

VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT

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



"Pride in Community Service"

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

REGULAR MEETING

Tuesday, February 6, 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: Building 679, Room 7225, Maxwell AFB, Alabama 36113

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. ADMINISTRATION REPORT

7. CONSENT CALENDAR

A. Approval of Minutes of the Regular Meeting on January 2, 2018.... page 1

B. Treasurer Report

1) Approval of Monthly Financial Reports page 7

2) Approval of Disbursements through January 31, 2018..... page 13

3) Schedule of Investments page 23

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

A. **Mid-Year Budget Review:** Consider approving the review
..... page 25

B. **CSD Services and Facilities:** Consider providing four additional services that a community services district (CSD) is authorized to provide and the funding alternatives page 45

9. REPORTS

A. Committees

B. District Representatives to External Agencies

C. Board President

D. General Manager

10. INFORMATIONAL CORRESPONDENCE

A. Budget Calendar Fiscal Year 2018-2019 page 55

B. Letter dated January 25, 2018 from Utility Cost Management LLC
..... page 57

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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MINUTES Regular Meeting

January 2, 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 arrived at 7:08 p.m.

OTHERS PRESENT: Joe Barget, General Manager; Cynthia Allen, Administrative Services (AS) Manager; Mike Garner, Operations & Maintenance (O&M) Manager; and village resident Jon Picciuolo

3. ADDITIONS AND DELETIONS TO AGENDA: None

4. PUBLIC FORUM

President Brooks invited public comments and there were none.

5. OPERATIONS REPORT

O&M Manager Garner reported the District pumped 34.4 million gallons of water for the month of December with an average daily demand of 1.1 million gallons. This was 35 percent higher than last year. Vandenberg Village received no rain in December, so the calendar year 2017 total is 16.25 inches.

Well levels (below ground surface) for December were 1B-142', 3A-135 and 3B-136'.

The State is requiring all schools to be tested for lead before July 2019. The field crew will take four samples at each of the three public schools from the drinking fountains. The test results will be given to each

principal, and the District will report the results in the Consumer Confidence Report at the end of the year. Director Bumpass asked how often this will be done. O&M Manager Garner said just one time, but there could be more requirements in the future.

Santa Barbara County Flood Control District worked with California Department of Fish and Wildlife to clear Davis Creek, which included a mitigation requirement removing pampas grass at Lost Lake. The field crew completed this today using the District's backhoe and hand tools, removing 16,300 square feet of pampas grass which was placed in designated areas for bird and wildlife habitat.

The required mitigation amount was 4,800 square feet, and any additional square feet is considered credit towards any future mitigation requirement.

The field crew will begin tomorrow doing additional arsenic testing at the Old Fire Station 51. Water samples will be taken at 380-feet every 12 hours for six straight days of continuous pumping.

The field crew repaired two 1-inch service lines and there was a chemical pump malfunction. The pump was placed back online within a few hours. There were no sewer system overflows to report in December.

Mr. Picciuolo suggested the field crew also test the Montessori School for lead. O&M Manager Garner appreciated the suggestion and will include them in the testing.

To conclude his report, O&M Manager Garner showed his drone video of the Davis Creek Clearing Project, and thanked the Directors on behalf of the field crew for the time off during the holidays.

6. ADMINISTRATION REPORT

AS Manager Allen said the first payment for the Lompoc Regional Wastewater Reclamation Plant Upgrade Charge was received from the county in December, and the next payment will be received in April.

Temporary fencing was installed around the New Administrative Office today. The final air quality test from the asbestos removal will be done

Thursday, January 4 and Newton Construction starts remodeling the building next week. Anticipated completion is mid-May and occupancy could happen in June. Director Bumpass asked how the contractor will receive payments from the District. AS Manager Allen said progress payments will be made monthly.

7. CONSENT CALENDAR

A. Minutes from the Regular Meeting on December 5, 2017

B. Treasurer Report

1) Monthly Financials

2) Disbursements through December 31, 2017

Motion by Director Blair, seconded by Director Wyckoff to accept the consent calendar as presented

Ayes: Directors Blair, Brooks, Bumpass, Fox and Wyckoff

Noes: None

Abstain: None

Absent: None

8. ACTION ITEMS

A. Sustainable Groundwater Management Act (SGMA)

Bill Buelow with the Santa Ynez River Water Conservation District (SYRWCD) gave an update on SGMA. Mr. Buelow's presentation is made part of these minutes.

The Santa Ynez River Valley Basin is divided into three Groundwater Sustainability Agencies (GSAs), Eastern Management Area, Central Management Area, and Western Management Area. To date approximately \$300,000 has been spent by local agencies on the GSAs, \$275,000 by SYRWCD.

Mr. Buelow worked extensively with the consulting firm GEI to submit a grant application to California Department of Water Resources in November 2017 for up to \$1 million. If approved, the

grant funds are expected in Spring 2018 and are earmarked for the Groundwater Sustainability Plan activities.

B. Committees and Agencies

Motion by Director Bumpass, seconded by Director Fox to confirm Board President Brooks' appointments to standing committees and external agencies and designate Director Anthony Fox as the District's representative, and Director Charles Blair as the alternate, to vote in the Santa Barbara County Chapter of the California Special Districts Association.

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

9. REPORTS

A. Committees

No committees met during the month of December.

B. District Representatives to External Agencies

No Directors attended any external meetings.

C. President

President Brooks spoke to Rob Glasgow and Kathy Cady, members of the Vandenberg Village Lions Club, regarding the lions club donating oak trees to be planted at the entrance of Clubhouse Road and Burton Mesa Boulevard. President Brooks said Mr. Glasgow and Mrs. Cady appeared interested in talking to the other club members about the idea.

President Brooks said he attended the Oak Hills Estate community meeting at the Mission Club with General Manager Barget and Director Wyckoff. The development is approximately two years away from the building stages.

President Brooks concluded by thanking the Vandenberg Village Association for the complimentary words about the District in their most recent newsletter.

D. General Manager Report

General Manager Barget has learned a great deal about planting oak trees from biologists and arborists. Smaller oak trees are better able to establish roots and have a greater likelihood of surviving than larger trees. Also, locally-grown specimens are much more likely to survive and thrive than ones grown further away.

General Manager Barget read an email from Kristina McManigal, thanking the Directors for the time off during the holidays.

General Manager Barget and O&M Manager Garner will attend the initial utility coordination meeting next week on the county's Floradale Bridge Replacement Project. A 1974 agreement, which expired ten years ago, between Park Water and the city of Lompoc, states the 3.5-mile sewer line is owned, operated and maintained by the city but the entity benefiting from the infrastructure is fiscally responsible. The District is the only one benefiting from the pipeline.

Director Bumpass asked for clarification about the bridge project. General Manager Barget said the county has hired BKF Engineers from Newport Beach to design a new bridge to replace the existing one. The pipeline runs from the end of Moonglow Road, across the Floradale Bridge, to the Lompoc Wastewater Reclamation Plant. Vandenberg Airforce Base has an 18-inch pipeline which runs on the west side of the bridge and the District has 10-inch pipeline on the east side of the bridge. O&M Manager Garner said the District sends 500,000 gallons of sewer a day through the pipeline which could get complicated when replacing the bridge. General Manager Barget said he may contact Jon Turner with Phoenix Civil Engineering for assistance with the project.

Key issues to be resolved are: (1) who will design VVCSD's replacement sewer line, BKF Engineers or another firm, (2) will the replacement sewer line be an integral part of the replacement bridge or fastened to the side like it is now, (3) will the city of Lompoc, as the owner of the sewer line, take responsibility for managing the project, and (4) how much will VVCSD have to pay for the design and construction of the replacement sewer line?

10. INFORMATIONAL CORRESPONDENCE

Letter from ACWA JPIA, dated December 4, 2017, presenting President's Special Recognition Awards in the property, liability, and worker's compensation programs.

11. DIRECTORS' FORUM

Director Blair thanked staff for their work at the District.

12. ADJOURN

President Brooks declared the meeting adjourned at 8:32 p.m.

Attest:

Signed:

Stephanie Garner
Secretary, Board of Directors

Christopher C. Brooks
President, Board of Directors

VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT
 Combined Balance Sheet
 As of December 31, 2017

	2018 FYTD	FYE 2017	CHANGE
ASSETS			
UTILITY PLANT	\$22,171,280	\$22,171,722	(\$154,442)
CASH & INVESTMENTS	10,947,796	9,928,367	1,019,429
ACCOUNTS RECEIVABLE	213,584	279,435	(65,851)
OTHER	805,721	793,213	12,508
TOTAL ASSETS	\$33,984,381	\$33,172,737	\$811,644

DEFERRED OUTFLOWS OF RESOURCES-PENSIONS	\$471,085	\$471,085	\$0
TOTAL ASSETS & DEFERRED OUTFLOWS	\$34,455,466	\$33,643,822	\$811,644

LIABILITIES			
CURRENT LIABILITIES	\$379,085	\$378,508	\$577
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	\$9,493,735	\$9,616,673	(\$122,938)

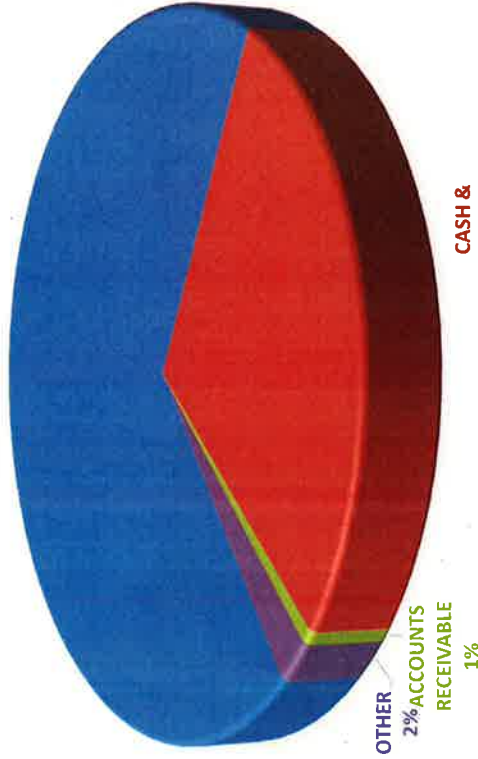
DEFERRED INFLOWS OF RESOURCES-PENSIONS	\$43,360	\$43,360	\$0
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EQUITY			
CONTRIBUTED CAPITAL	\$6,646,920	\$6,743,644	(\$96,724)
EQUITY	17,336,869	16,020,583	1,316,286
CURRENT EARNINGS	934,582	1,219,562	(284,980)
TOTAL EQUITY	\$24,918,371	\$23,983,789	\$934,582

TOTAL LIABILITIES, DEFERRED INFLOWS & EQUITY	\$34,455,466	\$33,643,822	\$811,644
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ASSETS

