

# VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT

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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](mailto:info@vvcasd.org)

**NOTICE:** The Board of Directors of the Vandenberg Village Community Services District will hold a Regular Meeting at 7:00 p.m., on Tuesday, April 4, 2006 at the District Office Conference Room, 3757 Constellation Road, Vandenberg Village, in compliance with Section 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. Board package is available at the Vandenberg Village Public Library and on the District website at <http://www.vvcasd.org>.

## AGENDA

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

Members of the public wishing to address the Board on matters within the jurisdiction of the District, other than agenda scheduled action items, may do so when recognized by the President.

Members of the public wishing to speak about any action item scheduled on the agenda may do so when recognized by the President during consideration of the action item by the Board.

5. CLOSED SESSION

- A. Conference with Legal Counsel—Anticipated Litigation. Significant exposure to litigation pursuant to Government Code 54956.9 (b): one potential case.
- B. Conference with Joe Barget, General Manager, to discuss salaries and compensation of District employees pursuant to Government code §54957.6 (f).

Following the closed session the Board will publicly report, orally or in writing, any action taken in closed session and the vote or abstention thereon, as required by Government Code §54957.1 (a).

6. OPERATIONS REPORT

7. CONSENT CALENDAR

- A. Approval of Minutes of the March 7, 2006 Regular Meeting.....page 1
- B. Approval of Monthly Financial Reports.....page 7
- C. Approval of Disbursements through March 24, 2006...page 13

8. ACTION ITEMS

- A. Reserve Policy: Consider adopting a resolution to establish a new reserve policy.....page 20
- B. SCADA Project: Consider awarding a contract for \$91,024 to replace the Supervisory Control and Data Acquisition (SCADA) system.....page 30
- C. County Split: Consider taking a position on the proposed county split.....page 33

9. COMMITTEES

A. District Representatives to External Agencies

B. Board President

C. General Manager

10. INFORMATIONAL CORRESPONDENCE

Letter from LAFCO regarding Special District Selection Committee.....page 43

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

12. ADJOURN

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## MINUTES REGULAR MEETING

**MARCH 7, 2006**

The Board of Directors of the Vandenberg Village Community Services District met for a Regular Meeting at 7:00 p.m. on Tuesday, March 7, 2006, at the District Office Conference Room.

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE
2. ROLL CALL: Directors Brooks, Redmon, Rowland and Wyckoff. Director Fox arrived at 7:08 p.m.

### OTHERS PRESENT

Joe Barget, General Manager; Cindy Allen, Office Manager; and Patty LeCavalier, Finance Administrator; were present.

3. ADDITIONS AND DELETIONS TO AGENDA

There were no additions or deletions to the agenda.

4. PUBLIC FORUM:

President Wyckoff opened the Public Forum at 7:01 p.m. There was no one from the public and President Wyckoff closed the Public Forum at 7:02 p.m.

5. OPERATIONS REPORT

The General Manager reported that the District pumped 34 million gallons of water in February. The average daily demand was 1.2 million gallons, up considerably from last year's average daily demand of .8 million gallons. The total

rainfall for January and February was 5.4 inches. Total to date is 8.3 inches.

The field crew had two inspections during the month. A semi-annual inspection from the Association of California Water Agencies/Joint Powers Insurance Agency (ACWA/JPIA) on February 17 and the annual inspection from the Department of Health Services (DHS) on February 22. Neither agency reported any concerns. The District recently exceeded a threshold of 2,200 service connections and DHS increased the weekly bacteriological sample requirement from two to three. As an added health and safety precaution, Martin Damwyk, Operations and Maintenance Manager, has historically taken one more sample than required, so the field crew is now taking four samples each week. A new sampling station was installed at 3806 Celestial Way.

The entire field crew attended a 3½-hour “Seismic First Responder” course taught by Los Osos Engineering at Mission Hills Community Services District. The field crew replaced one service saddle in January; and two Poly-B Service Lines.

The District’s Finance Administrator, Patty LeCavalier will be off March 28 through May 12. Thanks to Patty for working on the budget earlier than is normally scheduled. The District is hiring a temporary employee through Excel Temporary Services, to perform customer service duties; and Tina McManigal, our Customer Service Representative, will fill in for Patty. The temporary employee, Mr. Dallas Munger, will start on March 13.

To conclude his report, the General Manager recognized Cindy Allen, the District’s Office Manager, for completing the Special District Institute Leadership & Management Program. Also, she was accepted by Cal Poly to attend their Adult Degree Program.

## 6. CONSENT CALENDAR

A. Approval of Minutes of the February 23, 2006 Special Meeting

B. Approval of Monthly Financial Reports

C. Approval of Disbursements through February 28, 2006

**Motion by Director Rowland, seconded by Director Wyckoff to approve the consent calendar as presented.**

**Unanimous**

7. ACTION ITEMS

A. Mid-Year Budget Review:

The General Manager reported the District's budget is \$2.4 million, and currently the District is nine percent under the budget.

**Motion by Director Rowland, seconded by Director Brooks to approve the attached the mid-year budget review.**

**Unanimous**

B. Directors Expense Budget

The General Manager reported that all \$5,250 in this year's budget has been spent. He recommended increasing the budget \$4,600 to fund training requirements for the remainder of the fiscal year. Director Redmon offered to forego his travel to the Water Law Conference in San Francisco. Director Fox encouraged Director Redmon to attend in order to benefit from the networking opportunities and to be able to discuss information and ask questions. He requested that Director Redmon obtain copies of any Power Point presentations and share them among directors and staff.

**Motion by Director Wyckoff, seconded by Director Rowland that the Board increases the Directors expense budget by \$4,600.**

**Unanimous**

C. Assembly Bill (AB) 1234 Draft Letter

Director Redmon said the letter should include asking the legislators about the intent of their bill. It was decided that Director Redmon and Joe Barget would work together to refine the draft letter. Also, the letter will be sent directly to Assemblyman Salinas, Senator McClintock, and Assemblyman Blakeslee.

**Motion by Director Wyckoff, seconded by Director Rowland that Director Redmon works with General Manager to refine the letter and send it to the legislators that were identified.**

**Unanimous**

D. Reserves

The General Manager illustrated the flow of money through the District and into reserve accounts. The current reserve policy has been in place since 1994, and indicates the District should have \$2.8 million in reserves. The staff is working on a proposed policy that would increase the total reserve requirement to \$3.5-\$3.9 million dollars. Also, Director Rowland said the Finance/Budget Committee recommends that there be a reserve contribution factor would be added to the policy. This item will be on the April agenda.

8. REPORTS

A. Committees

Finance/Budget Committee Met on February 23 and discussed items on this meeting agenda.

B. District Representatives to External Agencies

President Wyckoff reported on the LAFCO meeting that he attended on February 27. A new member Larry Wilson, of Montecito Water District, was voted into the four year term.

Joe Barget, General Manager attended the final meeting of the AWASBC (Association of Water Agency Santa Barbara County). The association will be formally dissolved on March 31 and remaining funds will be distributed among the member agencies.

C. Board President

No Comments

D. General Manager

The General Manager reported the District recently updated the Emergency Response Plan. He used the opportunity to meet with the local Santa Barbara County Sheriff, Sergeant Dave Allen and representatives from the Santa Barbara County Fire Department and gave an overview of how the District operates.

The Lompoc City Council met on February 7 and voted 4-1 to consider annexing the PXP/ Purisima Hills project to the City of Lompoc. Also, on February 22 the County Planning Commission held a public hearing and voted 5-0 to recommend approval of the 2003-2008 Housing Element.

9. INFORMATIONAL CORRESPONDENCE - None

10. DIRECTORS' FORUM:

Director Brooks requested that the County Split be placed on the April meeting agenda.

Director Redmon attended training in Goleta and an item discussed was the Public Records Act. He asked if staff would look into setting up e-mail accounts for the Directors.

11. ADJOURN

**Motion by Director Wyckoff, seconded by Director Brooks to adjourn the meeting at 8:26 p.m.**

**Unanimous**

Respectfully submitted,

Approved as to form,

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**Stephanie Vlahos-Rivera**  
**Secretary, Board of Directors**

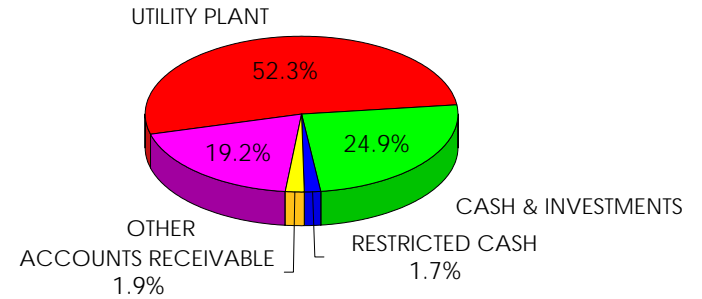
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**Robert Wyckoff**  
**President, Board of Directors**

VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT  
 Combined Balance Sheet  
 As of February 28, 2006

	<u>2006 FYTD</u>	<u>FYE 2005</u>	<u>VARIANCE</u>
<b>ASSETS</b>			
UTILITY PLANT	\$4,236,737	4,291,192	(\$54,455)
CASH & INVESTMENTS	2,021,217	2,542,677	(521,460)
RESTRICTED CASH	137,214	307,371	(170,157)
ACCOUNTS RECEIVABLE	157,168	158,436	(1,268)
OTHER	1,552,631	1,671,294	(118,663)
<b>TOTAL ASSETS</b>	<b>\$8,104,967</b>	<b>\$8,970,970</b>	<b>(\$866,003)</b>
<b>LIABILITIES</b>			
CURRENT LIABILITIES	\$266,348	\$581,786	(\$315,438)
UNEARNED REVENUE	66,566	66,566	0
ACCRUED BOND INTEREST PAYABLE	0	12,062	(12,062)
LONG TERM BONDS	0	1,090,000	(1,090,000)
<b>TOTAL LIABILITIES</b>	<b>\$332,914</b>	<b>\$1,750,414</b>	<b>(\$1,417,500)</b>
<b>EQUITY</b>			
CONTRIBUTED CAPITAL	\$484,600	\$484,600	\$0
EQUITY	6,735,954	6,240,814	495,140
CURRENT EARNINGS	551,499	495,142	56,357
<b>TOTAL EQUITY</b>	<b>\$7,772,053</b>	<b>\$7,220,556</b>	<b>\$551,497</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$8,104,967</b>	<b>\$8,970,970</b>	<b>(\$866,003)</b>

