

Board of Directors

Myron Heavin, President
Steve Dietrich, Vice President
Karina Naughton, Director
Bruce Nix, Director
Jim Mac Kenzie, Director



1550 East Burton Mesa Blvd, Lompoc
California, 93436-2100
805.733.4366
www.mhcsd.org

Brad Hagemann, General Manager

**Mission Hills Community Services District
Board of Directors Special and Regular Meetings
Wednesday, December 15, 2021
SPECIAL MEETING 3:30 PM
REGULAR MEETING 4:30 PM**

1550 East Burton Mesa Blvd, Lompoc, CA - District Board Room

Agenda

To access the meeting via Zoom:

URL to sign in for video access

<https://zoom.us/j/9467006985?pwd=TnBqZGJXbWhCN UdJNXhMZGU3alhDZz09>

Meeting ID: 946 700 6985

To access the meeting via telephone:

Dial in: 1 669 900 9128

SPECIAL MEETING – 3:30 PM

- 1. Call to Order and Pledge of Allegiance**
- 2. Roll Call**
- 3. Presentaion:** Sustainable Groundwater Management Act Workshop
- 4. Public Comment on Agenda Items**

Members of the public may address the Board regarding any items on this agenda. Public comments and suggestions are limited to three minutes.

5. Closed Session

- A.** Conference with Legal Counsel – Existing Litigation pursuant to Government Code Section 54956.9(d)(1), Plaintiff is the City of Lompoc, Defendant is Mission Hills CSD

RECONVENE

REGULAR MEETING – 4:30 PM

- 1. Call to Order and Pledge of Allegiance**
- 2. Roll Call**
- 3. Reports out of Closed Session**

4. Public Comment – Members of the public may address the Board on any item within the jurisdiction of the Board not included on this agenda for up to 3 minutes (Government Code Section 54954.3). **If you are unable to attend, you can submit comments in advance of the meeting to admin@mhcsd.org before 1:00 PM, Tuesday, December 14, 2021.**

5. Consent Agenda - Staff recommends Directors approve the Consent Agenda in one motion. Members of the public may comment on a consent item (3-minute maximum per speaker). Directors may pull a consent item for discussion or separate vote.

A. Consideration of Approval of Minutes from:

- i. September 9, 2021 Special Meeting
- ii. November 17, 2021 Regular Meeting

B. Activity Reports for October

- i) Administration includes; Administrative Assistant, Account Receivables, Administrative Services Manager and General Manager Reports.
- ii) Water
- iii) Wastewater
- iv) Goals and Committee Updates

C. Financial Reports

- i) Profit and Loss
- ii) Disbursements Journal
- iii) Variation from Projected Income
- iv) Bank Account Summary
- v) Budget to Actual

6. Regular Business

- A.** Groundwater Sustainability Plan (GSP) – Discuss and Consider approving the draft GSP and authorizing Directors Heavin and Nix to vote to approve the final GSP as the District members of the Groundwater Sustainability Agency
- B.** California Special District Association (CSDA) Assistance with Accounting Practices and Banking Update
- C.** Officer Elections and Committee Assignments for 2022
- D.** Call for Nominations for Local Agency Formation Commission (LAFCO) Regular Special District Member.

7. Communications - Board of Directors may ask a question for clarification, make an announcement, or report briefly on recent activities or conferences. Also, Directors may provide a reference to staff or other resources for information, direct staff to place a topic or report on a future committee or regular meeting agenda.

- A.** General Manager’s Comments
- B.** Directors’ Comments
- C.** Public Comments (up to 3 minutes for topics within the District’s jurisdiction)

ADJOURN

Regular Board Meetings are held on the third Wednesday of each month beginning at 4:30 PM

Copies of the staff reports or written materials provided for Mission Hills CSD for Open Session agenda items may be obtained upon request and are also available at the Customer Service Counter of the District Office for public inspection and reproduction during regular business hours. Closed Session items are not available for public review.

In compliance with the Americans with Disabilities Act

If you need special assistance to participate in this meeting or if you need the agenda or other documents in the agenda packet provided in an alternative format, contact Board Secretary at 805.733.4366 at least 48 hours before the meeting to ensure that reasonable arrangements can be made. (Agenda Prepared under Government Code Section 54954.2)



MISSION HILLS COMMUNITY SERVICES DISTRICT

Special Meeting Minutes

Thursday, September 9, 2021 – 12:30 p.m.

The Special Meeting of the Board of Directors of the Mission Hills Community Services District was called to order at 12:40pm on Thursday, September 9, 2021, at the District Meeting Room, 1550 East Burton Mesa Boulevard, Lompoc, California.

DIRECTORS PRESENT:

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

DIRECTORS ABSENT:

Myron Heavin

STAFF PRESENT:

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

OTHERS PRESENT:

Timothy Carmel

1. Call to Order and Pledge of Allegiance

2. Roll Call

3. Public Comments: No public comments

4. Closed Session:

- A.** Public Employment Pursuant to Government Code Section 54957
Position: General Manager

5. Reports out of closed session:

Motion was made by Director Nix and seconded by Director Dietrich to appoint Carol Reynolds as Acting General Manager, commencing at 5:00 p.m. on Thursday, September 9, 2021.

Motion passed 4-0 vote.

ADJOURNMENT: 12:56pm

Regular Board Meetings are held on the third Wednesday of each month beginning at 4:30PM

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With no further business to come before the Board, the Meeting adjourned 12:56pm.

Respectfully Submitted:

Lupe Huitron

Myron Heavin, President

Lupe Huitron, Board Secretary



MISSION HILLS COMMUNITY SERVICES DISTRICT

Regular Meeting Minutes

4:30 PM Wednesday, November 17, 2021

The Regular Meeting of the Board of Directors of the Mission Hills Community Services District was called to order at 4:30 pm on Wednesday, November 17, 2021, at the District Meeting Room, 1550 East Burton Mesa Boulevard, Lompoc, California.

DIRECTORS PRESENT:

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

DIRECTORS ABSENT:

None.

STAFF PRESENT:

Carol Reynolds, Dale Oviedo, Javier Rodriguez, Brad Hagemann Erik Herrera, Angel Diosdado, and Lupe Huitron

OTHERS PRESENT:

Mark Hensley, Timothy Carmel and Frank Thompson

1. Call to Order and Pledge of Allegiance
2. Roll Call
3. Public Comments on Closed Session: No public comments
4. Closed Session:
 - A. Conference with Legal Counsel - Existing Litigation Pursuant to Government Code Section 54956.9(d)(1), Plaintiff is the City of Lompoc, Defendant is Mission Hills CSD
 - B. Conference with Legal Counsel-Anticipated Litigation pursuant to government Code Section 54956.9(d)(2) – One (1) case: Shaffer v. MHCSD
 - C. Conference with labor Negotiators Pursuant to Government Code Section 54957.6
Agency Designated Representative: Timothy Carmel, District Counsel Unrepresented Employee: General Manager
 - D. Public Employment Pursuant to Government Code Section 54957
Position: General Manager

RECONVENE- 5:50PM

District Counsel Carmel stated that there was no reportable action for the closed session.

5. **Public Comment:** No public comment

6. **Consent Items**

A. **Approval of Minutes:**

i. October 20, 2021, Regular Meeting

B. **Activity Reports for November**

i. Administrative Includes Administrative Services Manager, General Manager, Administrative Assistant and Customer Service Report.

ii. Wastewater

iii. Water

iv. Goals and Committee Updates.

C. **Financial Reports**

i. Profit and Loss

ii. Disbursement Journal

iii. Variation from Projected Income

iv. Bank Account Summary

v. Budget to Actual

Approved Consent Items:

Motion made by Director Jim MacKenzie and seconded by Director Bruce Nix to approve the Consent Agenda as presented.

Vote to approve Consent Agenda was 5-0.

7. **Regular Business**

A. Discussion and Consideration of Retaining Tuckfield & Associates to Update the September 2020 Rate Study.

Motion by Director Steve Dietrich, seconded by Director Karina Naughton to approve retaining Tuckfield & Associates to update the September 2020 Rate Study as discussed and presented. Vote was 5-0.

B. Discussion and Consideration of Reissuance of Can and Will Serve Letter for the Brisa Encina Supporting Housing Project, 1490 Burton Mesa Blvd.

C. Motion by Director Bruce Nix, seconded by Director Jim Mac Kenzie to approve the Reissuance of Can and Will Serve Letter for the Brisa Encina Supporting Housing Project, 1490 Burton Mesa Blvd.

Vote was 5-0.

D. Discussion and Consideration of Approval of Employment Agreement with Brad Hagemann for General Manager Position.

Motion by Director Bruce Nix, seconded by Director Jim Mac Kenzie to approve Employment Agreement with Brad Hagemann for the General Manager Position.
Vote was 5-0.

8. Communications: None

ADJOURNMENT: 7:11pm

With no further business to come before the Board, the Meeting was adjourned at 7:11pm.

Respectfully Submitted:

Lupe Huitron

Myron Heavin, President

Lupe Huitron, Board Secretary

Administrative Assistant

- Worked on Meeting Minutes for September 9th and November 17th, 2021.
- Assisted Carol with Completing the September Bank Deposit reconciliations.
- Posted Agenda's, Notices, and Financial Statements to our Website
- Public Record request- Reached out to SB County Elections Dept and to gather a list of all Board Members who served from 2011-Present.
- Processed payments and closed batches in our billing software.
- Assisted Dale in formatting Wastewater graph Report.
- Gathered Agreement Contracts and emailed appropriate Consultant for signatures- (CCTV/On Call Engineering Services Agreement)
- Corresponded to emails

Customer Service

- **Monthly:** New Customer Move Ins & Move outs- # 15
- Customers Enrolled in Auto Pay # 369
- Residential accounts that are not getting a 10% late fee: # **200** Active accounts
- # **18 Accounts** that would be turned off for not paying during 2020-21 shut off moratorium
- (3) Commercial Accounts non pay of the monthly flat fees \$ 11,827 the Owner is aware of the balance due.

Administrative Services Manager

- Began Work on Fiscal Year Ending June 30, 2021
- Completed Accounts Payable
- Completed Payroll
- Completed Month End
- Facilitated Open Enrollment
- On Board General Manager Position
- Inquired About Continued Work on Rate Study
- Completed Board Packet Reports
- Met with CSDA Financial Director to Secure Contract

SPRINGBROOK AGING REPORT AS OF NOVEMBER 30, 2021

# Days Past Due	\$ Amount	# Accounts
Current	\$32,172.77	258
30-60 Days	\$8,878.24	81
60-90 Days	\$189.52	9
90-120 Days	\$7,862.10	39
Over 120 Days	\$29,217.18	79
Credit Totals (Over Payments)	(\$9,032.00)	466

November 2021

*General Manager Report
Will be Done Verbally.*

**MISSION HILLS COMMUNITY SERVICES DISTRICT
Water Reports – November 2021**

Water Distributed: 13,759,000 gallons

Wastewater Treated: 5,090,944 Gallons

Daily average: 458,600 gallons per day

WW Average daily flow: 169,698 gpd

Ratio of WW Treated to Water Distributed:

5,090,944/13,759,00 = 37.5%

Reservoirs, Well Sites, and Treatment Plant

- Performed inspection and maintenance activities at the water tanks and well sites in preparation for State Water Boards Sanitary Survey, which is scheduled on 12/15/2021

Distribution System Maintenance/Repair

- Replaced 4 Hersey meters to Kamstrup meters.
- Main/Service leak or repair: 1 service leak.