UTILITY PLANT
69%



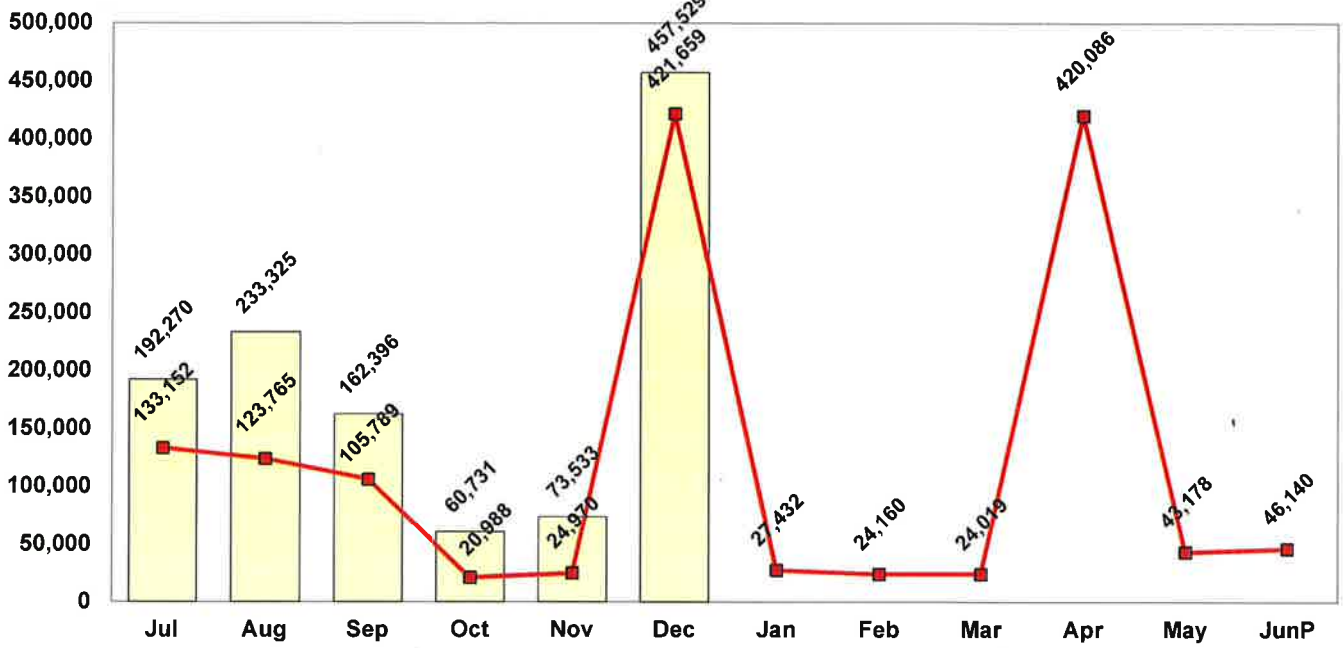
Change in Net Assets

Vandenberg Village Community Services District

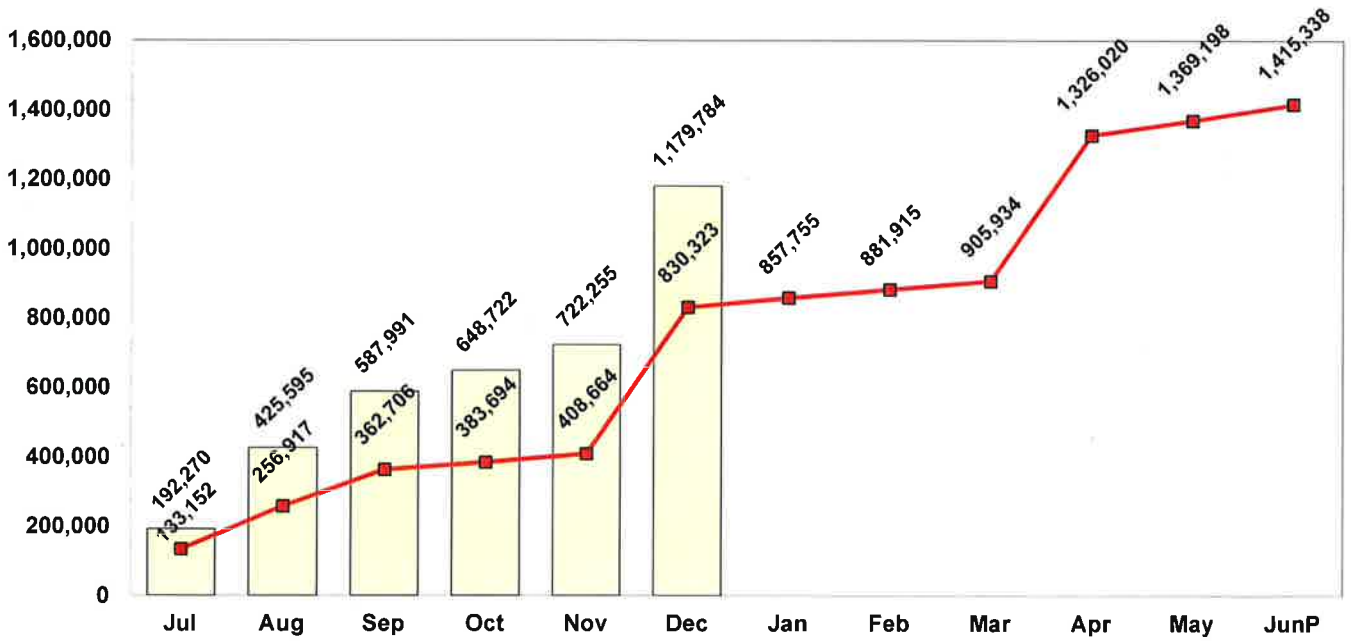
July 1, 2017 to June 30, 2018

Monthly Change in Net Assets

Actual Budget



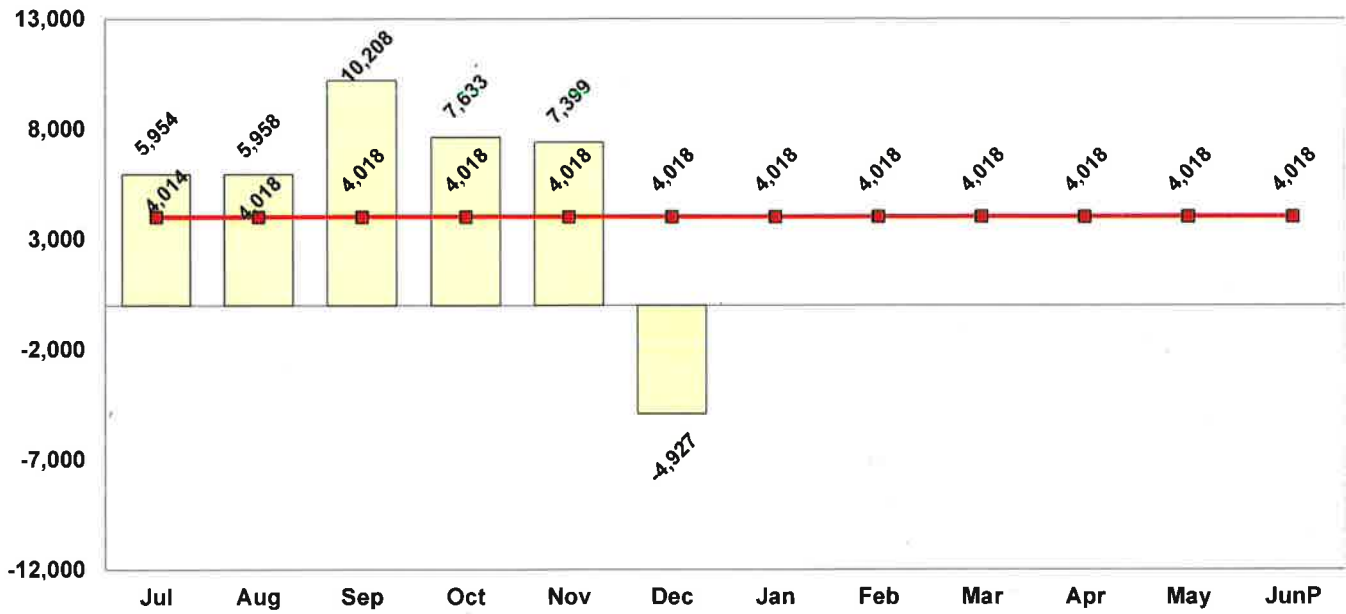
YTD Change in Net Assets



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

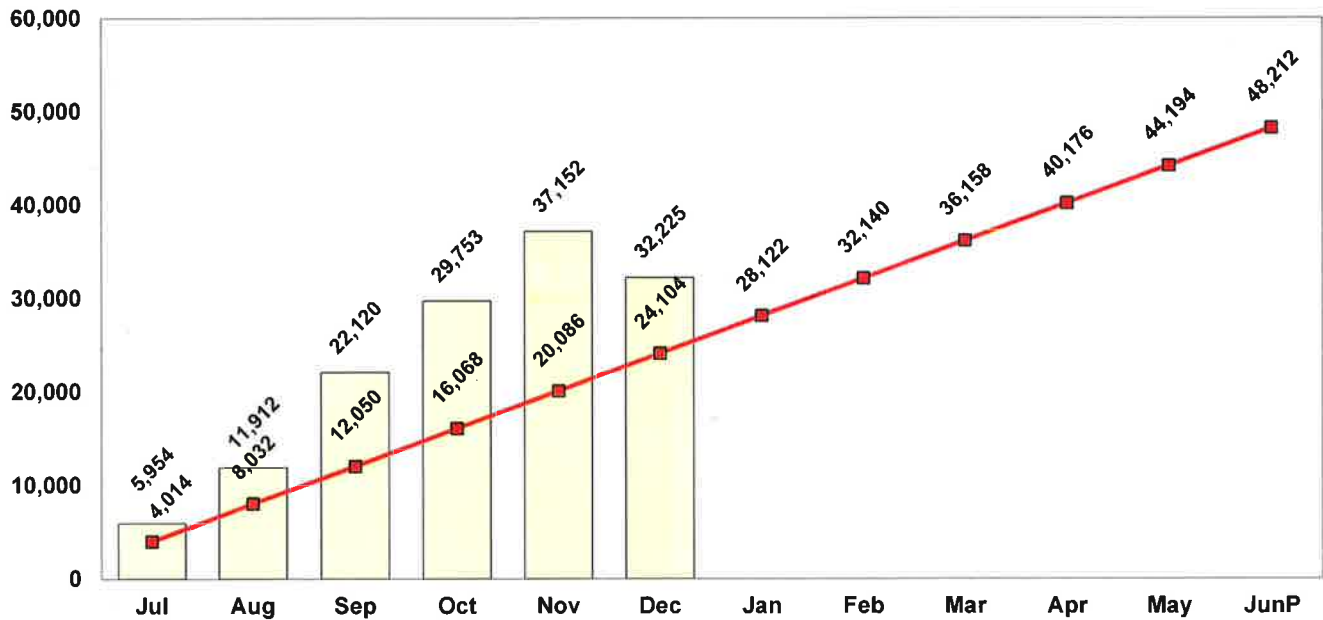
Monthly Net Non-Operating Income

Actual Budget



Sept. 2017, Dec. 2017 - Record Fair Market Value adjustment, per GASB requirements.

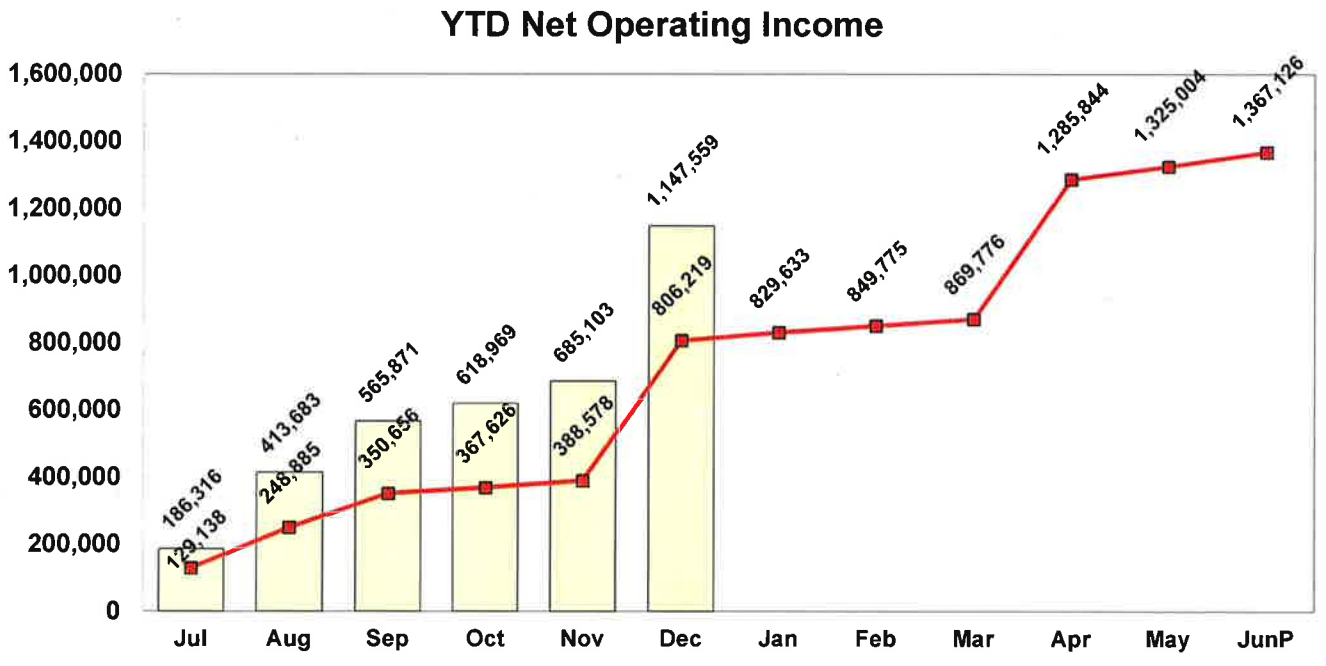
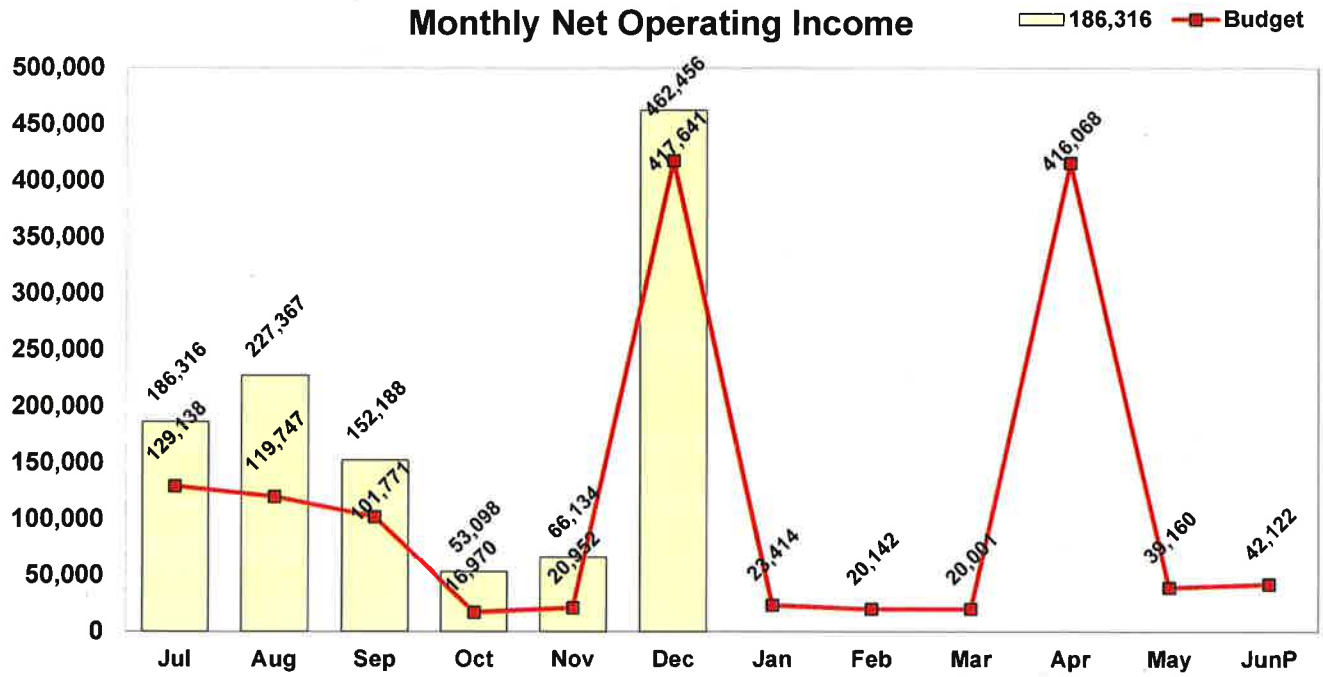
YTD Net Non-Operating Income



