t save slowly and steadily for retirement—just like if you don’t steadily maintain and improve the water systems you’ve got—at some point it becomes too late. You can’t possibly save enough to retire if you don’t start until you’re sixty—and if you haven’t started, you’re in trouble. Likewise, at some point it becomes almost impossible to rescue water systems that fall too far behind.”

Let’s not ever let Vandenberg Village’s water systems fall too far behind.

Attachments:

1. Water and Wastewater Capital Budget Summary
2. FY 2018-19 Water and Wastewater Capital Budgets (under separate cover)

Vandenberg Village Community Services District
Water and Wastewater Capital Budget Summary
Fiscal Year 2018-19

CAPITAL IMPROVEMENT PLAN

Builds upon or improves existing equipment, infrastructure, or facilities.

Geographic Information System (GIS) \$100,000
(Strategic Plan Item #3)

Create electronic utility drawings for the District's water and wastewater systems and provide a web-based database application that would allow District staff to view and update asset maps and associated data. This will greatly improve maintenance, record-keeping, and accounting of infrastructure such as valves, hydrants, manholes, and pipelines. To date, \$6,530 has been collected from developers for this project.

L/S #1 Replacement \$200,000
(Strategic Plan Item #5)

Replace the old and wet and dry well configured lift station constructed in 1961, and the wet-well mounted pumps installed in 1996, with a completely new lift station facility that includes a larger wet well, Smith & Loveless equipment package, electrical panels, and an automatic transfer switch for the 56-kW standby generator. Penfield & Smith's April 2005 capacity study recommended a larger wet well to serve the Clubhouse Estates Project (52 additional connections) and future development of the vacant 44-acre Ebbert parcel. To date, \$11,634 has been collected from developers for the project. Including interest earned, developers have paid 52% of the developer share.

Rehabilitate Wells 3A and 3B \$105,000

Replace column pipe, refurbish or replace pump bowls, and replace appurtenances, as necessary, as part of the District's standard of rehabilitating wells every five years. Both wells were last rehabilitated in 2014. The \$10,000 cost to inspect each well is funded in the operating expense budget.

**Vandenberg Village Community Services District
Water and Wastewater Capital Budget Summary
Fiscal Year 2018-19**

Rehabilitate Tanks 1, 3, 5A, and 5B* **\$710,000*

Replace the roof and recoat the interior and exterior of Tank 1; repair and recoat the exterior of Tanks 5A & 5B; and touch-up the exterior coating on Tank 3. Consolidating tank work into one project makes more efficient use of staff and consultant time for preparation of plans and specifications, contract management, and construction management. It also reduces contractor mobilization/demobilization expenses and results in a better price for the work.

CAPITAL REPLACEMENT PLAN
Replaces existing equipment, infrastructure, or facilities.

Security Systems* **\$25,000*

Replace the security systems that were installed in 1999 at the Shop Building and the Booster Building in conjunction and compatible with the security system at the new Administrative Office Building. There have been increasing problems with malfunctions and false alarms with current system. Surveillance systems are being considered.

Administrative Office* **\$1,850,000*
(Strategic Plan Item #16)

Replace the existing administrative office at 3757 Constellation Road. In August 2015, the vacant Rabobank building at 3745 Constellation Road was purchased by the District and, in December 2015, an architect was selected to prepare plans to remodel the interior for use as an administrative office. Construction began January 2018 and is expected to be completed by June 2018. To date, \$6,698 has been collected from developers for the project.

Valve Replacement Project* **\$105,000*

Replace 18 street valves (4-inch to 12-inch in size) throughout the water distribution system. Most of these valves are either broken or more than 50 years old.

**Vandenberg Village Community Services District
Water and Wastewater Capital Budget Summary
Fiscal Year 2018-19**

Hydrant Replacement Project* **\$130,000*

Replace 6 obsolete wet-barrel fire hydrants and 12 outdated dry-barrel hydrants throughout the water distribution system. The District is phasing out the dry-barrel hydrants due to age and the added cost of maintenance. Most of the hydrants to be replaced are more than 35 years old.

NaOCl (Sodium Hypochlorite) Pumps (2 ea)* **\$36,000*

Replace 2 obsolete Sodium Hypochlorite pumps and associated piping. The old pumps were purchased in 1998 and have outlived their useful lives.

Laboratory Turbidity Meters (2 ea)* **\$8,200*

Replace the obsolete flow-through and table-top turbidity meters in the laboratory. The current models, purchased in 2002 and 2011, will no longer be supported by the manufacturer (Hach) after 2019.

Computer Workstations (2 ea)* **\$3,150*

Replace 2 outdated office computers according to a scheduled replacement plan.

CAPITAL OUTLAY PLAN
Purchases or constructs new equipment, infrastructure, or facilities.

New Wells* **\$300,000*
(Strategic Plan Item #11)

Fund preliminary work such as a cultural resources study, biological assessment, and environmental documents to obtain a future well site for the eventual replacement of the District's three wells which are now 30-40 years old. Drill a test well at the old County Fire Station. To date, \$11,851 has been collected from developers for this project.

**Vandenberg Village Community Services District
Water and Wastewater Capital Budget Summary
Fiscal Year 2018-19**

Transfer Switch – Booster Station #5

\$5,000





Install an electrical transfer switch so the 25-kW portable generator can provide emergency power to Booster Station #5. This would allow the Field Crew to maintain water pressure to the upper pressure zone during power outages.

VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT

AGENDA MEMORANDUM

TO: Board of Directors ITEM: 8.B

FROM: Finance/Budget Committee
(Director Bumpass & Director Fox)

BY: Joe Barget, General Manager 
Cynthia Allen, Administrative Services Manager 
Michael Garner, Operations & Maintenance Manager 
Patricia LeCavalier, Finance Administrator 

DATE: April 3, 2018

SUBJECT: Operating Budget

Recommendations:

1. Adopt the Fiscal Year (FY) 2018-19 operating budgets for Water and Wastewater Enterprise Funds which includes:
 - a. A 2.4 percent cost of living increase for all employees including the general manager, effective July 1, 2018.
 - b. A temporary increase from three to four utility service persons on the field crew, effective April 15, 2018, until the retirement or departure of an employee.
2. Approve FY 2018-19 administrative overhead fees of 19.66 percent.

Policy Implications: California Government Code §61110 requires the Board to adopt an annual (or biennial) budget before September 1. The Code also requires the Board to hold a public hearing and publish a notice at least two weeks before the hearing in a newspaper of general circulation.

