

Board of Directors

Walter Fasold, President
Myron Heavin, Vice President
Karina Naughton, Director
Steve Dietrich, Director
Bruce Nix, Director



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

Loch A. Dreizler General Manager

MISSION HILLS COMMUNITY SERVICES DISTRICT

Regular Meeting Agenda

4:30 PM Wednesday, March 20, 2019

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

Noticed on: March 15, 2019

- 1. 4:30 PM CALL TO ORDER**
- 2. ROLL CALL**
- 3. PLEDGE OF ALLEGIANCE**
- 4. PRESENTATION** (If applicable)
- 5. AGENDA REVIEW** - Move that all Resolutions and Ordinances presented tonight be read in title only and all further reading be waived.
- 6. CONSENT ITEMS** (from previous month) - Staff recommends Directors approve the Consent Items in one motion. However, members of the public may comment on a consent item and Directors may pull a consent item for discussion.
 - A. Minutes** –February 13, 2019 and February 20, 2019
 - B. Activity Reports**
 - C. Financial and Expenditures Reports**
- 7. CORRESPONDENCE** - For information only, generally no Board action is required
 - A. Committee Meeting Updates and District Goals**
- 8. DISTRICT BUSINESS** – Board action recommended
 - A. Introduce Ordinance 19-83, Updating Fees to Connect to District Facilities**
 - B. Ballot for One Local Agency Formation Commission (LAFCO) Regular and One Alternate Special District Member**
 - C. Development Agreement with Summit View Homes**
- 9. COMMUNITY COMMENTS** - Members of the public may address the Board on any items of interest within the subject matter and jurisdiction of the Board that are not on this agenda. Public comments and suggestions are limited to three minutes.

10.COMMUNICATIONS- Board of Directors may ask a question for clarification, make an announcement, or report briefly on recent activities or conference. In addition, 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.

- Form 700
- Volts
- CalWarn

11.CLOSED SESSION -

PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Pursuant to Government Code Section 54957:

Title: General Manager

12.RECONVENE TO OPEN SESSION

13.ADJOURNMENT- 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 to the Mission Hills for Open Session agenda items may be obtained online at <http://www.mhcsd.org/agenda-and-minutes/> and are also available at the Customer Service Counter of the District Office for public inspection and reproduction during normal 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 and/or the documents in the agenda packet provided in an alternative format, please contact Board Secretary at 805.733.4366 at least 48 hours prior to the meeting to ensure that reasonable arrangements can be made. (Agenda Prepared pursuant to Government Code Section 54954.2)



MISSION HILLS COMMUNITY SERVICES DISTRICT

Special Meeting Minutes

9:00 AM Wednesday February 13, 2019

The Special Meeting of the Board of Directors of the Mission Hills Community Services District was called to order at 9:00 am on Wednesday, February 13, 2019 at the District Meeting Room, 1550 East Burton Mesa Boulevard, Lompoc, California.

DIRECTORS PRESENT:

By roll call: Walt Fasold, Bruce Nix, Myron Heavin, and Steve Dietrich

DIRECTORS ABSENT:

Karina Naughton none

STAFF PRESENT:

Loch Dreizler, Melissa Crouthers and Casey Fowler

OTHERS PRESENT:

none

3. DISTRICT BUSINESS:

- a. District Board of Directors meet with staff to discuss and compile a list of future areas of concern for planning and budget purposes.
- b. Due to heavy rain the field tour did not occur however conversations of each department were conducted.

4. PUBLIC COMMENT: no additional comments were made

5. ADJOURNMENT:

There being no further business to come before the Board the meeting was adjourned at 10:10 am.

Respectfully Submitted,

Casey Fowler
Secretary, Board of Directors

Walter Fasold
President, Board of Directors



MISSION HILLS COMMUNITY SERVICES DISTRICT

Regular Meeting Minutes

4:30 PM Wednesday February 20, 2019

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, February 20, 2019 at the District Meeting Room, 1550 East Burton Mesa Boulevard, Lompoc, California.

DIRECTORS PRESENT:

By roll call: Walt Fasold, Myron Heavin, Karina Naughton, and Steve Dietrich

DIRECTORS ABSENT:

Bruce Nix

STAFF PRESENT:

Loch Dreizler, Melissa Crouthers, and Casey Fowler

OTHERS PRESENT:

Jay Freeman, Ron Herbig, Chris Smith, Kevin Telfer

3. PLEDGE OF ALLEGIANCE:

4. SPECIAL PRESENTATION: none

5. AGENDA REVIEW: Motion by Director Fasold, second by Director Heavin that all resolutions and ordinances presented tonight be read in title only and all further readings be waived. Unanimous 4-0.

6. CONSENT AGENDA:

Motion by Director Fasold, second by Director Heavin to approve the Consent Agenda after review.

Agenda Item 6a.

Consideration of Approval of Minutes

Approved Minutes of the Regular Meeting of January 16, 2019 as stated and Special Meeting of January 30, 2019 with minor revisions under section 3.b.

Agenda Item 6b.

Activity Reports for January 2019

Agenda Item 6c.

Financial and Expenditures Report for January 2019

Vote to approve the Calendar of Consent was 4-0

7. CORRESPONDENCE:

Agenda Item 7a.

Committee Meeting Updates and Goals

General Manager Dreizler gave a brief update and PowerPoint presentation regarding the committee meetings that have occurred over the past month, what tentative meetings are scheduled for the next month, as well as District Goals (see attached).

Agenda Item 7b.

Review the Proposed New Waste Discharge Requirements

Administrative Assistant Fowler explained that this proposed WDR is being included as correspondence to verify there is no public comment to be made to the Regional Water Quality Control Board during the 30-day review and comment period. A brief historical background was discussed along with the proposed changes.

8. DISTRICT BUSINESS:

Agenda Item 8a.

Resolution to Approve Participation in Santa Barbara County Integrated Regional Water Management Group (IRWMP)

General Manager Dreizler stated that the Board of Directors authorized the General Manager to join the IRWMP group at the January 16, 2019 meeting. This resolution is being presented to complete the application process.

Motion by Director Fasold, second by Director Heavin to adopt Resolution No. 19-328. Approving Staff to work with the Santa Barbara County IRWM Group to move forward with proposed projects and programs included in the Santa Barbara County adopted 2019 Integrated Regional Water Management Plan. Roll call vote was 4-0.

Agenda Item 8b.

Water and Sewer Capacity Charge Study Approval

It was recommended that Board of Directors approve and adopt the capacity study prepared by NBS Government Finance Group. President Fasold gave a quick synopsis to the community of the differences between the first draft to the final being presented for approval. Motion by Director Fasold, second by Director Heavin to adopt the NBS Water and Sewer Capacity Charge Study dated February 2019 as submitted and begin the Public Notice/ Ordinance approval process. Vote was 4-0.

Agenda Item 8c.

Ordinance 19-84 Introduction Water and wastewater Facility Development Agreement with Summit View Homes

It was noted that this agenda item is tabled until next month's meeting to clarify some questions from Summit View. It is was stated that the General Manager did not want to rush on this before all questions have been satisfied. There were questions and comments from the community regarding connection fees.

9. COMMUNITY COMMENTS AND SUGGESTIONS:

Chris Smith asked for information regarding the Capacity Study
Kevin Telfer addressed concerns with development agreement
Jay Freeman introduced himself and discussed LAFCO nominations

10. COMMUNICATIONS:

- General Manager evaluation forms were distributed to be completed within two weeks
- JPIA Safety Award for no loss claims in the past three years
- LAFCO Nominations – Director Heavin may be interested in running for a board spot, if he does it will be brought back to next month's meeting to vote for district support

11. ADJOURNMENT:

There being no further business to come before the Board the meeting was adjourned at 6:15 pm.