Assets



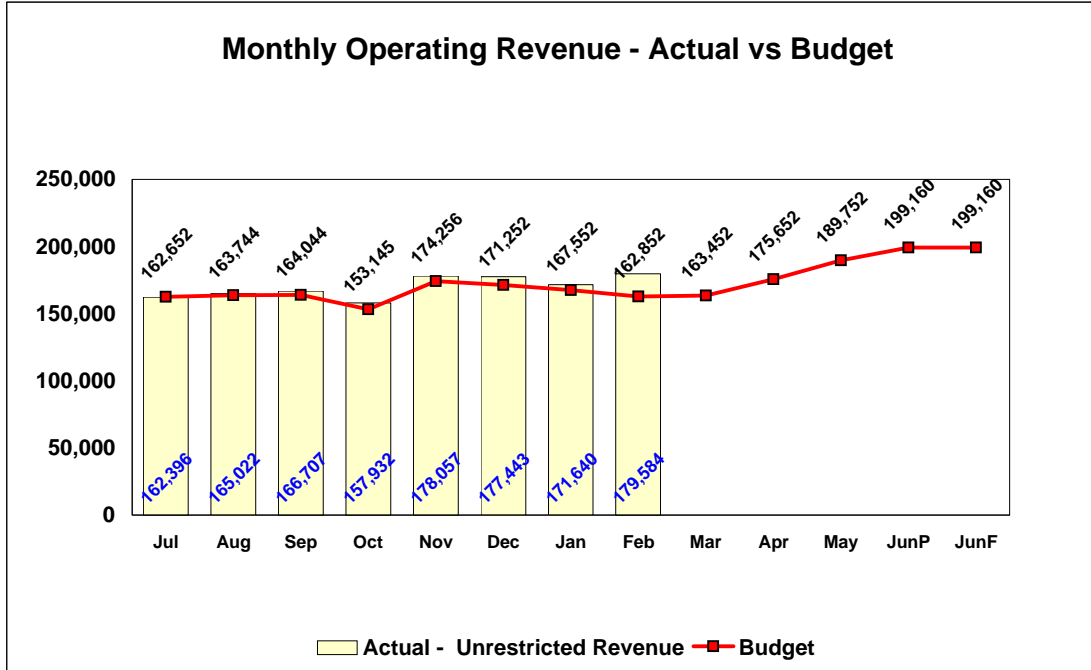
VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT  
Cash Position Statement  
As of February 28, 2006

	<u>2006 FYTD</u>	<u>FYE 2005</u>	<u>VARIANCE</u>
<b>Cash &amp; Securities Detail</b>			
Investment Savings Accounts	\$1,293,621	\$2,111,846	(\$818,225)
Money Market Checking	607,496	372,706	234,790
Restricted-Held/Trustee-Princ/Int. 1996 Bonds	0	225,774	(225,774)
Restricted-Held/Trustee-Debt Service A/C 1996 Bonds	0	1	(1)
Restricted-Held/Trustee-Payment Fund 1996 Bonds	0	1,071	(1,071)
Restricted-Developer's Connection Fees	72,033	34,972	37,061
Restricted-Developer's Conservation Fees	65,181	45,553	19,628
Sub-total	<u>\$2,038,331</u>	<u>\$2,791,923</u>	<u>(\$753,592)</u>
Operations Checking	\$119,699	\$36,107	\$83,592
Payroll Checking	1	21,618	(21,617)
Cash on Hand	400	400	0
Sub-total	<u>\$120,100</u>	<u>\$58,125</u>	<u>\$61,975</u>
Total	<u><u>\$2,158,431</u></u>	<u><u>\$2,850,048</u></u>	<u><u>(\$691,617)</u></u>

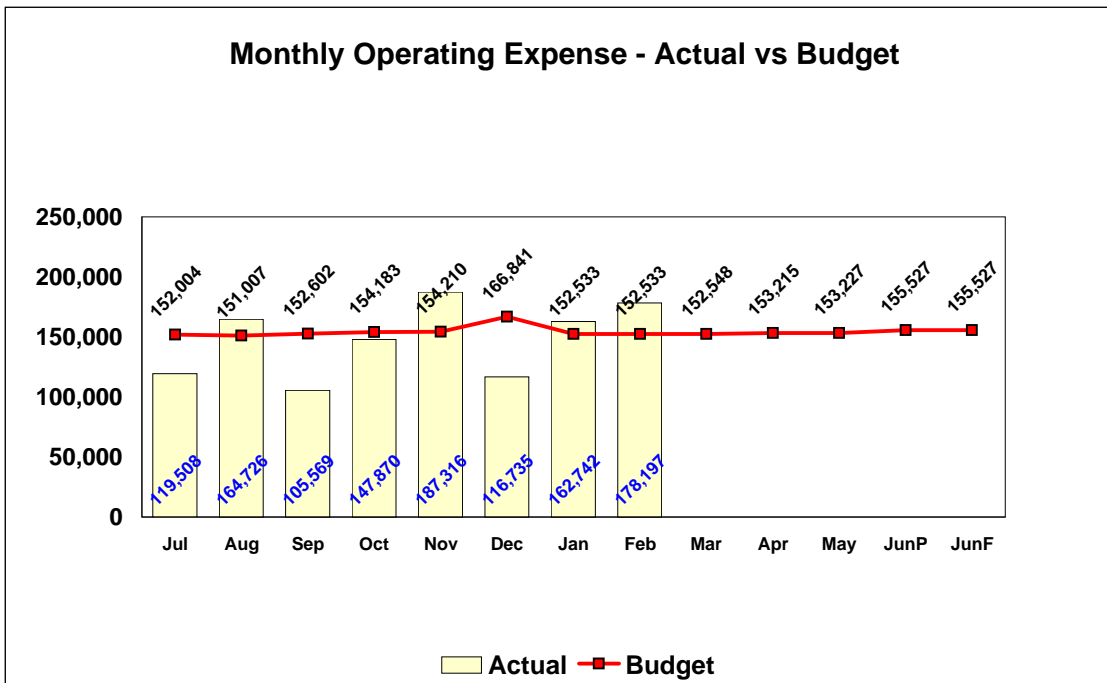
VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT

**Summary of Actual vs. Budget**

For the Period From July 1, 2005 to February 28, 2006



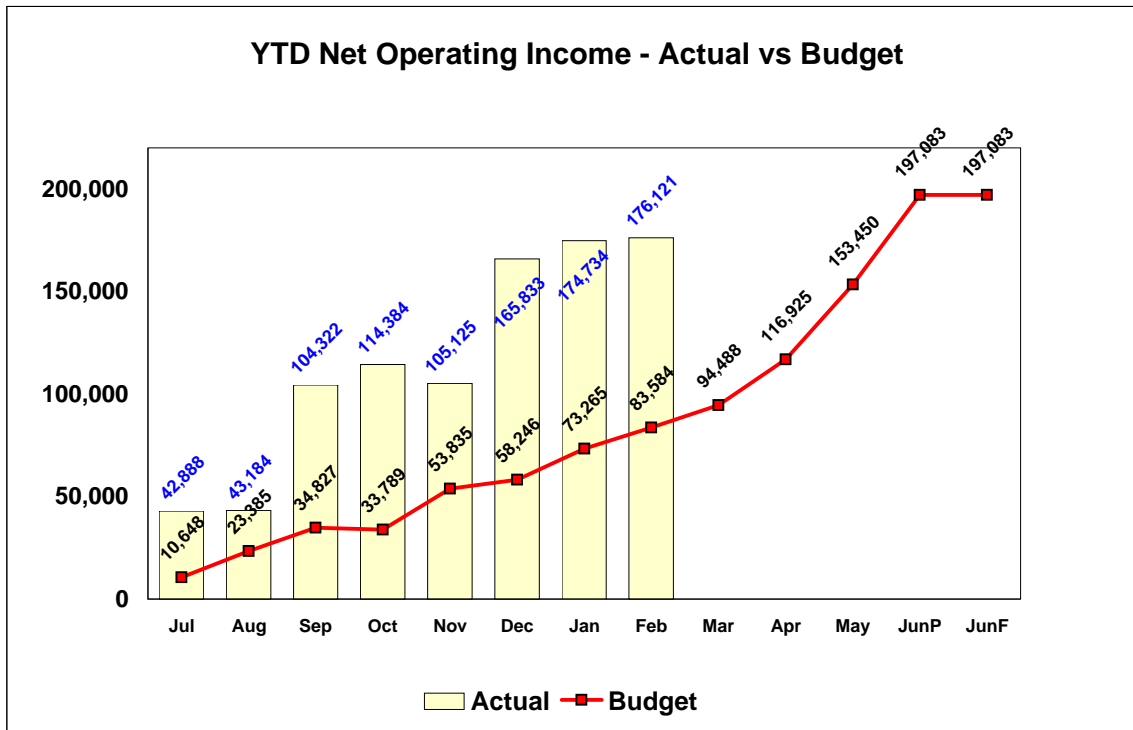
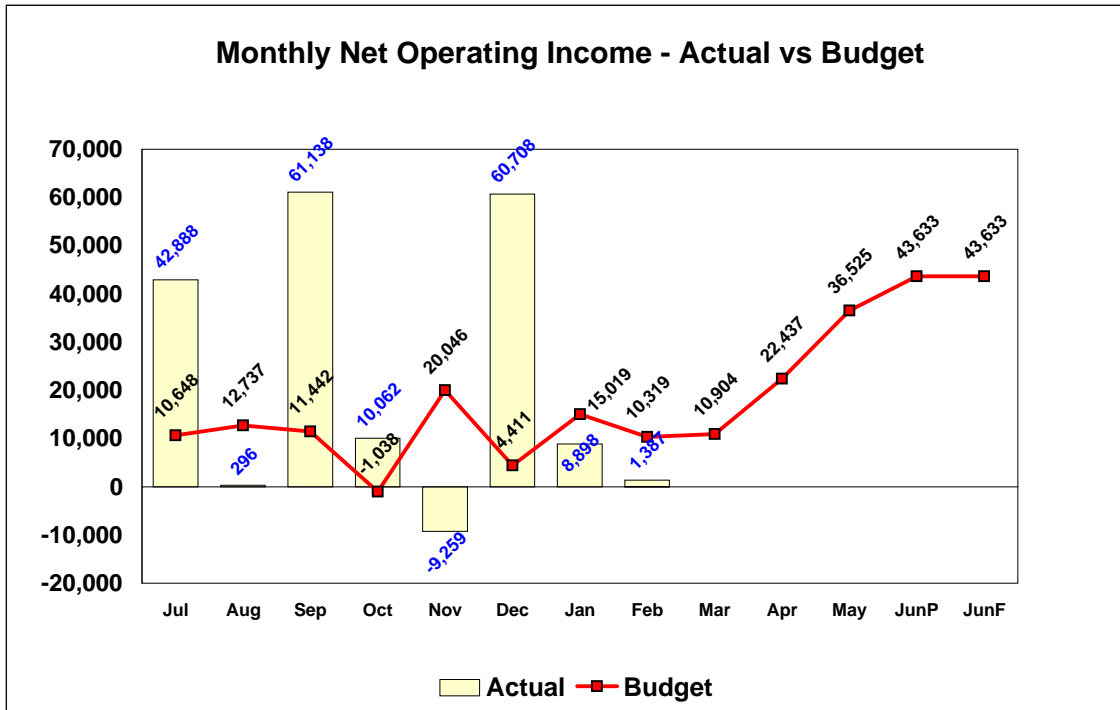
Note: In addition to the Unrestricted Revenue shown above, the District has also received total Connection Fees of \$314,452 this fiscal year.



VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT

**Summary of Actual vs. Budget**

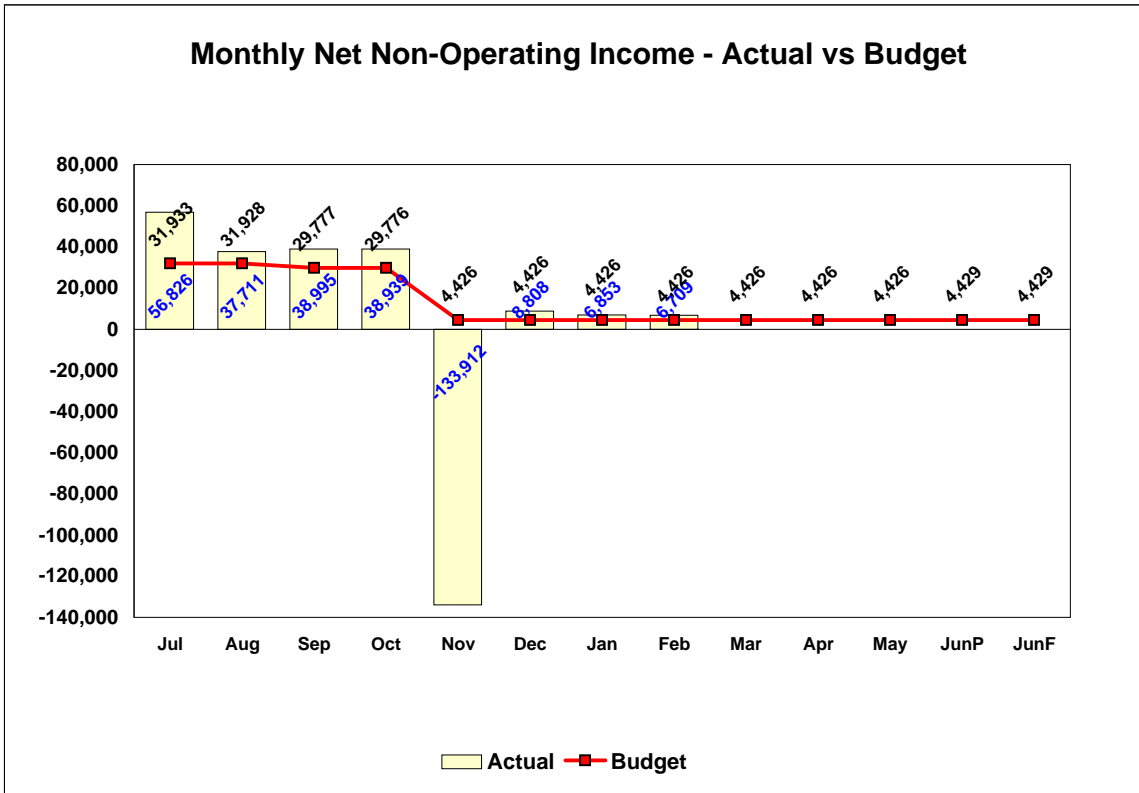
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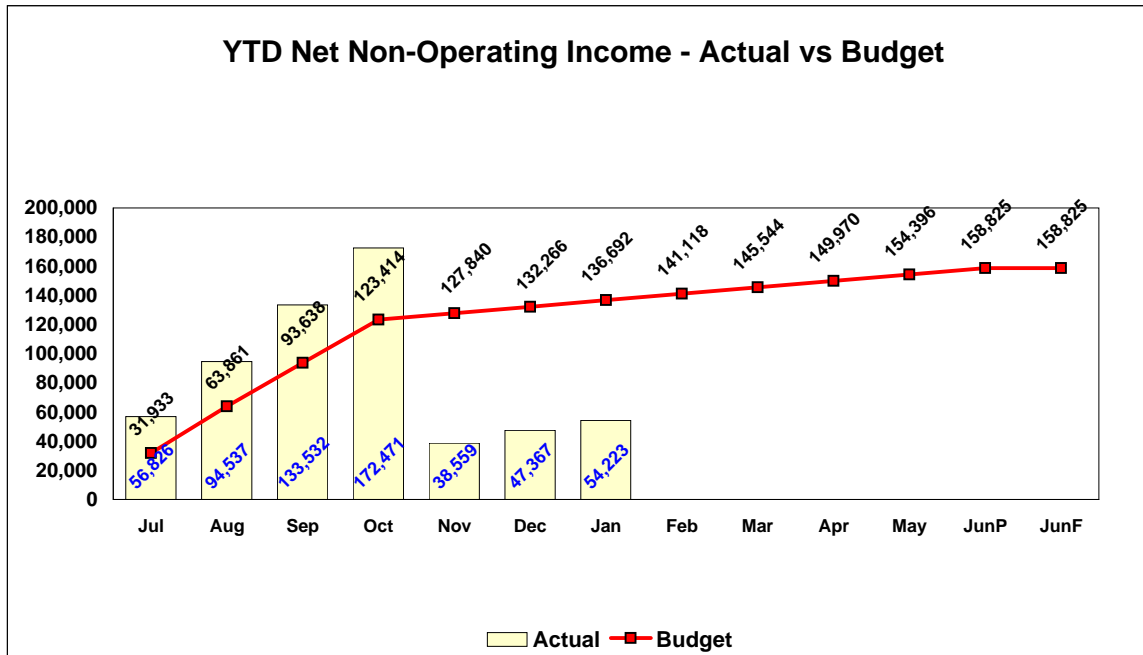
VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT

**Summary of Actual vs. Budget**

For the Period From July 1, 2005 to February 28, 2006



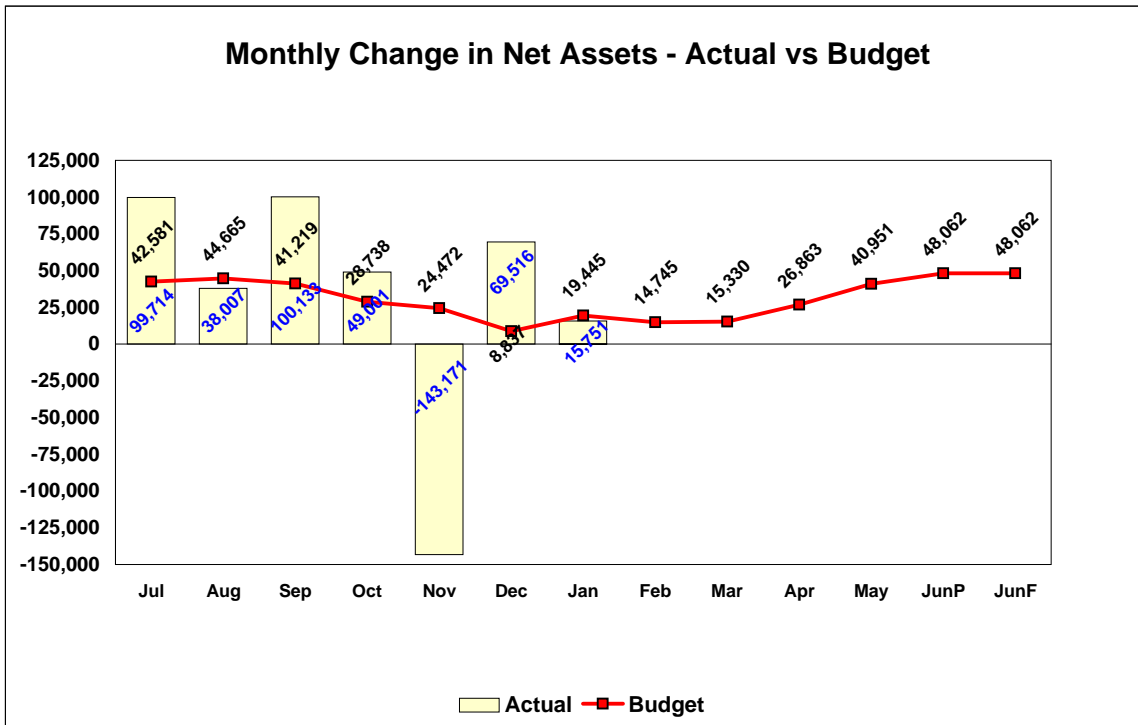
Early redemption of the bonds occurred in November 2005, with funding coming from reserves. The non-operating expenses for November include \$123,760 in Bond Insurance, Underwriting, and Issuance costs which must be written-off concurrently with the redemption of the bonds.