Completed the Daily, Weekly and Quarterly Recurring Tasks at the Reservoirs and Water Treatment Plant

Water Treatment Plant

- **Daily:**
 - Electronically record bulk storage tank levels and add chemicals as needed
 - Determine daily filtration chemical rate.
 - Record water produced from Wells #5,6, & 7
- **Weekly:**
 - Clean chlorine injection lines
 - Take and record Iron and Manganese treatment samples.
- **Monthly:** Complete State Water Resource Control Board (SWRCB) reports
- **Quarterly:** Remove weeds around shop and filtration plant (Feb, May, Aug, Nov)

Distribution System

- **Weekly:**
 - Collect and report weekly chlorine, phosphate, and PH results.
 - Sample “Bac-T” (coliform detection) every Wednesday
- **Monthly:**
 - Take distribution samples for State Water Board reports as needed.
 - End of month Residential and Commercial Meter Reads
 - Test and Inspect field equipment.
- **Quarterly:**
 - Complete dead-end flushing (Feb, May, Aug, Nov)

Safety

- Attend Weekly Safety Meetings
- Perform Daily Visual Inspection at Water Treatment Plant and Park Area

Board of Directors:

President; Myron Heavin,
Vice President; Steve Dietrich
Director; James MacKenzie
Director; Karina Naughton
Director; Bruce Nix



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General Manager Brad Hagemann

**MISSION HILLS COMMUNITY
SERVICES DISTRICT
Wastewater Report – Nov 2021
Wastewater Influent Total Flow
11/01-11/30/2021: 5,090,944 Gallons
Average daily flow: 169,698 gpd**

Collection System/Lift Station

- 1) Sent digital documents to Bill Callahan for the Sewer System Management Plan update.
- 2) Vandenberg Village CSD provided a CCTV camera and operator to scope the sewer lateral at 1469 Calle Pasado. The lateral that connects the home to the WW collection system had an obstruction due to tree roots.
- 3) Cannon has a contract to upgrade the level controls at the sewage lift station. The current system is still operational but outdated.
- 4) The CSD loaned a portable H2S monitor to the Ed Maschke, a customer that lives at 3302 Via Feliz. Mr Maschke reported that he smelled “sewer gas” in his home. Several days later, Mr Maschke reported that he smelled the sewer gas several times, but the H2S monitor didn’t alarm.

There were no sewer system overflows.

Wastewater Treatment Plant

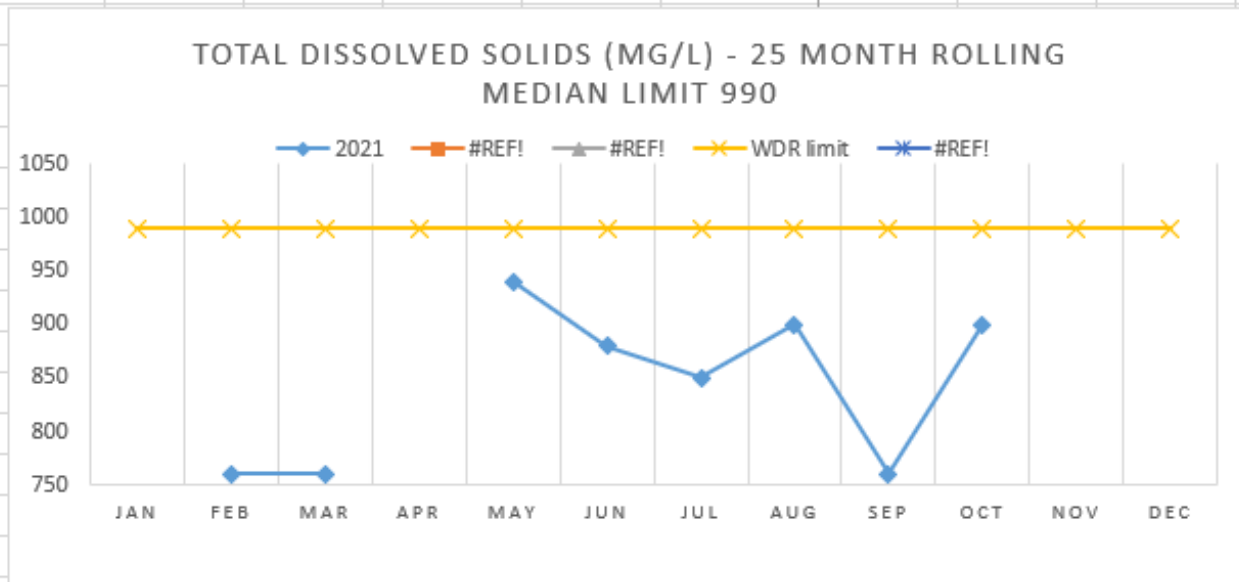
- 1) Mission Hills CSD is planning on conducting a Denitrification Pilot Study in collaboration with Triplepoint Environmental. The Study is being done to document the effect on Total Nitrogen removal from the WW effluent by increasing the quantity of plant effluent recirculated to the head end of the plant.
- 2) The grating over the WW channel at the headworks just downstream of the muffin monster (grinder) was replaced.
- 3) Two portable analytical devices used to determine plant operating parameters were sent to the manufacturer for annual maintenance.

There were no Monitor and Reporting, Waste Discharge Requirement, or Time Schedule Order Permit violations.

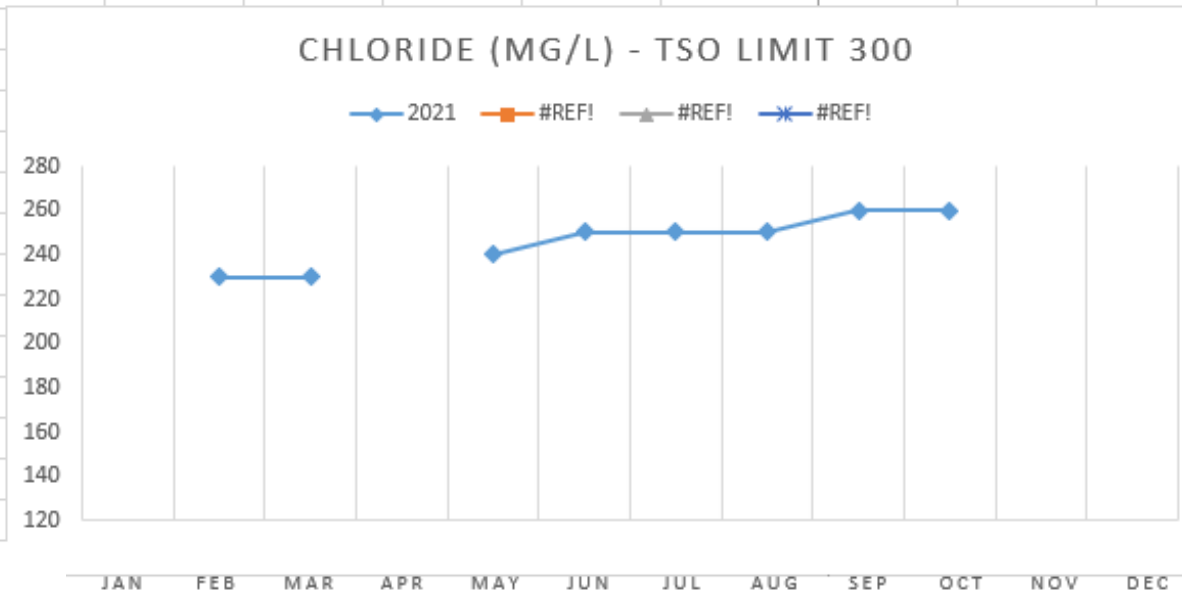
Dale Oviedo
Chief Plant Operator
La Purisima WWTP
Mission Hills Community Services District

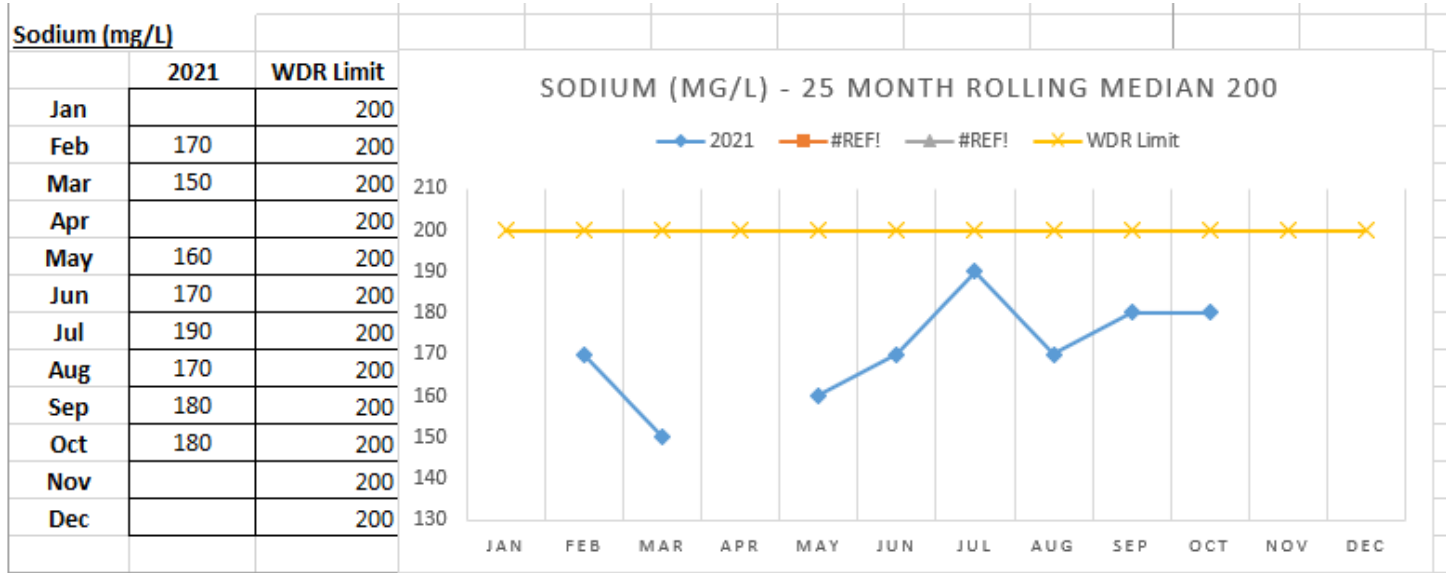
Wastewater Treatment Plant Effluent Constituents & Limitations

Total Dissolved Solids (mg/L)		
	2021	WDR limit
Jan		990
Feb	760	990
Mar	760	990
Apr		990
May	940	990
Jun	880	990
Jul	850	990
Aug	900	990
Sep	760	990
Oct	900	990
Nov		990
Dec		990

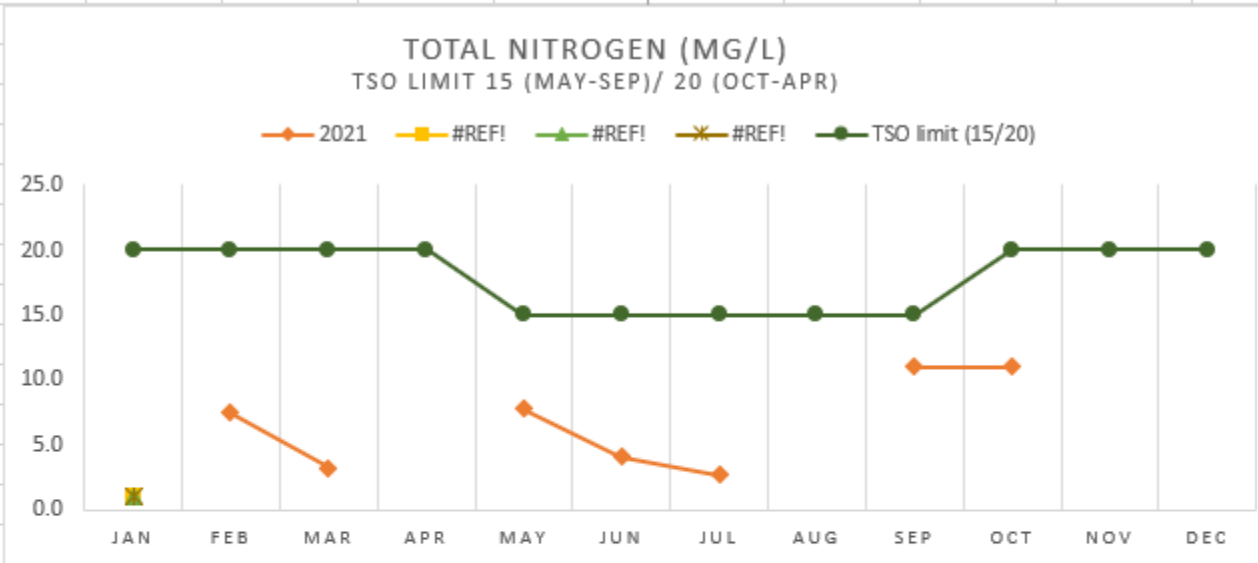


Chlorides (mg/L)		
	2021	WDR Limit (250)
Jan		250
Feb	230	250
Mar	230	250
Apr		250
May	240	250
Jun	250	250
Jul	250	250
Aug	250	250
Sep	260	250
Oct	260	250
Nov		250
Dec		250