Respectfully Submitted,

Casey Fowler

Secretary, Board of Directors

Walter Fasold

President, Board of Directors



MISSION HILLS COMMUNITY SERVICES DISTRICT

TO: Board of Directors
FROM: Staff Responsible for Memorandum
DATE: March 20, 2019
SUBJECT: Activity Reports – February 2019

Recommendation: Receive and File

Attachment(s):

1. Administration
2. Water
3. Wastewater
4. Wastewater Treatment Plant Performance



MISSION HILLS COMMUNITY SERVICES DISTRICT

Administrative Report – February 2019

Customer Service / Billing

- Processed 9 New Customer Move Ins
- Processed 239 Autopayments
- Mailed 255 Reminder Notices
- Attended webinar: Online bills website expected Gateway changes, all stored customer data is encrypted
- Quarterly update on Civic pay: Customers will have to update their Customer data with web payments once the updated changes are made. A mass email will be sent at that time.

Accountant

- Created and distributed Fiscal Year Ending June 30, 2020 Budget Schedule to Board of Directors and Staff. Coordinated Staff meetings to gather input for budget.
- Completed and Submitted 2018 Annual Compliance Verification Report for Well #6 to the SB County Air Pollution Control Board
- Attended Personnel Committee and Finance Committee meetings.
- Attended Webinar on Cloud based SaaS and data storage hosted by CSMFO.
- Completed and Submitted 2018 Water System Statistics Survey for the Santa Barbara County Water Agency.
- Assisted General Manger in establishing Off-Site backups for SBS and Springbrook Utility Billing Servers.

Administrative Assistant

- Continued work with RWQCB regarding updated Waste Discharge Requirements.
- On-going organization of district master files
- Attended Wastewater Committee meeting
- Conference with Dude Solutions

General Manager

- Coordinate and Negotiate Development Agreement with Summit View
- Attended Purisima Hills Pre-Construction Meeting
- Schedule Site Visit to Heritage Ranch CSD and Scheid Winery – Aeration
- Continued communications with Burton Ranch Developers
- Attend Sustainable Groundwater Management Act staff meeting
- Reopened discussions with VAFB about their VOLTS sensor
- Finalized LAFCO documents for Myron Heavin's nomination
- Attended quarterly lunch with City of Lompoc Utility Director and VVCSD General Manager



MISSION HILLS COMMUNITY SERVICES DISTRICT
Water Reports – Steve Sarot
February 2019

Distributed: 5,998,952 gallons

Reservoirs: see recurring tasks below

Treatment Plant

- Replaced analog input module for SCADA communications from treatment plant.
- Failed differential pressure monitoring system. Meter on order, schedule for install and calibration. This controls the backwash cycle and automatically cleans filter media, currently being done manually.

Distribution System

- Repaired leaking service line on Via Donna
- Repaired Main break on Via Orilla due to roots
- Replaced Corp stop and installed service saddle on Via Semi

Recurring Tasks

Reservoirs

- **Daily:** Monitor levels via SCADA System
- **Weekly:** Check chlorine levels
- **Quarterly:**
 - Clean and inspect solar panel for backup battery (Jan, Apr, Jul, Oct)
 - Inspected and weed abatement

Treatment Plant

- **Weekly:** Cleaned chlorine injection lines
- **Quarterly:** Remove weeds around shop and filtration plant

Distribution System

- **Weekly:**
 - Collect and reported weekly chlorine and phosphate results
 - Sample "Bac-T" (coliform detection) every Wednesday
- **Quarterly:**
 - Complete dead-end flushing (Jan, Apr, Jul, Oct)

Safety

- ☒ Inspect / Sign Fire Extinguishers at wastewater treatment plant and vehicles
- ☒ Attend Weekly Safety Meetings
- ☒ Perform Monthly Visual Inspection at Water Treatment Plant and Park



MISSION HILLS COMMUNITY SERVICES DISTRICT
Wastewater Reports – Rick Young
February 2019

Influent

- Daily Average: 281,300 gallons
- Monthly Total: 7,876,721 gallons

Wastewater Treatment Plant

Started recirculating water from pond 2 effluent to pond 1 influent.

Lift Station

- Install controller box and new dialer alarms.

Safety

- See recurring tasks below

Other

- Attended operator training orange county sanitation district.

Recurring

Headworks

- Remove trash: 250 lbs.

Wastewater Treatment Plant

- Adjust pond levels for best performance
- Monitor *Dissolved Oxygen* (DO) to optimize aerator placement and run times
- Skim scum and duckweed from Pond #2
- Sample BOD, TN, TSS, Chloride, TDS first week of the month
- Sample Total Nitrogen package the third week of the month
- Control varmint and weed abatement

Lift Station Monitor

- Daily: ventilation
- Monthly: air bubbler
- Quarterly: Calibrated Air Quality and Test Detection& Test Light (Jan, Apr, Jul, Oct)
- Annually: O&M to Capital Improvements (Jan/Feb)

Safety

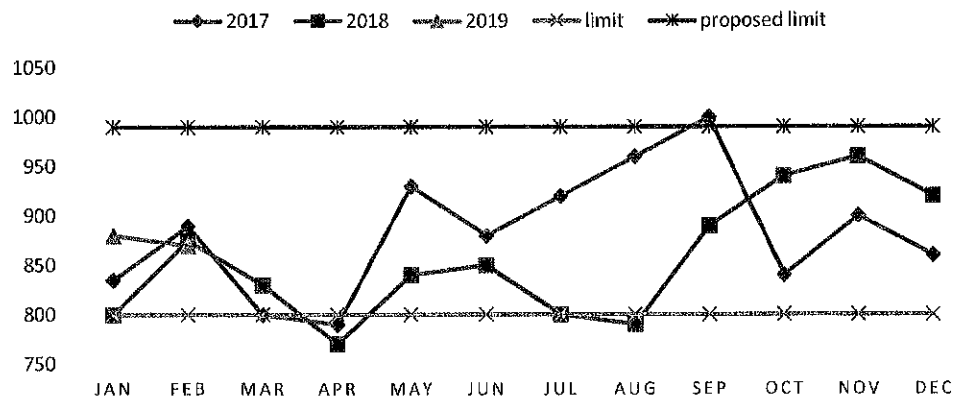
- ☒ Inspect / Sign Fire Extinguishers at wastewater treatment plant and vehicles
- ☒ Attend weekly safety meetings
- ☒ Perform Monthly Visual Inspection at Lift Station and Wastewater Treatment Plant

Sewer Plant Performance

Total Dissolved Solids (mg/L)

	2017	2018	2019
Jan	835	800	880
Feb	890	875	870
Mar	800	830	
Apr	790	770	
May	930	840	
Jun	880	850	
Jul	920	800	
Aug	960	790	
Sep	1000	890	
Oct	840	940	
Nov	900	960	
Dec	860	920	