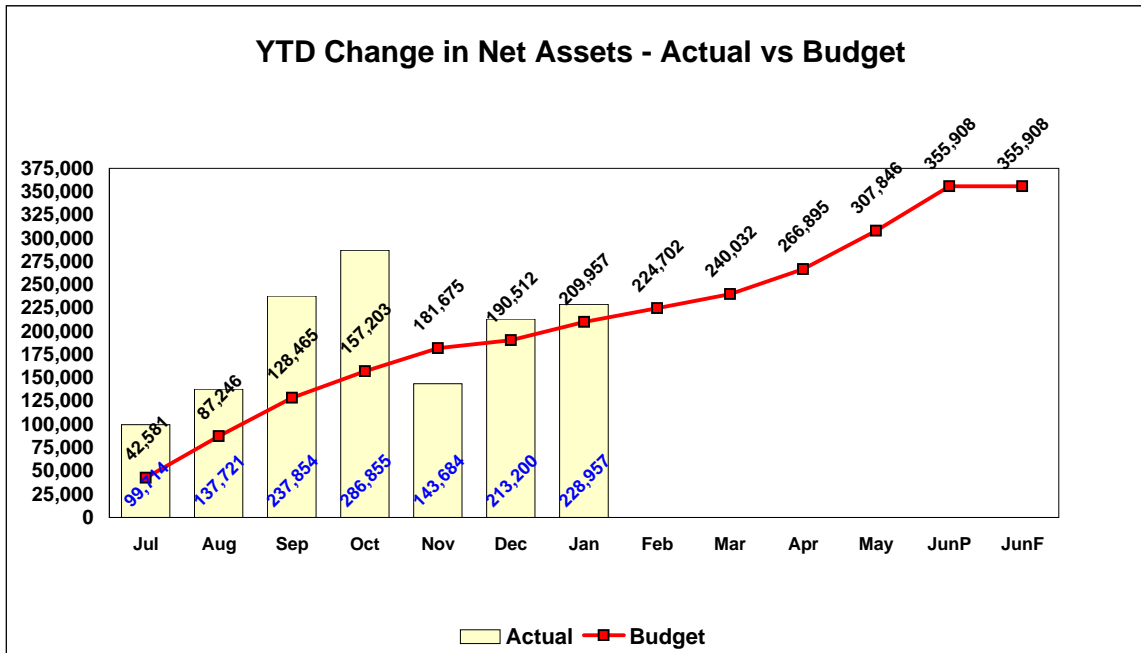
VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT

**Summary of Actual vs. Budget**

For the Period From July 1, 2005 to February 28, 2006



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REPORT.: Mar 24 06 Friday  
 RUN...: Mar 24 06 Time: 14:46  
 Run By.: KRISTINA MCMANIGAL

VVCS D  
 Cash Disbursement Detail Report  
 Check Listing for 03-06 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 #	Description
013197	03/07/06	/B021	PATRICIA BROOKS	130.00	.00	130.00	A60306	TOILET RETROFIT-BRO0016-1 TOILET
013198	03/07/06	ACE01	ACECO EQUIPMENT CO., INC.	220.00	.00	220.00	39386	FORKLIFT RENTAL02/15/06-R
				1166.02	.00	1166.02	39581	EMOVE LINE MTR 1 MTR PIT REPLACE MUFFLER,EXHAUST P IPE-SEWER JETTER-PO#1399
			Check Total.....:	1386.02	.00	1386.02		
013199	03/07/06	ACW04	ACWA	50.00	.00	50.00	102170	ACWA 2005 SALARY SURVEY
013200	03/07/06	ADV02	ADV INFRASTRUCTURE TECH	1588.24	.00	1588.24	3019	SEWER MAIN PLUGS,6'POLE,3 0'POLY LIFT LINE-PO#1387
013201	03/07/06	ARA01	ARAMARK UNIFORM SERV.INC.	34.54	.00	34.54	3828191	CONTINUOUS TOWELS, SHOP T OWELS 2/2/06
				35.98	.00	35.98	3841460	CONTINUOUS TOWELS,SHOP TO WELS 2/16/06
			Check Total.....:	70.52	.00	70.52		
013202	03/07/06	BAC01	BACKFLOW APPARATUS AND	422.32	.00	422.32	341043	VALVE POSITION INDICATORS - PO#1382
013203	03/07/06	CON04	CONOCO INC.	874.94	.00	874.94	39896602	FUEL-02/06
013204	03/07/06	COR01	CORBIN WILLITS SYSTEM INC	545.86	.00	545.86	A602151	SERVICE AND ENHANCEMENT F EE 3/06
013205	03/07/06	COV01	COVERALL/MIDSTATE CALIF	150.00	.00	150.00	3037159	JANITORIAL SERVICE 3/06
013206	03/07/06	CSD01	CALIFORNIA SPECIAL	53.00	.00	53.00	17450	CANCELLATION FEE-STAYING IN COMPLIANCE PKG - JB
				25.00	.00	25.00	17452	CANCELLATION FEE - SH TRA INING - JB
				25.00	.00	25.00	17453	CANCELLATION FEE - SH TRA INING - CB
				25.00	.00	25.00	17454	CANCELLATION FEE - SH TRA INING - DR
				25.00	.00	25.00	17455	CANCELLATION FEE - SH TRA INING - DR
				25.00	.00	25.00	17456	CANCELLATION FEE - SH TRA INING - RW

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Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Description
013206	03/07/06	CSD01	CALIFORNIA SPECIAL	53.00	.00	53.00	17457	CANCELLATION - STAYING IN COMPLIANCE PACKAGE - DR
				53.00	.00	53.00	17458	CANCELLATION - STAYING IN COMPLIANCE PACKAGE - RW
Check Total.....:				284.00	.00	284.00		
013207	03/07/06	GRA04	GRAPHIC SYSTEMS INC.	235.21	.00	235.21	62593	1200 COUNTER RECEIPT BOOK S
013208	03/07/06	GRO02	GROENIGER & COMPANY	803.76	.00	803.76	539232SM	LINE METER 1 - METER PIT COVER - PO#1396
				928.06	.00	928.06	543772SM	LINE METER 1 - METER PIT- PO#1396
Check Total.....:				1731.82	.00	1731.82		
013209	03/07/06	HAC01	HACH COMPANY	149.70	.00	149.70	4609789	CHLORINE REAGENT SET
013210	03/07/06	HEA01	HEALTH SANITATION	39.18	.00	39.18	10820206	TRASH COLLECTION 2/06
013211	03/07/06	IMP01	IMPAC GOVERNMENT SERVICES	803.98	.00	803.98	920321022	HPSTORAGE, SYMANTEC, PADLOCKS, LODGING, POSTHOLE, METER
013212	03/07/06	IMP10	IMPULSE INTERNET SERVICES	30.00	.00	30.00	539283	INTERNET DSL ACCOUNT 2/13 /06-3/12/06
013213	03/07/06	LAY01	LAYNE CHRISTENSEN COMPANY	9344.49	.00	9344.49	10840519	WELL 1B-PULL, REBUILD, REINSTALL FLWY BOWL-PO#1391
013214	03/07/06	LOM01	CITY OF LOMPOC, FINANCE	66056.30	.00	66056.30	60988	1/06 M&O, 1/06 ESTIMATE, 2/06 ESTIMATE, FY05 CREDIT
013215	03/07/06	MIL01	MILLER GARDEN CENTER	126.00	.00	126.00	22876	OFFICE YARD MAINTENANCE 2 /06
013216	03/07/06	NAP01	NAPA (BREMER) AUTO PARTS	18.21	.00	18.21	110662	BULB FOR CONTROL PANELS
				299.50	.00	299.50	111900	BATTERIES FOR SITE 1 - GENSET 1
Check Total.....:				317.71	.00	317.71		
013217	03/07/06	OFF04	OFFICE DEPOT	243.33	.00	243.33	49630206	PAPER, ADD ROLLS, PORFOLIO WITH PAD, DOOR SIGN

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Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Description
013218	03/07/06	PGE01	PACIFIC GAS & ELECT. INC.	15465.34	.00	15465.34	68720206	PGE CHARGES 01/13-02/13/06
013219	03/07/06	POS01	POSTMASTER GENERAL	600.00	.00	600.00	A60215	POSTAGE FOR 3/06 BILLS
013220	03/07/06	QUI03	QUINN COMPANY	193.31	.00	193.31	1145818	MARKING PAINT
013221	03/07/06	RAM01	RAMSEY, SCOTT	625.00	.00	625.00	1305	ASPHALT REPAIR - 4197 VAN GUARD DRIVE
013222	03/07/06	SAN30	SANTA BARBARA COUNTY	330.13	.00	330.13	027510	EMISSION FEE - PTO 11882 - SITE#1 & L/S#1 GENSETS
013223	03/07/06	SOU01	SO.CALIFORNIA GAS CO.INC.	75.42	.00	75.42	79000206	SO. CALIF GAS WELL 1B 1/2 7-2/27/06
				100.71	.00	100.71	84000206	SO. CALIF GAS - OFFICE 1/26-2/24/06
			Check Total.....:	176.13	.00	176.13		
013224	03/07/06	UND01	UNDERGROUND SERVICE ALERT	12.80	.00	12.80	20060695	USA TICKETS-02/06
013225	03/07/06	UPS01	UPS	29.34	.00	29.34	447AY6086	UPS CHARGES 02/06
013226	03/07/06	VAL03	VALLEY ROCK	10.81	.00	10.81	49442	SITE 1 - 3" DRAIN FITTING S
				275.84	.00	275.84	R34087	LINE METER 1 - PIT BASE
			Check Total.....:	286.65	.00	286.65		
013227	03/07/06	VAN02	VVCSD--PETTY CASH	109.67	.00	109.67	A60306	PETTY CASH
013228	03/07/06	VER01	VERIZON CALIFORNIA	233.41	.00	233.41	24750206	VERIZON 733-2475 2/13-3/13/06
				63.66	.00	63.66	36150206	VERIZON 733-3615 2/13-3/13/06
				34.98	.00	34.98	39750206	VERIZON SCADA SYSTEM 2/13-3/13/06
			Check Total.....:	332.05	.00	332.05		
013229	03/07/06	WES03	WESTERN FARM SERVICE, INC	275.90	.00	275.90	655363997	5 GALS ROUNDUP PRO
013230	03/07/06	\T001	TENSCHER, HELEN R	6.62	.00	6.62	000A60201	CUSTOMER REFUND - TEN0001

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Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Description
013231	03/07/06	\T002	TYRELL, ORLY N.	39.03	.00	39.03	000A60201	CUSTOMER REFUND - TYR0001
013232	03/22/06	VOID	VOIDED CHECK					
013233	03/22/06	VOID	VOIDED CHECK					
013234	03/22/06	ACE01	ACECO EQUIPMENT CO., INC.	183.88	.00	183.88	40224	FORKLIFT RENTAL-16" PIPE PROJECT
013235	03/22/06	AQU00	AQUA-METRIC SALES CO.	650.97	.00	650.97	0012383	6- 1" SENSUS METERS-PO#1402
013236	03/22/06	ARA01	ARAMARK UNIFORM SERV.INC.	47.93	.00	47.93	3853547	CONTINUOUS TOWELS, SHOP TOWELS 3/2/06
013237	03/22/06	ASC01	ACWA SERVICES CORPORATION	4760.16	.00	4760.16	01840406	MEDICAL,DENTAL,VISION,LIFE-04/06
013238	03/22/06	BAS01	BASIC CHEMICAL SOLUTIONS	338.87	.00	338.87	S15152210	250 GALS NaHS03
013239	03/22/06	CLS01	CLINICAL LABS OF SAN	135.00	.00	135.00	744032	BACTERIA TESTS - 02/06
013240	03/22/06	DEW02	J B DEWAR	222.48	.00	222.48	520442	OIL FOR WELL PUMP
013241	03/22/06	HOM02	HOME DEPOT	314.12	.00	314.12	10020306	CREDIT,DBL.PMT.REV.TOOLS, PAINT,PIT BASE,SUPPLIES
013242	03/22/06	HSM01	HSM ELECTRONIC PROTECTION	330.00	.00	330.00	4454689	HSM SECURITY OFFICE,SHOP, BOOSTER BLDG. 4/06-6/06
013243	03/22/06	IMP10	IMPULSE INTERNET SERVICES	30.00	.00	30.00	A60314	INTERNET DSL ACCOUNT 3/13/06-04/12/06
013244	03/22/06	JPI01	ACWA/JPIA	2621.00	.00	2621.00	A60314	ACWA/JPIA PROPERTY RENEWAL 4/06-3/07
013245	03/22/06	LOM06	LOMPOC FIRE EQUIPMENT	95.00	.00	95.00	24539	FIRE EXTINGUISHER SERVICE
013246	03/22/06	NAT01	NATIONAL GROUP TRUST	460.86	.00	460.86	23940406	LONG TERM DISABILITY-04/06
013247	03/22/06	PIO01	PIONEER AMERICAS LLC	2008.61	.00	2008.61	38708189	1910 GALS NaOCL
013248	03/22/06	POM01	POMMERVILLE'S UNION 76	774.91	.00	774.91	A60316	REPLACE FUEL PUMP-UNIT #10-PO# 1403