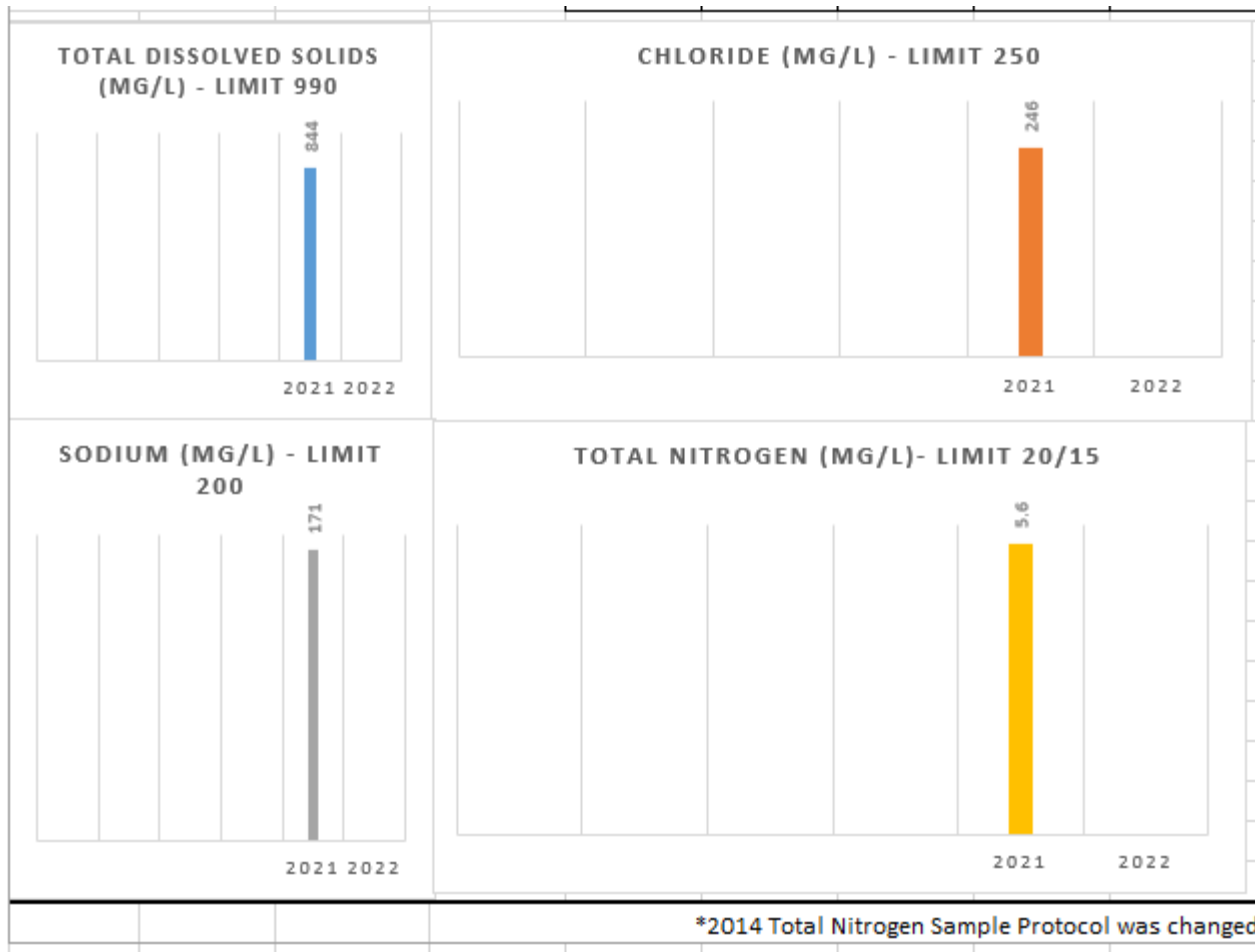


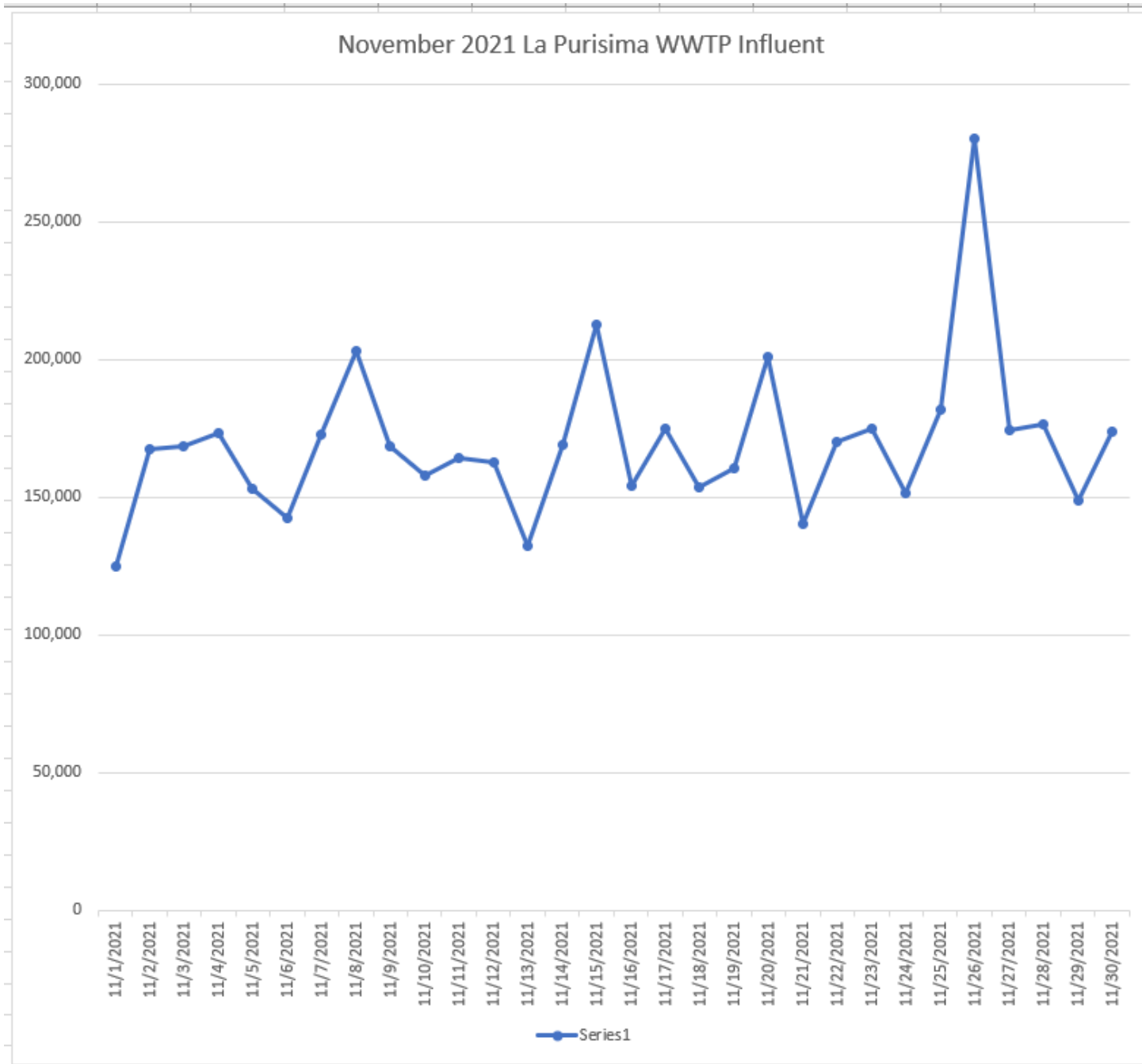


Nitrogen (mg/L)		WDR Limit (10/15)	TSO limit (15/20)
	2021		
Jan		15	20
Feb	7.5	15	20
Mar	3.2	15	20
Apr		15	20
May	7.8	10	15
Jun	4.1	10	15
Jul	2.7	10	15
Aug		10	15
Sep	11.0	10	15
Oct	11.0	15	20
Nov		15	20
Dec		15	20



Yearly Average Comparison						
					2021	2022
Total Dissolved Solids (mg/L)	990				844	
Chloride (mg/L)	250				246	
Sodium (mg/L)	200				171	
Total Nitrogen (mg/L)	15/20				5.6	
				May thru September		6.4
				Jan thru Apr plus Oct&Nov		7.2





2021 Officers / Directors

President: Myron Heavin
Vice President: Steve Dietrich
Finance Officer: Karina Naughton
Director: Bruce Nix
Director: Jim Mac Kenzie

2021 Committee Assignments

Standing Committees	Committee Members	Alternate
Operations		
1) Water (Reservoir, Wells, Treatment, Distribution)	Dietrich, Mac Kenzie	Nix
2) Wastewater (WDR, Aerators)	Mac Kenzie, Heavin	Naughton
3) Energy (Generators and Solar)	Heavin, Naughton	Nix
Personnel	Naughton, Nix	Heavin
Finance	Naughton, Nix	Dietrich
Ad-Hoc Committee	Committee Members	Alternate
4) Development Agreements	Dietrich, Heavin	Mac Kenzie
Representatives / Point of Contact	Committee Members	Alternate
5) VAFB IR Programs	Dietrich	Mac Kenzie
6) ACWA/JPIA	Board President	General Manager
7) Santa Ynez River Water Conservation District - Western Management Area Committee for Groundwater Sustainability	Heavin	Bruce

Top 5 Goals

Established by Board of Directors on September 16, 2020

1. Wastewater TN (Total Nitrogen), Na (Sodium) & Chloride concentration reduction plan and results to meet WDR requirements (not TSO but finalWDR), including sewer cleaning and inspection.

Brief Summary:

- Sewer Jetting and Inspection- Jon Turner, w/Phoenix Engineering has submitted a proposal to write the specifications for jetting and CCTV work on the collections system. The specifications will be put out for bid from qualified contractors that are able and interested in doing this work for the CSD. The work will proceed after a contract between the CSD and Phoenix Engineering has been signed. The project is 50% complete.
- Lift Station upgrade project- Jon Turner, w/Phoenix Engineering has submitted a proposal to write the specifications for upgrading the WW lift station. The proposed work includes but is not limited to: Moving the electrical switchgear from the dry well up to ground level; Installation of an installed emergency generator and automatic transfer switch. The work will proceed after a contract between the CSD and Phoenix Engineering has been signed. The project is 0% complete.

2. Lawsuit defense against the City of Lompoc

Brief Summary:

- The Board will receive an update on this item in closed session at the September 27, 2021 Boardmeeting.

3. Water pressure surge control – Design/Build of the surge tank near the water treatment plant.

Brief Summary:

- Surge tank is in full service and operational.

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

- Staff recommends meeting with the Energy Committee to discuss the feasibility of implementing solar for the existing infrastructure. Staff and Committee need to evaluate the capital cost and payback period to determine if it is cost effective to proceed.