Resource Impacts:

- The operating budget totals \$4,636,403 and consists of three parts:
 - \$1,869,555 (Water)
 - \$1,285,354 (Wastewater)
 - \$1,481,494 (LRWRP)
- This represents a 10 percent increase in the water budget, a 2.7 percent decrease in the wastewater budget from last year, and a 0.1 percent increase for LRWRP expenditures.
- The operating budget is funded primarily by rate revenue from the fiscal year.
- The LRWRP Upgrade Charge was removed from the monthly bills and added as a fixed charge to the Santa Barbara County Tax Bill effective October 2017.

Alternatives Considered: None

Discussion: The Finance/Budget Committee reviewed the staff-recommended operating budgets on March 9 and presents them to the Board for consideration and approval.

The Water and Wastewater operating budgets assume average water consumption and wastewater generation from the previous five years. If it is a very wet year, the District can expect to sell less water and earn less revenue (but have lower expenses). If it is a very dry year, the District can expect to sell more water and earn more revenue (but have higher expenses).

Water	Wastewater	LRWRP	
\$1,782,084	\$1,655,416	\$1,086,322	Revenue
(1,691,017)	(1,234,808)	(991,091)	Operating Expenses
(178,538)	(50,546)	(490,403)	Depreciation
(\$87,471)	\$370,062	(\$395,172)	Net income

In 2017, the VVCSD Board of Directors restructured rates. First, the Lompoc Regional Wastewater Reclamation Plant (LRWRP) Upgrade charge was moved from the monthly VVCSD bill to the annual Santa Barbara County property tax bill to ensure that every property, occupied or vacant, pays its proportionate share of this major capital expense. Second, monthly fixed

water service charges were reduced and the water use structure was compressed from four to two tiers. Combined, these adjustments reduce the monthly water expense for customers that use less than 10 units of water a month and proportionally increase the monthly water expense for customers that use more, and are projected to increase overall water revenue by about \$140,000 next fiscal year.

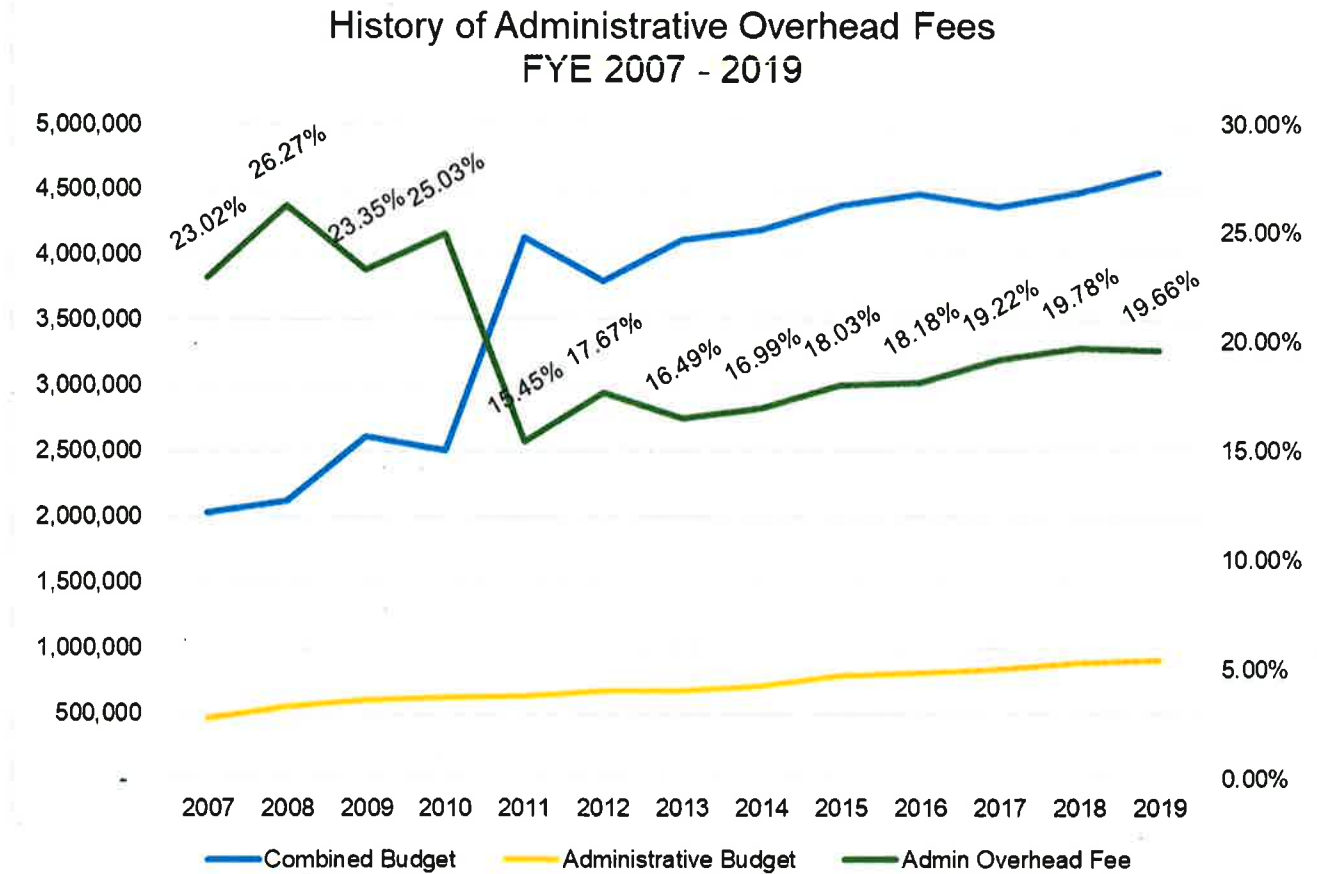
The District's water rates remain the lowest of all 17 water agencies in Santa Barbara County. Sewer rates are higher than average, primarily due to debt service and depreciation on the LRWRP. However, the District's combined (water and sewer) rates remain squarely in the middle of the pack within Santa Barbara County.