REPORT.: Mar 24 06 Friday  
 RUN...: Mar 24 06 Time: 14:46  
 Run By.: KRISTINA MCMANIGAL

VVCS  
 Cash Disbursement Detail Report  
 Check Listing for 03-06 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 #	Description
013249	03/22/06	SAN18	SANTA BARBARA COUNTY SDA	78.00	.00	78.00	A60321	SBCSDA DINNER MEETING-JB, DR,RW
013250	03/22/06	SPE04	SPEEDY LOAD'UM TOWING	45.00	.00	45.00	41806	TOW UNIT #10 FOR REPAIR
013251	03/22/06	TRI02	TRI-COUNTIES TRAINING	60.00	.00	60.00	A60314	NEW REGULATIONS UPDATE SE MINAR-MD,MG
013252	03/22/06	VER02	VERIZON WIRELESS	177.80	.00	177.80	022282156	VERIZON CELLULAR PHONE SERVICE-3/2-4/1/06
013253	03/22/06	VRE01	JIM VREELAND FORD	267.42	.00	267.42	C27574	INSTALL NEW LOCK CYLINDER -UNIT#8
Cash Account Total.....:				116663.60	.00	116663.60		
Total Disbursements.....:				116663.60	.00	116663.60		
Cash Account Total.....:				.00	.00	.00		

REPORT.: Mar 24 06 Friday  
 RUN...: Mar 24 06 Time: 14:46  
 Run By.: KRISTINA MCMANIGAL

VVCS D  
 Cash Disbursement Detail Report - Payroll Vendor Payment(s)  
 Check Listing for 03-06 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 #	Description
2211	03/10/06	PUB02	PUBLIC EMPLOYEES	4237.40	.00	4237.40	A60310	PERS EPMC PP#5
6861	03/24/06	EFT01	EFTPS	2164.46	.00	2164.46	A60324	FEDERAL WH TAXES PP#6
16861	03/24/06	EFT01	EFTPS	568.66	.00	568.66	1A60324	FICA MEDICARE PP#6
21370	03/10/06	EMP01	EMPLOYMENT DEVELOP.DEPART	835.52	.00	835.52	A60310	STATE WH TAXES PP#5
21371	03/10/06	EMP01	EMPLOYMENT DEVELOP.DEPART	157.85	.00	157.85	1A60310	STATE DISABILITY PP#5
25258	03/10/06	PER04	STATE STREET BANK & TRUST	2870.00	.00	2870.00	A60310	EMPLOYEE PERS 457 PP#5
27468	03/24/06	PER04	STATE STREET BANK & TRUST	2870.00	.00	2870.00	A60324	EMPLOYEE PERS 457 PP#6
39056	03/24/06	PUB02	PUBLIC EMPLOYEES	4237.40	.00	4237.40	A60324	PERS EPMC PP#6
39514	03/24/06	EMP01	EMPLOYMENT DEVELOP.DEPART	826.42	.00	826.42	A60324	STATE WH TAXES PP#6
139514	03/24/06	EMP01	EMPLOYMENT DEVELOP.DEPART	156.89	.00	156.89	1A60324	STATE DISABILITY PP#6
748360	03/10/06	EFT01	EFTPS	2212.76	.00	2212.76	A60310	FEDERAL WH TAXES PP#5
748361	03/10/06	EFT01	EFTPS	572.22	.00	572.22	1A60310	FICA MEDICARE PP#5
Cash Account Total.....:				21709.58	.00	21709.58		
Total Disbursements.....:				21709.58	.00	21709.58		

# VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT

## AGENDA MEMORANDUM

TO: Board of Directors ITEM: 7.A.

FROM: Finance/Budget Committee

BY: Joe Barget, General Manager  
Cindy Allen, Office Manager

DATE: April 4, 2006

SUBJECT: Reserve Policy

**Recommendation:** Adopt Resolution 176-06 establishing a new reserve policy.

**Policy Implications:**

- The current reserve policy is contained in Resolution 99-94 which was adopted in 1994.
- In 2005 the Board adopted a 15-year Strategic Plan with 14 goals that are projected to require \$5.9 million from reserves.

**Resource Impacts:** This resolution replaces the bond covenant with a new funding mechanism to generate revenues for reserves. It will increase the amount of the District's reserves goal by about \$1 million.

**Alternatives Considered:** Keep the current policy.

**Discussion:** The California Special Districts Association (CSDA) and Government Finance Officers Association (GFOA) recommend that districts formulate and adopt a reserve policy as an integral part of the prudent accumulation and management of reserves.

Current reserve policy establishes three categories: replacement reserves, emergency reserves, and development reserves.

Development reserves are fees and funds collected from development agreements. They are maintained separately in accordance with Government Code §66013 and there are restrictions on their use. The old and the new policies recognize the unique nature of development reserves and address them in the same manner.

The 1994 resolution was unclear whether the District's reserves should equal the sum of replacement reserves and emergency reserves, or the greater of the two categories. It also set a fixed amount of \$500,000 for emergency reserves.

From 1988 to 2005, the District was required to satisfy a 20 percent bond covenant while repaying \$5.4 million in revenue bonds. Through a combination of funding the bond covenant and depreciation, the District has been able to steadily accumulate reserves.

Although there is no longer a bond covenant, the Board has expressed its commitment to continue contributing funds to reserves in order to sustain them at a level sufficient to fund operations, capital projects, and emergencies.

GFOA stresses that the adequacy of any government's reserves should be assessed based upon its own specific circumstances and recommends that general-purpose governments, regardless of size, should maintain a minimum reserve balance of the following:

- No less than 1-2 months of regular general fund operating expenses.
- No less than 5-15 percent of regular general fund operating revenues.

The new reserve policy would do the following:

- Change the name "replacement reserves" to "capital reserves" to better reflect their purpose in funding the entire capital budget (capital *improvement*, capital *outlay*, and capital *replacement* projects).
- Establish emergency reserves as a variable amount equal to 10 percent of the value of capital assets.
- Add a new category, operating reserves, equal to 25 percent (three months) of operating expenses.
- Establish a goal of having an amount in reserves equal to the sum of the three components: Operating Reserves + Capital Reserves + Emergency Reserves.

The following information compares reserve requirements using the current operating budget and a snapshot of assets as of February 2006:

**Resolution 99-94 (Current)**

Category	Requirement	Water	Wastewater
Capital Reserves	Accumulated Depreciation	\$2,013,777	\$363,343
Emergency Reserves	\$500,000	\$300,000	\$200,000
		<hr/>	<hr/>
		\$2,313,777	\$563,343

$\Sigma = \$2,877,119$

**Resolution 176-06 (Proposed)**

Category	Requirement	Water	Wastewater
Capital Reserves	Accumulated Depreciation + 25% combined operating budget	\$2,276,790	\$564,030
Operating Reserves	25% combined operating budget	\$263,013	\$200,688
Emergency Reserves	10% capital assets	\$537,679	\$120,783
		<hr/>	<hr/>
		\$3,077,482	\$885,501

$\Sigma = \$3,962,981$

**Current Balance**

\$974,602	\$1,000,689
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$\Sigma = \$1,975,291$

The District currently satisfies both wastewater reserve requirements but falls considerably short of meeting either water reserve requirement.

The proposed resolution increases the amount of the District's reserves goal by about \$1 million.

The proposed resolution creates a new funding mechanism called a **reserve contribution factor** to generate revenue for reserves. The factor is expressed as a percentage of the annual water and annual wastewater operating expense budgets. Reserve contribution factors would be approved by the Board as part of the annual budget process.

The previous reserve policy served the District well for 12 years. Staff and the Finance/Budget Committee have worked hard to craft the updated policy outlined in Resolution 176-06. It is a more conservative policy—and we are confident that it will do a better job of protecting the District financially, generating funds to execute our Strategic Plan, and keeping up with inflation.

**Attachments:**

1. Resolution 176-06 dated April 4, 2006 (proposed policy)
2. Resolution 99-94 dated February 3, 1994 (current policy)

# VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT

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



## RESOLUTION 176-06

April 4, 2006

### BY THE BOARD OF DIRECTORS OF VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT ESTABLISHING A RESERVE POLICY

WHEREAS, the Board of Directors of Vandenberg Village Community Services District is committed to operating and maintaining the District's water and wastewater systems in a fiscally sound and responsible manner; and

WHEREAS, the Board of Directors desires to provide cost-effective and efficient public services through a stable rate structure and gradual rate increases; and

WHEREAS, during the period 1988 to 2005 when the District was repaying \$5.4 million in revenue bonds, the District was required to satisfy a 20 percent bond covenant in order to demonstrate financial capability to fund operations, capital projects, and debt service; and

WHEREAS, through satisfying the bond covenant and funding depreciation, the District was able to accumulate reserves; and

WHEREAS, although there is no longer a bond covenant requirement, the District plans to continue contributing funds in a regular, disciplined manner to build and sustain reserves at a level sufficient to fund operations, capital projects, and emergencies.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Vandenberg Village Community Services District that:

1. The District shall establish and maintain a Depreciation Schedule of assets. The Useful Life Guidelines, published by the Office of the State Controller, and the Straight Line method will be used to calculate monthly depreciation expenses. Depreciation will be included in the annual operating expense budget. The District shall establish rates to generate sufficient revenue to fully fund this depreciation expense and place it in reserves.