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

Brief Summary: - Staff has made significant efforts on improving information posted on the website to include agendas, board packets, Consumer Confidence Report and the newsletter from the Santa Ynez River Water Conservation District. Staff has opened the office and is interacting with the public more frequently, thus resulting in more public outreach and information of the community.

Committee	Completed Meeting Date	Summary of Discussion	Future Meeting Date	Topics for Discussion
Wastewater	8/23/2021	Discussion of Wastewater Treatment Plant Operations and Maintenance	TBD	TBD
		Discussion of Collection System Operations and Maintenance		
		Discussion of RWQCB Time Scheduled Order (TSO) and associated work underway.		
Finance	8/30/2021	Discussion of Tabulation and Alignment of pages	TBD	
		Discussion of Current Allocation of Funds		
		Discussion of Handling Past Due Accounts		
		Discussion of Overall Financial Status of District Revenue vs Expenditures		
		Discussion of Revisions to existing purchasing policy		
		Discussion of Connection Fees, Capacity Charges and Meter Fees		
		Discussion of cash Balance with District Coast Hill Credit Union accounts relating to operations and payroll.		
		Discussion of Financial Reports within the board packes, cash basis vs actual basis		
Discussion of Connection Fees, Capacity Charges and Meter Fees				
Water	8/26/2021	Discussion of water Operations and Maintenance	TBD	TBD
Energy	11/24/2020	Scheduling 2 vendors to meet and discuss solar	TBD	TBD
Personnel	10/13/2021	Discussed Employment General Manager	TBD	TBD
Development Agreement	9/17/2021	City of Lompoc	TBD	Closed Session

Western Management Area Committee for Groundwater Sustainability	11/17/2021	Update provided by General Manager	TBD	Various Topics
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Mission Hills Community Services District
Profit & Loss Prev Year Comparison
November 2021

	A	B	C	D	E	F	G	H	J	L	O
								Nov 21	Nov 20	\$ Change	Explanation
1											
2											
3							Ordinary Income/Expense				
4							Income				
5							4005 · 48 hour notice fees	195.00	0.00	195.00	
6							4025 · Construction hydrant meter	150.00	100.00	50.00	
7							4075 · Returned check fees	5.00	0.00	5.00	
8							4085 · Sewer basic charges	83,875.00	81,558.31	2,316.69	Slight Increase
9							4095 · Street sweeping charges	1,500.84	1,508.76	-7.92	
10							4105 · Water basic charges	60,122.74	58,670.09	1,452.65	Slight Increase
11							4115 · Water usage charges	46,359.24	53,262.00	-6,902.76	Decrease in Usage
12							Total Income	192,207.82	195,099.16	-2,891.34	
13							Gross Profit	192,207.82	195,099.16	-2,891.34	
14							Expense				
15							6000 · Salaries and wages				
16							6005 · Wage expense	43,456.90	35,054.66	8,402.24	Staffing
17							6010 · Payroll tax expense	3,974.75	1,070.73	2,904.02	Staffing
18							Total 6000 · Salaries and wages	47,431.65	36,125.39	11,306.26	Staffing
19							6050 · Employee benefits				
20							6060 · Disability insurance	202.32	185.86	16.46	
21							6065 · Health insurance	8,820.48	11,630.18	-2,809.70	Less People on Plan
22							6075 · Retirement expenses	1,059.67	944.09	115.58	
23							6090 · Vacation & Sick Leave	2,566.41	1,536.90	1,029.51	
24							6095 · Benefit Administration	89.32	89.82	-0.50	
25							Total 6050 · Employee benefits	12,738.20	14,386.85	-1,648.65	
26							6100 · Director fees	625.00	1,875.00	-1,250.00	Less Meetings 2021
27							6110 · Depreciation expense	31,054.00	31,054.00	0.00	
28							6140 · Vehicle expenses				
29							6145 · Tractor and equipment	0.00	993.81	-993.81	
30							6150 · Vehicle fuel	966.27	595.66	370.61	
31							6155 · Vehicle maintenance	1,575.28	1,314.01	261.27	
32							Total 6140 · Vehicle expenses	2,541.55	2,903.48	-361.93	
33							6170 · Insurance expense				
34							6180 · Liability insurance	0.00	1,522.00	-1,522.00	
35							Total 6170 · Insurance expense	0.00	1,522.00	-1,522.00	
36							6190 · Dues and memberships	100.00	100.00	0.00	
37							6200 · Office expenses				
38							6205 · Bank fees and charges	0.00	2.87	-2.87	
39							6215 · Cleaning supplies	0.00	7.53	-7.53	
40							6225 · Miscellaneous expenses	28.28	0.00	28.28	
41							6230 · Office supplies	285.31	78.67	206.64	
42							6235 · Postage expense	2,670.00	801.64	1,868.36	Re-Fill Postage Machine
43							6245 · Office Equipment	177.63	412.09	-234.46	
44							Total 6200 · Office expenses	3,161.22	1,302.80	1,858.42	
45							6300 · Operating supplies and expenses				
46							6310 · Miscellaneous supplies	1,426.85	297.71	1,129.14	
47							6325 · Portable equipment	1,068.30	0.00	1,068.30	
48							6330 · Shop supplies	46.39	30.09	16.30	
49							6335 · Small tools and appliances	736.38	410.37	326.01	
50							6340 · Chemicals				
51							6342 · Bioremediation	2,120.54	2,102.43	18.11	
52							6344 · Chlorine	1,045.80	1,248.21	-202.41	
53							6345 · Corrosion inhibitor	4,771.63	5,186.35	-414.72	
54							Total 6340 · Chemicals	7,937.97	8,536.99	-599.02	
55							Total 6300 · Operating supplies and ex	11,215.89	9,275.16	1,940.73	
56							6350 · Safety expenses				
57							6365 · Safety equipment	260.01	0.00	260.01	
58							6375 · Other safety expenses	0.00	116.72	-116.72	
59							Total 6350 · Safety expenses	260.01	116.72	143.29	
60							6410 · Contractual services				
61							6420 · Cleaning service	200.00	1,683.00	-1,483.00	2020 Covid Cleaning
62							6425 · Office equip maintenance	368.97	489.32	-120.35	

Mission Hills Community Services District
Profit & Loss Prev Year Comparison
November 2021

	A	B	C	D	E	F	G	H	J	L	O
1											
2								Nov 21	Nov 20	\$ Change	Explanation
63							6430 · Internet access	159.73	159.73	0.00	
64							6435 · Landscaping services	229.29	395.89	-166.60	
65							6437 · Pest Control	50.00	50.00	0.00	
66							6445 · Security expense	112.50	112.50	0.00	
67							6449 · SCADA Support	2,040.00	0.00	2,040.00	
68							6450 · Software support	2,410.00	2,066.25	343.75	
69							6452 · Credit Card Processing	169.53	339.31	-169.78	
70							6453 · Software Subscriptions	111.98	304.84	-192.86	
71							6455 · Street sweeping services	1,286.00	1,286.00	0.00	
72							6470 · Other contractual services	15,791.10	19.90	15,771.20	Manholes
73							Total 6410 · Contractual services	22,929.10	6,906.74	16,022.36	
74							6475 · Professional services				
75							6480 · Accounting services	1,587.94	0.00	1,587.94	
76							6488 · Information Services	10,456.97	10,070.27	386.70	
77							6490 · Legal services	30,954.60	734.06	30,220.54	Attorney Fees
78							6495 · Human Resources services	0.00	255.00	-255.00	
79							6497 · Interim General Manager	14,332.00	0.00	14,332.00	Interim GM Fees
80							Total 6475 · Professional services	57,331.51	11,059.33	46,272.18	
81							6500 · Printing and publication	0.00	906.56	-906.56	
82							6505 · Equipment lease and rentals	691.08	560.75	130.33	
83							6525 · Research and monitoring				
84							6535 · Monitoring expense	1,294.00	3,155.00	-1,861.00	
85							Total 6525 · Research and monitoring	1,294.00	3,155.00	-1,861.00	
86							6600 · Travel and meetings				
87							6610 · Meals	0.00	37.30	-37.30	
88							Total 6600 · Travel and meetings	0.00	37.30	-37.30	
89							6650 · Utilities				
90							6655 · Cell phones	186.19	0.00	186.19	
91							6665 · Electrical	10,182.61	9,331.60	851.01	
92							6670 · Natural gas	0.00	2,465.35	-2,465.35	
93							6685 · Telephone	405.90	882.41	-476.51	
94							6691 · Trash & Recycling	223.54	196.58	26.96	
95							Total 6650 · Utilities	10,998.24	12,875.94	-1,877.70	
96							6700 · Government fees and charges	95.00	9,939.00	-9,844.00	Timing of Fees 2020
97							6720 · Repairs and maintenance				
98							6730 · Distribution expense	0.00	4.34	-4.34	
99							6740 · Hydrants	155.51	0.00	155.51	
100							6750 · Collection expense	0.00	61.37	-61.37	
101							6765 · Supplies and small tools	0.00	145.45	-145.45	
102							6770 · Telemetry	0.00	2,490.00	-2,490.00	
103							6790 · Waste water plant	0.00	79.03	-79.03	
104							6795 · Other repairs and mainten	7,500.00	2,750.00	4,750.00	Leak & Manholes
105							Total 6720 · Repairs and maintenance	7,655.51	5,530.19	2,125.32	
106							Total Expense	210,121.96	149,632.21	60,489.75	
107							Net Ordinary Income	-17,914.14	45,466.95	-63,381.09	
108							Other Income/Expense				
109							Other Income				
110							7006 · Market Appreciation/(Depr)	-3,120.65	-3,415.75	295.10	
111							7010 · Interest income	9,789.80	27,544.58	-17,754.78	Less Interest 2021
112							Total Other Income	6,669.15	24,128.83	-17,459.68	
113							Net Other Income	6,669.15	24,128.83	-17,459.68	
114							Net Income	-11,244.99	69,595.78	-80,840.77	