In addition to the 2.4 percent cost of living increase in employee salaries and a temporary increase in staffing for the field crew, highlights of this year's operating budget include:

- \$200,000 for design and toward the construction of a replacement sewer line in conjunction with the county's project to replace Floradale Bridge.
- \$20,000 for inspection and repair of Wells 3A and 3B. Continues the District's standard of rehabilitating wells every five years.
- \$25,000 for systematic replacement of meter heads on automated meter reading (AMR) water meters which are approaching 10 years old.
- \$35,000 for vegetation management to maintain 2.9 miles of access roads to critical water and sewer infrastructure, and follow-up desilting and brush clearance work by Santa Barbara County Flood Control on Davis Creek.
- \$40,000 toward the development of a Groundwater Sustainability Plan (GSP) by 2022 as required by the Sustainable Groundwater Management Act (SGMA).
- \$25,000 for director salaries and training. In line with previous years.
- \$15,000 for legal expenses. Down from \$50,000 last fiscal year. Extremely low relative to most water and sewer districts.

The Administrative Overhead Fee is a calculated percentage of the administrative expenses when compared to the total operating budget and is used to account for the indirect costs incurred by the District. It is required for Construction Work in Progress journal entries and is also used when requesting reimbursement from outside parties. The graph below illustrates

the inverse relationship between the Administrative Overhead Fee and the Combined Budget. The Administrative Budget remains relatively flat so, as the Combined Budget increases, the Administrative Overhead Fee decreases. The large decrease in the 2011 Administrative Overhead Fee was in response to the increased wastewater operating expense budget due to the addition of the LRWRP expenses.



Attachments:

1. Water and Wastewater Operating Budget Summary (FY 2018-19)
2. Water Operating Budget (FY 2018-19) (under separate cover)
3. Wastewater Operating Budget (FY 2018-19) (under separate cover)
4. Administrative Overhead Fees (FY 2018-19) (under separate cover)
5. Payroll Schedule (FY 2018-19)

Vandenberg Village Community Services District Water and Wastewater Operating Budget Summary Fiscal Year 2018-19

Below is a summary explanation for each category of the proposed operating budget for the water and wastewater enterprise funds. Although each fund has its own budget and the funds may not be comingled, they are described together in the summary to better represent the operating activities of the District. More detailed information on each line item is available in the District Office for review.

OPERATING REVENUES

The proposed water and wastewater revenues reflect no changes in rates.

Water revenues are projected by using an average number of active customers for a calendar year and five-year historical average water consumption. Since revenue projection is based on historic performance, actual revenue could be better in some months and worse in others.

Wastewater revenues are projected by using an average number of active customers. The fees collected are fixed monthly charges; hence, actual performance does not vary greatly from budget projection.

For FY 2018-19, staff estimates a net **water reserve** contribution of approximately \$91,000 and **wastewater reserve** contribution of approximately \$421,000 from wastewater service charges and \$95,000 from LRWRP upgrade charges.

NON-OPERATING REVENUES

Interest Earnings are budgeted for the District's investment accounts with the Local Agency Investment Fund (LAIF), Santa Barbara County Treasury; money market account at Rabobank; and Wastewater Capital Reserve Fund (WCRF) at the City of Lompoc based on the following projections:

**Vandenberg Village Community Services District
Water and Wastewater Operating Budget Summary
Fiscal Year 2018-19**

		2017	FY 18-19
		Interest Rate	Projection
LAIF	Variable	1.20%	1.20%
Santa Barbara County	Variable	1.03%	1.03%
Money Market	Variable	0.20%	0.20%
WCRF	Variable	0.75%	0.75%

OPERATING EXPENSES

In general, operating expenses that are not exclusive to the water or wastewater funds (insurance, utilities, office supplies, administrative expenses) are allocated at 60% water, 40% wastewater. Customer related expenses (billing stock, postage, bill inserts) are allocated at 50% to each fund. Payroll for exempt staff and non-exempt office staff is allocated 60% water, 40% wastewater. Payroll for non-exempt field staff is charged to the fund in which the work is performed. Therefore, allocation is based on historical payroll accounting.

The following are significant changes in the budgets:

Source of Supply (Wells) – Budget includes \$20,000 to inspect and repair Wells 3A and 3B (this project also has capital expenditures on the water capital budget), \$40,000 for the Sustainable Groundwater Management Act (SGMA), \$30,000 for SYRWCD pump taxes, and \$3,500 for Cloud Seeding.

Pumping (Boosters) – Budget includes \$8,000 to for preventative maintenance on the SCADA operating system.

Wastewater Treatment – Budget includes \$600,000 for wastewater treatment costs.

WCRF – This item represents the District’s portion of capital improvements to the Lompoc Wastewater Reclamation Plant and VVCSD has little control over the annual capital expenditures. The District earns interest on the WCRF balance of \$742,558. \$200,000 has been budgeted for the design of the Floradale Bridge wastewater transmission line to be billed to VVCSD through the WCRF.

**Vandenberg Village Community Services District
Water and Wastewater Operating Budget Summary
Fiscal Year 2018-19**

LRWRP Debt Service – Budget includes the annual SRF payment of \$741,091. This represent the District's portion of the LRWRP debt service obligations.

Transmission and Distribution – Budget includes \$10,000 for triennial inspection of Tanks 1, 3, 5A, and 5B. This project also has capital expenditures on the water capital budget. Budget also includes \$25,000 to replace meter registers not covered under the 10-year warranty.

Customer Accounts – Budget includes employee cellular phone and internet allowances and merchant account fees for customer transactions.

Insurance – Cost includes general liability and property casualty insurance.

Administrative and General – Budgeted administrative and general costs include \$35,000 for vegetation management, \$15,000 for legal counsel, and \$17,050 for employee travel expense.

Director's Expense – Budget includes \$25,250 for director's travel expenses and salaries.

Depreciation – Budget depreciation assumes new capital assets purchased in January. All assets are depreciated for the full month beginning the first month of ownership.

Although there is no cash outlay for depreciation expense, the Board adopted Resolution 99-94 in 1994 that directs staff to set cash aside based on depreciation expense and establish rates to provide sufficient cash to fund this depreciation expense in order to fund a replacement reserve for replacing capital equipment. The resolution was rescinded and replaced in 2006 by Resolution 176-06 with the same direction to staff.

Vandenberg Village Community Services District Water and Wastewater Operating Budget Summary Fiscal Year 2018-19

Salaries and Benefits – Many factors affect salaries and benefits in the FY 2018-19 budget which has resulted in an increase of \$118,500 from the FY 2017-18 budget. The anticipated employee salaries and benefits for working hours are:

Water fund	\$ 867,500	(FY 2016-17:	\$774,900)
Wastewater fund	\$ 418,700	(FY 2016-17:	\$392,800)
Total	\$1,286,200	(FY 2016-17:	\$1,167,700)

Budgeted salaries increased \$24,600 due to a 2.4% economic adjustment for all employees and \$48,800 for the addition of a fourth field employee. The budget also assumes that employees who are not at the top of their pay scale will receive at least one merit increase.