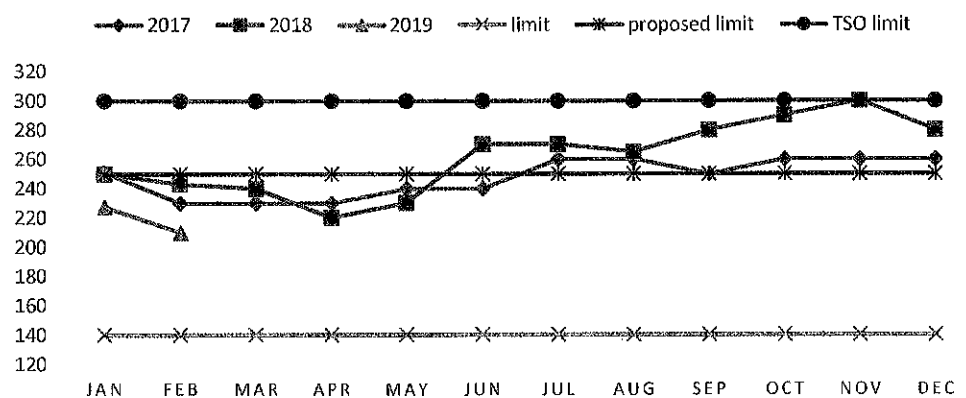
TOTAL DISSOLVED SOLIDS (MG/L) - LIMIT 800



Chlorides (mg/L)

	2017	2018	2019
Jan	251	250	228
Feb	230	243	210
Mar	230	240	
Apr	230	220	
May	240	230	
Jun	240	270	
Jul	260	270	
Aug	260	265	
Sep	250	280	
Oct	260	290	
Nov	260	300	
Dec	260	280	

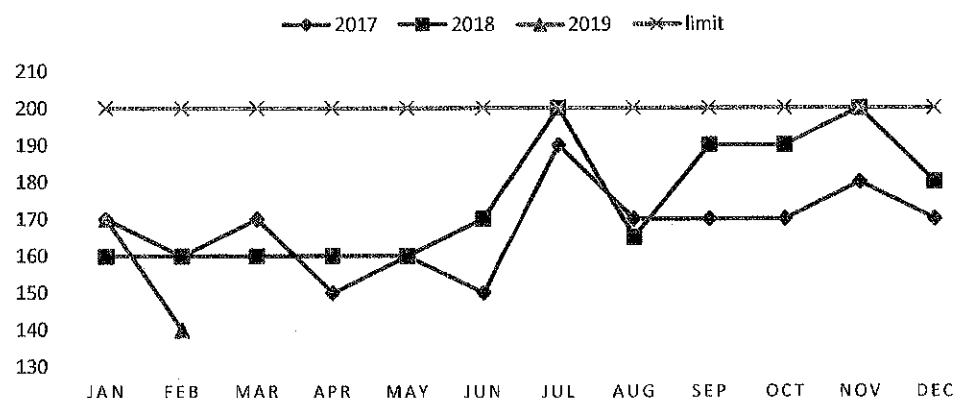
CHLORIDE (MG/L) - LIMIT 140



Sodium (mg/L)

	2017	2018	2019
Jan	170	160	170
Feb	160	160	140
Mar	170	160	
Apr	150	160	
May	160	160	
Jun	150	170	
Jul	190	200	
Aug	170	165	
Sep	170	190	
Oct	170	190	
Nov	180	200	
Dec	170	180	

SODIUM (MG/L) - LIMIT 200

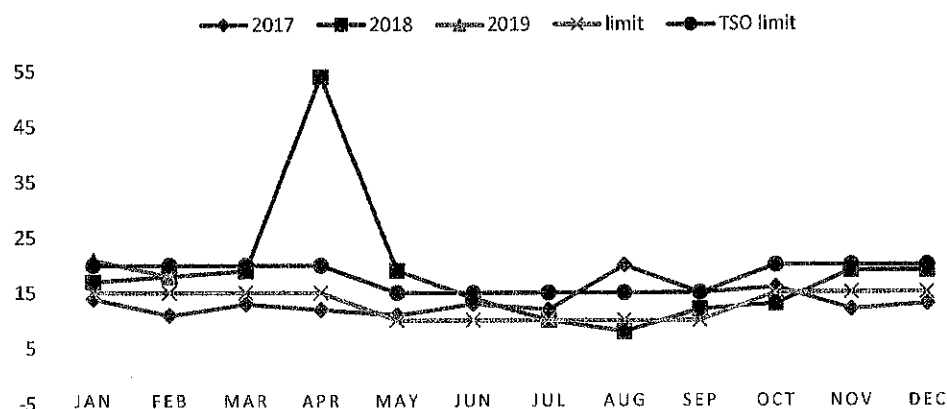


* the proposed limit will not change with the new WDR

Nitrogen (mg/L)

TOTAL NITROGEN (MG/L)- LIMIT 10 (MAY-SEP)/ 15 (OCT-APR)

	2017	2018	2019
Jan	14	17	21
Feb	11	18	18
Mar	13	19	
Apr	12	54	
May	11	19	
Jun	13	14	
Jul	12	10	
Aug	20	8	
Sep	15	12	
Oct	16	13	
Nov	12	19	
Dec	13	19	



* the proposed limit will not change with the new WDR

Yearly Average Comparison

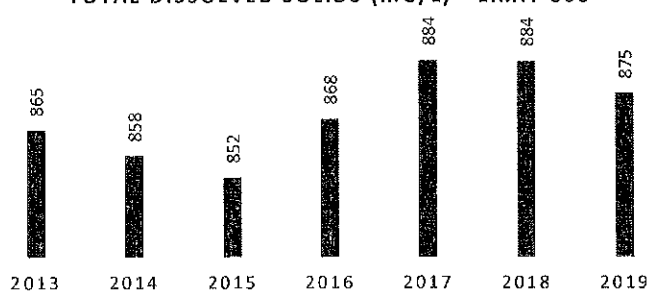
	limit	2013	2014	2015	2016	2017	2018	2019
Total Dissolved Solids (mg/L)	800	865	858	852	868	884	884	875
Chloride (mg/L)	140	256	248	254	257	248	248	219
Sodium (mg/L)	200	154	167	169	175	168	168	155
Total Nitrogen (mg/L)	15/10	14	14	15	18	15	14	20

2018 Total Nitrogen is going to average high based on the one month of high numbers due to pond stabilization after Pond #1 came back in service. Average number without that month would be 14

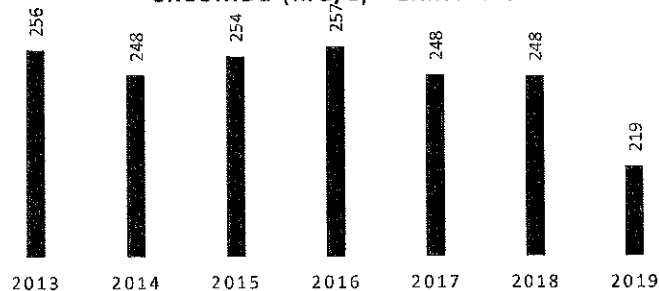
Possible New WDR Limits

Total Dissolved Solids (mg/L)	995
Chloride (mg/L)	250
Sodium (mg/L)	200
Total Nitrogen (mg/L)	15/10

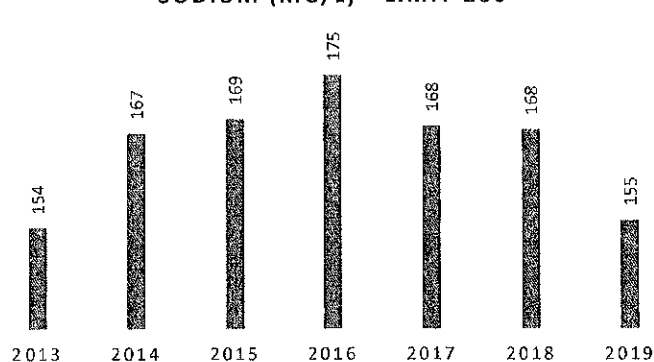
TOTAL DISSOLVED SOLIDS (MG/L) - LIMIT 800