Mission Hills Community Services District
Disbursements Journal
November 2021

	A	B	C	D	G	I	K	M	N
1					Date	Num	Name	Amount	Explanation
2		1060 · CHCU - General 4163							
3					11/12/2021	EFT	Pitney Bowes	-52.19	
4					11/15/2021	EFT	Verizon	-161.07	
5					11/16/2021	32195	ACWA/JPIA *Medical Insuranc	-8,726.08	
6					11/16/2021	32196	Advantage Technical Services	-5,890.00	Engineering Tanks
7					11/16/2021	32197	ALLco Fence Industries	-295.00	
8					11/16/2021	32198	American Industrial Supply	-460.33	
9					11/16/2021	32199	Brenntag Pacific, Inc	-5,817.43	Chemicals
10					11/16/2021	32200	Carmel & Naccasha LLP	-1,279.98	
11					11/16/2021	32201	Coast Hills Business Services	-2,145.98	
12					11/16/2021	32202	Comcast	-159.73	
13					11/16/2021	32203	Compuvision	-1,992.50	
14					11/16/2021	32204	County of Santa Barbara- Gen	-949.37	
15					11/16/2021	32205	Dahl Air Conditioning	-210.00	
16					11/16/2021	32206	De Lage Landen Financial Ser	-177.63	
17					11/16/2021	32207	Environmental Techniques	-2,120.54	
18					11/16/2021	32208	Fluid Resource Management	-812.50	
19					11/16/2021	32209	Frontier Communications	-100.31	
20					11/16/2021	32210	Glenn Burdette	-9,890.00	Audit/Financial Statement
21					11/16/2021	32211	Hach Company	-239.15	
22					11/16/2021	32212	Hagemann and Associates	-9,307.00	Interim GM
23					11/16/2021	32213	Hensley Law Group	-19,920.00	Attorney Fees
24					11/16/2021	32214	Home Depot	-279.55	
25					11/16/2021	32215	Reimbursement	-666.78	
26					11/16/2021	32216	Jon's Lawn Mowing	-199.70	
27					11/16/2021	32217	KLE Custom Imaging	-28.28	
28					11/16/2021	32218	Leyva Professional Landscapin	-1,850.00	
29					11/16/2021	32219	Linde Gas & Equipment Inc	-38.94	
30					11/16/2021	32220	Mark Schwind Electric Inc	-612.00	
31					11/16/2021	32221	Mission Paving Inc	-21,500.00	Manholes
32					11/16/2021	32222	NBS	-1,500.00	
33					11/16/2021	32223	O'Connor Pest Control	-50.00	
34					11/16/2021	32224	Oilfield Environmental & Comp	-745.20	
35					11/16/2021	32225	Smith Alarms & Electronics, In	-112.50	
36					11/16/2021	32226	SP Maintenance Services, Inc.	-1,586.00	
37					11/16/2021	32227	Springbrook National User Gr	-100.00	
38					11/16/2021	32228	Ultrex Inc	-203.07	
39					11/16/2021	32229	Underground Service Alert of S	-14.85	
40					11/16/2021	32230	USA BlueBook	-2,339.17	
41					11/16/2021	32231	Valley Rock Ready Mix, Inc.	-801.66	
42					11/16/2021	32232	Valley Roll-Off Service	-847.60	
43					11/16/2021	32233	Wallace Group	-663.75	
44					11/16/2021	32234	Waste Management	-223.54	
45					11/17/2021	EFT	Pitney Bowes	-185.30	
46					11/17/2021	32235	Juana Rodriguez Janitorial	-200.00	
47					11/24/2021	EFT	PG&E	-270.48	
48					11/24/2021	EFT	PG&E	-6,064.39	
49					11/24/2021	EFT	PG&E	-51.54	
50					11/24/2021	EFT	PG&E	-517.92	
51					11/24/2021	EFT	PG&E	-1,991.50	
52					11/24/2021	EFT	PG&E	-1,276.87	
53					11/24/2021	EFT	PG&E	-9.91	
54					11/24/2021	EFT	TASC	-89.32	
55					11/29/2021	EFT	SoCalGas	-4,077.92	
56					11/29/2021	32236	County of Santa Barbara PW T	-95.00	
57					11/29/2021	32237	Frontier Communications	-305.59	
58					11/29/2021	32238	Hensley Law Group	-29,674.62	Attorney Fees
59					11/29/2021	32239	Jon's Lawn Mowing	-229.29	
60					11/29/2021	32240	Oilfield Environmental & Comp	-931.00	
61					11/29/2021	32241	Pitney Bowes Reserve Accoun	-2,100.00	

Mission Hills Community Services District
Disbursements Journal
November 2021

Consent Items 5C. ii

	A	B	C	D	G	I	K	M	N
					Date	Num	Name	Amount	Explanation
62					11/29/2021	32242	Springbrook Holding Company	-10,456.97	Annual Membership
63					11/29/2021	32243	Standard Insurance Company	-405.90	
64					11/29/2021	32244	Staples Business Credit	-477.87	
65					11/30/2021	EFT	Right Networks	-111.98	
66		Total 1060 · CHCU - General 4163						-164,592.75	
67		1070 · CHCU - Payroll 4155							
68					11/01/2021	EFT	AFLAC	-66.82	
69					11/09/2021		Payroll	-16,102.53	
70					11/15/2021	E-pay	EDD	-1,182.94	
71					11/15/2021	E-pay	IRS USATAXPYMT	-4,453.86	
72					11/15/2021	EFT	CA State Disbursement Unit/E	-299.07	
73					11/16/2021	1327	Matrix Trust Company	-3,447.38	
74					11/23/2021		Payroll	-15,883.14	
75					11/23/2021		Payroll	-529.70	
76					11/24/2021	EFT	EDD	-362.00	
77					11/29/2021	E-pay	EDD	-1,167.10	
78					11/29/2021	EFT	CA State Disbursement Unit/E	-299.07	
79					11/29/2021	E-pay	IRS USATAXPYMT	-4,519.04	
80					11/29/2021	1328	Matrix Trust Company	-3,464.48	
81		Total 1070 · CHCU - Payroll 4155						-51,777.13	
82		1075 · CHCU - ACH 4130							
83					11/06/2021	EFT	Springbrook (ACH Services)	-169.53	
84		Total 1075 · CHCU - ACH 4130						-169.53	
85		TOTAL						-216,539.41	

	A	B	C	D	E	F	G	H	I	J	K
1	Variation From Projected Income										
2	Fiscal Year Ending 6-30-2022										
3											
4		Water			Wastewater						
5	Billing Month	Projected Income*	Actual Income	Variation	Projected Income	Actual Income	Variation	Total (Loss) / Gain	Current Year Units Sold	Last Year Units Sold	Previous 5 Year Average Units Sold
6	Jul-21	\$ 119,155	\$ 122,000	\$ 2,845	\$ 84,454	\$ 83,471	\$ (983)	\$ 1,861	23,039	23,904	21,775
7	Aug-21	\$ 123,301	\$ 116,636	\$ (6,665)	\$ 84,454	\$ 83,009	\$ (1,444)	\$ (8,109)	25,038	23,897	23,255
8	Sep-21	\$ 121,584	\$ 121,999	\$ 415	\$ 84,454	\$ 83,804	\$ (650)	\$ (235)	21,488	20,974	22,642
9	Oct-21	\$ 116,899	\$ 113,334	\$ (3,565)	\$ 84,454	\$ 84,128	\$ (325)	\$ (3,890)	18,786	27,170	20,969
10	Nov-21	\$ 114,793	\$ 106,482	\$ (8,311)	\$ 84,454	\$ 83,875	\$ (579)	\$ (8,890)	17,348	21,595	20,217
11	Dec-21	\$ 95,628	\$ -	\$ -	\$ 84,454	\$ -	\$ -	\$ -	-	15,049	13,373
12	Jan-22	\$ 85,917	\$ -	\$ -	\$ 84,454	\$ -	\$ -	\$ -	-	16,328	9,905
13	Feb-22	\$ 89,757	\$ -	\$ -	\$ 84,454	\$ -	\$ -	\$ -	-	16,413	11,276
14	Mar-22	\$ 84,589	\$ -	\$ -	\$ 84,454	\$ -	\$ -	\$ -	-	11,832	9,431
15	Apr-22	\$ 86,265	\$ -	\$ -	\$ 84,454	\$ -	\$ -	\$ -	-	17,348	10,029
16	May-22	\$ 97,292	\$ -	\$ -	\$ 84,454	\$ -	\$ -	\$ -	-	18,352	13,967
17	Jun-22	\$ 105,407	\$ -	\$ -	\$ 84,454	\$ -	\$ -	\$ -	-	19,957	16,865
18											
19	Total	\$ 1,240,587	\$ 580,451	\$ (15,281)	\$ 1,013,445	\$ 418,287	\$ (3,981)	\$ (19,263)	105,699	232,819	193,704
21									Year to Date Monthly Averages		
22	YTD avg	100%	47%		100%	41%			8,808	19,402	16,142
23									Yearly Average	19,402	16,142
24											
25	* Projected Income is calculated by using current year and previous 5 year average monthly units sold.										
26											
27	Units Sold by Calendar Year (1 Unit = 1 HCF = 748 Gallons)										

	A	AA	AD	AE
1	Bank Account Summary			
2				
3		9/30/2021	10/31/2021	11/30/2021
31				
32	LAIF	\$1,734,303	\$1,735,248	\$1,735,248
33				
34	TD Ameritrade/RNC Genter	\$1,755,566	\$1,748,890	\$1,755,428
35				
36	Coast Hills FCU			
37	Checking	\$491,755	\$522,918	\$466,778
38	Development	\$261,316	\$261,327	\$261,338
39	Investment Checking	\$202	\$202	\$202
40	Savings	\$0	\$0	\$0
41	Payroll	\$29,493	\$47,988	\$42,435
42	ACH (Sweep Account)	\$1,858	\$1,000	\$3,445
43	Total Coast Hill FCU	\$784,624	\$833,436	\$774,199
44				
45	Combined Balance	\$4,274,493	\$4,317,573	\$4,264,875
46				
47	Monthly Change	-\$9,938	\$43,080	-\$52,699
48				
49	Monthly Change To Date			
50	-\$6,898			
51				
52	INVESTMENT STRATEGY	<p style="text-align: center;">Current Percentage</p> <p style="text-align: center;"> ■ LAIF ■ TD Ameritrade/RNC Genter ■ Total Coast Hill FCU Less Development </p>		
53	Along with resuming active management, the Finance Committee and Staff recommend a			
54	balanced distribution of monies as stated below			
55	between TD Ameritrade, LAIF and Coast Hills Credit			
56	Union. This distribution will allow the District to			
57	maximize yields on investments, while meeting			
58	operating and capital cash needs			
59				
60	Recommended Investment Strategy:			
61	01. Coast Hills CU: \$300,000 (2 months FYE20			
62	budgeted operating expense, less depreciation, not			
63	Goal of about 10%			
64	02. TD Ameritrade: 50% of balance of unrestricted			
65	cash			
66	Goal of about 45%			
67	03. LAIF: 50% of the balance of unrestricted cash			
68	Goal of about 45%			
69				
70				

Mission Hills Community Services District							5
Budget to Actual Comparison							0.42
JUL 21 -NOV 21							7
	Budgeted	Prorated Budget	Actual		Remainder	% of Budget	Explanation
	Fiscal Year 21-22	JUL 21 -NOV 21	JUL 21 -NOV 21	Difference	Budgeted Amount	42%	
Income							
Late Fees/Charges	\$ 35,000	\$ 14,583	\$ 1,905	\$ (12,678)	\$ 33,095	5%	No Late Fees Charged
Water Service	\$ 1,240,587	\$ 516,911	\$ 580,343	\$ 63,432	\$ 660,244	47%	Usage Higher Than Budgeted
Sewer Service	\$ 1,013,445	\$ 422,269	\$ 418,257	\$ (4,012)	\$ 595,188	41%	Slightly Lower Than Budgeted
Street Sweeping	\$ 18,707	\$ 7,795	\$ 7,540	\$ (255)	\$ 11,167	40%	Slightly Lower Than Budgeted
	\$ 2,307,739	\$ 961,558	\$ 1,008,045	\$ 46,487	\$ 1,299,694	44%	Revenue is 2% Above Budget
Expense							
Salaries & Wages	\$ 715,469	\$ 298,112	\$ 283,066	\$ 15,046	\$ 432,403	40%	Slightly Lower Than Budgeted
Employee Benefits	\$ 254,310	\$ 105,963	\$ 82,645	\$ 23,317	\$ 171,665	32%	Lower Than Budgeted
Director Fees	\$ 23,000	\$ 9,583	\$ 6,875	\$ 2,708	\$ 16,125	30%	Less Meetings Than Budgeted
Depreciation	\$ 372,648	\$ 155,270	\$ 155,270	\$ -	\$ 217,378	42%	Depreciation On Track With Budget
Election Expense	\$ -	\$ -	\$ -	\$ -	\$ -	0%	No Election Expense
Vehicle Expense	\$ 26,000	\$ 10,833	\$ 12,643	\$ (1,809)	\$ 13,357	49%	Slightly Higher Maintenance Expense Than Budgeted - More Vehicles
Insurance	\$ 36,000	\$ 15,000	\$ 12,523	\$ 2,477	\$ 23,477	35%	Slightly Lower Than Budgeted
Memberships	\$ 20,000	\$ 8,333	\$ 23,416	\$ (15,083)	\$ (3,416)	117%	Timing of Memberships, Additional Memberships LCW
Office Expenses	\$ 23,000	\$ 9,583	\$ 11,583	\$ (1,999)	\$ 11,417	50%	Slightly Higher Than Budgeted, Supplies New Employees
Operating Supplies	\$ 21,869	\$ 9,112	\$ 17,713	\$ (8,601)	\$ 4,156	81%	Higher Operating Supplies Ordered Than Budgeted, New Employees, Stocking Shop
Chemicals	\$ 78,000	\$ 32,500	\$ 40,182	\$ (7,682)	\$ 37,818	52%	Slightly Higher Chemical Cost Than Budgeted
Safety	\$ 7,500	\$ 3,125	\$ 1,038	\$ 2,087	\$ 6,462	14%	Safety Expense Lower Than Budgeted
Contractual Services	\$ 78,000	\$ 32,500	\$ 101,566	\$ (69,066)	\$ (23,566)	130%	Air X Testing, Cannon, Energy Link, Sunbelt, Surface Pumps, FRM Including Interim CPO Fees, Compuvision, Mission Paving, Emissions Testing
Professional Services	\$ 150,000	\$ 62,500	\$ 127,920	\$ (65,420)	\$ 22,080	85%	Professional Fees Higher Than Budgeted - Timing
Printing & Publication	\$ 6,300	\$ 2,625	\$ 2,502	\$ 123	\$ 3,798	40%	Slightly Lower Than Budgeted
Equipment Lease	\$ 13,500	\$ 5,625	\$ 4,037	\$ 1,588	\$ 9,463	30%	Slightly Lower Than Budgeted
Monitoring	\$ 32,000	\$ 13,333	\$ 9,818	\$ 3,515	\$ 22,182	31%	Less Monitoring Needed Than Budgeted
Travel/Meetings/Meals	\$ 20,000	\$ 8,333	\$ 5,777	\$ 2,557	\$ 14,223	29%	Travel Expenses Lower Than Budgeted - Covid 19
Utilities	\$ 170,000	\$ 70,833	\$ 87,607	\$ (16,773)	\$ 82,394	52%	Slightly Higher Utility Bills Than Budgeted
Government Fees	\$ 82,635	\$ 34,431	\$ 5,177	\$ 29,254	\$ 77,458	6%	Less Government Fees Than Budgeted
Repairs & Maintenance	\$ 175,000	\$ 72,917	\$ 33,722	\$ 39,194	\$ 141,278	19%	Less Repair Breaks Than Budgeted
Miscellaneous Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	0%	No Uncollectables or Write Offs
	\$ 2,305,231	\$ 960,513	\$ 1,025,078	\$ (64,565)	\$ 1,280,153	44%	Expenses Are 2% Above Budget
Resolution 15-229 - Budget Preparation and Approval Process							
C.3. - Whenever a budgeted expense line item has circumstances where a projected expense exceeds a 5% variance of the total budget, the GM will be required to seek a super majority approval from the BoD before the expense is finalized, when possible.							
				5% =	\$ 115,261.55		