Budgeted benefits increased by \$45,100 due to the increase resulting from those benefits, such as CalPERS, life insurance, long term disability, and worker’s compensation, calculated based on gross salaries and the additional benefits for the new employee. The additional cost for paid benefits such as insurance, retirement, etc. represents 64.82% of the total base salary the District pays its employees.

The table below shows a historical comparison of actual salaries to budget (does not include paid benefits such as holiday, sick, and vacation):

Fiscal Year	Notes	Total Budgeted Salaries	Total Actual Salaries	Variance From Budget
14-15	1.00% economic adjustment + 2.00% salary adjustment	661,900	620,313	-41,587.00 ¹
15-16	1.30% to 3.30% economic adjustments	651,400	657,124	5,724.00 ²
16-17	1.10% economic adjustment + 2.00% salary adjustment	676,800	668,187	8,613.00
17-18	0.90% economic adjustment	693,500	647,000 <i>(projected)</i>	-46,500.00 ³
18-19	2.40% economic adjustment + 4 th field employee	753,400		

**Vandenberg Village Community Services District
Water and Wastewater Operating Budget Summary
Fiscal Year 2018-19**

1. variance primarily due to retirement of management employee
2. variance due to O&M Manager replacement undecided at budget preparation
3. variance primarily due to employee medical leave from July 1 to November 6 (temp employee paid from administrative and general contract services budget)

NET INCOME <LOSS>

Water Fund	<\$87,471>
Wastewater Fund	\$370,062
LRWRP	<\$395,172>

VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT
 PAYROLL SCHEDULE
 2.40% ECONOMIC ADJUSTMENT

01-Jul-18

JOB TITLE	TRIAL PERIOD		STEP 1		STEP 2		STEP 3		STEP 4		STEP 5	
	Monthly	Hourly	Monthly	Hourly	Monthly	Hourly	Monthly	Hourly	Monthly	Hourly	Monthly	Hourly
OPERATIONS & MAINTENANCE MANAGER	\$6,860.53	\$39.58	\$7,203.73	\$41.56	\$7,564.27	\$43.64	\$90,771.20	\$7,942.13	\$45.82	\$95,305.60	\$8,756.80	\$50.52
ADMINISTRATIVE SERVICES MANAGER	\$6,723.60	\$38.79	\$7,059.87	\$40.73	\$7,413.47	\$42.77	\$88,961.60	\$7,784.40	\$44.91	\$93,412.80	\$8,583.47	\$49.52
FINANCE ADMINISTRATOR I	\$5,787.60	\$33.39	\$6,077.07	\$35.06	\$6,380.40	\$36.81	\$76,564.80	\$6,699.33	\$38.65	\$80,392.00	\$7,365.73	\$42.61
SERVICE PERSON III	\$4,955.60	\$28.59	\$5,203.47	\$30.02	\$5,463.47	\$31.52	\$65,561.60	\$5,737.33	\$33.10	\$68,848.00	\$7,280.00	\$36.49
SERVICE PERSON II	\$4,718.13	\$27.22	\$4,953.87	\$28.58	\$5,201.73	\$30.01	\$62,420.80	\$5,461.73	\$31.51	\$65,540.80	\$6,021.60	\$34.74
SERVICE PERSON I	\$4,173.87	\$24.08	\$4,381.87	\$25.28	\$4,600.27	\$26.54	\$55,203.20	\$4,830.80	\$27.87	\$57,969.60	\$5,324.80	\$30.72
ADMINISTRATIVE/ACCOUNTING ASSISTANT	\$4,383.60	\$25.29	\$4,602.00	\$26.55	\$4,832.53	\$27.88	\$57,980.40	\$5,073.47	\$29.27	\$60,881.60	\$5,593.47	\$32.27
CUSTOMER SERVICE REPRESENTATIVE II	\$3,900.00	\$22.50	\$4,095.87	\$23.63	\$4,300.40	\$24.81	\$51,604.80	\$4,515.33	\$26.05	\$54,184.00	\$4,978.13	\$28.72

NEW RATE	
Monthly	Hourly
\$13,899.60	\$80.19
\$166,795.20	

GENERAL MANAGER

EXEMPT

VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT

AGENDA MEMORANDUM

TO: Board of Directors ITEM: 8.C

FROM: Joe Barget, General Manager 
Cynthia Allen, Administrative Services Manager 

DATE: April 3, 2018

SUBJECT: Integrated Regional Water Management (IRWM) Program

Recommendation: Approve a Memorandum of Understanding (MOU) to participate in the Statewide and Countywide Integrated Regional Water Management (IRWM) Program in Santa Barbara County.

Policy Implications:

- District Ordinance 27-07 requires all agreements with external agencies and organizations to be approved by the Board and signed by the President.
- The Board approved three previous MOUs with the county (August 2006, October 2007, and November 2008) to participate in the IRWM Program and compete for grant funds under Prop 50, Prop 84, and Prop 1.

Resource Impacts:

- The IRWM Program requires considerable management staff time and some funds; however, through our participation the District received a \$4 million Prop 50 grant for the Lompoc Regional Wastewater Reclamation Plant (LRWRP) Upgrade Project, and a \$61,139 share of a Prop 84 grant for the Lompoc Valley Leak Detection and Repair Project.
- Under this MOU, the County pays 50 percent of costs. Cooperating Partners such as VVCSA agree to generally allocate costs for the other 50 percent by service area population and services.

Alternatives Considered: Do not approve the MOU and stop participating in the IRWM Program.

Discussion: Since 2006 the County Water Agency has played the lead role in the IRWM Program. The District has actively participated and benefitted from the program.

This MOU is structured around three parties: *Project Manager* (County Water Agency), *Cooperating Partners* (local government agencies including special districts), and *Stakeholders* (mutual water companies, wastewater agencies, environmental groups, etc.).

District Legal Counsel Mike Munoz reviewed the MOU and discussed it with the General Manager on March 28. There are no significant concerns. If problems arise, the MOU allows any signatory to the MOU to terminate its participation after 30 days written notice. The District received word that minor changes to the attached version of the MOU are pending and will be finalized early this week. Staff will review them with the Board at tonight's meeting.

Staff recommends approval of the MOU and continued participation as a Cooperating Partner in IRWM Program.