2. Depreciation alone is insufficient to fund replacement of equipment, infrastructure, and facilities. Therefore, the District shall incorporate a reserve contribution factor into its rate structure. This factor, expressed as a percentage of the annual water and annual wastewater operating expense budgets, will generate revenues specifically for reserves.
3. The goal of the District is to maintain reserves at a level that equals or exceeds the sum of the following components:
  - a. Operating Reserve Requirement: 25 percent of the current combined annual operating expense budget. This amount is intended as a cushion to fund three months of operating expenses.
  - b. Capital Reserve Requirement: Accumulated depreciation plus 25 percent of the current combined annual water and wastewater expense budget. This amount is intended to replace assets and fund capital projects.
  - c. Emergency Reserve Requirement: 10 percent of the value of capital assets. This amount is intended as protection against catastrophic loss and to provide a cushion for inaccuracy in long range planning.
4. Reserves will be segregated from operating funds and invested in accordance with the District's investment policy.
5. Connection fees, development fees, and funds collected from development agreements paid to the District to serve new development with water and wastewater services are designated as restricted reserves. They will be deposited into a separate, interest-bearing account and be used to expand infrastructure and facilities to serve new development. Funds will be administered and maintained in accordance with Government Code § 66013.
6. This resolution rescinds and replaces Resolution 99-94.

PASSED AND ADOPTED by the Board of Directors of the Vandenberg Village Community Services District this 4<sup>th</sup> day of April, 2006 upon motion by Director \_\_\_\_\_, seconded by Director \_\_\_\_\_ and as approved by the following vote:

Roll call vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Resolution No. 176-06  
April 4, 2006  
Page 3

**Resolution 176-06 is hereby adopted.**

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Robert Wyckoff  
President, Board of Directors

ATTEST:

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Stephanie Vlahos-Rivera  
Secretary, Board of Directors

# VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT

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



<http://vvcasd.org>  
[info@vvcasd.org](mailto:info@vvcasd.org)

## RESOLUTION NO. 99-94

February 3, 1994

### A RESOLUTION OF THE BOARD OF DIRECTORS OF THE VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT ESTABLISHING POLICIES FOR CONTRIBUTIONS TO RESERVES AND ALLOCATIONS OF INTEREST INCOME

WHEREAS, it is the intention of the Board of Directors of the Vandenberg Village Community Services District to maintain and operate the District's water and wastewater systems in a fiscally sound manner; and

WHEREAS, sound fiscal management includes the recognition of depreciation expense over the life of the District's capital equipment and facilities and the reserving of that budgeted expense for future replacement; and

WHEREAS, toward the goal of fiscal management and long range planning, the Board of Directors of the Vandenberg Village Community Services District recognizes the need to establish reserve funds; and

WHEREAS, the policies for fiscal management should be formalized for implementation consistent with the desires of the Board of Directors.

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Vandenberg Village Community Services District that:

1. Depreciation: The total cost of capital equipment and facilities, from the commencement of design to and including installation, will be depreciated by the Straight Line method utilizing Useful Life Guidelines as published by the Office of the State Controller. An estimate of this amount will be included in each year's budget for each department of the District. The rates established for each year will include sufficient cash to fully fund this depreciation expense.
2. Depreciation Schedule: There will be established and maintained a Depreciation Schedule of all District assets which lists each capital item, its total cost, useful life,

monthly depreciation expense amount, and other information necessary to determine the total actual monthly depreciation expense to the District.

3. Replacement Reserves:

a. In order to establish a Replacement Reserve account to cover the depreciation of District capital assets depreciated since the formation of the District in 1988, Staff is directed to transfer the sum of depreciation-to-date into a reserved account, which account will be called Replacement Reserves, and the purpose of which will be to replace the District's capital equipment and facilities at the end of their useful lives.

b. At least quarterly, the total actual depreciation expense, as well as interest, calculated at the District's current investment rate, will be transferred into the Replacement Reserves account established hereby.

4. Development Reserves: Connection fees, development fees, and funds collected from development agreements paid to the District to serve new development for water and wastewater systems will be deposited into a separate, reserved, interest bearing account, which account will be called Development Reserves, the purpose of which will be to add to the District's capital system facilities for the expansion of those facilities to serve the new development. Funds will be administered and maintained in accordance with Government Code Section 66000, et. seq.

5. Emergency Reserves: In accordance with the District's Long Range Financial Plan, there shall be included in each year's budget and funded annually from unreserved retained earnings, an item entitled Emergency Reserves, which amount shall be currently \$500,000. Should said amount fall below the minimum, staff is directed to notify the Board of Directors as soon as practicable but not later than the next scheduled Board of Directors meeting. The purpose of Emergency Reserves will be to provide protection against a catastrophic loss and provide a cushion for inaccuracy in the long range replacement program.

6. Interest Income: All District funds will be deposited into interest bearing accounts except those funds set aside for rebate to the Internal Revenue Service for arbitrage earnings.

Resolution No. 99-94  
February 3, 1994  
Page 3

On the motion of Director Nosler

Second Director Nash

Roll call vote, to wit:

AYES:	Directors Nash, Nosler, Small, and White
NOES:	Director Picciuolo
ABSENT:	None
ABSTAIN:	None

**Resolution No. 99-94 is hereby adopted.**

/s/ Phyllis C. White  
Phyllis C. White  
President, Board of Directors

ATTEST:

/s/ Gwen Jerep  
Gwen Jerep, Secretary  
Board of Directors

**SECRETARY'S CERTIFICATE**

I, Gwen Jerep, Secretary of the Board of Directors of the Vandenberg Village Community Services District, hereby certify that the foregoing is a true and correct copy of Resolution No. 99-94, passed and adopted by the Board of Directors of the Vandenberg Village Community Services District at its Regular Meeting held on the 3rd day of February, 1994.

/s/ Gwen Jerep  
Gwen Jerep

# VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT

## AGENDA MEMORANDUM

TO: Board of Directors ITEM: 7.B.

FROM: Water/Wastewater Committee

BY: Joe Barget, General Manager  
Martin Damwyk, Operations & Maintenance Manager

DATE: April 4, 2006

SUBJECT: SCADA Project

### **Recommendations:**

- Award a contract to Central Automation, Inc., Bakersfield, CA, for \$91,024 to replace the Supervisory Control and Data Acquisition (SCADA) system.
- Authorize the General Manager to sign and manage the contract.

### **Policy Implications:**

- Public Contract Code §20682.5 requires competitive bidding for construction contracts when the cost exceeds \$25,000.
- The Board of Directors approves the award of large contracts.

**Resource Impacts:** There is \$131,500 in the Capital Budget for this project.

**Alternatives Considered:** Re-advertise the project.

**Discussion:** SCADA systems are used by water and wastewater utility operations to control water levels, chemical treatment, and pumps and motors. The three basic components of a SCADA system are a central control room with host computer, remote terminal units (RTUs), and communication infrastructure.

SCADA systems have an expected lifetime of about 10 years. The District's SCADA system was installed in 1996 and the Paragon software used in our system is obsolete. The system needs to be replaced.

Staff published a request for proposal (RFP) and an evaluation criteria consisting of six elements for selecting the best proposal. We received two proposals.

The Water/Wastewater Committee used two independent consultants to assist in evaluating the technology: Keith Crowe, P.E., and Gavin Jones, SCADA Technologies. During our evaluation, a brand new software program called *Clear SCADA* was introduced. Both proposers firmly recommended using *ClearSCADA* over the *Lookout* software program that we were favoring.

The Water/Wastewater Committee met with management staff on March 20 and finalized its evaluation.

## Evaluation of Proposals

**ATSI** = Advanced Telemetry Systems International, Inc., Escondido, CA

**CA** = Central Automation, Inc., Bakersfield, CA

Criteria	Weight	ATSI	CA
Work Plan	30%		✓
Experience	20%	✓	
Price	20%	\$99,441.27	\$91,024.91 ✓
Responsiveness and Firm Workload	10%		✓
Key Personnel	10%	Equal	
Response Time	10%		✓
Overall	100%		✓

The Water/Wastewater Committee also recommends the following:

- Require Central Automation to complete and present the District with a satisfactory radio path survey before formal contract award.
- Use *ClearSCADA* instead of the *Inconics Genesis 32* software in the original proposal.
- Increase the training for the field crew from the 4 hours proposed to at least two days.

The contract requires the project to be completed within 120 days of issuing the notice to proceed.

---

Note:

The federal government uses two procurement methods to award construction contracts. Both are considered “competitive bidding”.

**Invitation for Bid (IFB):** This method is used when you know exactly what you want and you have specified it in detail. Contracts are awarded based solely on the lowest bid.

**Request for Proposal (RFP):** This method is used when you have a general idea of what you want and will consider different alternatives for meeting a requirement. This method involves publishing a set of criteria and measuring proposals against it. Price is normally only one of the criteria. Contracts are awarded based on the best proposal.

State and local agencies in California use this RFP procurement method but staff has been unable to find a statute that specifically allows or addresses it. In this case, the lowest-price proposal is recommended so it is not an issue.

# VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT

## AGENDA MEMORANDUM

TO: Board of Directors ITEM: 7.C.

FROM: Joe Barget, General Manager

DATE: April 4, 2006

SUBJECT: County Split

**Recommendation:** Discuss the potential impacts of the proposed County Split to VVCSD and consider taking a position on this issue.

**Policy Implications:** Historically, the District has avoided political issues unrelated to the District's mission of providing dependable drinking water delivery and wastewater collection services to Vandenberg Village residents.

**Resource Impacts:** The proposed County Split has enormous resource impacts on the residents of Santa Barbara County. However, at this time there are no known impacts to VVCSD.

### **Alternatives Considered:**

- Support or oppose the County Split in general.
- Support or oppose the County Split based on impacts to water or wastewater services.
- Do not take a position on the County Split.

**Discussion:** At last month's meeting, Director Brooks requested that this item be placed on tonight's agenda for discussion.

The Mission County Formation Review Commission issued its Final Report in March 2005. Available at [www.missioncountyformation.org](http://www.missioncountyformation.org).

There are 36 independent special districts in Santa Barbara County. The area of the proposed Mission County has 15 districts, the area of the proposed Santa Barbara County has 15 districts, and 6 districts would become multi-county special districts.

VVCSD is in the proposed Mission County.

**From the wastewater perspective,** VVCSD's infrastructure and Lompoc's wastewater treatment plant are entirely within the proposed Mission County. The State Regional Water Quality Control Board is the principal regulatory agency for wastewater operations. The County has little to no involvement in this area.