MISSION HILLS COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Brad Hagemann, General Manager

DATE: December 15, 2021

SUBJECT: Groundwater Sustainability Plan (GSP) for the Santa Ynez River Valley Groundwater Basin

Recommendations / Proposed Motion

- Approve Resolution No. 2021-332 approving the draft GSP for the Western Management Area (WMA) of the Santa Ynez River Valley Groundwater Basin.
- Authorize Directors Heavin and Nix to vote to adopt the final plan on behalf of the Mission Hills Community Services District.

Policy Implications:

- The Sustainable Groundwater Management Act (SGMA) requires a GSP (Or GSPs) to be adopted for the Santa Ynez River Valley Groundwater Basin by January 30, 2022.
- The Mission Hills Community Services District is a member of the Groundwater Sustainability Agency (GSA), joining with other local agencies in forming a GSA, and approved a Memorandum of Agreement (MOA) to form a GSA.
- Director Heavin is the district's primary representative on the WMA GSA Committee. Director Nix is the alternate.

Budget Resource

- The District's 12.5% cost share of all SGMA expenses from February 2019 to date are approximately \$134,000. This has been offset by \$54,150 in grant funds resulting in a net cost of approximately \$79,000.

- Costs to implement the GSP will be incurred going forward, over the 20- year timespan of the Plan. Future costs of implementing the Plan have not yet been quantified, but staff understands the cost will not be insignificant.

Alternatives Considered: None

Discussion: Mr. Bill Buelow, from the Santa Ynez River Water Conservation District, has led the effort to implement the State mandated Plan. Mr. Buelow has retained consultant support from Stetson Engineers and staff support from the county, the City of Lompoc, Mission Hills CSD, and Vandenberg Village CSD that has culminated in the preparation of a draft GSP.

The GSP is a comprehensive document, seven reports in one. It's a scientific document as well as a policy and planning document with a 20-year shelf life.

The 1,084-page plan is posted and available on the Santa Ynez Waterwebsite: <https://www.santaynezwater.org/public-draft-wma-gsp>.

A 45-day public comment period on the Plan closed on October 26, 2021. Several comments were received and will be addressed by Bill Buelow and consultants. The final GSP is scheduled for adoption by the WMA GSA Committee meeting prior to the January 30, 2022 submittal deadline.

Director Heavin, Director, Nix former General Managers and current General Manager Brad Hagemann have been engaged in the process of developing this draft GSP. Mr. Buelow will give a presentation on SGMA compliance in the Santa Ynez River Valley Groundwater Basin and answer any questions about regarding the draft GSP.

Attachments:

1. Slides for Mr. Buelow's presentation on SGMA Compliance in the Santa Ynez River Valley Basin
2. Resolution No. 2021-332

Sustainable Groundwater Management Act Compliance in the Santa Ynez River Valley Basin

Mission Hills CSD

Presentation on SGMA

Bill Buelow, PG.

Santa Ynez River Water Conservation District

December 15, 2021

Sustainable Groundwater Management Act Background



2015 Sustainable Groundwater Management Act (SGMA) law went into effect



Santa Ynez River Valley Groundwater Basin is “medium priority”



Basin must be sustainable in 20 years



SGMA gives local control of water management



Each Groundwater Sustainability Agency (GSA) will prepare a Groundwater Sustainability Plan (GSP) due by January 2022



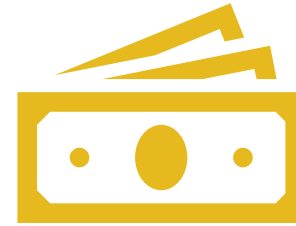
State Water Board is enforcement if locals do not comply

Sustainable Groundwater Management Act-History Santa Ynez River Valley Groundwater Basin



2017 - Memorandum of Agreement (MOA)

Establishes WMA GSA Committee
City of Lompoc, SYRWCD, MHCSD, VVCSD
and County of Santa Barbara

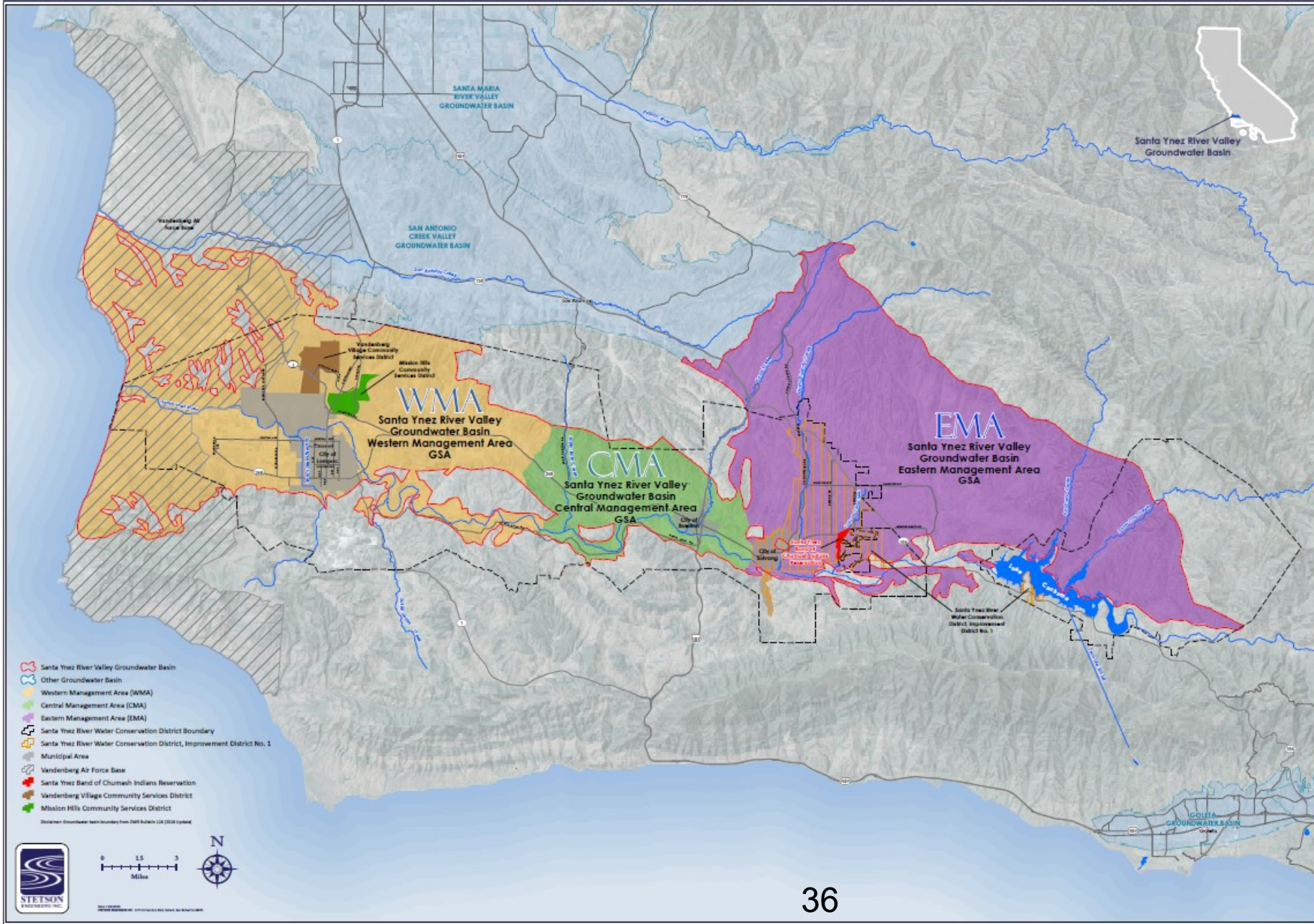


Department of Water Resources (DWR) Grants

Groundwater Sustainability Agency Formation and History Continued

- ▶ Three Groundwater Sustainability Agencies in the Basin
 - ▶ Eastern Management Area GSA (EMA) - Solvang, SYRWCD, ID No 1, County
 - ▶ Central Management Area GSA (CMA) - Buellton, SYRWCD, County
 - ▶ Western Management Area GSA (WMA) - Lompoc, Vandenberg Village, Mission Hills, SYRWCD, and County
- ▶ WMA has one representative (elected official) and one alternate per agency
- ▶ October 24, 2018 - first WMA GSA Committee meeting was held

SANTA YNEZ RIVER VALLEY GROUNDWATER BASIN SGMA GSA MANAGEMENT AREAS



SGMA Meetings

Groundwater Sustainability Agency (GSA) Committee
Quarterly Regular Meetings

Special meetings as needed

All meetings are held virtually, since March 2020, due to COVID restrictions

Citizen Advisory Group Meetings (CAG)

Chosen by WMA GSA Committee.