Attachments:

1. IRWM Description and Background, prepared by County Water Agency
2. Memorandum of Agreement (MOU) to participate in the Statewide and Countywide Integrated Regional Water Management (IRWM) Program in Santa Barbara County

IRWM Description and Background

On November 4, 2014, California voters approved Proposition 1, the Water Quality, Supply, and Infrastructure Improvement Act of 2014. The Proposition 1 IRWM Grant Program, administered by Department of Water Resources (DWR), provides funding for projects that:

- Help water infrastructure systems adapt to climate change,
- Provide regional water self-reliance and water supply reliability, and
- Provide incentives for collaboration to manage water resources and set regional priorities for water infrastructure.

Proposition 1 authorized the statewide appropriation of \$510 million in IRWM funding for Implementation, Planning, and Disadvantaged Community Involvement efforts. The six (6) Regions within the Central Coast Funding Area (CCFA) have been allocated a total of \$43 million over the expected appropriation rounds (FY 2017/2018 & FY 2019/2020). The CCFA consists of the following Regional Water Management Groups and IRWM Regions; Santa Barbara County, San Luis Obispo County, Greater Monterey County, Monterey Peninsula/Carmel Bay/South Monterey Bay Santa Cruz County, and Pajaro River Watershed.

The Santa Barbara IRWM Region expects to receive approximately \$6.3M in Proposition 1 Project Implementation Round funding in FY 18/19 or FY 19/20.

Background:

Beginning in September 2006, the County Water Agency has worked with a County-wide group of approximately 29 cities, special districts, water companies, joint powers authorities, and Non-Governmental Organizations (NGOs) to develop the first Integrated Regional Water Management Plan (completed in May 2007). The plan was updated in 2013 and another plan update is expected this year in response to DWR's 2016 IRWM Guidelines.

The Water Agency acts as the single eligible grant recipient responsible for administration of the IRWM Grants. In accordance with the Memorandum of Understanding (MOU) and sub-grant agreements between the Water Agency and Project Proponents, the Water Agency functions as a pass through agency between the State and Proponents. The Water Agency is responsible for organizing and forwarding the required project reporting information to the State and to review and submit claims to the State from each Project Proponent. Project Proponents are then reimbursed once funding is received from the State.

Pursuant to the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (Water Code Section 79560 et seq.), on behalf of the 29 Cooperating Partners within the Santa Barbara Area IRWM Region who assisted in the preparation of the IRWM Plan, the Water Agency has applied for and been granted approximately \$32 million in funding for 24 water related projects within the County. These grants included approximately \$27 million for 15 regional water projects through Proposition 50, a \$550,000 Proposition 84 Planning Grant used for the 2013 update of the IRWM Plan, \$3,000,000 for 7 regional water projects through Proposition 84, Round 1, and \$2,000,000 through the Proposition 84 Drought Round.

Memorandum of Understanding (MOU)
To participate in the Statewide and Countywide
Integrated Regional Water Management (IRWM) Program
In Santa Barbara County

This Memorandum of Understanding (MOU) is entered into by and between local government agencies, special districts, and non-governmental organizations (NGOs), organizations qualified under 501 (c) (3), 501 (c) (4) or 501 (c) (5) as defined by the Internal Revenue Code) within Santa Barbara County, as listed in Appendix A, and hereinafter referred to as “Cooperating Partners”.

1. Purpose of this MOU

Under this MOU, the Cooperating Partners commit to participate in, and make a financial and/or service oriented contribution toward, the ongoing participation in the process established for the purposes of ongoing program development and IRWM Plan updates pursuant to the Countywide Integrated Regional Water Management Program.

The Countywide Integrated Regional Water Management Program, administered by the Department of Water Resources (DWR), requires an adopted Integrated Regional Water Management Plan that meets the statewide guidance requirements and legislative requirements and provides funding for projects that support the following goals (not limited to the list below):

- Help water infrastructure systems adapt to Climate Change;
- Assist communities of various socio-economic levels (SDAC/DSAC/EDA);
- Improve self-reliance/reduce reliance on the Sacramento San Joaquin Delta;
- Provide incentives for collaboration to:
 - Better manage water resources
 - Set regional priorities for water infrastructure.

2. Background

Through voter-approved bond measures, the DWR provides funding for a range of water related plans and projects. Santa Barbara Countywide interests successfully prepare and update IRWM Plans. The Santa Barbara Region is with the Central Coast Funding Area and works in collaboration with this funding region through a Memorandum of Agreement (MOA) for the equitable allocation of IRWM Funding as well as to address the water management needs of the Central Coast Hydrologic Area.

3. Principles

Recognizing the importance of a comprehensive IRWM Program, and consistent with previous MOUs for the IRWM Plan and Program, the Cooperating Partners endorse the following *Principles* for integrated regional water management planning.

- 3.1 Be consistent with the State’s standards for IRWM Plans, as specified in Division 43 of the Public Resources Code and related guidelines, and meet or exceed the expected scoring criteria used by the State in its IRWM Plan approval process.

- 3.2 Establish a process for on-going decision-making among cooperating partners, with inclusive and participatory public involvement to ensure meaningful input.
- 3.3 Share the costs of IRWM planning, analysis, coordination, and product development through both monetary contributions and staff time/in-kind services. NGOs, as specified herein, meeting certain time commitment requests, will be exempted from the monetary contributions afforded all other members of the Cooperating Partners.
- 3.4 Adopt a regional approach which coordinates water planning across jurisdictional boundaries in Santa Barbara County, sets priorities on a regional basis, and considers issues common to regionally shared watersheds.
- 3.5 Adopt an integrated approach to address the complex inter-relationships across strategies for: water supply, demand management, water quality, source water protection, drought management, flood control, and other water management issues as well as sensitivity to water provision and resources in the context of global climate change.
- 3.6 Consider the State's "program preferences" (as specified in the California Water Code and implementing legislation) as well as "Statewide priorities" (as specified in the IRWM Guidelines) during the IRWM planning process.
- 3.7 Incorporate an appropriate level of scientific watershed assessment information.
- 3.8 Modify the Plan to continue as an informational "roadmap" toward meeting objectives, but not as a regulatory or enforceable mandate.
- 3.9 Recognize the need for a long-term perspective, which includes monitoring of project and plan implementation.
- 3.10 Provide for adaptive management for future revisions to the Plan.
- 3.11 Provide for coordination with other IRWM Planning efforts in the Central Coast Region.
- 3.12 Provide an inclusive process which seeks involvement from, and opportunities to collaborate with, a wide range interests including the general public, agriculture, environmental groups, watershed groups, wetlands groups, academic institutions, adjacent region representatives, and NGOs.