Operating Income

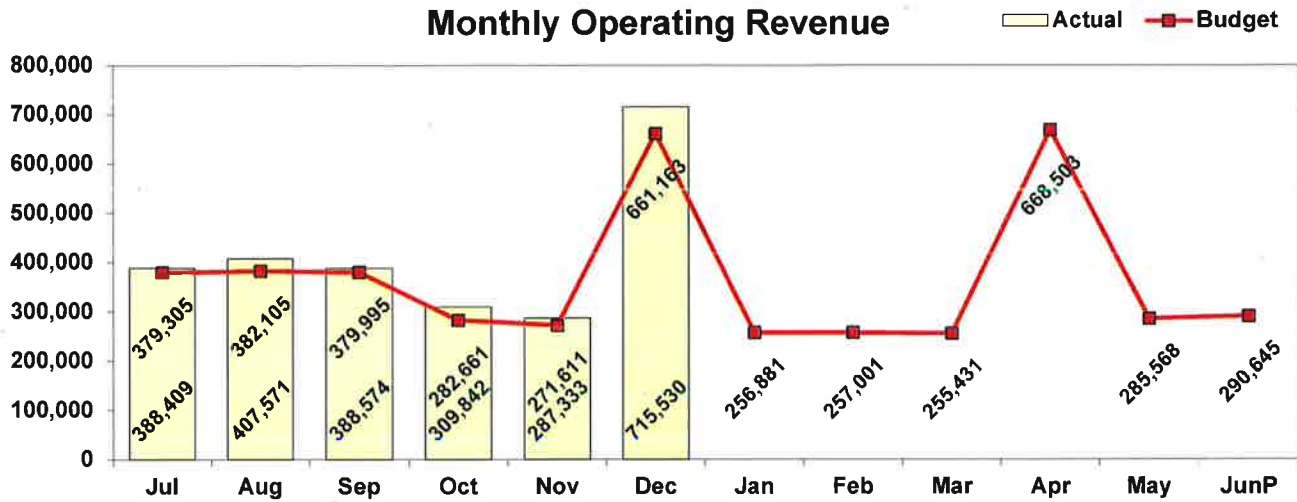
Vandenberg Village Community Services District

July 1, 2017 to June 30, 2018

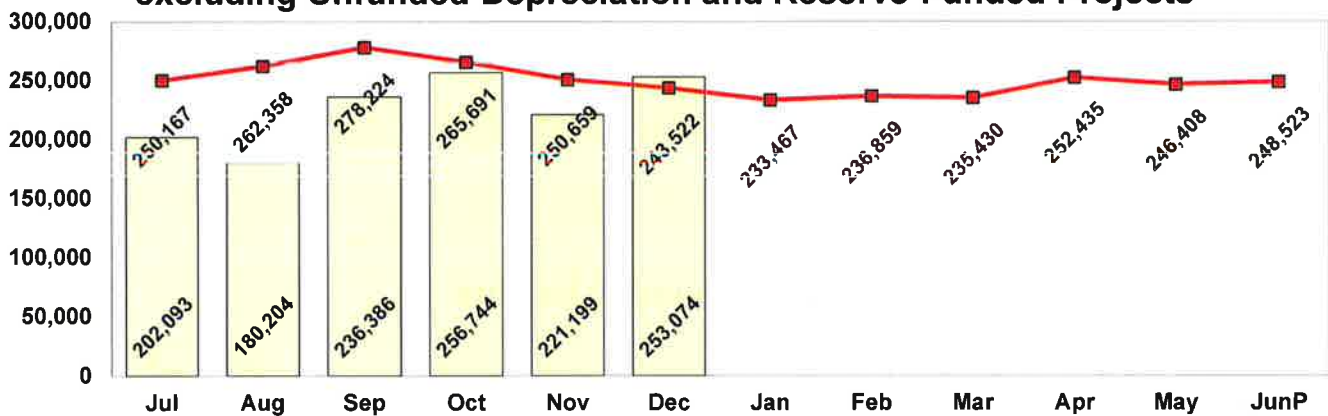


Operating Revenue and Expenses Vandenberg Village Community Services District July 1, 2017 to June 30, 2018

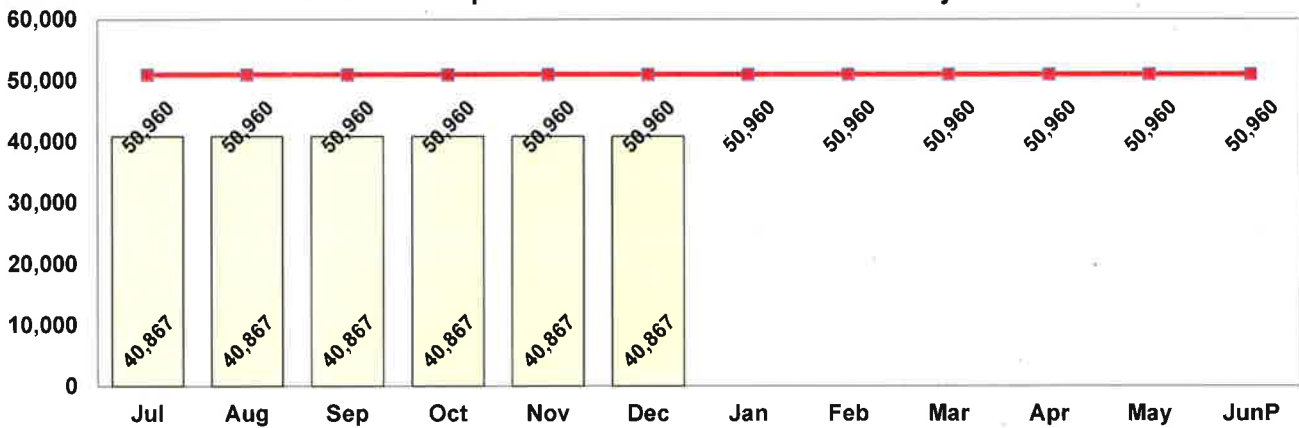
Monthly Operating Revenue



Monthly Operating Expense excluding Unfunded Depreciation and Reserve-Funded Projects



Monthly Operating Expense Unfunded Depreciation and Reserve-Funded Projects



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).

VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT

Disbursement # 02-18 From 12/22/2017 To 1/31/2018
 Board Meeting Date 2/6/2018 Item: 7B.2

Accounts Payable Amount	<u>\$261,977.24</u>	
		Void Checks <u>none</u>
Electronic Vendor Payment Amount	<u>\$2,614.48</u>	
Check Numbers	<u>25324-25390</u>	
Confirmation Numbers	<u>347415, 459857, 625039, 696213</u>	
A/P Hand Check Amount		
Check Numbers		
Payroll Amount	<u>\$75,996.20</u>	
Check Numbers	<u>electronically transferred</u>	
Wire Transfers		
Wire Numbers		
Disbursements/Investments		
A/P Checks	261,977.24	
Electronic Vendor Payments	2,614.48	
A/P Hand Checks	0.00	
Payroll	75,996.20	
Investments	0.00	
TOTAL	<u><u>\$340,587.92</u></u>	

REPORT.: Feb 01 18 Thursday
 RUN....: Feb 01 18 Time: 09:41
 Run By.: CINDY ALLEN

VANDENBERG VILLAGE CSD
 Cash Disbursement Detail Report
 Check Listing for 01-18 Bank Account.: 13100

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Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information Description
025324	01/05/18	/C063	CREESE, JAMES	361.59	.00	361.59	B80103	RETROFIT REIMB-CASH4GRASS -510 SQFT-3959 SPICA WAY
025325	01/05/18	/D044	DALY, JANE	150.00	.00	150.00	B80104	RETROFIT REIMB-CLOTHES WA SHER-DAL0001
025326	01/05/18	/H033	HICKS, KATHLEEN	160.00	.00	160.00	B80103	RETROFIT REIMB-1 HE TOILE T-235-B BURTON MESA BLVD.
025327	01/05/18	/H075	HOFFMAN, CHERYL	480.00	.00	480.00	B71219	RETROFIT REIMB-3 HE TOILE TS-178 GALAXY WAY
				320.00	.00	320.00	1B71219	RETROFIT REIMB-2 HE TOILE TS-153 ALDEBARAN AVE.
Check Total.....:				800.00	.00	800.00		
025328	01/05/18	/M072	MESSER, SANDRA	320.00	.00	320.00	B80103	RETROFIT REIMB-2 HE TOILE TS-4021 DRACO DR.
025329	01/05/18	/N009	NASR, HAFEZ	1000.00	.00	1000.00	B71215	RETROFIT REIMB-CASH4GRASS -1540 SQFT-3738 JUPIITER
025330	01/05/18	/O013	OAKHILL CLUSTERS HOA#1	208.00	.00	208.00	B80103	RETROFIT REIMB-CASH4GRASS -104 SQFT-APN#096-670-048
025331	01/05/18	BAN03	BANK OF AMERICA	6.65	.00	6.65	54241217	MAIL NEWTON CONSTRUCTION CONTRACT-3745 CONSTELLATN
				1169.55	.00	1169.55	68221217	LODGING-ACWA CONFERENCE-B ROOKS
Check Total.....:				1176.20	.00	1176.20		
025332	01/05/18	CAL07	STATE OF CALIFORNIA	11519.50	.00	11519.50	LW1015824	4210017 WATER SYSTEM FEES 7/17-6/18
025333	01/05/18	COM03	COMCAST	165.22	.00	165.22	39391217	INTERNET,BASIC CABLE-OFFI CE 12/22/17-1/21/18
025334	01/05/18	COR01	CORBIN WILLITS SYSTEM INC	724.77	.00	724.77	B712151	SERVICE AND ENHANCEMENT F EE 1/18
025335	01/05/18	COV01	COVERALL MOUNTAIN & PACIF	160.00	.00	160.00	553146151	JANITORIAL SERVICE 1/18
025336	01/05/18	EXC01	EXCEL PERSONNEL SERVICES,	1443.60	.00	1443.60	2419414	PEREZ-12/4/17-12/8/17-SER VICE PERSON
				1443.60	.00	1443.60	2424967	PEREZ-12/11/17-12/15/17-S ERVICE PERSON
Check Total.....:				2887.20	.00	2887.20		
025337	01/05/18	HAC01	HACH COMPANY	199.59	.00	199.59	10770875	CHLORINE REAGENT SETS

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Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information Description
025338	01/05/18	HEA01	HEALTH SANITATION SERVICE	119.04	.00	119.04	30021217	TRASH COLLECTION-SHOP 12/17
			Check Total.....:	158.72	.00	158.72		
025339	01/05/18	LOM01	CITY OF LOMPOC, FINANCE	37958.57	.00	37958.57	99486	11/17 M&O
025340	01/05/18	MAS01	MASTER METER, INC.	1500.00	.00	1500.00	177257	VEHICLE READING SUPPORT S SOFTWARE 2/18-1/19
025341	01/05/18	MIL01	MILLER LANDSCAPING AND MA	290.00	.00	290.00	51329	YARD MAINTENANCE-3757/374 5 CONSTELLATION RD 12/17
025342	01/05/18	OLI01	OLIN CORP - CHLOR ALKALI	3652.74	.00	3652.74	2442547	4,014 GALS NaOCL
025343	01/05/18	PGE01	PACIFIC GAS & ELECT. INC.	18470.03	.00	18470.03	68721217	PGE CHARGES 11/12/17-12/14/17
025344	01/05/18	SOU01	SO.CALIFORNIA GAS CO.INC.	82.01	.00	82.01	79001217	SO.CALIF GAS-WELL 1B 11/2 1/17-12/20/17
			Check Total.....:	124.55	.00	124.55		
025345	01/05/18	UND01	UNDERGROUND SERVICE ALERT	16.60	.00	16.60	220170760	USA TICKETS 12/17
025346	01/05/18	UNI02	UNIVAR USA INC	1226.76	.00	1226.76	LA602155	485 GALS NaHSO3
025347	01/05/18	UPS01	UPS	53.16	.00	53.16	447AY6527	RETURN HACH LOANER EQUIPM ENT
025348	01/05/18	USA01	USA BLUE BOOK	792.33	.00	792.33	446395	LOOP POWERED INDICATOR, PR ESSURE GAUGE
025349	01/05/18	USB02	U.S.BANK CORPORATE PAYMEN	1131.96	.00	1131.96	32561217	LASER MEASURE, FIERZERO, BA CKUP DRIVE, VERCO.TOOLS
025350	01/05/18	WES05	WESTERN EXTERMINATOR CO.	107.00	.00	107.00	5607561	6 MO. SPRAY FOR INSECTS
025351	01/05/18	\B001	PETER G. BRIDI	57.02	.00	57.02	000B71201	CUSTOMER REFUND-BRI0024-4 277 SIRIUS AVE.
025352	01/05/18	\F007	TERRY FORSTER	10.32	.00	10.32	000B71201	CUSTOMER REFUND FOR FOR00 26-504 SUNBEAM RD.