Provide focused public comment on draft documents

Cross section of uses and users of groundwater

Sustainable Groundwater Management Act

- ▶ GSPs will address six “undesirable results” from groundwater pumping
 - ▶ Chronic lowering of groundwater levels
 - ▶ Significant and unreasonable reduction of groundwater storage
 - ▶ Significant and unreasonable degraded water quality
 - ▶ Depletions of interconnected surface water
 - ▶ Significant and unreasonable land subsidence
 - ▶ Significant and unreasonable seawater intrusion

Benefits to Local Agencies

Agency Participation

- ▶ Maintains local control of water management
- ▶ State will step in if local agencies fail to comply - costs will increase
- ▶ Financial partnership with all groundwater pumpers in basin
- ▶ Promotes dialogue to solve problems
- ▶ Coordination with all three MAs in Basin

Projects & Management Actions

- ▶ Conserves supplies for all beneficial users
- ▶ Improves management of water resource
- ▶ Maintain/Improve quality of water supplies for future beneficial use
- ▶ Mitigates future impacts due to climate change
- ▶ Allows for growth

What we have learned

- ▶ Hydrogeologic Conceptual Model
 - ▶ Parts of basin experience groundwater storage decline due to drought conditions
 - ▶ Groundwater in storage is limited by rainfall, recharge and extractions
 - ▶ Impacts to existing well infrastructure may occur if current drought conditions persist and we do nothing
- ▶ Water Budget
 - ▶ EMA - average water budget is negative by approximately 1800 AFY
 - ▶ CMA - average water budget is currently balanced
 - ▶ WMA - average water budget is negative by approximately 1000 AFY
- ▶ Sustainable Management Criteria: set to ensure basin can withstand future drought
- ▶ Projects and Management Actions: when implemented will achieve sustainability goals

Groundwater Sustainability Plans-Input

- ▶ Several opportunities to provide input
- ▶ After completion of each draft section
- ▶ Upon completion of Draft GSP and prior to adoption by the GSA
- ▶ After submittal of Final GSP to DWR

Santa Ynez River Valley Groundwater Basin

Public Meetings and Outreach

- ▶ Groundwater Communication Portal (GCP)
- ▶ 30 meetings held to date in the WMA and 100+ meetings basin-wide
- ▶ Citizen Advisory Group Meetings (CAG) - one for each GSA, meet as needed
- ▶ Newsletters sent in Member Agency utility bills, and available on-line

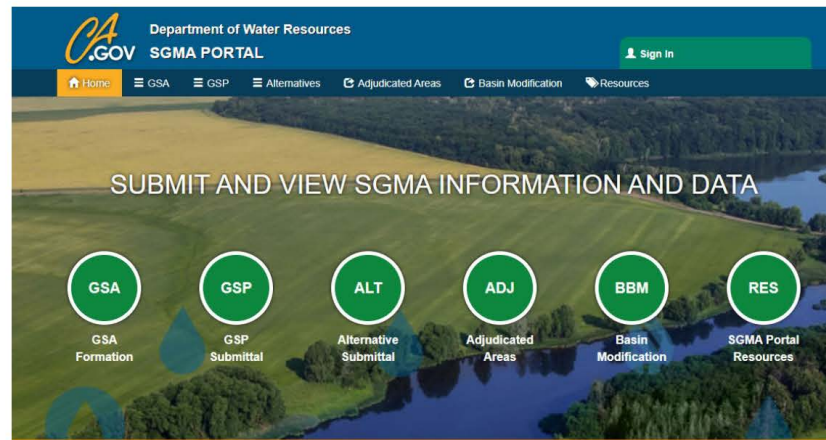
The three Groundwater Sustainability Agencies (GSAs) in the Santa Ynez River Valley Groundwater Basin have prepared **Groundwater Sustainability Plans (GSPs)** as required by the Sustainable Groundwater Management Act (SGMA) of January 2015. The GSPs establish a framework to manage and regulate future groundwater use. The GSPs will be submitted to the California Department of Water Resources (DWR) in January 2022. **The California Department of Water Resources (DWR) will post the GSPs online and open a 60-day public review and comment period directly through the DWR SGMA PORTAL website.**

DWR PUBLIC REVIEW & COMMENT PERIOD

Provide comments directly to DWR for **60 days** in February-March 2022
See DWR's "SGMA PORTAL" website for exact dates.

How to view a Submitted GSP and/or submit a public comment:

Visit the DWR SGMA Portal at <https://sgma.water.ca.gov/portal/>



**All three GSPs are available online
SantaYnezWater.org**

GSA Public Hearings on GSPs

Visit SantaYnezWater.org
for in-person meeting locations
and remote participation information

Monday, January 3, 2022 at 10:00 a.m.
Central Management Area GSP

Wednesday, January 5, 2022 at 10:00 a.m.
Western Management Area GSP

Thursday, January 6, 2022 at 6:30 p.m.
Eastern Management Area GSP

A printed copy will be available for review
at the following public libraries:
Solvang, Buellton, Lompoc, and Vandenberg Village.

Local government at work for you and with you

For more information, please visit **SantaYnezWater.org**

or call (805) 693-1156 ext. 403 *Versión en español disponible bajo petición.*



Schedule of Public Hearings
and Meetings is located at
SantaYnezWater.org

Groundwater Sustainability Plan-Schedule



Implementation

- ▶ Annual Report (Due 1 April 2021)
- ▶ Rate Study
- ▶ Joint Powers Authority(ies)
- ▶ Well Registration
- ▶ Well Metering

**Sign up to receive email blasts on upcoming
GSA or CAG meetings**

www.santaynezwater.org

QUESTIONS?

RESOLUTION NO. 2021-332 APPROVING ADOPTION OF GROUNDWATER SUSTAINABILITY PLAN FOR THE WESTERN MANAGEMENT AREA OF THE SANTA YNEZ RIVER VALLEY GROUNDWATER BASIN

WHEREAS, The Mission Hills Community Services District is a member of the Groundwater Sustainability Agency for the Western Management Area in the Santa Ynez River Valley Groundwater Basin (“GSA”), formed by Memorandum of Agreement dated January 11, 2017 (“MOA”); and

WHEREAS, the GSA prepared a Draft Groundwater Sustainability Plan (“Draft GSP”) for the Western Management Area, which was published for public comment on September 24, 2021; and

WHEREAS, after the close of public comment, the GSA prepared a Final Groundwater Sustainability Plan (“Final GSP”), which has been presented to Mission Hills Community Services District for its approval; and

WHEREAS, under the MOA, Mission Hills Community Services District is represented on the GSA Committee, which must approve and adopt the Final GSP; and

WHEREAS, Mission Hills Community Services District finds that the Final GSP complies with the requirements of the Sustainable Groundwater Management Act (“SGMA”); and

NOW THEREFORE, the Board of Directors of the Mission Hills Community Services District hereby resolves as follows:

- 1) Each of the recitals above is true and correct and is incorporated herein by reference.
- 2) The Board of Directors finds that the Final GSP, as presented, is consistent with the requirements of SGMA.
- 3) The Board of Directors hereby instructs its representative(s) on the GSA Committee to vote, on Mission Hills Community Services District’s behalf, to adopt the Final GSP in substantially the form presented to the Board of Directors, subject to such minor changes as are approved by the representative(s).



MISSION HILLS COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Brad Hagemann, General Manager
Carol Reynolds, Administrative Services Manager

DATE: December 15, 2021

SUBJECT: **California Special District Association (CSDA) Assistance with Accounting Practices and Banking Update**

Recommendation / Proposed Motion

- Recommendation: Receive Staff Report and CSDA Staff Presentation and Provide Direction to staff

Budget Resource

The assistance provided by CSDA will likely have a small cost savings impact to the District's overall accounting and banking expenses

Alternatives Considered

Continue with existing accounting practices and banking arrangements

Background/Discussion

Mission Hills CSD Accounting and Management staff reached out the CSDA seeking assistance in evaluating the District's current accounting practices and requesting recommendations for improvement. In coordination and with the concurrence of the Finance Committee, the District entered into an Agreement with CSDA, for CSDA Finance staff to provide accounting and financial services to the District on a time and materials basis, as needed, to ensure the District is meeting all State Special District accounting requirements and to offer suggested changes that will provide cost savings and efficiencies for the District.

Mr. Rick Wood, Financial and Administration Director for CSDA has met once with District Accounting staff and the Finance Committee to get an overview of the District's accounting and financial practices. Mr. Wood has prepared a brief presentation of his initial findings and recommendation and will be presenting those to the Board at the December 15, 2021 Board meeting.

Best Practices in Managing Special District Investments

Presented by:

Rick Wood Finance & Administration Director, CSDA

2021



Outline

☐ **Public Agency Investment Fundamentals**

- Understanding Your Responsibilities As Public Agency Investors
- Understanding & Managing Investment Risks
- Investment Policy & Guidelines



Public Agency Investment Fundamentals



What District Officials Need to Know

Your Responsibilities

❑ **Public Agency officials are fiduciaries, subject to the ‘Prudent Investor Standard’**

When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.

❑ **Because you are handling public funds, CA statute establishes the primary goals for investments, in the following priority order:**

- **Safety** the preservation of principal
- **Liquidity** the ability to access funds in the form of cash when and as needed to meet District financial obligations
- **Yield** a reasonable return on the investment of public funds, consistent with the emphasis on safety and liquidity

❑ **These three goals cannot be simultaneously maximized**

- Prudent investment management requires a **balancing act**, keeping in mind that safety and liquidity take precedence over yield

What District Officials Need to Know

Your Options are governed by the California Government Code and your District's Local Investment Policy

The parameters for the investment of local agency cash reserves are laid out in CA Government Code Sections 53600, et seq. Section 53601:

- ❑ Enumerates the range of investment options available to local agencies for their cash reserves (other than bond proceeds, which are governed by covenants in the bond documents)
- ❑ Establishes the types of securities eligible for investment, and restrictions, such as:
 - maximum term to maturity (5-year maximum unless otherwise stated)
 - minimum credit criteria
 - maximum exposure to specific types of securities and individual issuers (concentration limits)

The Local Investment Policy

- ❑ Should be reviewed and updated annually to reflect changes to CA statute as well as changing circumstances in the District
- ❑ May restrict the District's investment authority beyond the limitations in Section 53601
 - May further limit or prohibit altogether certain types of securities, maximum maturities, minimum credit quality, establish tighter concentration limits, etc.

What District Officials Need to Know



CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION

NOW AVAILABLE



**LOCAL AGENCY
INVESTMENT GUIDELINES
UPDATE FOR 2021**

Local Agency Investment Guidelines (LAIG): Update for 2021

Access and Bookmark LAIG

The Local Agency Investment Guidelines (LAIG) provides references and recommendations, developed by public and private sector professionals, for interpreting and applying California statute to common public fund investment topics related to local agencies. It also provides information on recent state law changes. The 2021 Update reflects statutory and federal changes effective January 1, 2021. This document is available online only.

<https://www.treasurer.ca.gov/cdiac/LAIG/guideline.pdf>



What District Investors Need to Know

Your Risks

- ❑ **There is no such thing as a truly ‘risk-free’ investment**
- ❑ **The key to successful public agency investing is risk management**
- **Interest Rate Risk -- Market Risk**
 - The risk that changes in market interest rates will adversely affect the value of securities held in a portfolio.
 - When interest rates go up, portfolio market values decrease; when rates decline, portfolio values increase.
 - The simplest way to minimize interest rate risk (fluctuations in portfolio market values) is to invest in the shortest maturity securities available. The downside of this strategy, of course, is that you must accept lower returns over time -- possibly affecting your ability to meet future cash flow needs.
- **Credit Risk**
 - The risk that a security will not repay its principal upon maturity. The most risk-averse investors will stick to US treasury bonds and FDIC-insured CDs. These are considered as close to risk-free as possible, but offer lower returns.
 - Corporate bonds are rated on their ability to service their debt on the basis of their cash flows, ranging from “AAA” (highest) to “BBB” (lowest ‘investment grade’ rating). Keep in mind that a high credit rating, by itself, is no guarantee of a corporate security’s safety. Think Enron, Countrywide, AIG, and on and on...
 - Credit risk can be managed by **concentration limits** – limiting the percentage of the portfolio which can be invested in specified types of securities, as well as percentage limits on securities of individual issuers.



What Public Agency Investors Need to Know

Your Risks (cont.)

▪ **Liquidity Risk**

- The risk that the portfolio will be unable to meet future cash flow needs
- Liquidity risk can be managed by investing only in the shortest dated securities, but that will produce lower returns over time.
- Alternatively, some agencies manage liquidity risk by employing a '**laddered portfolio**'; that is structuring the portfolio across a broad spectrum of maturities.
- Over time, a more effective strategy is to utilize '**dual portfolios**':
 - a **liquidity portfolio** managed to meet cash flow needs; and
 - a **core portfolio**, which is focused more on growth opportunities and optimizing returns over time.