4. Scope of an IRWM Plan

The Cooperating Partners understand and accept that a final IRWM Plan must consider a range of water management strategies to meet the Plan's objectives. These strategies must cover certain State-specified categories and may include other categories. Consistent with the State's expected IRWM guidelines, the Plan must consider strategies that:

- 4.1 Reduce Water Demand
- 4.2 Improve Operational Efficiency & Transfers
- 4.3 Increase Water Supply
- 4.4 Improve Flood Management
- 4.5 Improve Water Quality
- 4.6 Practice Resource Stewardship
- 4.7 Climate Change

As part of its development, the Plan should consider, but not be limited to, the following strategy elements:

- 4.8 Water supply reliability
- 4.9 Storm water capture and management
- 4.10 Groundwater management
- 4.11 Water recycling
- 4.12 Water conservation
- 4.13 Flood management
- 4.14 Water quality protection and improvement
- 4.15 Ecosystem restoration
- 4.16 Environmental and habitat protection and improvement
- 4.17 Wetlands enhancement and creation
- 4.18 Recreation and public access
- 4.19 Conjunctive use
- 4.20 Surface storage
- 4.21 Non-point source pollution control
- 4.22 Low impact development
- 4.23 Water and wastewater treatment
- 4.24 Watershed planning
- 4.25 Desalination
- 4.26 Imported water and water transfers
- 4.27 Land use planning

5. Roles and Responsibilities

In order to develop an effective IRWM Plan, the Cooperating Partners agree to continue the ongoing planning effort initiated formally in 2006, and reaffirmed and recommitted to in 2010 and 2012. The Santa Barbara County Water Agency (Agency) shall again act as the single eligible contracting entity. The Agency may engage a consultant to serve as Project Manager for IRWM Plan development, including data collection, analysis, coordinating stakeholder and public involvement, and overall coordination of plan and grant application preparation. Prior to hiring the consultant, the Agency will obtain advance concurrence of a majority of the Cooperating Partners as to the consultant qualifications and terms of contract.

The IRWM planning and implementation process will include the Project Manager, Cooperating Partners and Stakeholders. Each will be responsible for, and participate in the IRWM Program and any application processes as follows:

5.1 Project Manager

The Agency shall act as or engage a Project Manager to provide overall coordination of the IRWM Program and Plan efforts. The Project Manager shall prepare agendas and chair the Cooperating Partners meetings. In addition, the Project Manager shall implement a public participation process that shall include regular workshops for stakeholders and other interested parties as well as establishing and maintaining a website pertaining to the various funding Propositions that is accessible to the Cooperating Partners and the public. The project manager shall be

responsible for the monitoring of State Propositions involving IRWM and informing the Cooperating Partners regarding developments.

The Project Manager will participate in the interagency process involving DWR and/or Central Coast interests relating to the IRWM Program as appropriate. This participation may include review and comment on draft guidelines for PSPs, Guidelines program changes, attendance at DWR workshops and meetings and meetings with other Central Coast Region IRWM planning areas. The Project Manager will keep the Cooperating Partners apprised of relevant issues and developments.

5.2 **Cooperating Partners**

The Cooperating Partners shall consist of those local government agencies, special districts, and non-governmental organizations (NGOs) within the Santa Barbara County IRWM Region, listed in Appendix A. Cooperating partners' meetings are open to the public. A forum for public comment will be provided at each Cooperating Partners meeting. Decisions by the Cooperating Partners will be based on consensus whenever possible, or by a vote of a simple majority of all members participating in a meeting, each entity that is signatory to this MOU having one vote. Cooperating Partners shall participate in regular meetings and take part in decisions pertaining to the IRWM planning process, project finances, consultant selection, revision of the IRWM Plan, and planning grant proposals.

5.3 **Stakeholders**

Stakeholders shall be defined as all interested parties that are not participating in the process as Cooperating Partners. Stakeholders may fall into the following categories as defined in IRWM legislation: (1) Wholesale and retail water purveyors, including a local agency, mutual water company, or a water corporation as defined in Section 241 of the Public Utilities Code; (2) wastewater agencies; (3) flood control agencies; (4) municipal and county governments and special districts; (5) electrical corporations, as defined in Section 218 of the Public Utilities Code; (6) Native American tribes that have lands within the region; (7) self-supplied water users, including agricultural, industrial, residential, park districts, school districts, colleges and universities, and others; (8) environmental stewardship organizations, including watershed groups, fishing groups, land conservancies, and environmental groups; (9) community organizations, including landowner organizations, taxpayer groups, and recreational interests; (10) industry organizations representing agriculture, developers, and other industries appropriate to the region; (11) State, federal, and regional agencies or universities, with specific responsibilities or knowledge within the region; (12) Disadvantaged Community members and representatives, including environmental justice organizations, neighborhood councils, and social justice organizations; (13) any other interested groups appropriate to the region.

Stakeholder involvement will be actively solicited through web-sites, media noticing, personal contact, and the posting of notices. Solicitation of Stakeholders shall be among the responsibilities of Cooperating Partners members.

6. Financial Considerations

Each of the Cooperating Partners, respectively except for NGOs that qualify for an exemption from monetary participation, agree to in-kind time and materials commitments, and shall be solely responsible for costs for staff time devoted to the revision of an IRWM Plan and potentially for making application for grant funding. In addition, there will be extramural costs for hiring a Project Manager and/or consultants for at least one year, with duties for coordination, analysis, outreach, plan revision and updates pursuant to DWR guidelines, and grant applications as outlined in the "Roles and Responsibilities" section of this MOU. There will also be extramural costs for administrative services including those conducted by the Santa Barbara County and Water Agency staff including accounting services, web services, project oversight, and legal services, as necessary. Extramural costs, after deduction of funds remaining in the IRWM account and the County's 50% cost share.

The Cooperating Partners agree to generally allocate costs by approximate service area population and services. The Cooperating Partners agree to actively encourage participation by all public agencies with a direct or indirect interest in water resources.

6.1 Non-Governmental Organizations

It is recognized that some organizations that wish to participate in the as Cooperating Partners may not have the means by which to make a financial contribution. In lieu of a financial contribution, these organizations may make an "in kind" contribution consisting of the commitment of time and labor in support of the IRWM process. Pursuant to language codified in DWR's IRWM Program Guidelines, Integrated Regional Water Management, Nonprofit Organizations are defined as "any nonprofit corporation qualified to do business in California, and qualified under Section 501 (c) 3, 501 (c) (4) or 501 (c) (5) of the Internal Revenue Code." The option of "in-kind" service in lieu of a financial contribution will extend only to those meeting this definition.