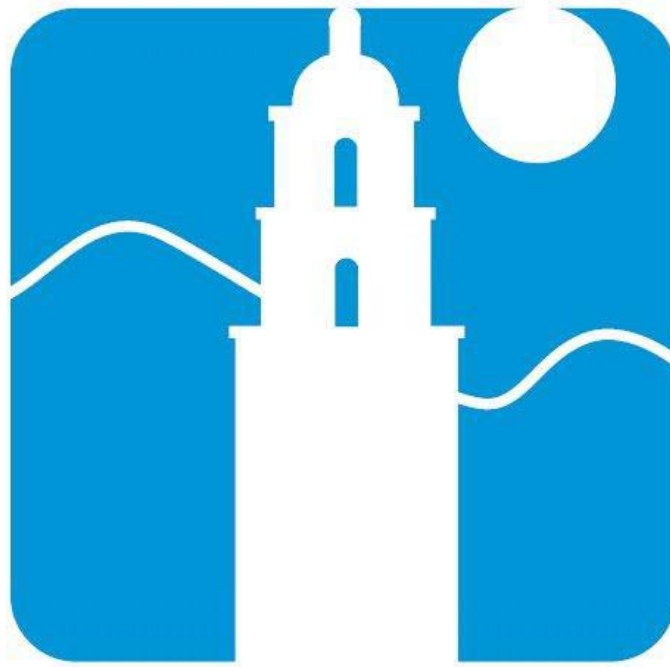
**From the water perspective,** counties regulate public water systems that have less than 250 service connections. Larger systems—such as VVCSD with 2,264 service connections—are regulated by the State. VVCSD's sole source of water is groundwater from the Lompoc Uplands aquifer which is entirely within the proposed Mission County. The Santa Ynez River Water Conservation District (SYRWCD) encompasses 180,000 acres. Lake Cachuma and all but 153 acres of SYRWCD are within the proposed Mission County. Water releases from the SYRWCD replenish the Lompoc aquifers. The accumulation of credits and subsequent releases of Lake Cachuma water are controlled at the federal and state level by Water Rights Order 89-13 and other governing documents. Santa Barbara County has no real involvement in Lake Cachuma operations.

The attached extract from Chapter V (Other Issues) of the Mission County Formation Review Commission's Final Report provides more information about water issues.

The County Split will be decided during the June 2006 election.

**Attachments:**

1. Extract from Final Report of the Mission County Formation Review Commission, dated March 28, 2005.
2. Map of the Proposed Mission County



# Final Report

Mission County Formation  
Review Commission

March 28, 2005

## CHAPTER V – OTHER ISSUES (Continued)

### WATER ISSUES

**Background** – Early in the formation review process, the Commission received a report at its hearing on June 28, 2004 from the Santa Barbara County Water Resources Division regarding water resource issues resulting from the proposed Mission County formation. The Commission identified a number of additional water-related issues, including the following:

1. Protection and satisfaction of water supply commitments.
2. Management of the recreation area around Cachuma Reservoir.
3. Jurisdiction and governance of the Santa Barbara County Flood Control and Water Conservation District (District) and the Santa Barbara County Water Agency (Agency).
4. Satisfaction of financial obligations associated with water supply projects.

The Commission later received at its September 13, 2004 meeting, a follow-up report addressing additional issues. In addition, the Commission considered the 1978 Los Padres Formation Commission Report.

In the 1978 report, the Commission considered the potential effects of county formation on the distribution of water from Lake Cachuma. Relying on Govt. Code § 23390, the 1978 Commission concluded that the formation of a new county “will have no direct effect on the use of Lake Cachuma or other water resources” (page 193, 1978 Commission Report). The conclusions in the 1978 report are still relevant today.

In essence, § 23390 provides that no dependent special district “shall have its territory divided or in any other way have its organization changed as the result of the establishment of the proposed county *except by proceedings taken pursuant to law subsequent to the establishment of the proposed county.*” (Italics added). As a result, the Commission concluded that it was beyond their powers to take any action on water issues other than in an advisory capacity by indicating a preference for such subsequent legislative action to modify governing board composition.

In this regard, the 1978 Commission stated they believed it to be inappropriate for the Board of Supervisors of remaining Santa Barbara County to continue to serve as the Board of the Water Agency for any substantial length of time since a substantial part of its territory would be in the new county. The 1978 Commission then went on to recommend that officials of both counties cooperate in offering legislation to change the composition of the Board of the Water Agency to take effect as soon as possible after the new county is formed.

Based on the analysis presented below, the Commission concluded that existing State Legislation, water rights agreements, and water rights determinations by the State Water Resources Control Board assure continued water supply and recreational use of Santa Barbara County's existing water sources for both the proposed and affected counties. The Commission also recommends legislative action, as did the 1978 Commission, to change the composition of the water agency board subsequent to the formation of the proposed county.

### *Analysis -*

#### **Santa Barbara County Water Issues in General**

**a. Water Supplies:** Although groundwater is the main source of water used in Santa Barbara County (roughly 77%), surface supplies are essential for certain urban areas and for groundwater recharge. *Specifically, Cachuma Reservoir accounts for 60 – 70% of the long-term water needs for the south coast and is also used to recharge aquifers downriver.*

Of the surface supplies, Cachuma Reservoir would be located entirely within the newly formed Mission County while users reliant on its supplies would be within both the new County and the remaining Santa Barbara County. Local newspaper articles following the new county formation issue suggest that some citizens fear that if Lake Cachuma is located in Mission County, the new County would control the water source, flood control, and recreation at the reservoir, at the potential expense of the communities in the remaining Santa Barbara county that rely on Lake Cachuma as a water source. Water from Lake Cachuma is currently provided either through releases to the river for supply in the Santa Ynez watershed, or through the Tecolote Tunnel for distribution to users on the South Coast.

Generally speaking, two categories of water users rely on water from Lake Cachuma: “*member units*” and *downstream water users*. Member units are cities and water districts who have direct contractual relationships regarding the yield of the project and obligations for operation and maintenance, and downstream water users are those who rely on downstream “water rights releases” to satisfy their supply needs. Concerns of downstream users were addressed in a Santa Barbara News-Press article (“Split Decisions – what a new County would mean to you,” 9/23/02):

“In the years that followed the construction of Cachuma there were legal challenges by downstream users-Buellton, Solvang and Lompoc-alleging that the dam depleted their groundwater. As a result, the state guaranteed them releases of a ‘sufficient’ amount of water every year, based on an intricate formula. Those same people have benefited in recent years from Cachuma’s use for flood control.”

*As discussed in this report, the rights and obligations of the various interests (member units as well as downstream users) reliant on the Cachuma reservoir are well circumscribed by various water rights decisions and contracts.*

Exhibits A – D to this staff report summarize the relationships between various federal, state and local agencies with respect to the development, operation and repayment of water supply projects (including the Cachuma Project). In summary, the rights to use water supplied by the three water supply projects with which the Agency and the District are associated are granted by the State of California to the owners of the facilities: the United States Government (Twitchell and Cachuma Reservoirs) and the State Department of Resources (the State Water Project). Long-term contractual relationships established the “retail” water districts as both having the right to receive and distribute the water, and the obligation to pay operation and maintenance costs associated with the respective projects. The contract administered by the Santa Barbara County Water Agency for the Lake Cachuma Project is effective through September 30, 2020, subject to successive renewals thereafter. The contract administered by the Agency for Lake Twitchell provides for a perpetual term. The State Water Contract provides for deliveries and payments through 2030.

**b. Recreational Uses:** In addition to its water supply function, Lake Cachuma is also a major recreational area, currently serving approximately 840,000 visits (“visitor days”) per year. The primary recreation uses include camping, hiking, and fishing. *Consequently there may be concerns by some citizens that if Lake Cachuma is located in the proposed Mission County, the new county could handle the management of recreation uses around Lake Cachuma in a manner adverse to the citizens of the remaining Santa Barbara County.*

The area surrounding Cachuma Reservoir is owned by the United States and managed by Santa Barbara County through its Parks Department pursuant to a contract and management plan. The Plan and the Contract are currently under negotiation for renewal. Consequently, the contract would need to be assigned to Mission County in the event of its formation. Such an assignment would require the consent of the United States Government. Regardless of which agency assumes responsibility for the management of the parks system around Cachuma Reservoir, as a steward of federal lands, the Federal Government can be expected to assure that future recreational management benefits the entire region, rather than simply the citizens of the proposed or existing county.

### **Countywide Dependent Special Districts/Agencies Dealing with Water**

Two distinct local agencies currently provide for water supply and distribution within the existing Santa Barbara County: the Santa Barbara County Water Agency (Agency) and the Santa Barbara County Flood Control and Water Conservation District (District). Both are “dependent” special districts governed by the Santa Barbara County Board of Supervisors, and as a result are incorporated within the structure of Santa Barbara County government.

**a. Santa Barbara County Water Agency**

The Santa Barbara County Water Agency, was established by statute in 1945. (California Water Code, Uncodified Acts, Act 7303). The statute established the agency as a countywide special district for the following purposes:

...controlling and conserving storm, flood and other surface waters for any beneficial use and for the protection of life and property in said district, for the purpose of cooperating and contracting with the United States, the State of California, municipalities and certain districts for the storage and diversion, the transportation and delivery, and the sale or other disposition of such water, and the obtaining of water or a water supply and the sale or other disposition of water...

The Board of Supervisors of Santa Barbara County is designated by statute as the ex officio Board of Directors of the Agency. The water rights to Lake Cachuma were essentially bestowed by the State of California to the United States Department of Reclamation. The rights include diversion, storage of water and use of the water within “member unit” service areas and the Santa Ynez River Water Conservation District (to meet downstream needs). Due to changes in contracts and other procedures, the Agency no longer directly administers accounting and release procedures to protect downstream water rights. (Please refer to Exhibit A for an outline of the key administrative functions relating to the Cachuma project, and Exhibit B for an organizational chart illustrating the interagency relationships involving the Cachuma project.)

**b. Santa Barbara County Flood Control and Water Conservation District**

The Santa Barbara County Flood Control and Water Conservation District (District) was established by statute in 1955. (California Water Code, Uncodified Acts, Act 7304.) The District was established for the purposes of:

...the controlling, conservation, diversion, storage, and distribution of storm, flood, and other waters, prescribing the boundaries, organization, operation, management, financing, and powers and duties of the district.