▪ **Reinvestment Risk**

- The risk that cash (from interest payments, bond maturities, sales of securities) will need to be invested at a lower rate of return.
- Again, the most effective strategy to manage reinvestment risk is to structure the portfolio across a broad range of maturities.
- In addition, reinvestment risk can be managed by minimizing the use of securities with uncertain cash flows, such as callable bonds and mortgage-backed securities.



What Public Agency Investors Need to Know

Your Risks (cont.)

- **Concentration Risk -- Programmatic Risk**

- Over-exposure to a single type of security or a single issuer can adversely affect portfolio liquidity or returns
- This is the classic ‘Don’t put all your eggs in one basket’ rule
- A number of Florida local agencies received a ‘school of hard knocks’ lesson on this risk late in 2007, when the Florida Local Government Investment Pool suspended redemptions (froze the pool), following disclosure of major losses on mortgage-backed securities and a run on the pool’s assets. Many local agencies had all or nearly all their cash reserves in the pool; many others had relied on the pool for all of their liquidity
- CA statutes generally include concentration limits on types of securities that may be held, as well as maximum percentages of your assets invested in individual issuers, though not on investment programs, such as LAIF or CalTRUST because those programs themselves are highly diversified



Investment Guidelines



An Investment Policy Statement Is Good Public Policy

Every District should adopt a written investment policy statement. The benefits of having an investment policy statement are:

- The first and most important step in the investment process
- Satisfies an important fiduciary duty
- Guides the asset management process – no surprises
- Provides discipline to the process
- Effective risk management
- Structured with a long-term focus that is updated over time
- Designed to endure the ups and downs of market cycles
- Meets the “policy recommendation” of CA Government Code Section 53646



Reporting

Reporting requirements and recommendations are imposed on local agencies in Sections 53646 and 53607.

53646:

Section 53646 states that the treasurer or chief fiscal officer of a local agency may file reports on the status of their investment portfolios with their respective legislative body, internal auditor, and chief executive officer. These reports generally are intended to provide the legislative body the ability to meet its fiduciary obligations as a trustee and to increase the disclosure of the agency's investment activities to those outside the agency. Section 53646 states that if the quarterly investment portfolio report is submitted, it must contain, among other things, a listing of investments, fund balances, activity, and return on investments made by the local agency. Quarterly reports should reflect the current positions and past performance of a portfolio of investments for the period of time under consideration.

53607:

Local agency treasurers to whom the authority to invest or reinvest funds or to sell or exchange securities has been delegated by the legislative body of a local agency are required by Section 53607 to submit a monthly report of transactions to the legislative body.

Reporting

Section 53646 specifically encourages treasurers to prepare the quarterly investment report to enable the legislative body to perform its fiduciary duty and provide full disclosure of the public entity's investment activities.

MINIMUM LEGAL REQUIREMENTS:

If the treasurer or chief fiscal officer of a local agency elects to submit or if the legislative body mandates the submission of a quarterly investment report to the legislative body pursuant to Section 53646, it must do so within 30 days after the end of the quarter and include the following information:

- Type of investment (i.e., U.S. Treasury security, commercial paper);
- Issuer name;
- Date of maturity;
- Par amount;
- Dollar amount invested in all securities, and investments and monies held by the local agency;
- A description of the funds, investments, and programs (including lending programs) managed by contracted parties (i.e., LAIF, investment pools, outside money managers, and securities lending agents);
- Current market value as of the date of the report of all funds held by the local agency and under the management of any outside party that is not also a local agency or LAIF and the source of the valuation;
- A statement of compliance with the investment policy or an explanation for non-compliance;
- A statement of the local agency's ability to meet its pool's expenditure requirements for the next six months, as well as an explanation of why sufficient money will not be available if that is the case.

Local agency funds that have been placed in a county investment pool, LAIF, FDIC insured bank deposits, National Credit Union Shared Insurance Fund-insured accounts in a credit union, accounts insured or guaranteed pursuant to California Financial Code Section 14858, or some combination of the above, may substitute the most recent account statement received from those entities in lieu of the information recommended above.



Reporting

In addition to the reporting requirement set forth by Section 53646, a local agency treasurer who has been delegated authority to invest or reinvest funds of the local agency by the legislative body under Section 53607 must submit a report to the legislative body accounting for transactions made during the month. This reporting requirement is separate and distinct from the quarterly report submitted under Section 53646.

If the legislative body has delegated authority to the treasurer and has elected to require the quarterly report under Section 53646 on a monthly basis, it may be very practical and efficient to merge the elements of the quarterly report with the month's transactions and provide a combined report on a monthly basis. While the elements of each reporting requirement may be different they may be combined in one report.



Understanding Your District

Each District's Investment Guidelines Will Be Influenced by Unique Local Concerns and Circumstances:

- ❑ Assets and Liabilities
- ❑ Liquidity Needs
- ❑ Cash Flow Schedule
- ❑ Gain/Loss Sensitivity
- ❑ Credit Rating Sensitivity
- ❑ Unique District Risks and Biases



Takeaways

Manage Expectations

- Review and update investment policy on a regular basis
- Avoid surprises - Educate peers and management on the potential for market volatility
- Understand Risk – Safety, Liquidity and Yield

Focus on Cash Flow

- Cash flow forecasting should be the primary driver of investment decisions. Bond maturities, tax receipts, and debt service should be considered
- To the extent possible, invest by matching assets to liabilities
- Ladder investment maturities to provide regular access to cash flow
- Avoid funding known liabilities with unknown cash flows (e.g. callable securities)

Diversify Diversify Diversify

- CA Gov't Code includes “concentration limits” on most of your investment options for a reason
- Over-exposure to a single issuer or type of security can add unnecessary risk to your portfolio and can affect liquidity
- Adhere to the “Don’t put all your eggs in one basket” maxim

	Actual 2018	Actual 2019	Actual 2020	Year-to-Date 2021	Estimated Year-End	Budget 2021	Actual vs Budget
Revenues							
Total Revenue	5,087,808	5,439,620	4,887,113	5,189,350	5,612,534	5,669,688	91.53%
Total Expenses	4,561,678	4,942,696	4,559,102	4,995,305	5,412,967	5,564,944	89.76%
Revenue vs Expenses	526,130	496,924	328,011	194,045	199,567	104,744	185.26%

		Nov 30, 2021
TOTAL ASSETS		7,574,760.45
LIABILITIES & EQUITY		
Current Liabilities		
Accounts Payable		
	2000 · Accounts Payable	7,183.60
	Total Accounts Payable	7,183.60
Other Current Liabilities		
	2400 · Deferred Revenue - NSDC	46,666.68
	2400 · Deferred Revenue - Dues	3,523,309.20
	2400 · Deferred Revenue - ProDev	9,700.02
	2600 · Accrued PTO payable	185,699.96
	Total Other Current Liabilities	3,765,375.86
	Total Current Liabilities	3,772,559.46
Long Term Liabilities		
	2800 · CalPERS Unfunded Liability	17,420.00
	Total Long Term Liabilities	17,420.00
	Total Liabilities	3,789,979.46
Equity		
	3250 · Reserves and Contingencies	3,590,735.78
	Net Income	194,045.21
	Total Equity	3,784,780.99
	TOTAL LIABILITIES & EQUITY	7,574,760.45

Q & A

Rick Wood
Finance & Administration Director
CSDA
(916) 442-7887
rickw@csda.net





MISSION HILLS COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors
FROM: Brad Hagemann, General Manager
Lupe Huitron, Administrative Assistant/Board Secretary
DATE: December 15, 2021
SUBJECT: Officer Elections and Committee Assignments for 2022

Recommendation / Proposed Motion

- Recommendation: Nominate and elect a President, Vice-President, and Finance Officer for the calendar year 2022.
- Proposed Nomination: I nominate "Director" to be President of the Mission Hills Community Services District for calendar year 2022
- Proposed Nomination: I nominate "Director" to be Vice-President of the Mission Hills Community Services District for calendar year 2022
- Proposed Nomination: I nominate "Director" to be Finance Officer of the Mission Hills Community Services District for calendar year 2022

Policy Reference

- 4040 – Board President
- 4050 – Members of the Board of Directors
- 4060 – Committees of the Board of Directors

Budget Resource

No Impact

Alternatives Considered

None considered

Background

Mission Hills established policies that guide the district's procedures for electing officers and appointing committee members.

Discussion

Determine who the Board President will be for the calendar year 2022, the current President will remain in office through December. The newly elected President will coordinate with the Directors and the General Manager and at the first meeting in January the President will appoint Directors to serve on the various Committees.



MISSION HILLS COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors
FROM: Brad Hagemann, General Manager
DATE: December 15, 2021
SUBJECT: **Call for Nominations for Local Agency Formation Commission (LAFCO) Regular Special District Member**

Recommendation / Proposed Motion

- Recommendation: Receive Staff Report and Consider Nomination of a District Director for the LAFCO Regular CSD Member (if a Director is interested in running for the position)

Budget Resource

This item will have little or no impact on the District's budget

Alternatives Considered

Do not make a nomination, if no Directors are interested in running for the position

Background/Discussion

On November 22, 2021, the Santa Barbara LAFCO sent a letter to the District seeking nominations and noticing an election of a Special District member to serve as the Special District regular member on LAFCO. The November 22, 2021 letter is provided as an attachment to this Staff Report.

If none of the MHCS D Board members are interested in running for the LAFCO position, then no action is required by the Board. If a Director is interested in running for the position, then the Board should pass a motion to formally nominate the Director and staff will complete the Nomination Form and submit it to LAFCO. The election is scheduled to be held at the Santa Barbara Chapter of the CSDA Annual Meeting on January 24, 2022.

Attachment – November 22, 2021 Letter from LAFCO

**SANTA BARBARA
LOCAL AGENCY FORMATION COMMISSION**

<p align="center">NOMINATION FOR <u>REGULAR</u> SPECIAL DISTRICT MEMBER</p> <p align="center"><i>Return to: Executive Officer Santa Barbara LAFCO 105 East Anapamu Street, Room 407 Santa Barbara CA 93101 or FAX to (805) 568-2249 or email to lafco@sblafco.org</i></p>	<p align="center">LAFCO STAFF USE</p> <p>Date Received: _____</p>
<p>Please print in ink or type</p>	
<p>POSITION SOUGHT: Regular Special District Member</p>	
<p>NAME OF NOMINEE: _____</p>	
<p>NOMINEE'S DISTRICT: _____</p>	
<p>MAILING ADDRESS:</p> <p>_____</p> <p>_____</p>	
<p>π Phone: Bus. _____ . Cell: _____</p>	
<p>SIGNATURE OF NOMINATOR:</p> <p>_____</p> <p>Name of Independent Special District</p> <p>_____</p> <p>Signature</p> <p>_____</p> <p>Print Name</p> <p>Nominator Title (please check one)</p> <p><input type="checkbox"/> Presiding Officer of the Special District Board</p> <p><input type="checkbox"/> Presiding Officer's alternate as designated by Special District Board to vote or make a nomination in this election. (Gov. Code sec. 56332.)</p> <p>Date: _____</p>	

ADDITIONAL INFORMATION: On this form or an accompanying letter, describe the nominee's personal interests, qualifications, experience, education, volunteer activities or community organization memberships that may bear on the nomination for the Alternate Special District Member: This information will be distributed to all independent special districts.



MISSION HILLS COMMUNITY SERVICES DISTRICT

9. COMMUNICATIONS- Board of Directors may ask a question for clarification, make an announcement, or report briefly on recent activities or conferences. Also, Directors may provide a reference to staff or other resources for information, request the Board President consider placing an item on a future committee meeting or regular meeting.

A. General Manager Comments

B. Director's Comments

C. Public Comments