Examples of "In-kind" contributions include but are not limited to:

- 6.1.1 Attendance at and participation in Cooperating Partners.
- 6.1.2 Organization and/or conducting of informational, workshops and meetings.
- 6.1.3 Production and/or distribution of written materials necessary to conduct business relevant to the IRWM process.
- 6.1.4 Solicitation of involvement by Stakeholders.
- 6.1.5 Review of, and comment on, documents produced as part of the IRWM process.

6.2 For Financial Management:

- 6.2.1 The Agency has established an IRWM Administration account for handling the monetary contributions from those Cooperating Partners responsible for making a financial contribution (Financially Responsible Cooperating Partners). Each Financially Responsible Cooperating Partner shall contribute funds to this IRWM account. Subject to appropriation by the Board of Supervisors, the Agency will contribute **50%** of the cost for hiring consultants for IRWM Plan preparation and grant application which may include, but is not limited to, project selection, project management, and administrative support. The Agency will also contribute **50%** of the cost of its staff time for project management and administration for general IRWM Plan coordination and grant application. The Cooperating Partners shall reimburse the Agency for the remaining **50%** of all of the costs above.
- 6.2.2 Financially Responsible Cooperating Partners shall pay their respective contributions to the Agency.
- 6.2.3. Each year the Agency will provide an accounting of the IRWM fund. If funds received are in excess of the cost of actual plan coordination and preparation services, then the Agency will carry forward the balance for use in the next year's IRWM activities. If the IRWM process is completed or terminated, the Agency will refund monies to Cooperating Partners on a pro-rated basis according to each partner's contribution.
- 6.2.4. If the estimated costs of coordination and plan preparation exceed the funds available to the Agency under this MOU, the Agency may ask all Cooperating Partners to provide supplemental funds. If individual Partners refuse to provide the supplemental funds, the shortfall will be spread over the remaining partners on a voluntary basis. If such shortfalls are not made up, then all planning efforts and obligations shall automatically terminate. The planning effort may also be terminated with the concurrence of a majority of the Cooperating Partners.

7. Termination of Participation

Any signatory to the MOU may terminate its participation in this MOU after 30 days written notification to all other signatories. Any entity terminating participation that later wishes to participate in this MOU shall first make payment of any funding due from such party at the time of its termination, and also pay its share of any expenses for which it otherwise would have been obligated absent such termination, as determined by the Cooperating Partners.

8. Addition of Parties

Entities may join the Proposition 1/IRWM Cooperating Partners by submitting a written request to the Cooperating Partners and receiving their approval. Entities joining the Cooperating Partners will be subject to all of the provisions of, and be required to make a financial or in-kind contribution in accordance with, this MOU. Each paying

participant's financial obligation will be reduced proportionally with the addition of funds from any joining entity and applied as a credit to the existing participant's account.

9. Defend and Hold Harmless

Tort Liability. Government Code Section 895.2 imposes certain tort liability jointly upon public agencies solely by reason of such public agencies being parties to an agreement as defined in Government Code Section 895. Therefore, the Parties hereto, as between themselves, pursuant to the authorization contained in Government Code Sections 895.4 and 895.6, each assumes the full liability imposed upon it or any of its officers, agents, representatives or employees by law for injury caused by a negligent or wrongful act or omission occurring in the performance of this MOU, to the same extent that such liability would be imposed in the absence of Government Code Section 895.2. To achieve this purpose, each Party indemnifies and holds harmless the other Party for any loss, cost, or expense, including reasonable attorneys' fees that may be imposed upon or incurred by such other Party solely by virtue of Government Code Section 895.2.

10. Term of this MOU:

The provisions of this MOU will end when Cooperating Partners sign a new MOU that specifically covers ongoing coordination of the IRWM Program process.

11. Counterparts:

This MOU may be executed in counterparts. Each counterpart shall have the same effect as an original.

12. Notices

All notices or other official correspondence relating to MOU matters between the Cooperating Partners shall be addressed to:

Fray Crease, Manager
Santa Barbara County Water Agency
130 E. Victoria Street, Suite 200
Santa Barbara, CA 93101

In witness whereof, the Cooperating Partners hereto have executed this MOU effective at the time that a majority of the parties listed in Appendix A have approved and executed this MOU.

SANTA BARBARA COUNTY WATER AGENCY
SCOTT D. MCGOLPIN
PUBLIC WORKS DIRECTOR

BY: _____

DATE: _____

APPROVED AS TO FORM:
MICHAEL C. GHIZZONI
COUNTY COUNSEL

BY: _____
Deputy

APPROVED AS TO INSURANCE:
RAY ARMATORIO, ARM, AIC
RISK PROGRAM ADMINISTRATOR

BY: _____
Risk Management

APPROVE AS TO ACCOUNTING:
THEODORE A. FALLATI, CPA
AUDITOR-CONTROLLER

BY: _____
Deputy

SIGNATURE OF COOPERATING PARTNER

BY: _____

NAME: _____

TITLE: _____

AGENCY/ORGANIZATION: _____

DATE: _____

Appendix A: List of Cooperating Partners

The list below is of potential Cooperating Partners. A final list will be prepared based on the actual signatories to the MOU.

County Agencies:

- Flood Control and Water Conservation District - Santa Barbara County
- Water Agency – Santa Barbara County
- Laguna County Sanitation District – Santa Barbara County

Cities:

- City of Buellton
- City of Carpinteria
- City of Goleta
- City of Guadalupe
- City of Lompoc
- City Santa Barbara
- City of Santa Maria
- City of Solvang

Water Districts:

- Carpinteria Valley Water District
- Goleta Water District
- Montecito Water District
- Santa Ynez River Water Conservation District
- Santa Ynez River Water Conservation District, ID #1

Non Governmental Organizations:

- Heal the Ocean

Sanitary Districts:

- Carpinteria Sanitary District
- Goleta Sanitary District
- Goleta West Sanitary District

Community Services Districts:

- Cuyama Community Services District
- Santa Ynez Community Services District
- Vandenberg Village Community Services District

Joint Powers Agencies:

- Cachuma Operations and Maintenance Board (COMB)
- Central Coast Water Authority (CCWA)

U.S. Drought Monitor California

March 27, 2018
 (Released Thursday, Mar. 29, 2018)
 Valid 8 a.m. EDT

Drought Conditions (Percent Area)