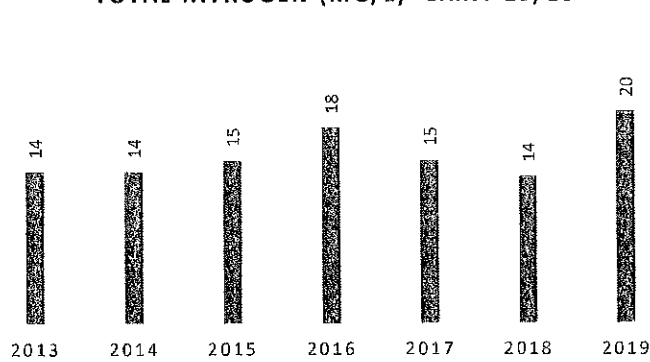
CHLORIDE (MG/L) - LIMIT 140



SODIUM (MG/L) - LIMIT 200



TOTAL NITROGEN (MG/L)- LIMIT 15/10



*2014 Total Nitrogen Sample Protocol was changed



MISSION HILLS COMMUNITY SERVICES DISTRICT

TO: Board of Directors
FROM: Melissa Smith, District Accountant
DATE: March 20, 2019
SUBJECT: Financial and Expenditures Report – February 2019

Recommendation / Proposed Motion

- Recommendation: Receive and File

Attachment(s):

1. Profit and Loss Comparison
2. Disbursements Journal
3. Variation from Projected Income
4. Bank Account Summary
5. Budget to Actual

Mission Hills Community Services District Profit & Loss Prev Year Comparison

February 2019

	Feb 19	Feb 18	\$ Change	Notes
Ordinary Income/Expense				
Income				
4005 · 48 hour notice fees	580.00	1,180.00	-600.00	
4025 · Construction hydrant meter	0.00	50.00	-50.00	
4045 · Late fees	1,469.22	1,829.38	-360.16	
4050 · Miscellaneous Income	45.25	27.50	17.75	
4060 · Reconnection fees	195.00	75.00	120.00	
4075 · Returned check fees	0.00	0.00	0.00	
4085 · Sewer basic charges	69,899.58	64,476.71	5,422.87	
4095 · Street sweeping charges	1,508.76	1,516.68	-7.92	
4105 · Water basic charges	53,898.14	51,976.29	1,921.85	
4115 · Water usage charges	30,600.37	33,334.38	-2,734.01	
4200 · Discount Revenue	0.00	18.55	-18.55	
Total Income	158,196.32	154,484.49	3,711.83	
Expense				
6000 · Salaries and wages				
6005 · Wage expense	41,164.61	34,989.84	6,174.77	
6010 · Payroll tax expense	3,493.91	3,036.68	457.23	
Total 6000 · Salaries and wages	44,658.52	38,026.52	6,632.00	18 - 1 Less Mgmt Staff
6050 · Employee benefits				
6060 · Disability Insurance	239.54	237.65	1.89	
6065 · Health insurance	10,405.81	9,288.59	1,117.22	
6070 · Medical reimbursements	402.87	0.00	402.87	
6071 · Tuition Reimbursement	2,348.00	0.00	2,348.00	
6075 · Retirement expenses	1,006.22	904.79	101.43	
6090 · Vacation & Sick Leave	2,321.20	3,002.52	-681.32	
6095 · Benefit Administration	84.99	82.91	2.08	
Total 6050 · Employee benefits	16,808.63	13,516.46	3,292.17	
6100 · Director fees	1,875.00	1,375.00	500.00	
6105 · Election fees	955.57	0.00	955.57	
6110 · Depreciation expense	25,501.19	26,678.37	-1,177.18	
6140 · Vehicle expenses				
6145 · Tractor and equipment	150.92	0.00	150.92	
6150 · Vehicle fuel	885.76	556.81	328.95	
6155 · Vehicle maintenance	1,008.47	615.08	393.39	
Total 6140 · Vehicle expenses	2,045.15	1,171.89	873.26	
6170 · Insurance expense				
6180 · Liability Insurance	1,979.00	2,177.17	-198.17	
Total 6170 · Insurance expense	1,979.00	2,177.17	-198.17	
6190 · Dues and memberships	11.55	335.19	-323.64	
6200 · Office expenses				
6205 · Bank fees and charges	0.00	10.51	-10.51	
6210 · Cash (over) / short	19.83	-0.19	20.02	
6215 · Cleaning supplies	0.00	9.24	-9.24	
6220 · Licenses and fees	190.00	0.00	190.00	
6225 · Miscellaneous expenses	0.00	16.27	-16.27	
6230 · Office supplies	176.59	263.45	-86.86	

Mission Hills Community Services District Profit & Loss Prev Year Comparison

February 2019

	Feb 19	Feb 18	\$ Change	Notes
6235 · Postage expense	10.00	0.59	9.41	
6245 · Office Equipment	38.29	882.48	-844.19	
6250 · Copier Lease	149.47	0.00	149.47	
Total 6200 · Office expenses	584.18	1,182.35	-598.17	
6300 · Operating supplies and expenses				
6310 · Miscellaneous supplies	0.00	237.40	-237.40	
6325 · Portable equipment	0.00	30.11	-30.11	
6330 · Shop supplies	318.56	53.83	264.73	
6335 · Small tools and appliances	59.94	37.62	22.32	
6340 · Chemicals				
6344 · Chlorine	0.00	904.42	-904.42	
Total 6340 · Chemicals	0.00	904.42	-904.42	
Total 6300 · Operating supplies and expenses	378.50	1,263.38	-884.88	
6350 · Safety expenses				
6360 · Protective Clothing/Uniforms	334.99	27.96	307.03	
6375 · Other safety expenses	776.87	0.00	776.87	Safety Dinner
Total 6350 · Safety expenses	1,111.86	27.96	1,083.90	
6410 · Contractual services				
6420 · Cleaning service	200.00	200.00	0.00	
6425 · Office equip maintenance	317.04	180.34	136.70	
6430 · Internet access	128.16	126.01	2.15	
6435 · Landscaping services	276.96	274.94	2.02	
6437 · Pest Control	50.00	0.00	50.00	
6445 · Security expense	112.50	112.50	0.00	
6450 · Software support	781.25	156.25	625.00	
6451 · Document Management	1,350.00	0.00	1,350.00	Off-Site Backup - 6 mos
6453 · Software Subscriptions	14.99	0.00	14.99	
6455 · Street sweeping services	1,286.00	1,286.00	0.00	
6470 · Other contractual services	0.00	20.00	-20.00	
Total 6410 · Contractual services	4,516.90	2,356.04	2,160.86	
6475 · Professional services				
6476 · Financial Management Fees	0.00	0.00	0.00	
6485 · Engineering services	1,153.75	364.00	789.75	
6490 · Legal services	1,606.44	200.97	1,405.47	
6495 · Human Resources services	155.00	155.00	0.00	
Total 6475 · Professional services	2,915.19	719.97	2,195.22	
6505 · Equipment lease and rentals	560.75	560.75	0.00	
6525 · Research and monitoring				
6530 · Lab & Testing Expenses	192.34	0.00	192.34	
6535 · Monitoring expense	728.39	1,360.00	-631.61	
Total 6525 · Research and monitoring	920.73	1,360.00	-439.27	
6600 · Travel and meetings				
6610 · Meals	78.21	163.85	-85.64	
6620 · Staff training	1,390.52	1,027.55	362.97	
Total 6600 · Travel and meetings	1,468.73	1,191.40	277.33	
6650 · Utilities				