The District is a countywide dependent special district. The Santa Barbara County Board of Supervisors is designated as the ex officio Board of Directors of the District. The current role of the District in terms of water supply is to represent the County’s interest in the State Water Project contract. State water is distributed within the District by the Central Coast Water Authority, which makes deliveries to its members: the Cities of Buellton, Guadalupe, Santa Barbara, and Santa Maria and the Southern California Water Company (Orcutt), Vandenberg Air Force Base, Santa Ynez River Water Conservation District I. D. #1, Carpinteria Valley Water District, Montecito Water District, and Goleta Water District. The existing state water project contracts effectively assure water supply to the parties for the foreseeable future. (Please refer to Exhibit C for a flowchart illustrating the State Water Project interagency relationships (Santa Barbara County) and

Exhibit D for a summary of the key administrative functions relating to the State Water Project.)

### **Satisfaction of Financial Obligations Associated with Water Supply Projects**

Major water supply projects are typically large, expensive efforts requiring long-term commitments of financial resources to meet future water supply needs. Historically, the Agency and the District were involved in the development of water supply projects because they were existing regional entities capable of evaluating future needs as well as backing long-term financial commitments. As the federal and state sponsored projects reflected on Exhibits A – F to this report have been implemented, and as local water districts have seen their customer base expand, the local water districts have developed a capability to manage the operational and financial responsibilities of the projects without the Agency and District playing a direct role. In addition, in each case, the participating local districts have developed financial mechanisms to protect the Agency and the District from needing to assume any direct payment. We note that the Agency continues to have a contractual obligation to pay \$100,000 toward a “Cachuma Betterment Fund” through FY 2019-21. Since this is an Agency obligation, it would need to be addressed at the same time as the jurisdiction and governance issues described below.

### **Jurisdiction and Governance of the District and the Agency**

The discussion included in the 1978 report of the Los Padres County Formation Review Commission is still viable with regard to water supply issues. Therefore, the Mission County Formation Review Commission recognizes and recommends the following:

1. *While the District and the Agency are not directly affected by the proposal to create the proposed county, changes are necessary to provide appropriate representation in future decision-making should the new county be created.*
2. *Two alternative actions appear appropriate: (1) creating two districts and two agencies with boundaries contemporaneous with the new county boundaries; or (2) reconstituting the Board of Directors of the existing District and Agency to provide appropriate representation from both counties.*
3. *Since both the boundaries and decision-making bodies of the District and the Agency were stipulated to when each was created by the State, legislative amendments would be required to institute either alternative.*
4. *Such legislation should be prepared and its initial adoption begun to assure a timely and smooth transition should the new county be formed.*

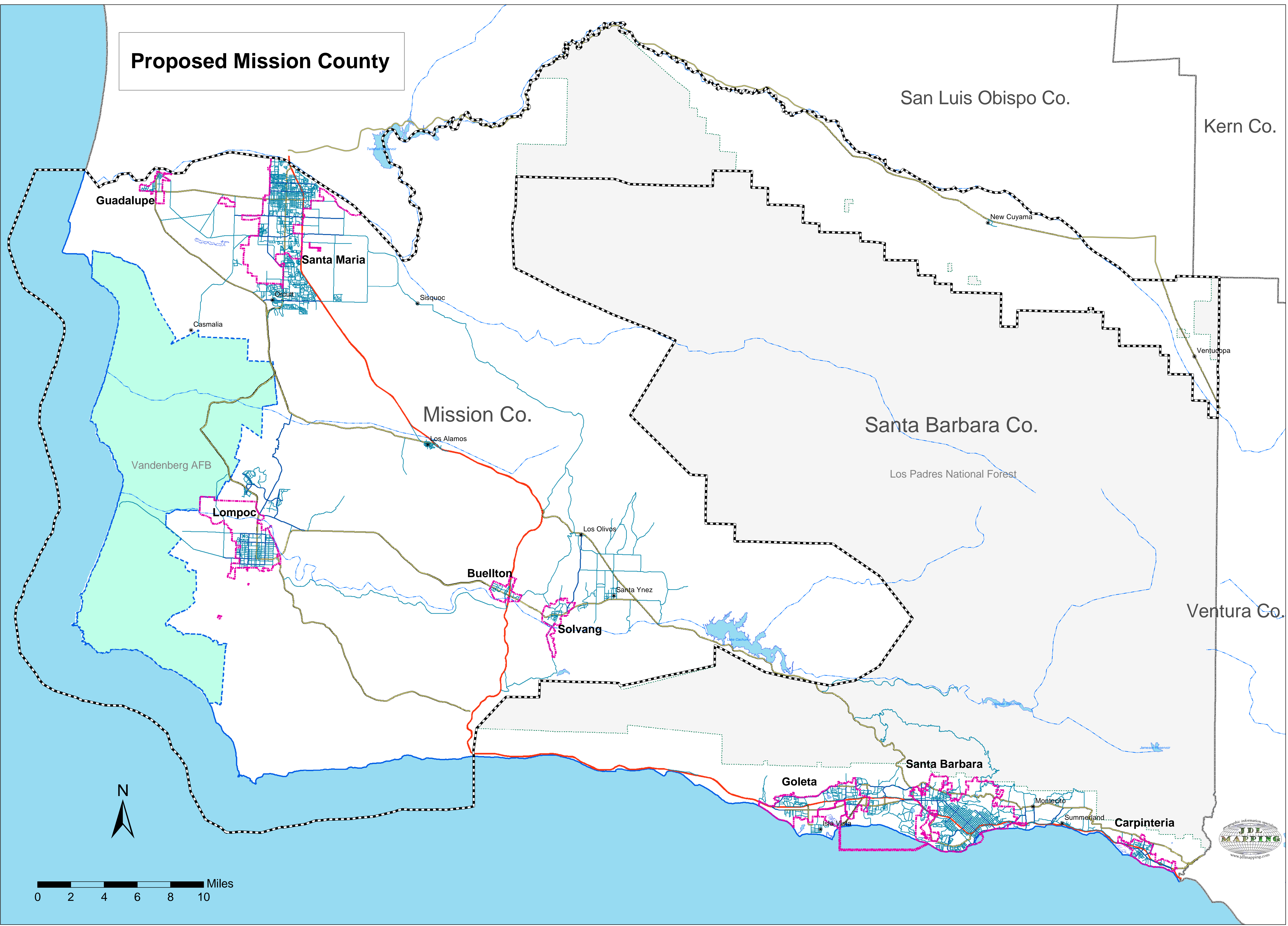
**Conclusion** – On the basis of the foregoing discussion of water supply issues as they pertain to the proposed formation of Mission County, there would be no significant effect on water supplies within either the existing or proposed county. The existing interrelationships between the Santa Barbara County Water Agency, the Santa Barbara

County Flood Control and Water Conservation District, and the members of those agencies are essentially guaranteed through the various contracts and permits discussed above. In addition, the Commission recommends that the jurisdiction and governance issue identified above be addressed through appropriate legislation.

**Summary of Exhibits**  
**(As Presented by the Santa Barbara County Water Resources Division)**

- A. Key Administrative Functions Relating to the Cachuma Project
- B. Cachuma Project Interagency Relationships
- C. Key Administrative Functions Relating to the State Water Project
- D. State Water Project Interagency Relationships (Santa Barbara County)
- E. Key Administrative Functions Relating to the Santa Maria Project
- F. Santa Maria Project (Twitchell Reservoir) Interagency Relationships
- G. Summary of Santa Barbara County Water Supplies
- H. Overview of California Water Law

**Proposed Mission County**



Guadalupe

Santa Maria

Casmalia

Sisquoc

Mission Co.

Los Alamos

Vandenberg AFB

Lompoc

Buellton

Los Olivos

Santa Ynez

Solvang

Santa Barbara Co.

Los Padres National Forest

Santa Barbara

Goleta

Montecito

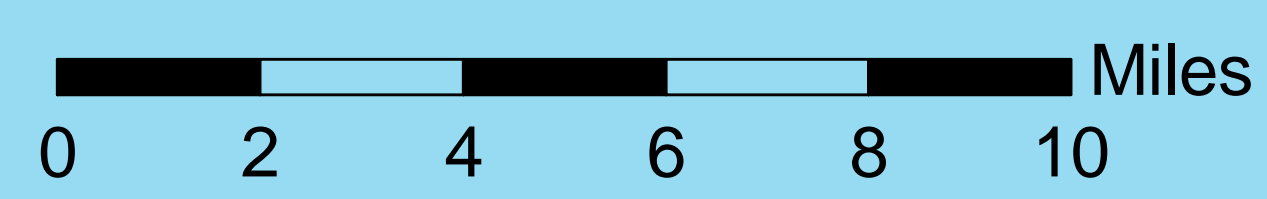
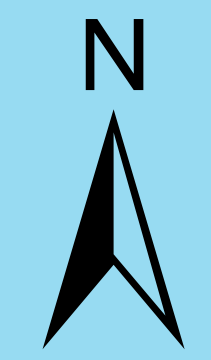
Summerland

Carpinteria

San Luis Obispo Co.

Kern Co.

Ventura Co.



# LAFCO

**Santa Barbara Local Agency Formation Commission**  
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www.sblafco.org ♦ lafco@sblafco.org

March 3, 2006

TO: Board of Supervisors, City Councils,  
Special District Boards of Directors and  
Interested Parties

SUBJECT: **Changes on LAFCO**

The Special District Selection Committee has chosen Larry Wilson, a Director of the Montecito Water District, to serve a four-year term on the Local Agency Formation Commission (LAFCO) through April 2010. The committee is composed of the presiding officer of each independent special district in Santa Barbara County

As one of the two Special District members, Mr. Wilson replaces Tim Campbell, a Director of the Cachuma Resource Conservation District, who left the Commission after serving for 12 years.

On March 2 the Commission selected Bob Orach, a member of the Santa Maria City Council, as the Chair for the coming year and Public Member Bernie Stableford as the Vice-Chair.

A Commission roster is enclosed. If you have any questions please contact the LAFCO office.

Sincerely,



**BOB BRAITMAN**  
Executive Officer

cc: Each member of the Commission

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**COMMISSION ROSTER**

**CITY MEMBERS**

**Dick DeWees** (3/1/08)

**Bob Orach**, *Chair* (3/1/07)

**Jack Hawxhurst**, *Alternate* (3/1/08)

**COUNTY MEMBERS**

**Joe Centeno** (3/1/10)

**Susan Rose** (3/1/07)

**Brooks Firestone**, *Alternate* (3/1/10)

**PUBLIC MEMBERS**

**Bernice Stableford** *Vice Chair* (3/1/09)

**Penny Leich**, *Alternate* (3/1/08)

**SPECIAL DISTRICT MEMBERS**

**John Fox** (3/1/08)

**Larry Wilson** (3/1/10)

**Cathy Schlottmann**, *Alternate* (3/1/08)

**STAFF**

**Executive Officer**  
**Bob Braitman**

**Legal Counsel**  
**Alan Seltzer**

**Secretary/Clerk**  
**Mary Everett**