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PAGE: 003
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Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information Description
025353	01/22/18	ACE01	ACECO EQUIPMENT CO., INC.	120.00	.00	120.00	150069	HAUL TRACTOR FOR PAMPAS G RASS REMOVAL
			Check Total.....	250.00	.00	250.00		
025354	01/22/18	ACW03	ACWA JOINT POWERS INSURAN	12014.88	.00	12014.88	0528637	GROUP MEDICAL,DENTAL,VISI ON,LIFE,EAP 2/18
025355	01/22/18	ARA01	ARAMARK UNIFORM SERV.INC.	83.43	.00	83.43	532982984	CONTINUOUS TOWELS 12/21/1 7
			Check Total.....	183.82	.00	183.82	533052185	CONTINUOUS TOWELS 1/18/18
025356	01/22/18	BIG02	BIG BRAND TIRE CO.	653.51	.00	653.51	346362	VEHICLE #15-TIRES, ALIGNM ENT
025357	01/22/18	BRE01	BREMER AUTO PARTS	185.66	.00	185.66	787881	FUEL FILTER,BATTERY
025358	01/22/18	CAL16	CALIF STATE WATER RESOURC	60.00	.00	60.00	B80122	TREATMENT 2 CERTIFICATION -COLE
			Check Total.....	55.00	.00	55.00	1B80122	TREATMENT 1 CERTIFICATION -PEREZ
			Check Total.....	115.00	.00	115.00		
025359	01/22/18	CAF02	CARR'S BOOTS & WESTERN WE	188.98	.00	188.98	2816	SAFETY BOOTS-MIKE GARNER
025360	01/22/18	CIR01	CIRGIS, INC.	1125.00	.00	1125.00	4435	GIS MAPS
025361	01/22/18	CLS01	CLINICAL LABS OF SAN	427.00	.00	427.00	960292	BACTERIA,IRON,MANGANESE,P HYSICAL,THM,HALO TESTS
025362	01/22/18	CRI01	CRITERION ENVIRONMENTAL I	720.00	.00	720.00	14494	ASBESTOS CLEARANCE TESTIN G-3745 CONSTELLATION RD.
025363	01/22/18	DEB01	DEBOLT ELECTRIC	320.00	.00	320.00	8002-L	B/S#1 POWER FAILURE-LABOR
			Check Total.....	658.00	.00	658.00	8002-M	B/S#1 POWER FAILURE-SURGE SUPPRESSOR, FUSES
			Check Total.....	978.00	.00	978.00		
025364	01/22/18	DEW02	J B DEWAR	404.58	.00	404.58	180812	SOLUBLE OIL FOR WELL PUMP
			Check Total.....	1213.76	.00	1213.76	479191	382.8 GALS DYED DIESEL FU EL FOR GENERATORS

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Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	D-amount	Net Amount	Invoice #	Payment Information Description
			Check Total.....:	1618.34	.00	1618.34		
025365	01/22/18	EXC01	EXCEL PERSONNEL SERVICES,	1443.60	.00	1443.60	2429733	PEREZ-12/18/17-12/23/17-S SERVICE PERSON
			Check Total.....:	1046.61	.00	1046.61	2434390	PEREZ-12/26/17-12/29/17-S SERVICE PERSON
			Check Total.....:	2490.21	.00	2490.21		
025366	01/22/18	FER01	FERGUSON ENTERPRISES INC	477.34	.00	477.34	5488858	1 1/2" VALVE, COUPLER, PIPE , INSERT
025367	01/22/18	FRO01	FRONTIER	89.43	.00	89.43	28850118	FRONTIER 733-2475/2109 1/ 13/18-2/12/18
			Check Total.....:	245.98	.00	245.98	49050118	FRONTIER 733-3615/3975/SC ADA 1/13/18-2/12/18
			Check Total.....:	335.41	.00	335.41		
025368	01/22/18	HOP02	HOPKINS TECHNICAL PROD	627.87	.00	627.87	618300027	REPAIR PH METER
025369	01/22/18	IRO01	IRON MOUNTAIN	50.40	.00	50.40	PRT3484	DOCUMENT SHREDDING SERVIC E 11/29/17-12/26/17
025370	01/22/18	LOM01	CITY OF LOMPOC, FINANCE	79476.77	.00	79476.77	99643	FY17 WASTEWATER TREATMENT COST SHORTEFALL
025371	01/22/18	MOR01	MORE OFFICE SOLUTIONS	659.32	.00	659.32	1892529	COPIER USAGE, MONTHLY BILL S, FREIGHT ON TONER 12/17
025372	01/22/18	NAT01	NATIONAL GROUP TRUST	829.62	.00	829.62	23940218	LONG-TERM DISABILITY 2/18
025373	01/22/18	OIL01	OILFIELD ENVIRONMENTAL &	150.00	.00	150.00	1800073	NEW WELL SITE-ARSENIC TES TING
			Check Total.....:	100.00	.00	100.00	1800080	NEW WELL SITE-ARSENIC TES TING
			Check Total.....:	300.00	.00	300.00	1800087	NEW WELL SITE-ARSENIC TES TING
			Check Total.....:	100.00	.00	100.00	1800122	NEW WELL SITE-ARSENIC TES TING
			Check Total.....:	100.00	.00	100.00	1800198	NEW WELL SITE-ARSENIC TES TING
			Check Total.....:	100.00	.00	100.00	1800205	NEW WELL SITE-ARSENIC TES TING
			Check Total.....:	850.00	.00	850.00		
025374	01/22/18	PHO01	PHOENIX CIVIL ENGINEERING	3340.00	.00	3340.00	17-328	L/S#1 MODIFICATION-ENGINE ERING SERVICES

REPORT.: Feb 01 18 Thursday
 RUN....: Feb 01 18 Time: 09:41
 Run By.: CINDY ALLEN

VANDENBERG VILLAGE CSD
 Cash Disbursement Detail Report
 Check Listing for 01-18 Bank Account.: 13100

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 ID #: PY-DP
 CTL.: VAN

Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information Description
025375	01/22/18	PIT03	PITNEY BOWES	824.89	.00	824.89	01341217	POSTAGE FOR BILLS 12/17
025376	01/22/18	PLC01	PLCS PLUS INTERNATIONAL,	2488.75	.00	2488.75	18-066	SITE 1 RADIO REPAIR-POWER OUTAGE
				1040.00	.00	1040.00	18-100	SCADA MAINTENANCE 1/16/18
			Check Total.....:	3528.75	.00	3528.75		
025377	01/22/18	SAN01	SANTA YNEZ RIVER	13220.76	.00	13220.76	B80122	SYRWCD PUMP TAX 7/17-12/17
025378	01/22/18	SAN18	SANTA BARBARA COUNTY SDA	120.00	.00	120.00	B80122	SBCSDA DINNER MEETING 1/22/18-BLAIR, BARGET, BROOKS
025379	01/22/18	SAN21	SANTA BARBARA COUNTY PUBL	23261.24	.00	23261.24	354	REMOVE SEDIMENT/BRUSH-DAV IS CREEK
025380	01/22/18	STA09	STAPLES CREDIT PLAN	98.24	.00	98.24	62000118	PAPER
025381	01/22/18	UPS01	UPS	52.84	.00	52.84	447AY6018	SHIPPING TO HACH
025382	01/22/18	USA01	USA BLUE BOOK	1215.34	.00	1215.34	463529	LOOP POWERED INDICATORS (QTY 2)
025383	01/22/18	VRE01	JIM VREELAND FORD	59.35	.00	59.35	C14399	VEHICLE #15-OIL, FILTERS
				654.18	.00	654.18	C14410	VEHICLE #17-FRONT BRAKES, OIL, FILTER
				64.09	.00	64.09	C14543	VEHICLE #18-OIL. FILTERS
			Check Total.....:	777.62	.00	777.62		
025384	01/22/18	WES05	WESTERN EXTERMINATOR CO.	56.00	.00	56.00	5690213	MONTHLY SERVICE FOR GOPHER CONTROL 12/17
025385	01/31/18	BLA01	CHARLES BLAIR	21.80	.00	21.80	B80126	MILEAGE REIMB-SBCSDA MEETING-BLAIR
025386	01/31/18	COR01	CORBIN WILLITS SYSTEM INC	724.77	.00	724.77	B801151	SERVICE AND ENHANCEMENT FEB 2/18
025387	01/31/18	EXC01	EXCEL PERSONNEL SERVICES,	1154.88	.00	1154.88	2439154	PEREZ-SERVICE PERSON 1/2/18-1/5/18
025388	01/31/18	JPI02	ACWA/JPIA	4888.32	.00	4888.32	B80126	WORKERS' COMP PREMIUM 10/17-12/17
025389	01/31/18	PGE01	PACIFIC GAS & ELECT. INC.	18827.83	.00	18827.83	68720118	PGE CHARGES 12/15/17-1/15/18

REPORT.: Feb 01 18 Thursday
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VANDENBERG VILLAGE CSD
 Cash Disbursement Detail Report
 Check Listing for 01-18 Bank Account.: 13100

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Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Description
025390	01/31/18	SAN07	SANTA BARBARA COUNTY	225.00	.00	225.00	B80126	LEGAL COUNSEL 7/17-12/17
347415	01/22/18	CHE02	CHEVRON & TEXACO BUSINESS	1161.58	.00	1161.58	523114E2	331.04 GALS FUEL
459857	01/22/18	HOM02	HOME DEPOT	508.47	.00	508.47	10021217	HOLIDAY DECORATIONS, TOOL S
625039	01/05/18	PIT03	PITNEY BOWES	520.99	.00	520.99	40081217	POSTAGE FOR METER
696213	01/22/18	PIT01	PITNEY BOWES GLOBAL FINAN	423.44	.00	423.44	101880592	PB METER&MAIL MACHINE REN TAL 1/30/18-4/29/18
Cash Account Total.....:				264591.72	.00	264591.72		
Total Disbursements.....:				264591.72	.00	264591.72		
Cash Account Total.....:				.00	.00	.00		

REPORT.: Feb 01 18 Thursday
 RUN...: Feb 01 18 Time: 09:41
 Run By.: CINDY ALLEN

VANDENBERG VILLAGE CSD
 Cash Disbursement Detail Report - Payroll Vendor Payment(s)
 Check Listing for 01-18 Bank Account.: 13101

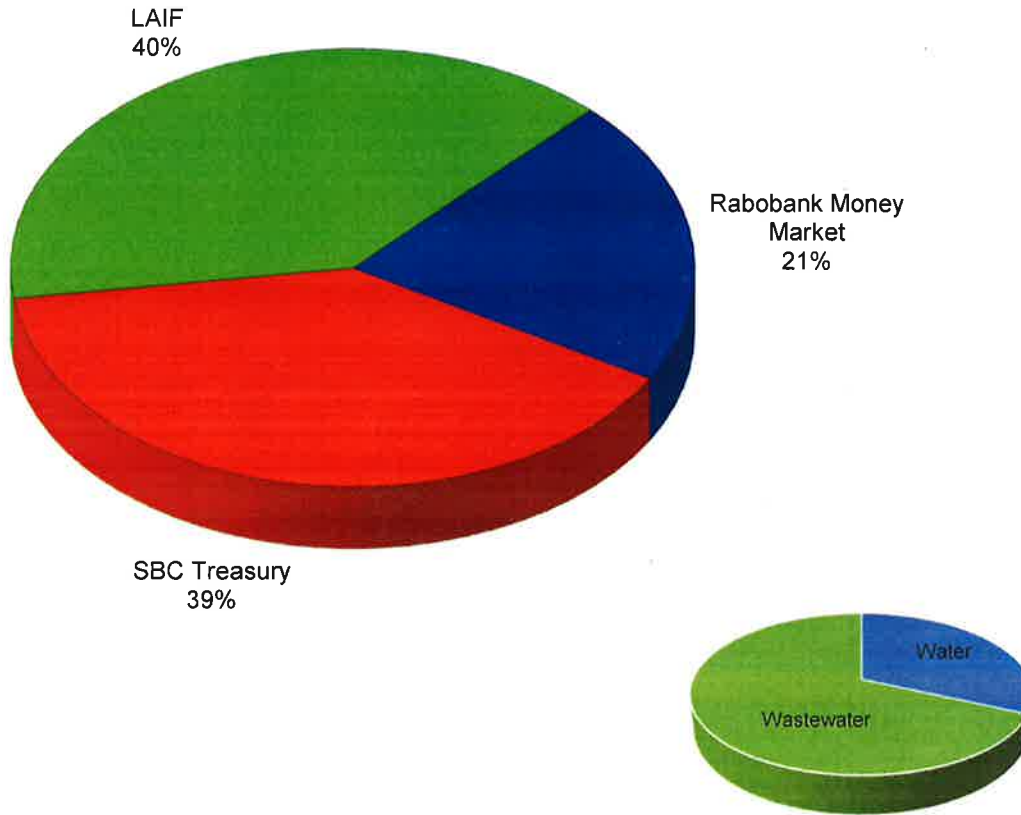
PAGE: 007
 ID #: PY-DP
 CTL.: VAN

Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information Description
76370	01/26/18	PER04	CALPERS 457 PLAN	845.00	.00	845.00	B80131	EMPLOYER PERS 457 PP#2
76371	01/26/18	PER04	CALPERS 457 PLAN	4495.00	.00	4495.00	1B80131	EMPLOYEE PERS 457 PP#2
76380	01/26/18	PUB02	PUBLIC EMPLOYEES	3376.79	.00	3376.79	B80131	PERS EMPLR CONTRIB PP#2
76381	01/26/18	PUB02	PUBLIC EMPLOYEES	1108.20	.00	1108.20	1B80131	PERS EPMC PP#2
76382	01/26/18	PUB02	PUBLIC EMPLOYEES	1244.24	.00	1244.24	2B80131	PERS TDMC PP#2
211470	01/26/18	EFT01	EFTPS	2569.36	.00	2569.36	B80131	FEDERAL WH TAXES PP#2
211471	01/26/18	EFT01	EFTPS	904.68	.00	904.68	1B80131	FICA MEDICARE PP#2
379520	01/12/18	EMP01	EMPLOYMENT DEVELOP.DEPART	1227.95	.00	1227.95	B80112	STATE WH TAXES PP#1
379521	01/12/18	EMP01	EMPLOYMENT DEVELOP.DEPART	306.27	.00	306.27	1B80112	STATE DISABILITY PP#1
396220	01/12/18	EFT01	EFTPS	3143.86	.00	3143.86	B80112	FEDERAL WH TAXES PP#1
396221	01/12/18	EFT01	EFTPS	49.60	.00	49.60	1B80112	FICA SOCIAL SECURITY DR#1
396222	01/12/18	EFT01	EFTPS	899.82	.00	899.82	2B80112	FICA MEDICARE PP#1
820404	01/31/18	AFL01	AFLAC	388.18	.00	388.18	B80131	AFLAC-PRETAX 1/18
830400	01/26/18	EMP01	EMPLOYMENT DEVELOP.DEPART	1270.75	.00	1270.75	B80131	STATE WH TAXES PP#2
830401	01/26/18	EMP01	EMPLOYMENT DEVELOP.DEPART	310.08	.00	310.08	1B80131	STATE DISABILITY PP#2
982790	01/12/18	PER04	CALPERS 457 PLAN	3445.00	.00	3445.00	B80112	EMPLOYER PERS 457 PP#1
982791	01/12/18	PER04	CALPERS 457 PLAN	4495.00	.00	4495.00	1B80112	EMPLOYEE PERS 457 PP#1
982800	01/12/18	PUB02	PUBLIC EMPLOYEES	3342.95	.00	3342.95	B80112	PERS EMPLR CONTRIB PP#1
982801	01/12/18	PUB02	PUBLIC EMPLOYEES	1096.59	.00	1096.59	1B80112	PERS EPMC PP#1
982802	01/12/18	PUB02	PUBLIC EMPLOYEES	1232.66	.00	1232.66	2B80112	PERS TDMC PP#1

Cash Account Total.....: 35751.98
 Total Disbursements.....: 35751.98

VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT
Schedule of Investments
 As of December 31, 2017

Banking Institution	Certificate/ Account No.	Rate /Term	Total Principal & Interest
Santa Barbara County (SBC) Treasury	Fund 3602	1.03% /quarterly	\$4,056,279
Local Agency Investment Fund (LAIF)	16-42-005	1.20% /quarterly	\$4,058,642
Rabobank Money Market Savings	9651012305	0.20% APY	\$2,176,491
			\$10,291,412



NOTES:

- 1) VVCSD investments are in compliance with the Standard of Investment Policy approved by the Board of Directors.
- 2) Based on projected income and expenses, the District has the ability to meet the next six months of cash flow requirements.
- 3) The market value source documents are statements provided by the respective banking institutions.
- 4) This report is published in accordance with California Government Code 53646(b).

VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT

AGENDA MEMORANDUM

TO: Board of Directors

ITEM: 8.A

FROM: Joe Barget, General Manager



Cynthia Allen, Administrative Services Manager



Patricia LeCavalier, Finance Administrator



DATE: February 6, 2018

SUBJECT: Mid-Year Budget Review

Recommendation: Approve the attached mid-year budget review.

Policy Issues:

- The Board reviews the status of annual budgets at the midpoint of the fiscal year.
- The Board approves the addition (and cancellation) of projects in the capital budget.

Resource Impacts:

- The Board adopted the FY 2017-18 Operating Expense Budget totaling \$4,503,389. Midway through the budget year, operating expenditures are on track and the District is well within budget on the capital budget.
- Capital budget increases were approved after the FY 2017-18 Budget was approved in April 2017 for the following:
 - Administrative Office - \$500,000 increase
 - Soft Starter for 75-hp Booster Pump - \$6,000 increase

Alternatives Considered: None.

Discussion: Staff offers the following information on the status of the Capital Budget, the Operating Budget, and Reserves as of December 31, 2017.

Capital Budget

There has been significant progress on capital projects between July and December 2017.

In August 2015, the Board approved the purchase of the former Rabobank at 3745 Constellation Road to be remodeled as a new administrative building. In November 2017, Newton Construction was awarded the contract to perform General Contractor duties. At that time, the capital budget was increased by \$500,000 to account for the difference between the estimated cost of construction and the proposal. The budget of \$1,850,000 is split 50/50 between the water and wastewater funds. This expenditure could be offset by selling the current office and the vacant land next to 3745 Constellation Road. Expenses to date are \$709,248 (\$114,556 in remodel expenditures and \$594,703 for the building and land).

A test well was drilled at the old County Fire Station 51 property owned by the county. Extensive testing was performed in the May 2017-January 2018 timeframe. Water quantity was excellent. There is only one concern with water quality but it's a serious concern: arsenic. Various tests were performed at different levels in the aquifer but almost all results exceeded the maximum contaminant level (MCL) of 10 parts per billion. Rick Hoffman & Associates is in the process of preparing a detailed written report on the test well. Staff is going to research and compare technologies and costs for removing arsenic from groundwater before ruling this site out as a future well site.

The Hydrant Replacement, Well 1B Rehabilitation, Booster Station #5 Rehabilitation, and Lift Stations #3 & #4 Replacement projects are complete. The Valve Replacement project is in progress and the Chlorine (NaOCL) Pump project is planned for later this month.

The Utility Pickup Truck and Computer Workstations have been purchased.

The replacement administration vehicle has been ordered through the State of California Fleet Vehicles Procurement Division from Elk Grove Ford and should be available for pickup in March.

Phoenix Civil Engineering is almost finished with their design of the Lift Station #1 Replacement Project. The lift station equipment package has been ordered from Smith & Loveless in Kansas. The precast wet well and an associated manhole will soon be ordered from Armorock in Nevada. The District plans to advertise for bids for a contractor to construct a completely new lift station adjacent to the old one. Construction is planned for this summer.

The Rehabilitation of Tanks #1 & #3 and Sewer Clean and Video projects have been delayed until next fiscal year.

Operating Budget

Water Fund
Summary of Revenue & Expenses
July 1 – December 31, 2017

	Actual	Budget	Variance	Percent
Operating Revenue (Unrestricted)	977,426	878,282	99,144	11%
Non-Operating Revenue	11,089	8,876	2,213	25%
Operating Expenses	(846,632)	(890,572)	43,940	(5%)
Non-Operating Expenses	(1,842)	0	(1,842)	0%
Net Income (Unrestricted)	\$140,041	(\$3,414)	\$143,455	

Wastewater Fund
Summary of Revenue & Expenses
July 1 – December 31, 2017

	Actual	Budget	Variance	Percent
Operating Revenue (Unrestricted)	805,147	807,054	(1,907)	(0%)
LRWRP Upgrade Charges (Unrestricted)	714,685	671,504	43,181	6%
Non-Operating Revenue	22,978	15,228	7,750	51%
Operating Expenses	(871,785)	(1,162,831)	291,046	(25%)
Non-Operating Expenses	0	0	0	0%
Net Income (Unrestricted)	\$671,026	\$330,955	\$340,071	

Combined
 Summary of Revenue & Expenses
 July 1 – December 31, 2017

	Actual	Budget	Variance	Percent
Operating Revenue (Unrestricted)	2,497,258	2,356,840	140,418	6%
Non-Operating Revenue	34,067	24,104	9,963	41%
Operating Expenses	(1,718,417)	(2,053,403)	334,986	(16%)
Non-Operating Expenses	(1,842)	0	(1,842)	0%
Net Income (Unrestricted)	\$811,067	\$327,541	\$483,526	

Combined operating revenues are about 6% higher than projected year to date and operating expenses are about 16% lower than budgeted. With the low rainfall and warm weather, water revenues are expected to be higher than projected for the rest of the fiscal year.

Non-Operating Revenue is above projections in both funds due to slightly higher Interest Earnings (which makes up most of this category); however, it's a very small category relative to the overall budget.

The District is currently showing a Net Income in both accounts. This is excellent and an indication we have the funds to keep our assets in good condition to best serve our customers.

Reserves

The District continues to rebuild its reserves from a low of \$1.4 million in 2005. The table below shows that we have accumulated \$10.8 million in reserves; however, reserves are still below the goal for each fund.

	Water	Wastewater	Total
Cash Reserves in Bank on 12/31/17	\$3,418,935	\$7,370,161	\$10,789,096
Total Reserve Goal @ 6/30/18	\$5,194,317	\$9,468,257	\$14,662,574
Capital Reserve Goal	3,809,302	6,294,953	10,104,254
Operating Reserve Goal	409,025	700,198	1,109,222
Emergency Reserve Goal	975,991	2,473,106	3,449,097
Net Reserves – available (shortfall)	(\$1,775,382)	(\$2,098,096)	(\$3,873,478)

Detailed information on actual and budget figures is provided in the attachments.

Attachments:

1. Water Capital Budget
2. Wastewater Capital Budget
3. Water Operating Budget
4. Wastewater Operating

**VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT
WATER CAPITAL BUDGET
FISCAL YEAR 2017-18**

FYE Approved	G/L Acct	CWIP Acct		AMOUNT	EXPENSES TO DATE	FUNDS RECEIVED FROM DEVELOPER
Capital Improvement Plan						
05-06 **	11-11171	11-11208-53	Geographic Information System (GIS) @ 50%	\$50,000	\$1,466	\$3,735
17-18	11-11140/11-11152		Rehabilitate Well 1B	\$40,000		N/A
17-18	11-11171		Rehabilitate Tank 1	\$285,000		N/A
17-18	11-11171		Rehabilitate Tank 3	\$15,000		N/A
Sub-Total Capital Improvement Plan				\$390,000	\$1,466	\$3,735
Capital Replacement Plan						
15-16	11-11151/11-11182		Replace Security Systems at Office, Shop, Booster Building	\$18,000		N/A
15-16 **	11-11181	11-11214-96	Administrative Office @ 50%	\$925,000	\$330,007	\$5,872
16-17	11-11151/11-11152	11-11217-15	Booster Station #5 Rehabilitation	\$50,000	\$41,491	N/A
16-17	11-11172	11-11215-04	Valve Replacement Project (Various)	\$90,000	\$46,411	N/A
16-17	11-11175	11-11217-16	Hydrant Replacement Project (Various)	\$24,000	\$15,724	N/A
16-17	11-11181	11-11217-21	Replace Electric Gate	\$7,000		N/A
17-18	11-11152		Upgrade Cla-Vals - Pressure Reducing Stations	\$12,000		N/A
17-18	11-11160		NaOCl Pumps (2 ea)	\$36,000		N/A
17-18	11-11172	11-11215-04	Valve Replacement Project (Various)	\$105,000		N/A
17-18	11-11175	11-11217-16	Hydrant Replacement Project (Various)	\$50,000		N/A
17-18	11-11182		Computer Workstations (2 ea)	\$3,150		N/A
17-18	11-11183		Fleet Vehicle - Administration	\$35,000		N/A
Sub-Total Capital Replacement Plan				\$1,355,150	\$433,633	\$5,872
Capital Outlay Plan						
06-07	11-11152	11-11209-55	SCADA Controls for B/S #4 and #5	\$50,000	\$37,894	\$0
12-13 **	11-11140	11-11212-86	New Wells/Test Well	\$300,000	\$77,024	\$11,851
Sub-Total Capital Outlay Plan				\$350,000	\$114,918	\$11,851
Total Water Capital Budget				\$2,095,150	\$550,016	\$21,458

** Capital budget item is included in the Strategic Plan.

Cash Reserves in Bank on 12/31/16	\$3,232,794
Less Total Reserve Requirement @ 6/30/18	(\$5,194,317)
Capital Reserve Requirement	(3,809,302)
Operating Reserve Requirement	(409,025)
Emergency Reserve Requirement (including budgeted capital purchases)	(975,991)
Net Reserves - available <shortfall>	<u>(\$1,961,523)</u>

Capital Reserve Requirement = Accumulated depreciation + 25% combined operating budget
 Operating Reserve Requirement = 25% combined operating budget
 Emergency Reserve Requirement = 10% capital assets

**VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT
WASTEWATER CAPITAL BUDGET
FISCAL YEAR 2017-18**

FYE Approved	G/L Acct	CWIP Acct		AMOUNT	EXPENSES TO DATE	FUNDS RECEIVED FROM DEVELOPER
Capital Improvement Plan						
05-06 **	12-11171	12-11208-53	Geographic Information System (GIS) @ 50%	\$50,000		\$2,795
06-07 **	12-11152	12-11209-60	L/S #1 Replacement	\$200,000	\$13,545	\$11,634
08-09	12-11172/12-11184		Clean and Video Sewer System	\$300,000		N/A
16-17	12-11152	12-11217-17	L/S #3 Upgrade	\$68,000	\$63,278	N/A
16-17	12-11152	12-11217-18	L/S #4 Upgrade	\$72,000	\$63,291	N/A
Sub-Total Capital Improvement Plan				\$690,000	\$140,114	\$14,429
Capital Replacement Plan						
15-16 **	12-11181	11-11214-96	Administrative Office @ 50%	\$925,000	\$330,007	\$0
16-17	12-11183	12-11217-19	Utility Pickup Truck - Replace Unit #14	\$40,000	\$2,377	N/A
Sub-Total Capital Replacement Plan				\$965,000	\$2,377	\$0
Capital Outlay Plan						
16-17	12-11152	12-11217-20	L/S #3 and #4 SCADA	\$5,000		N/A
Sub-Total Capital Outlay Plan				\$5,000	\$0	\$0
Total Wastewater Capital Budget				\$1,660,000	\$142,491	\$14,429

** Capital budget item is included in the Strategic Plan.

	LESS LRWRP	LRWRP
Cash Reserves in Bank on 12/31/16	\$6,374,107	\$4,678,341
Less Total Reserve Requirement @ 6/30/18	(\$9,468,257)	(\$7,772,491)
Capital Reserve Requirement	(6,294,953)	(5,262,170)
Operating Reserve Requirement	(700,198)	(369,994)
Emergency Reserve Requirement (including budgeted capital purchases)	(2,473,106)	(2,140,327)
Net Reserves - available <shortfall>	(\$3,094,150)	(\$3,094,150)

Capital Reserve Requirement = Accumulated depreciation + 25% combined operating budget

Operating Reserve Requirement = 25% combined operating budget

Emergency Reserve Requirement = 10% capital assets

VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT
WATER OPERATING BUDGET
 FISCAL YEAR 2017 - 2018

50% 6 of 12 months completed

Account Number	Description	Actual YTD 12/31/2017	Budget YTD 12/31/2017	Variance YTD 12/31/2017	Board Approved FY 17/18	Remaining as of 12/31/2017	Percent of budget YTD	0.65" Fiscal YTD rainfall
OPERATING REVENUES								
11- 41100	Residential	716,251	665,080	8%	1,290,430	574,179	56%	✓
11- 41200	Commercial	90,473	73,420	23%	131,850	41,377	69%	Low rainfall year-to-date.
11- 41300	Bulk Meter Residential	72,334	76,300	-5%	146,350	74,016	49%	✓
11- 41400	Irrigation	85,492	62,990	36%	106,260	20,768	80%	Low rainfall year-to-date.
11- 41700	Temporary Fire Hydrant Meters	6,153	0	0%	0	0	0%	Golf course.
11- 42100	Fire Protection	492	492	0%	984	492	50%	✓
11- 42310	Customer Reconnection Charges	341	0	0%	0	0	0%	Unbudgeted
11- 42330	CWIP Inspection Fees	0	0	0%	0	0	0%	Unbudgeted
11- 42500	Late Payment Fee	5,890	0	0%	0	0	0%	Unbudgeted
TOTAL OPERATING REVENUE		977,426	878,282		1,675,874	710,832	58%	

OPERATING EXPENSES

SOURCE OF SUPPLY (WELLS)								
11- 51105	Contract Services	3,817	3,700	3%	3,700	0	103%	USGS Groundwater Monitoring paid for fiscal year.
11- 51112	Supplies/Repairs-Well Pumping Equipment	4,732	15,002	-68%	20,000	15,268	24%	Contingency budget.
11- 51405	SYRWCD Pump Tax	10,496	8,948	17%	16,000	5,504	66%	Rate increase. Pumped more water.
11- 51415	Groundwater recharge	0	23,498	-100%	43,500	43,500	0%	SGMA, Contingency items remain.
TOTAL SOURCE OF SUPPLY (WELLS)		19,045	51,148	-63%	83,200	64,272	23%	
PUMPING (BOOSTERS)								
11- 52105	Contract Services	0	1,998	-100%	4,000	4,000	0%	Contingency budget.
11- 52112	Supplies/Repairs-Pumping Equipment	2,441	7,290	-67%	14,583	12,142	17%	Maintenance as needed.
11- 52113	Supplies/Repairs-Pumping Computer Equip.	1,552	3,720	-58%	7,440	5,888	21%	SCADA maintenance as needed.
11- 52300	Purchased Power	135,057	144,500	-7%	269,000	133,943	50%	✓
11- 52310	Generator Fuel	593	378	57%	750	157	79%	Power outages and testing.
TOTAL PUMPING (BOOSTERS)		139,644	157,886	-12%	295,773	156,129	47%	
WATER TREATMENT								
11- 53115	Regulatory Fees AB2995	11,920	4,550	162%	11,050	0	108%	Actual expenditure varies based on number of hours and rate.
11- 53118	Chemicals	35,181	31,152	13%	62,300	27,119	56%	✓
11- 53205	Contract Services	2,855	2,208	29%	4,415	1,560	65%	Purchased as needed.
11- 53212	Supplies/Repairs	6,259	5,952	5%	8,450	2,191	74%	Purchased as needed.