Mission Hills Community Services District Profit & Loss Prev Year Comparison

February 2019

	Feb 19	Feb 18	\$ Change	Notes
6655 • Cell phones	171.59	171.40	0.19	
6665 • Electrical	6,866.39	6,386.45	479.94	
6670 • Natural gas	1,330.38	0.00	1,330.38	
6685 • Telephone	293.64	309.20	-15.56	
6691 • Trash & Recycling	214.87	46.86	168.01	
Total 6650 • Utilities	8,876.87	6,913.91	1,962.96	
6700 • Government fees and charges	938.04	740.00	198.04	
6720 • Repairs and maintenance				
6730 • Distribution expense	1,094.57	10,920.86	-9,826.29	
6740 • Hydrants	145.77	23.16	122.61	
6745 • Lift station expenses	684.94	0.00	684.94	
6750 • Collection expense	57.20	13.38	43.82	
6770 • Telemetry	942.00	0.00	942.00	
6775 • Filtration Plant	252.00	920.35	-668.35	
6785 • Wells and pumping	0.00	494.00	-494.00	
6790 • Waste water plant	1,047.26	498.16	549.10	
6795 • Other repairs and maintenance	11.79	63.71	-51.92	
Total 6720 • Repairs and maintenance	4,235.53	12,933.62	-8,698.09	
Total Expense	120,341.89	112,529.98	7,811.91	
Net Ordinary Income	37,854.43	41,954.51	-4,100.08	
Other Income/Expense				
Other Income				
7006 • Market Appreciation/(Depr)	-3,530.55	-10,159.95	6,629.40	
7010 • Interest income	2,758.56	2,695.53	63.03	
Total Other Income	-771.99	-7,464.42	6,692.43	
Net Other Income	-771.99	-7,464.42	6,692.43	
Net Income	37,082.44	34,490.09	2,592.35	

Mission Hills Community Services District Disbursements Journal

February 2019

Date	Num	Name	Amount	Notes
1060 - CHCU - General 4163				
02/01/2019		Tierzero	-90.00	
02/06/2019	30173	ACWA/JPIA *Medical Insurance	-10,698.11	
02/06/2019	30174	Branson's Embroidery	-121.84	
02/06/2019	30175	Comcast Cablevision	-128.16	
02/06/2019	30176	County of Santa Barbara- Gen Svcs	-878.73	
02/06/2019	30177	Energy Link	-1,847.24	Well 6 - 1qtr emissions & PM Service
02/06/2019	30178	SUPPLIES REIMBURSEMENT	-212.88	
02/06/2019	30179	Gas Company	-115.21	
02/06/2019	30180	Government Finance Officers Assoc	-278.00	
02/06/2019	30181	Hach Company	-69.69	
02/06/2019	30182	Home Depot	-476.12	
02/06/2019	30183	Oilfield Environmental & Compliance, Inc.	-640.00	
02/06/2019	30184	PG&E	-2,736.75	
02/06/2019	30185	Pua's	-284.00	
02/06/2019	30186	Santa Ynez River Water Conserv Dist	-43,000.00	FYE2019 SGMA Deposit
02/06/2019	30187	Standard Insurance Company	-219.54	
02/06/2019	30188	Ultrex Inc	-99.76	
02/06/2019	30189	Underground Service Alert of SC	-11.55	
02/06/2019	30190	USA BlueBook	-294.40	
02/06/2019	30191	USPS - Bulk Mail	-225.00	
02/06/2019	30192	Waste Management	-214.87	
02/14/2019	30193	American Industrial Supply	-355.46	
02/14/2019	30194	Blea Enterprises	-600.00	
02/14/2019	30195	Cannon	-923.00	
02/14/2019	30196	Carmel & Naccasha LLP	-995.09	
02/14/2019	30197	SUPPLIES REIMBURSEMENT	-519.32	
02/14/2019	30198	Frontier Communications	-79.58	
02/14/2019	30199	Hach Company	-192.34	
02/14/2019	30200	JB Dewar Inc	-65.84	
02/14/2019	30201	JWC Environmental	-210.94	
02/14/2019	30202	Lompoc Phone And Computer LLC	-125.00	
02/14/2019	30203	NBS	-1,762.50	
02/14/2019	30204	O'Conner Pest Control	-50.00	
02/14/2019	30205	Santa Barbara Co Clerk, Recorder Assessor	-955.57	
02/14/2019	30206	Smith Alarms & Electronics, Inc.	-112.50	
02/14/2019	30207	Staples	-94.76	
02/14/2019	30208	TD Ameritrade Trust Company	-4,099.65	
02/14/2019	30209	Verizon	-171.58	
02/20/2019	30210	Carr's Boots	-215.99	
02/20/2019	30211	Hach Company	-504.00	
02/20/2019	30212	Industrial Medical Group	-155.00	
02/20/2019	30213	Juana Rodriguez	-200.00	
02/20/2019	30214	Lompoc Phone And Computer LLC	-2,193.75	Off-Site Backup Storage - 6 months
02/20/2019	30215	M F Strange & Associates Inc	-1,341.25	APCD Annual Report - Doc/Data consult
02/20/2019	30216	Oilfield Environmental & Compliance, Inc.	-134.39	
02/20/2019	30217	PG&E	-3,969.16	
02/20/2019	30218	Santa Maria Famcon Pipe Supply	-494.57	
02/20/2019	30219	USPS - Bulk Mail	-10.00	
02/22/2019		TASC	-84.99	
02/27/2019	30220	American Industrial Supply	-145.77	

2:09 PM
03/13/19
Accrual Basis

Mission Hills Community Services District Disbursements Journal

February 2019

Date	Num	Name	Amount	Notes
02/27/2019	30221	STAFF TRAINING	-641.87	
02/27/2019	30222	East Mesa Oaks HOA	-57.20	
02/27/2019	30223	FIA/Bank of America	-1,165.09	
02/27/2019	30224	Frontier Communications	-124.06	
02/27/2019	30225	Jon's Lawn Mowing	-276.96	
02/27/2019	30226	Oilfield Environmental & Compliance, Inc.	-594.00	
02/27/2019	30227	Pitney Bowes	-180.34	
02/27/2019	30228	SP Maintenance Services, Inc.	-1,286.00	
02/27/2019	30229	Standard Insurance Company	-239.54	
02/27/2019	30230	State Water Resources Control Board *Op C	-190.00	
02/27/2019	30231	TD Ameritrade Trust Company	-3,968.92	
02/27/2019	30232	MEDICAL REIMBURSEMENT	-215.00	
Total 1060 - CHCU - General 4163			-92,342.83	
1070 - CHCU - Payroll 4155				
02/01/2019		AFLAC	-210.22	
02/06/2019		PAYROLL	-14,284.50	
02/08/2019	E-pay	IRS USATAXPYMT	-3,441.70	
02/08/2019	E-pay	EDD	-855.59	
02/09/2019		TASC	-274.99	
02/20/2019		PAYROLL	-17,181.92	
02/22/2019	E-pay	EDD	-894.30	
02/22/2019	E-pay	IRS USATAXPYMT	-4,081.86	
02/22/2019		TASC	-274.99	
Total 1070 - CHCU - Payroll 4155			-41,500.07	
1075 - CHCU - ACH 4130				
02/28/2019		Applied Merchant Systems	-652.91	
Total 1075 - CHCU - ACH 4130			-652.91	
TOTAL			-134,495.81	