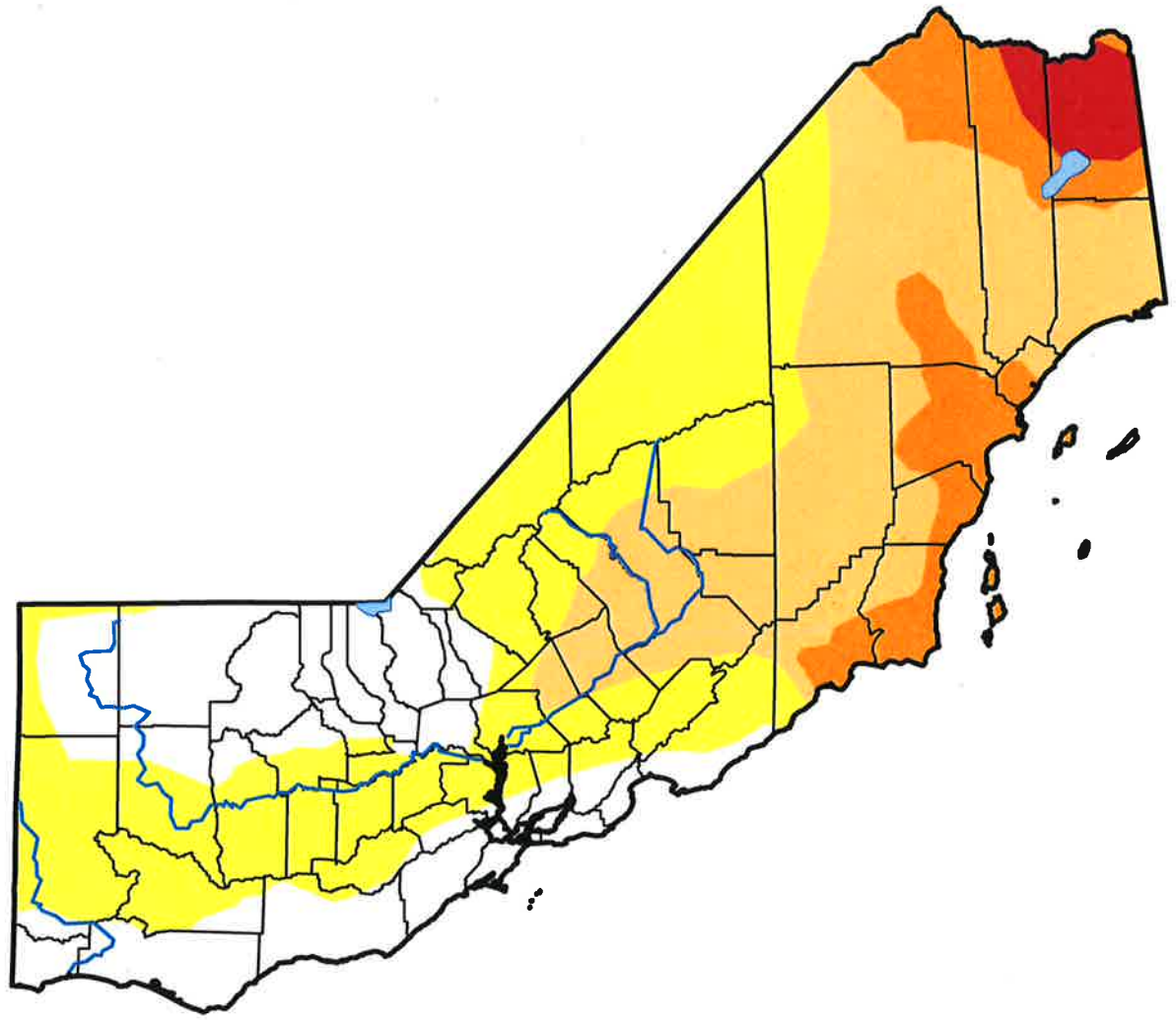
	None	D0	D1	D2	D3	D4
Current	22.99	36.24	28.21	10.06	2.50	0.00
Last Week 03-20-2018	11.08	41.24	25.36	21.88	0.43	0.00
3 Months Ago 12-26-2017	55.70	31.61	12.69	0.00	0.00	0.00
Start of Calendar Year 01-02-2018	55.70	31.61	12.69	0.00	0.00	0.00
Start of Water Year 09-26-2017	77.88	13.88	8.24	0.00	0.00	0.00
One Year Ago 03-28-2017	76.54	15.22	7.18	1.06	0.00	0.00

Intensity:

- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

Author:
 Chris Fenimore
 NCEI/NESDIS/NOAA





March 21, 2018

Ms. Cynthia Allen, SDA
Vandenberg Village Community Services District
3757 Constellation Road
Lompoc, CA 93436-1401

RE: SDLF Recognition in Special District Governance

Dear Ms. Allen:

Congratulations on your completion of the CSDA Special District Leadership Academy. I am glad that you decided to go the extra step and become recognized through the Special District Leadership Foundation (SDLF).

There is no renewal for this program. This recognition lasts a lifetime. We have included a lapel pin so you can display your accomplishment anytime. In addition, you will have your name up at the SDLF booth at all partner conferences, as well as on the SDLF website: www.sdlf.org.

Please let me know if you would like to be recognized for your accomplishment at a local board meeting or an upcoming CSDA event that you plan to attend with your board.

If you have any questions, please do not hesitate to call me at (916) 231-2909 or email me at bethh@sdlf.org.

Best regards,

Beth Hummel
Program Assistant

UPCOMING 2018 CSDA EVENTS:

SDLA Conference	April 15-18, 2018	Monterey
Special Districts Legislative Days	May 22-23, 2018	Sacramento
GM Leadership Summit	June 24-26, 2018	Olympic Valley
SDLA Conference	July 8-11, 2018	Napa
Annual Conference & Exhibitor Showcase	September 24-27, 2018	Indian Wells
Board Secretary/Clerk Conference	October 22-24, 2018	South Lake Tahoe





March 21, 2018

Mr. Joe Barget, SDA
Vandenberg Village Community Services District
3757 Constellation Road
Lompoc, CA 93436-1401

RE: SDLF Recognition in Special District Governance

Dear Mr. Barget:

Congratulations on your completion of the CSDA Special District Leadership Academy. I am glad that you decided to go the extra step and become recognized through the Special District Leadership Foundation (SDLF).

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Best regards,

Beth Hummel
Program Assistant