Account Number	Description	Actual YTD 12/31/2017	Budget YTD 12/31/2017	Variance YTD 12/31/2017	Board Approved FY 17/13	Remaining as of 12/31/2017	Percent of budget YTD
11- 53214	Utility Services	252	264	-4%	525	273	48% ✓
	TOTAL WATER TREATMENT	56,468	44,126	28%	86,740	31,142	65%
	TRANSMISSION & DISTRIBUTION						
11- 54103	Waste Discharge Fee	500	0	0%	0	0	0% New fee.
11- 54105	Contract Services	141	90	57%	175	34	80% USA tickets as needed.
11- 54132	Supplies/Repairs-Miscellaneous	0	750	-100%	1,500	1,500	0% Purchased as needed.
11- 54205	Contract Services - Distribution Reservoirs	0	4,410	-100%	8,825	8,825	0% Contingency items remain.
11- 54213	Supplies/Repairs-Reservoirs	0	498	-100%	1,000	1,000	0% Contingency budget only
11- 54222	Supplies/Repairs-Mains	0	2,502	-100%	5,000	5,000	0% Purchased as needed.
11- 54232	Supplies/Repairs-Service Connections	11,432	12,498	-9%	25,000	13,568	46% ✓
11- 54232 1	Supplies/Repairs-AP Poly B	1,138	2,502	-55%	5,000	3,862	23% Purchased as needed.
11- 54242	Supplies/Repairs-Meters	9,456	7,998	18%	16,000	6,544	59% ✓
11- 54252	Supplies/Repairs-Hydrants	214	3,000	-93%	6,000	5,786	4% Purchased as needed.
	TOTAL TRANSMISSION & DISTRIBUTION	22,881	34,248	-33%	68,500	46,119	33%
	CUSTOMER ACCOUNTS						
11- 55102	Operating Supplies	1,472	2,262	-35%	4,525	3,053	33% Billing stock not yet purchased.
11- 55104	Utility Services	1,904	1,980	-4%	3,965	2,061	48% ✓
11- 55105	Contract Services	9,988	13,814	-28%	29,200	19,212	34% Purchased as needed.
11- 55106	Postage	2,839	4,530	-37%	9,063	6,224	31% Purchased as needed.
11- 55117	Credit & Collection	0	0	0%	0	0	
11- 55200	Uncollectible Accounts	920	1,248	-26%	2,500	1,580	37% Bad debts offset by uncollectible received
	TOTAL CUSTOMER ACCOUNTS	17,123	23,834	-28%	49,253	32,130	35%
	ADMINISTRATIVE & GENERAL						
11- 56202	Office Supplies	905	1,650	-45%	3,300	2,395	27% Purchased as needed.
11- 56204	Utility Services-Office	2,578	3,090	-17%	6,800	3,602	42% ✓
11- 56205	Contract Services-Office	4,267	4,404	-3%	8,805	4,538	48% ✓
11- 56206	Postage	281	270	4%	540	259	52% ✓
11- 56208	Professional Services	5,508	19,746	-72%	36,400	30,892	15% Legal counsel contingency.
11- 56209	Memberships & Dues	16,231	15,990	2%	16,584	353	98% Follows membership renewal schedule.
11- 56210	Travel Expense	2,884	2,514	15%	10,050	7,166	29% 56210 and 56210-1 combined. ACWA,AWWA, and CRWA water only.
11- 56210 1	Travel Expense - Reimburse Employee	124	366	-66%	735	611	17% Purchased as needed.
11- 56211	Subscriptions & Books	528	526	0%	1,050	522	50% ✓
11- 56213	Office Equipment Rentals	1,164	1,068	9%	2,300	966	55% ✓
11- 56214	Other	2,426	2,100	16%	2,700	0	116% WVCSD share for FY18.
11- 56215	LAFCO Mandatory Fees - AB2838						

Account Number	Description	Actual YTD 12/31/2017	Budget YTD 12/31/2017	Variance YTD 12/31/2017	Board Approved FY 17/18	Remaining as of 12/31/2017	Percent of budget YTD
11- 56217	Director's Expense	4,751	6,759	-30%	16,520	11,769	29%
11- 56217 1	Director's Expense - Reimburse Director		3,686				56217 and 56217-1 combined. ACWA,AWWA, and CRWA water only. Includes Director salary.
11- 56704	Utility Services-General Plant	2,584	3,000	-14%	6,000	3,416	43% ✓
11- 56705	Contract Services-General Plant	34,293	17,640	94%	35,280	987	97% Purchased as needed.
11- 56712	Supplies and Repairs - General Plant	1,738	1,590	9%	3,180	1,442	58% ✓
11- 56713	Supplies and Repairs - Computer Equipment	1,793	1,962	-9%	2,892	1,099	62% ✓
11- 56714	Supplies and Repairs - Furniture & Equipment	594	300	98%	600	6	99% Purchased as needed.
11- 56810	Election Expense		0	0%	0	0	0% No election this fiscal year.
	Sub-total Administrative Operating Expenses	82,649	89,175	-7%	152,346	70,024	54%
Insurance							
11- 56301	Property/General Liability Insurance	15,577	16,140	-3%	18,720	3,143	83% Property insurance not yet invoiced.
	Sub-total Insurance	15,577	16,140	-3%	18,720	3,143	83%
Employee Benefits							
11- 56401	Sick/Personal Time	15,285	12,552	22%	25,100	9,815	61%
11- 56402	Vacation	27,707	22,200	25%	44,400	16,693	62%
11- 56403	Holiday	15,850	17,400	-9%	34,800	18,950	46%
11- 56403 1	Floating Holiday	1,103	1,500	-26%	3,000	1,897	37%
11- 56404	Bereavement	0	0	0%	0	0	0%
11- 56405	Jury Duty	193	0	0%	0	0	0%
11- 56406	Medical Insurance	63,531	55,800	14%	111,600	48,069	57%
11- 56406	Employee Assistance Plan (EAP)		150	-100%	300	300	0%
11- 56407	Long Term Disability	5,820	5,700	2%	11,400	5,580	51%
11- 56408	Flex Spending	600	600	0%	1,200	600	50%
11- 56410	Educational	500	1,500	-67%	3,000	2,500	17%
11- 56416	PERS 457	8,541	10,602	-19%	21,200	12,659	40%
11- 56417	PERS	81,046	84,450	-4%	168,900	87,854	48%
11- 56418	Dental Insurance	4,363	4,002	9%	8,000	3,637	55%
11- 56419	Life Insurance	2,228	1,998	12%	4,000	1,772	56%
11- 56421	Worker's Compensation Insurance	7,945	9,300	-15%	18,600	10,655	43%
11- 56423	Vision Care	1,084	1,002	8%	2,000	916	54%
11- 56424	Incentive Pay/Suggestion Awards	0	1,248	-100%	2,500	2,500	0%
Payroll Taxes							
11- 56430	Employer Medicare	5,745	6,048	-5%	12,100	6,355	47%
11- 56431	Employer SUI	0	1,050	-100%	2,100	2,100	0%
11- 56450	CWIP Contra Account		0	0%	0	0	0%
11- 57463	Less WW Allocation: Workers' Comp.Ins.	(2,716)	(3,198)	-15%	(6,400)	(3,684)	42%
11- 57464	Less WW Allocation: Employ. Benefits	(64,342)	(76,002)	-15%	(152,000)	(87,658)	42%
11- 57472	Less WW Allocation: Payroll Taxes	(1,987)	(2,400)	-17%	(4,800)	(2,813)	41%

Account Number	Description	Actual YTD 12/31/2017	Budget YTD 12/31/2017	Variance YTD 12/31/2017	Board Approved FY 17/13	Remaining as of 12/31/2017	Percent of budget YTD
	Sub-total Employee Benefits	172,497	155,502	11%	311,000	138,697	55%
	TOTAL ADMINISTRATIVE & GENERAL	270,723	260,817	4%	482,066	211,863	56%
	OTHER OPERATING EXPENSES						
11- 57302	Transportation (Vehicles)-Supplies/Repairs	2,700	1,650	64%	3,300	600	82% Tires & accident.
11- 57303	Transportation (Vehicles)-Fuel	4,032	4,860	-17%	9,720	5,688	41%
11- 57312	Tool/Work Equipment-Supplies/Repairs	1,545	3,300	-53%	6,600	5,055	23% Purchased as needed.
11- 57313	Tool/Work Equipment-Fuel	49	198	-75%	400	351	12% Purchased as needed.
11- 57320	Uniforms	231	405	-43%	405	174	57% Purchased for field crew.
11- 57321	Uniform Reimbursement	120	240	-50%	480	360	25% Reimbursed as receipts are submitted.
11- 57350	Safety Supplies	84	468	-82%	1,380	1,296	6% Purchased as needed.
11- 57351	Safety Boot Reimbursement	240	240	0%	480	240	50%
	TOTAL OTHER OPERATING EXPENSES	9,002	11,361	-21%	22,765	13,763	40%
11- 57110	Depreciation	94,064	75,204	25%	150,402	56,338	63% Some assets budgeted to be depreciated for full year, and budgeted retirements have not yet been completed.
Various	Salaries	217,682	231,948	-6%	463,900	246,218	47%
	TOTAL OPERATING EXPENSES	846,632	890,572		1,702,699	857,974	50%
	TOTAL OPERATING INCOME (LOSS)	130,794	(12,290)		(26,725)	(147,142)	-489%
	NON-OPERATING REVENUE						
11- 49200	Interest Earnings (In-house)	15,394	8,876	73%	17,756	2,362	87% Interest Rates have increased slightly.
11- 49220	GAAP Revenue Offset (for Fair Market Value)	(4,305)	0	0%	0	4,305	0% Fair Market Value adjustment.
11- 49700	State Mandates	0	0	0%	0	0	0% Unbudgeted
11- 49800	Miscellaneous	0	0	0%	0	0	0% Unbudgeted
	TOTAL NON-OPERATING REVENUE	11,089	8,876		17,756	6,667	62%
	NON-OPERATING EXPENSE						
11- 59400	Asset Retirement Loss	1,842	0	0%	0	0	0%

Account Number	Description	Actual YTD 12/31/2017	Budget YTD 12/31/2017	Variance YTD 12/31/2017	Board Approved FY 17/18	Remaining as of 12/31/2017	Percent of budget YTD
	TOTAL NON-OPERATING EXPENSES	1,842	0	0	0	0	0
	TOTAL NON-OPERATING INCOME (LOSS)	9,248	8,876	17,756	17,756	6,667	
	NET INCOME (UNRESTRICTED)	140,041	(3,414)	(8,969)	(140,475)	(1561%)	
	CAPITAL CONTRIBUTIONS						
11- 42320	Developer Connection Charges	0	0	0%	0	0	0%
11- 49310	Contributed Capital	0	0	0%	0	0	0%
	TOTAL CAPITAL CONTRIBUTIONS	0	0	0	0	0	
	CHANGE IN NET POSITION	140,041	(3,414)	(8,969)	(140,475)	(1561%)	

Connection Fees (restricted revenue) are not budgeted.

VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT
WASTEWATER OPERATING BUDGET
 FISCAL YEAR 2017 - 2018

50% 6 of 12 months completed

Account Number	Description	Actual YTD 12/31/2017	Budget YTD 12/31/2017	Variance YTD 12/31/2017	Board Approved FY 17/18	Remaining as of 12/31/2017	Percent of budget YTD
OPERATING REVENUES							
12- 41100	Residential	654,899	663,460	0%	1,306,916	652,017	50% ✓
12- 41200	Commercial/Multi-family Dwelling	150,248	153,594	-2%	307,186	156,938	49% ✓
12- 41700	LRWRP Upgrade charges	714,685	671,504	6%	1,080,893	366,208	66% Now collected through Santa Barbara County: December, April, May.
12- 42330	CWIP Inspection Fees	0	0	0%	0	0	0%
TOTAL OPERATING REVENUE		1,519,833	1,478,558		2,694,995	1,175,162	56%
OPERATING EXPENSES							
PUMPING							
12- 52112	Supplies/Repairs-Pumping Equipment	335	2,562	-87%	5,127	4,793	7% Contingency budget only
12- 52113	Supplies/Repairs - Pumping Computer Equip.	126	930	-86%	1,860	1,734	7% SCADA maintenance/clean-up.
12- 52300	Purchased Power	3,503	3,900	-10%	7,800	4,297	45% ✓
12- 52310	Generator Fuel	395	252	57%	500	105	79% Power outages and testing.
TOTAL PUMPING		4,359	7,644	-43%	15,287	10,928	29%
WASTEWATER TREATMENT							
12- 53105 1	Wastewater Treatment - LRWRP	187,927	325,002	-42%	650,000	462,073	29% Only 5 months billed year-to-date.
12- 53105 2	Wastewater Treatment - Plant Lease - WCRF	25,000	25,002	0%	50,000	25,000	50% ✓
12- 25220	LRWRP Debt Service - SRF	123,515	123,516	0%	741,091	617,576	17% Will be changed to Annual billing in May.
12- 25222	LRWRP Debt Service - 07 Bond	0	38,682	-100%	77,363	77,363	0% LRWRP 07 Bond has been paid in full.
TOTAL WASTEWATER TREATMENT		336,442	512,202	-34%	1,518,454	1,182,012	22%
TRANSMISSION & DISTRIBUTION							
12- 54103	Waste Discharge Fee	1,873	2,300	-19%	2,300	427	81% Total for FY18.
TOTAL TRANSMISSION & DISTRIBUTION		1,873	2,300	-19%	2,300	427	81%
WASTEWATER COLLECTION							
12- 54222	Supplies/Repairs-Mains	500	10,002	-95%	20,000	19,500	2% Purchased as needed.
12- 54232	Supplies/Repairs-Services	0	1,248	-100%	2,500	2,500	0% Purchased as needed.
TOTAL WASTEWATER COLLECTION		500	11,250	-96%	22,500	22,000	2%
CUSTOMER ACCOUNTS							
12- 55102	Operating Supplies	1,545	2,950	-48%	4,500	2,955	34% Billing stock not yet purchased.
12- 55104	Utility Services	1,904	1,980	-4%	3,965	2,061	48% ✓
12- 55105	Contract Services	15,521	13,314	17%	27,500	11,980	56% ✓

Account Number	Description	Actual YTD 12/31/2017	Budget YTD 12/31/2017	Variance YTD 12/31/2017	Boarc Approved FY 17/ 8	Remaining as of 12/31/2017	Percent of budget YTD
12- 55106	Postage	2,839	4,434	-36%	8,863	6,024	32% Purchased as needed.
12- 55117	Credit & Collection	0	0	0%	0	0	0%
12- 55200	Uncollectible Accounts	1,270	1,248	2%	2,500	1,230	51% Bad debts offset by uncollectible received
	TOTAL CUSTOMER ACCOUNTS	23,079	23,926	-4%	47,328	24,249	49%
ADMINISTRATIVE & GENERAL							
12- 56202	Office Supplies	624	1,098	-43%	2,200	1,577	28% Purchased as needed.
12- 56204	Utility Services-Office	1,718	2,058	-16%	4,120	2,402	42% ✓
12- 56205	Contract Services - Office	2,845	2,736	4%	5,870	3,025	48% ✓
12- 56206	Postage	188	180	4%	360	172	52% ✓
12- 56208	Professional Services	1,626	12,578	-87%	23,100	21,474	7% Legal counsel contingency.
12- 56209	Memberships & Dues	3,467	3,188	9%	4,376	909	79% Follows membership renewal schedule.
12- 56210	Travel Expense	1,690	1,752	-4%	7,000	5,310	24% 56210 and 56210-1 combined.
12- 56210 1	Travel Expense - Reimburse Employee		1,752				
12- 56211	Subscriptions & Books	83	246	-66%	490	407	17% Purchased as needed.
12- 56213	Office Equipment Rentals	352	350	1%	700	348	50% ✓
12- 56214	Other	776	708	10%	1,420	644	55% ✓
12- 56215	LAFCO Mandatory Fees - AB2838	1,618	1,400	16%	1,400	0	116% WCSD share for FY18.
12- 56217	Director's Expense	1,770	3,286	-46%	7,680	5,910	23% 56217 and 56217-1 combined. Includes director salary.
12- 56217 1	Director's Expense - Reimburse Director		1,493				
12- 56704	Utility Services-General Plant	1,723	1,998	-14%	4,000	2,277	43% ✓
12- 56705	Contract Services - General Plant	22,597	11,646	94%	23,120	523	98% Purchased as needed.
12- 56712	Supplies & Repairs - General Plant	1,159	1,062	9%	2,120	961	55% ✓
12- 56713	Supplies & Repairs - Computer Equipment	1,195	966	24%	1,928	733	62% Purchased as needed.
12- 56714	Supplies & Repairs - Furniture & Equipment	396	198	100%	400	4	99% Purchased as needed.
12- 56810	Election Expense	0	0	0%	0	0	0% No election this fiscal year.
	Sub-total Administrative Operating Expenses	43,826	48,695	-10%	90,284	46,675	49%
Insurance							
12- 56301	Property/General Liability Insurance	10,385	10,760	-3%	12,480	2,095	83% Property insurance not yet invoiced.
	Sub-total Insurance	10,385	10,760	-3%	12,480	2,095	83%
Employee Benefits							
12- 56410	Educational	330	0	0%	0	0	0%
12- 56450	CWIP Contra Account	0	0	0%	0	0	0%
12- 57363	Worker's Compensation	2,716	3,198	-15%	6,400	3,684	42%
12- 57364	Employee Benefits	64,342	76,002	-15%	152,000	87,658	42%
12- 57372	Payroll Taxes	1,987	2,400	-17%	4,800	2,813	41%
	Sub-total Employee Benefits	69,375	81,600	-15%	163,200	94,155	43%
	TOTAL ADMINISTRATIVE & GENERAL	123,586	141,055	-12%	265,964	142,926	46%

✓ Allocations are based on total salaries.

Account Number	Description	Actual YTD 12/31/2017	Budget YTD 12/31/2017	Variance YTD 12/31/2017	Board Approved FY 17/18	Remaining as of 12/31/2017	Percent of budget YTD	
OTHER OPERATING EXPENSES								
12- 57302	Transportation (Vehicles)-Supplies/Repairs	1,800	1,098	64%	2,200	400	82%	Tires & accident.
12- 57303	Transportation (Vehicles)-Fuel	2,688	3,240	-17%	6,480	3,792	41%	✓
12- 57312	Tool/Work Equipment-Supplies/Repairs	1,071	3,702	-71%	7,400	6,329	14%	Purchased as needed.
12- 57313	Tool/Work Equipment-Fuel	33	138	-76%	275	242	12%	Purchased as needed.
12- 57320	Uniforms	154	270	-43%	270	116	57%	Purchased for field crew.
12- 57321	Uniform Reimbursement	80	162	-51%	320	240	25%	Reimbursed as receipts are submitted.
12- 57350	Safety Supplies	56	312	-82%	920	864	6%	Purchased as needed.
12- 57351	Safety Boot Reimbursement	160	162	-1%	320	160	50%	✓
	TOTAL OTHER OPERATING EXPENSES	6,042	9,084	-33%	18,185	12,143	33%	
12- 57110	Depreciation FUNDED	25,257	34,824	-27%	69,648	44,391	36%	Some assets budgeted to be depreciated for full year have not been completed.
12- 57110	Depreciation UNFUNDED	245,202	305,748	-20%	611,500	366,298	40%	Depreciation for LRWRP Upgrade basis changed per Moss, Levy and Hartzheim, auditors.
	TOTAL DEPRECIATION EXPENSE	270,459	340,572	-21%	681,148	410,689	40%	
Various	Salaries	105,445	114,798	-8%	229,600	124,155	46%	✓
	TOTAL OPERATING EXPENSES	871,785	1,162,831		2,800,766	1,929,529	31%	
	TOTAL OPERATING INCOME (LOSS)	648,048	315,727		(105,771)	(754,366)	-613%	
NON-OPERATING REVENUE								
12- 49200	Interest Earnings (In-house)	30,105	12,918	133%	25,840	(4,265)	117%	Interest Rates have increased slightly.
12- 49201	Interest Earnings (WCRF)	1,600	2,310	-31%	4,616	3,016	35%	✓
12- 49220	GAAP Revenue Offset (for Fair Market Value)	(8,727)	0	0%	0	8,727	0%	Fair Market Value adjustment.
12- 49700	State Mandates	0	0	0%	0	0	0%	Unbudgeted
	TOTAL NON-OPERATING REVENUE	22,978	15,228		30,456	7,478	75%	
NON-OPERATING EXPENSE								
12- 59120	LRWRP Upgrade Interest Expense	0	0	0%	0	0	0%	Unbudgeted.
12- 59400	Asset Retirement Loss	0	0	0%	0	0	0%	Unbudgeted. Retirement of assets offset by sale income.
	TOTAL NON-OPERATING EXPENSES	0	0		0	0	100%	
	TOTAL NON-OPERATING INCOME (LOSS)	22,978	15,228		30,456	7,478	75%	

Account Number	Description	Actual YTD 12/31/2017	Budget YTD 12/31/2017	Variance YTD 12/31/2017	Board Approved FY 17/18	Remaining as of 12/31/2017	Percent of budget YTD
NET INCOME (UNRESTRICTED)		671,026	330,955		(75,315)	(746,888)	-891%
CAPITAL CONTRIBUTIONS							
12- 42320	Developer Connection Charges	0	0	0%	0	0	0%
12- 49310	Contributed Capital	0	0	0%	0	0	0%
TOTAL CAPITAL CONTRIBUTIONS		0	0		0	0	
CHANGE IN NET POSITION		671,026	330,955		(75,315)	(746,888)	-891%

0% Connection Fees (restricted revenue) are not budgeted.

VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT

AGENDA MEMORANDUM

TO: Board of Directors

ITEM: 8.B

FROM: Joe Barget, General Manager



DATE: February 6, 2018

SUBJECT: CSD Services and Facilities

Recommendations:

- (1) Review and discuss services and facilities that a community services district (CSD) is authorized to provide and the funding alternatives.
- (2) Consider and discuss levels of public interest in having VVCSD provide four new services: community center, park/open space, library, and street maintenance.
- (3) Consider commissioning a financial feasibility study on alternatives for providing and funding community center, park/open space, library, and street maintenance services within Vandenberg Village.

Policy Implications:

- California Government Code, Title 6 (Districts), Division 3 (Community Services Districts) is known and cited as the Community Services District Law. Beginning at §61000 it specifies purposes, services, and facilities. It cross-references other California codes such as the Water Code, Public Resources Code, and Education Code.
- VVCSD was formed in November 1983 under California law and by a majority vote of the people to provide four services: water, wastewater, park/open space, and lighting.
- The District has provided water and wastewater services since its inception.

Policy Implications (continued):

- California Government Code §61002(h) defines “latent powers” as those services and facilities that a district did not provide prior to January 1, 2006. Although VVCSD was authorized to provide park/open space and lighting services, they were never provided and are now considered latent powers. The District would have to essentially start all over to reacquire these powers.
- California Government Code, Title 5 (Local Agencies), Division 3 (Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000) includes the following:
 - Provisions for the county local agency formation commission (LAFCO) and county auditor-control to allocate portions of property tax revenue to local agencies. (§56810)
 - Numerous requirements and an extensive process for special districts to provide new or different services. They include the total estimated cost, a plan for financing (a financial feasibility study), and alternatives for the new function or class of services. (§56824.12)
- California Constitution, Article XIII D, Section 6 (Proposition 218) addresses property-related fees and charges such as VVCSD’s water and sewer rates. The Constitution prohibits using revenues for “any purpose other than that for which the fee or charge was imposed”.
- Since Proposition 218, four types of levies may be imposed on property or people as an incident of property ownership:
 - *Ad valorem* property tax (1%)
 - Special taxes – requires two-thirds majority of registered voters
 - Assessments – requires weighted-vote majority of property owners
 - Fees and charges for property-related services

Resource Impacts:

- The costs to provide community center, park/open space, library, and street maintenance services within Vandenberg Village are believed to be significant but unknown at this time. Costs largely depend on factors such as quality, frequencies, and levels of service.

Resource Impacts (continued):

- Revenues for new services could come from one or more levies. A special tax or assessment would require an election costing \$4,000-\$60,000, depending on whether in conjunction with a consolidated general election or held as a separate, special election.
- A financial feasibility study to provide these four services would cost approximately \$50,000 and could be funded by the District, the county, or both.
- Developing detailed plans for services, soliciting proposals for a financial feasibility study, and managing consultants could consume management staff time and detract from providing quality water and wastewater services.

Alternatives Considered:

- Keep doing what the District is doing, and do it well.
- Encourage the Vandenberg Village Association (VVA) and members of the public to contact the Santa Barbara County Community Services Department, the Transportation Division of the Santa Barbara County Public Works Department, and their Third District Supervisor concerning these services.

Discussion: Special districts are local governments which are created, funded, and overseen by the community's residents. There are 2,105 independent special districts in California. The most common types are fire protection (346 districts) and community service (321 districts). "Focused service" is one of the things that makes the special district form of government so effective. Unlike cities and counties which have a wide variety of responsibilities and services, special districts usually only provide one service. Although CSDs are authorized to provide up to 32 services, few provide more than two or three. Since VVCSD was formed in 1983, it has only provided two services: water and wastewater.

Unlike cities and counties that receive *general fund* property taxes to allocate as they see fit, special districts like VVCSD only receive *enterprise* funds which can only be spent on those enterprises.

Over the years there has been little public interest in VVCSD providing additional services. Some long-term residents remember when the county stopped routine street sweeping in the 1970s and have asked the District to

consider providing this service. Others would prefer local control over the village library rather than having it managed by the city of Lompoc.

Renovation of the old Rabobank building for a new District office is underway and staff plans to move there later this year. VVA would like to see the current District office transformed into a community center and become a function of VVCSO. Additionally, the VVA is in the process of planning a Vandenberg Village Park & Playground on a nearby 1.50-acre piece of vacant land, APN 097-371-070, owned by the county. In November 2017, the VVA met with the Santa Barbara County Parks Department to discuss having VVCSO operate and maintain the park under an agreement with the county.