Variation From Projected Income

Fiscal Year Ending 6-30-2019

Billing Month	Water			Wastewater			Total (Loss) / Gain	Current Year Units Sold	Last Year Units Sold	5 Year Average Units Sold
	Projected Income*	Actual Income	Variation	Projected Income	Actual Income	Variation				
Jul-18	\$ 104,519	\$ 100,889	\$ (3,629)	\$ 68,151	\$ 69,952	\$ 1,801	\$ (1,828)	20,602	22,680	22,472
Aug-18	\$ 105,771	\$ 110,443	\$ 4,671	\$ 68,151	\$ 69,456	\$ 1,305	\$ 5,976	25,069	20,431	23,038
Sep-18	\$ 105,828	\$ 106,862	\$ 1,034	\$ 68,151	\$ 69,748	\$ 1,597	\$ 2,631	23,294	24,793	23,063
Oct-18	\$ 102,748	\$ 96,080	\$ (6,668)	\$ 68,151	\$ 69,622	\$ 1,471	\$ (5,197)	18,745	20,161	21,673
Nov-18	\$ 100,491	\$ 101,528	\$ 1,038	\$ 68,151	\$ 70,194	\$ 2,043	\$ 3,081	20,683	22,155	20,654
Dec-18	\$ 88,411	\$ 90,523	\$ 2,112	\$ 68,151	\$ 69,336	\$ 1,185	\$ 3,297	16,302	17,504	15,201
Jan-19	\$ 83,301	\$ 71,378	\$ (11,923)	\$ 68,151	\$ 69,788	\$ 1,637	\$ (10,286)	7,808	15,488	12,895
Feb-19	\$ 83,143	\$ 84,499	\$ 1,356	\$ 68,151	\$ 69,900	\$ 1,749	\$ 3,104	13,549	15,229	12,824
Mar-19	\$ 78,443			\$ 68,151			\$ -		15,094	10,702
Apr-19	\$ 83,294			\$ 68,151			\$ -		10,638	12,892
May-19	\$ 90,505			\$ 68,151			\$ -		15,512	16,147
Jun-19	\$ 101,402			\$ 68,151			\$ -		22,451	21,066
Total	\$ 1,127,855	\$ 762,202	\$ (12,009)	\$ 817,812	\$ 557,994	\$ 12,786	\$ 777	146,052	222,136	212,626

YTD avg 100% 68% 68% 100% 68%

Year to Date Monthly Averages 18,257 19,805 18,977 18,511 17,719

Yearly Average

FY 2018/19 Budget estimates 213,264 annual billable pumping units. Billing is for prior month's water usage.
 * Projected Income is calculated by using current year and previous 5 year average monthly units sold.

Units Sold by Calendar Year (1 Unit = 1 HCF = 748 Gallons)

FYE 2014	FYE 2015	FYE 2016	FYE 2017	FYE 2018	FYE 2019
251,101	211,115	189,815	191,706	222,136	--

Bank Account Summary

Year to date
\$54,101

	12/31/2018	1/31/2019	2/28/2019
LAIF	\$101,233	\$101,845	\$101,845
TD AMERITRADE/RNC GENTER	\$2,279,066	\$2,281,775	\$2,280,767
Coast Hills FCU			
Checking	\$273,301	\$161,015	\$144,140
Investment Checking	\$254,238	\$254,378	\$254,505
Savings	\$201	\$201	\$201
Payroll	\$133,510	\$93,187	\$91,733
ACH (Sweep Account)	\$9,413	\$5,104	\$8,762
Total Coast Hill FCU	\$670,665	\$513,886	\$499,342
Balance	\$3,050,964	\$2,897,505	\$2,881,954
Monthly Change	\$33,748	-\$153,459	-\$15,551

Mission Hills Community Services District
Budget to Actual Comparison
JUL 18 - FEB 19

Income	Budgeted	Prorated Budget		Actual	Difference	Remainder	% of Budget
	Fiscal Year 18-19	JUL 18 - FEB 19	JUL 18 - FEB 19	Budgeted Amount			
Late Fees/Charges	\$ 33,600	\$ 22,400	\$ 22,838	\$ 438	\$ 10,762	68%	
Water Service	\$ 1,127,855	\$ 751,903	\$ 762,532	\$ 10,629	\$ 365,323	68%	
Sewer Service	\$ 817,812	\$ 545,208	\$ 558,300	\$ 13,092	\$ 259,512	68%	
Street Sweeping	\$ 18,058	\$ 12,039	\$ 12,049	\$ 10	\$ 6,009	67%	
	\$ 1,997,325	\$ 1,331,550	\$ 1,355,719	\$ 24,169	\$ 641,606	68%	

Expense	Budgeted Fiscal Year 18-19	Prorated Budget		Actual	Difference	Remainder
		JUL 18 - FEB 19	FEB 19	JUL 18 - FEB 19		Budgeted Amount
Salaries & Wages	\$ 615,872	\$ 410,581	\$	388,193	\$ 22,388	\$ 227,679
Employee Benefits & Payroll taxes	\$ 241,385	\$ 160,923	\$	142,292	\$ 18,631	\$ 99,093
Director Fees	\$ 15,000	\$ 10,000	\$	10,625	\$ (625)	\$ 4,375
Depreciation	\$ 350,500	\$ 233,667	\$	221,399	\$ 12,268	\$ 129,101
Vehicle Expense	\$ 26,500	\$ 17,667	\$	14,889	\$ 2,778	\$ 11,611
Insurance	\$ 45,700	\$ 30,467	\$	16,427	\$ 14,040	\$ 29,273
Memberships	\$ 10,870	\$ 7,247	\$	9,997	\$ (2,750)	\$ 873
Office Expenses	\$ 17,385	\$ 11,590	\$	15,208	\$ (3,618)	\$ 2,177
Operating Supplies	\$ 11,100	\$ 7,400	\$	7,025	\$ 375	\$ 4,075
Chemicals	\$ 60,600	\$ 40,400	\$	24,988	\$ 15,412	\$ 35,612
Safety	\$ 7,050	\$ 4,700	\$	3,913	\$ 787	\$ 3,137
Contractual Services	\$ 40,972	\$ 27,315	\$	30,304	\$ (2,989)	\$ 10,668
Professional Services	\$ 56,700	\$ 37,800	\$	76,372	\$ (38,572)	\$ (19,672)
Printing & Publication	\$ 5,000	\$ 3,333	\$	358	\$ 2,975	\$ 4,642
Equipment Lease	\$ 6,729	\$ 4,486	\$	4,486	\$ -	\$ 2,243
Monitoring	\$ 20,500	\$ 13,667	\$	10,645	\$ 3,022	\$ 9,855
Travel/Meetings/Meals	\$ 26,500	\$ 17,667	\$	17,093	\$ 574	\$ 9,407
Utilities	\$ 139,450	\$ 92,967	\$	114,988	\$ (22,021)	\$ 24,462
Government Fees	\$ 67,610	\$ 45,073	\$	74,552	\$ (29,479)	\$ (6,942)
Repairs & Maintenance	\$ 188,000	\$ 125,333	\$	116,048	\$ 9,285	\$ 71,952
Misc. - Writeoffs	\$ 12,250	\$ 8,167	\$	7,985	\$ 182	\$ 4,265
	\$ 1,965,673	\$ 1,310,449	\$	1,307,787	\$ 2,662	\$ 657,886

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.

$$5\% = \$ 98,283.65$$

MOTION TO APPROVE

IN OF CONSENT



MISSION HILLS COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Loch A. Dreizler, General Manager

DATE: March 20, 2019

SUBJECT: Committee Meetings and Goals

Recommendation / Proposed Motion

- Recommendation to review committee meetings action items and future meetings

Policy Reference

- Top Five outstanding issues were included in a Board Memorandum from January 2018. To address these outstanding issues committee meetings are scheduled to offer a process to establish priorities and goals.
- Goals for Fiscal Year 2018/2019 were established at the August 2018 Board Meeting and included in this memorandum.

Budget Resources

- None

Alternatives Considered

- None

Background

At the March 2018 meeting, Staff proposed dates for future committee meetings to establish more efficiency in committee preparation while balancing operations and maintenance of facilities.

Discussion

This memorandum includes a summary of committee meetings to allow Board members that are not directly involved with individual committees to get brief updates. An additional goal, if appropriate, is to bring separate Board Memorandums with associated action items with committee recommendations to the full Board.

2018 Committee Assignments

Standing Committees	Committee Members	Alternate
Operations		
1) Water (Reservoir, Wells, Treatment, Distribution)	Dietrich & Nix	Heavin
2) Wastewater (WDR, Aerators)	Fasold & Nix	Naughton
3) Energy (Generators and Solar)	Heavin & Fasold	Nix
Personnel	Nix & Naughton	Fasold
Finance	Naughton & Heavin	Dietrich
Ad-Hoc Committees	Committee Members	Alternate
4) Development Agreements	Fasold, Dietrich	Naughton
Representatives	Committee Members	
5) VAFB IR Programs	Dietrich	
6) ACWA/JPIA	Undesignated	
7) Santa Ynez Water Conserve. Dist. -Sustainable Groundwater Mgmt. Act	Nix, Dreizler	

February Standing Committee and Ad-Hoc Committee Meeting Summary

Personnel Committee (Nix and Naughton)

- February 15 – discussed employee wage page additions and changes to job descriptions, to be further discussed April 3rd @ 8:00 AM prior to coming back to the Board in April or May.

Finance Committee (Heavin and Naughton)

- February 22 – discussed personnel compensation relative to budget preparation, purchasing guidelines, 5-year outlook.
- March 8 - discussed Capital Projects. Budget workshop scheduled for March 27

Development Agreements (Fasold and Dietrich)

- February 27 – continued negotiations with Burton Ranch Developers with additional discussions through March and another meeting scheduled for beginning of April.

Attachment(s):

- Goals for FY 18/19 - Original Document
- Additional Information will be distributed at Board meeting about goals



Goals - FY 18-19

Wastewater

Wastewater Regulatory

- Successfully negotiate new WDR with limits that are achievable
 - A letter requesting that we maintain our current Nitrogen Levels at 10/15 mg/L and a quarterly average for Chloride Levels at 300 mg/L for 5 years was sent on June 19, 2018. We expect to begin implementing our new WDR by June 30, 2019. We don't foresee exceeding levels for Total Dissolved Solids, Sodium, Biochemical Oxygen Demand or Total Suspended Solids with the new WDRs.

Wastewater Operations and Maintenance

- Establish a pond optimization control plan which reduces Nitrogen levels from 2017 average annual levels of 14/14 to average annual levels of 10/15 by June 30, 2019.

Wastewater Miscellaneous

- Establish alternate cost to treat Burton Ranch effluent via City of Lompoc by September 28, 2018. Ask in person on at meeting and via email, VVCS paid
- Complete NITROX study and obtain capital cost and annual operating cost estimates by October 30, 2018

Water

- Develop and execute a water system pressure / surge protection plan to reduce water main breaks, by October 31, 2018 and implement plan by June 30, 2020.

Generator Emergencies

- Determine backup requirements and phased approach for critical equipment by July 2018;
- Establish a timeline to implement in Phases by July 2018;
- Implement Phase 1 as outlined with Board of Directors by June 30, 2019.

Personnel Development

- Establish performance goals and personal development plans for each district employee by September 2018;
- Establish specific operator license plan to provide backup support by October 2018;
- Perform effective annual performance reviews with all employees by June 30, 2019;

New developments

- Effectively support plan content and approval to support district needs for the following:
 - Summit View – Starting, BOC approved GM signing DA, Development Agreement via Ordinance
 - Burton Ranch – NBS Study, Development Agreement,
 - Supportive Housing – Tracking Progress

Basic goals

- **Safety** - establish proactive safety program
- **Budget** - meet or exceed all budget goals regarding revenue and expenses
- **GM Job Description** - All duties as described



MISSION HILLS COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Loch A. Dreizler, General Manager
Casey Fowler, Administrative Assistant

DATE: March 20, 2019

SUBJECT: Introduce Ordinance 19-83, Updating Fees to Connect to District Facilities

Recommendation / Proposed Motion

- Recommendation: Board of Director's review and introduce Ordinance No. 19-83, Setting Forth Fees to Connect to District Facilities
- Proposed Motion: No motion needed at this time.

Policy Reference

- California Government Code §66013 allows local agencies, including special districts, to impose fees (capacity charges) for water and wastewater.
- Per California Government Code §61045(g), (g) The board of directors shall adopt policies for the operation of the district, including, but not limited to, administrative policies, fiscal policies, personnel policies, and the purchasing policies.

Budget Resource

- Capacity Charges are a source of revenue for funding capital facilities.

Alternatives Considered

None

Background

These Connection Fees were updated by NBS and approved by the Board of Directors at the February 20, 2019 Regular Meeting.

Current Capacity Charges for Water and Sewer Facilities are established in Ordinance No 16-81, Article II - *Schedule of Fees to Connect to District Facilities*, Section 1. *Connection Fee Charges* and will be repealed by Ordinance 19-83 after the following time schedule:

- Introduce Ordinance – March 20, 2019

- Posting of the Public Hearing – April 3, 2019
- Summary of posted meeting in newspaper – April 12, 2019
- Second reading, Public Comment, Approve Ordinance – April 17, 2019
- Summary posted in newspaper – May 2, 2019
- Updated Connect fees take effect – June 17, 2019

Discussion

With Board introduction, staff can begin the ordinance process of posting requirements and scheduling the second reading and public hearing for April's regular meeting. By California Government Code §66017, the new capacity charges would go into effect June 17, 2019 - 60 days following adoption of the new ordinance.

Attachments

Ordinance No. 19-83

ORDINANCE NO. 19-83

**AN ORDINANCE OF THE BOARD OF DIRECTORS
OF THE MISSION HILLS COMMUNITY SERVICES
DISTRICT SETTING FORTH FEES TO CONNECT
TO DISTRICT FACILITIES**

(Rescinds and replaces Section 1 of Ordinance no. 16-81 to update connection charge)

WHEREAS, the Mission Hills Community Services District (the "District") is a community services district duly formed under California Government Code §61000 et. seq. to provide community services within the District's service area, including water, sewer, and street sweeping services; and

WHEREAS, under California Government Code §61123, the District may charge fees to cover the costs of any service that the District provides; and

WHEREAS, the District's Board of Directors are authorized by the provisions of California Government Code §61060(a) to adopt ordinances; and

WHEREAS, the California Government Code §66013 authorizes public agencies to impose capacity charges on connecting customers, to ensure that they pay their fair share of the current Water and/or Wastewater utility assets, plus the cost of new facilities needed to serve them; and

WHEREAS, under a contract with the District, NBS prepared a Water and Wastewater Connection Charge Study dated February 2019 ("Water and Sewer Capacity Charge Study") recommending certain changes to the District's water and sewer connection rates; and

WHEREAS, the revenues from the proposed water and sewer connection charge fees will not exceed the funds required to provide the service, and the fees do not exceed the proportional cost of service attributable to each parcel served; and

WHEREAS, it is noted that this study defines the maximum amount that could be charged for new connections and that the District's Board of Directors retain the option to set lower charge should they desire, and

WHEREAS, on February 20, 2019, the District's Board of Directors reviewed and accepted the Capacity Charge Study.