Coming up with ideas is one thing but figuring out where the money's going to come from to implement ideas is another. Particularly since the passage of Proposition 218, the Right to Vote on Taxes Act, in 1996.

Two things are required before a CSD can provide a new facility or service:

- Local Agency Formation Commission (LAFCO) approval to provide it; and
- Voter approval of a special tax, property owner approval of an assessment, board adoption of a new property-related fee or charge, or county auditor-controller allocation of *ad valorem* property tax revenue to pay for it.

The process begins with the adoption of a resolution of application by the CSD submitted with a plan for services prepared pursuant to Government Code §56653 to Santa Barbara LAFCO. A financial feasibility study is a key component of the plan for services. Financial feasibility studies require specialized, technical knowledge of local government services and finances, and are usually prepared by consultants. Berkson Associates completed one in 2016 for wastewater service to the community of Los Olivos which evaluated four governance alternatives:

- Form a new, Los Olivos CSD
- Form a county-dependent special district
- Annexation to Santa Ynez CSD
- Contracting with Santa Ynez River Water Conservation District, Improvement District #1

If the Board desires to pursue the possibility of providing any of the four additional services—community center, park/open space, library, or street maintenance—then it would be wise to evaluate the financial feasibility of

providing each of them. In order to satisfy the Government Code requirement to provide alternatives for establishing a new class of services, the study should consider the alternatives of having the county or the VVA provide it.

Santa Barbara County has a Community Services Department that provides parks, arts & culture, and library services. Similarly, the County has a Transportation Division that maintains roads. Since there is already an established form of government with the knowledge, expertise, experience, and authority to provide these services, it makes sense to consider the county as one of the alternatives for providing them.

The VVA is a corporation organized under the General Nonprofit Corporation Law of the State of California. Its articles of incorporation allow the VVA to acquire real and personal property as well as enter into contracts to engage in activities and operations usually and normally engaged in by a homeowners association. The VVA has the authority to provide services, although it may be hard to generate sufficient funds through their membership dues.

Government financing of new services would come from these four types of levies:

- Ad valorem property tax (1%): County auditors have some latitude in allocating this revenue to a variety of local governments within the county. Templeton CSD in northern San Luis Obispo County receives an 8.4% share of the property taxes collected within its district boundaries to fund five general fund services: park, community center, storm drainage, street lighting, and fire protection.
- Special tax: Special taxes must be approved by a two-thirds majority of the qualified voters in the service area which is usually the jurisdictional area of the local government agency that initiates the special tax. A special tax is considered a type of tax—not a fee, charge, or assessment. Therefore, the amount of the special tax is not limited to the relative benefit it provides to property owners or taxpayers. Typically, they are levied on a per-parcel basis either according to the square footage of the parcel or on a flat charge, although the law provides flexibility to levy the special tax on any “reasonable basis”. However, special taxes cannot be imposed on an *ad valorem* (property value) basis. Special taxes can be used to finance various public improvements and services.

- Assessment: Local governments can levy assessments to fund improvements that benefit real property. For example, with the approval of affected property owners, a city or county can create a street maintenance assessment district to fund street sweeping. Assessments must provide a direct benefit to the property owner. An assessment typically cannot be levied for facilities or services that provide general public benefits, such as schools, libraries, and public safety, even though these programs may increase the value of property. Moreover, the amount each property owner pays must reflect the cost incurred by the local government to provide the improvement and the benefit the property receives from it. To impose a new assessment, a local government must secure the approval of a weighted majority of affected property owners, with each property owner's vote weighted in proportion to the amount of the assessment he or she would pay.
- Fees and charges for property-related services: Local governments are not required to gain voter approval for a new or increased fee, but they must hold a public hearing on the proposed fee and notify the public of the hearing 45 days in advance. If written protests against the new or increased fee are received by a majority of the property owners, the local government cannot impose it.

In summary, VVCSD could pursue authority and funding to provide the four additional services. It would be an expensive and time-consuming process requiring LAFCO approval and probably an election. If the Board is seriously interested in undertaking any of these services, it should consider commissioning a financial feasibility study to evaluate various alternatives for providing and funding each of the four.

Attachments:

1. Santa Barbara County Department of Community Services webpage
2. Santa Barbara County Public Works Department, Transportation Division webpage
3. Vandenberg Village Park and Playground Master Plan, prepared by FIRMA Landscape Architects
4. Plan for Services & Feasibility Study, Los Olivos Water Reclamation, prepared by Berkson Associates, October 24, 2016 (provided under separate cover)

Santa Barbara County Department of Community Services

<https://www.countyofsb.org/csd>



Welcome to the County of Santa Barbara Community Services Department (CSD)

We are committed to providing quality services and facilities that meet the needs of our community. We hope that you will enjoy and take advantage of all the wonderful facilities and services we provide.

We encourage you to visit our beautiful County Parks, partake in cultural arts events and recreation, visit your local library, explore sustainable energy solutions and participate in affordable housing services. We are here for you and our goal is to connect people to opportunities.

— George Chapjan, Department Director

CSD Divisions and Programs

Parks	Housing and Community Development	Office of Arts & Culture	Energy and Sustainability Initiatives	Library Services
Come explore our 24 day use locations, 2 full-service camping and cabin facilities at Jalama Beach and Lake Cachuma, 45 open spaces and 12 beach areas totaling 8,595 acres of beautiful scenery and recreational enjoyment. See you soon!	The Housing and Community Development Division (HCD) administers federally- and locally-funded grant programs.	The Santa Barbara County Office of Arts & Culture manages public art programs, fosters creative partnerships, oversees grant programs, provides leadership in cultural services and serves as a bridge between local government and the arts.	Driving the most effective energy and sustainability solutions for the long-term benefit of Santa Barbara County's residents and economy.	The Library Advisory Committee meets at least quarterly to review services and operations, and makes advisory recommendations to the Board of Supervisors.
Visit Parks	Explore HCD	Explore Arts	More about ESI	Learn More

Santa Barbara County Public Works Department Transportation Division

<http://www.countyofsb.org/pwd/transportation.sbc>



The header banner features the Santa Barbara County Home logo on the left, a search bar with 'Google Custom Search' text, and a dropdown menu for 'PWD Department'. Below this is a blue navigation bar with several circular icons on the left, the text 'PUBLIC WORKS DEPARTMENT' in the center, and social media icons (Facebook, Twitter, YouTube, Email) on the right. A 'Select Language' dropdown is also present.

[Public Works](#) [Transportation](#) [Transportation Division Home](#)



[Transportation Menu](#)

TRANSPORTATION DIVISION

PROVIDING A CLEAR PATH, SMOOTH RIDE, AND A SAFE TRIP TO THE TRAVELLING PUBLIC

[Like 0](#)

We maintain 1,650 lane miles of roads in the unincorporated areas of Santa Barbara County. This includes 100 bridges, 3,000 street trees, 48 signalized intersections, and 15,000 street signs as well as pavement markings, painted curbs, and raised traffic markers.

CONSTRUCTION PHASING
LIST CONTINGENT UPON FUNDING

PHASE A

- Priority One:
 - Tot-Lot Play area for ages 2-6
- Priority Two:
 - Play area for ages 6-12
- Priority Three:
 - Paved Flexible Use Space

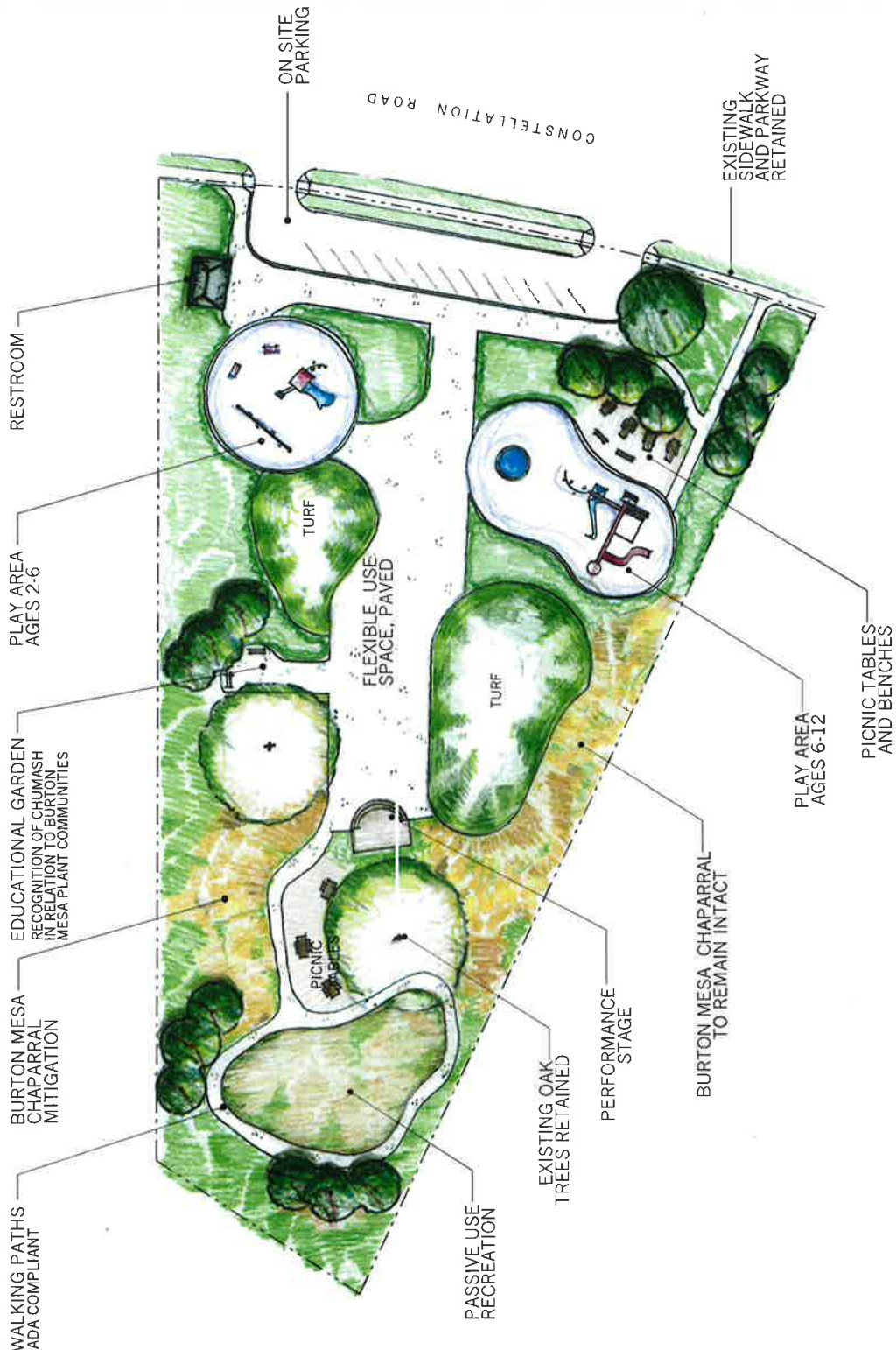
PHASE B

- Priority Four:
 - Cut-in on-site parking
- Picnic Tables and Benches

PHASE C

- Priority Five:
 - Recognition of Chumash in relation to Burton Mesa Plant Community
- Priority Six:
 - Performance Area with raised deck
- Priority Seven:
 - Installation of Public Restroom

AERIAL PHOTO, VANDENBERG VILLAGE



VANDENBERG VILLAGE PARK & PLAYGROUND MASTER PLAN

Budget Calendar Fiscal Year 2018-2019

2/13/18 10:00 a.m.	<u>Legal/Personnel Committee</u> meet to discuss employee salaries and benefits and General Manager goals
3/1/18 10:00 a.m.	General Manager, Operations & Maintenance Manager, Administrative Services Manager, and Finance Administrator meet to discuss revisions to operating and capital budgets.
3/2/18 10:00 a.m.	Last date to submit changes to the operating and capital budgets.
3/6/18 7:00 p.m.	<u>Board</u> considers employee salaries and benefits and General Manager goals.
3/7/18 3:00 p.m.	<u>Finance/Budget Committee</u> meet to review staff proposed operating and capital budgets and administrative overhead fees.
3/18/18	Publish Budget Notice in Newspaper (one notice two weeks prior to meeting).
3/30/18	Include in the Board package, the Committee recommended operating and capital budgets.
4/3/18 7:00 p.m.	<u>Board</u> considers operating and capital budgets, and administrative overhead fees.
4/4/18- 4/5/18	Staff finalizes any rate revisions.
4/6/18 3:00 p.m.	<i>If applicable</i> , <u>Finance/Budget Committee</u> to meet to review staff proposed rate revisions.
4/12/18	<i>If applicable</i> , mail Notice of Public Hearing (Prop 218 Notice) for rate revisions to all Village residents (must be mailed 45 days prior to meeting).
5/27/18 & 6/3/18	<i>If applicable</i> , publish Notice of Public Hearing in Newspaper for rate revisions (two notices within ten days prior to meeting).
6/5/18 7:00 p.m.	<i>If applicable</i> , <u>Board</u> adopts rate revisions.
7/5/18	Rate revisions go into effect 30 days after Board adoption.

FEBRUARY 2018						
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Information gathering
Meetings
Regulatory requirements

**UTILITY COST MANAGEMENT LLC**

www.utilitycostmanagement.com

January 25, 2018

Cynthia Allen, Ph.D.
Administrative Services Manager
Vandenberg Village Community Services District
3757 Constellation Road
Lompoc, CA 93436

Re: Utility Audit

Dear Dr. Allen,

Utility Cost Management LLC (UCM) has completed its review of Vandenberg Village CSD's (VVCSD) electric, gas and trash bills. At the present time, UCM cannot offer recommendations that will decrease the district's expenditures in the future, nor have we identified errors in past billings. In short, the charges appear to be appropriate under currently applicable rates and the regulations of the California Public Utilities Commission.

While UCM was not able to identify savings for VVCSD, we thank you for the opportunity to review the bills.

Please feel free to contact me if you have any questions.

Sincerely,

A handwritten signature in cursive script, appearing to read "Scott Predmore".

Scott Predmore