NOW, THEREFORE, be it ordained by the Board of Directors of the Mission Hills Community Services District, Santa Barbara County, California as follows:

ARTICLE I - GENERAL PROVISIONS

Section 1. Recitals.

The Recitals are true and correct and incorporated herein by this reference. The Recitals and referenced reports and studies contained therein constitute and/or support the findings of the District in support of this Ordinance.

Section 2. Definitions.

All definitions of terms used herein are the same as contained in Ordinance 16-81 and are applicable.

Section 4. Repealer.

Section 1 of Ordinance No. 16-81 is hereby repealed, effective 11:59 pm, May 17, 2019. Thenceforth, all water and sewer connection fees previously becoming due and payable shall be collected under provisions of this Ordinance and as otherwise authorized by law,

Section 5. Right to Determine the Applicability of Rates.

The District reserves the right to determine the applicability of any and charges and fees and to consider applications for adjustment to the timing or terms and conditions for payment charges and fees set by the District.

Section 6. Non-Routine Services.

All non-routine services provided by the District whose charges are not covered by ordinance shall be charged at the hourly rate of the person performing the service plus the current overhead rate as determined by the General Manager.

Section 7. Quality.

Whenever furnished for human consumption or domestic uses, the District will endeavor to meet the requirements of the State Health Department and provide water that is wholesome, potable, in no way harmful or dangerous to health, and insofar as practicable, free from objectionable odors, taste, color, and turbidity. However, the District cannot be responsible for the meeting of these objectives nor can it guarantee the quality of water to its customers.

Section 8. Conditions of Service.

As a condition of water and sewer services, it shall be the responsibility of the applicant for said service to connect to the District water meter and/or sewer line by the approved District Standards. Each lot or parcel of land, as shown on the current parcel map in the Office of the Assessor of the county of Santa Barbara, shall be served through and have a separate water meter and/or sewer lateral. No water or sewer piping shall cross lot or parcel boundary lines to serve any other lot or parcel without the approval of the District Manager and the explicit agreement of the District Board of Directors.

ARTICLE II – SCHEDULE OF FEES TO CONNECT TO DISTRICT FACILITIES

Section 1. Connection Fee Charges.

Connection Fees to connect previously unconnected premises or lots of parcels of land to the District's Water and/or Sewer Systems are hereby established. Said Connection Fees are not transferable and are due and payable 1) at the time application is made for service to the subdivision, and 2) before physical connection for properties, per the following aggregate rate schedule or as amended by Board approved Development Agreement.

Water Facilities.

Connection, direct or indirect, of any parcel, lot or premise to the District Water System.

Meter Size (Inches)	Flow Rate (Gpm) Max	Ratio	Water Connection Fee
1	50	1.00	\$8,667
1 ½	100	2.00	\$17,334
2	160	3.20	\$27,735
3	320	6.40	\$55,570
4	500	10.00	\$86,671
6	1,000	20.00	\$173,343
8	2,800	56.00	\$485,360

Sewer Facilities.

Connection, direct or indirect, of any parcel, lot or premise to the District Sewer System except hotels, motels, or school/meeting facilities; **\$7,551 per Equivalent Dwelling Unit (EDU)** (One EDU is a Single-Family Residential unit)

All Other Facilities Fees to be determined individually based upon current standards, as allowed by Article I, Section 5.

Section 2. Metered Service Installation.

All service connections to the Water System of the Mission Hills Community Service District and the installation of water meters with respect thereto shall be made only by the Mission Hills Community Services District, its authorized agents or employees.

ARTICLE VI- MISCELLANEOUS

Section 1.

All ordinances, resolutions, or administrative actions by the Board, or parts thereof, which are inconsistent with any provision of this Ordinance are hereby superseded only to the extent of such inconsistency.

Section 2.

If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The Board of Directors hereby declares that it would have passed this Ordinance and every section, subsection, sentence, clause, or phrase not declared invalid or unconstitutional without regard to whether any portion of the Ordinance would be subsequently declared invalid or unconstitutional.

Section 3.

This Ordinance shall take effect and be in full force and effect sixty (60) days after the date of its adoption. The rates and charges adopted by this Ordinance shall take effect June 17, 2019

Section 4.

Within fifteen (15) days following adoption, this Ordinance shall be published at least once, together with the names of the Directors voting thereon, in a newspaper of general circulation within the District. Additionally, this Ordinance shall be posted for one week in three (3) public places in the District.

Introduced and approved at a meeting of the Board of Directors on March 20, 2019, and passed and adopted by the Board of Directors of the Mission Hills Community Services District on April 17, 2019, by the following roll call vote:

AYES: **Directors:**
NOES:
ABSENT:
ABSTAIN:

Walter Fasold, President
Board of Directors

ATTEST:

Casey Fowler, Secretary



MISSION HILLS COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Loch A. Dreizler, General Manager

DATE: March 20, 2019

SUBJECT: Ballot for One Local Agency Formation Commission (LAFCO) Regular and One Alternate Special District Member

Recommendation / Proposed Motion

- Recommendation: The Board of Directors review the candidates for the LAFCO Regular and Alternate Special District Member positions and give a recommendation to the Board President which of the candidates to vote for on each of two ballots.
- Proposed Motion: None

Policy Reference

None

Budget Resource

None

Alternatives Considered

Do not participate in the LAFCO election process.

Background

The Santa Barbara LAFCO is committed to serving the residents of Santa Barbara County and the State of California by discouraging urban sprawl and encouraging the orderly formation and development of local agencies based on local conditions and circumstances.

Discussion

As a result of the November 6, 2018 General Election, there are two Special District vacancies on the Commission. Based on past experience, the LAFCO Executive Officer has determined that a meeting of the Special District Selection Committee is not feasible and will conduct the business of the committee by mail. Two ballots were received at the District office on March 14, 2019.

Attachment:

- Santa Barbara LAFCO Ballots
- Candidate Statements in office and available upon request

INDEPENDENT SPECIAL DISTRICTS SELECTION COMMITTEE
Submit No Later than 5:00 pm, May 10, 2019

OFFICIAL BALLOT

Election of Alternate Special District Member on Santa Barbara LAFCO

Vote for one of the following **Alternate Special District Member** nominees:

<input type="checkbox"/>	Cindy Allen – Santa Ynez River Water Conservation District
<input type="checkbox"/>	David Beard – Santa Ynez Community Services District
<input type="checkbox"/>	Spencer Brandt – Isla Vista Community Services District

Name of Independent Special District

Signature of Voting Delegate

Print Name of Voting Delegate

INDEPENDENT SPECIAL DISTRICTS SELECTION COMMITTEE
Submit No Later than 5:00 pm, May 10, 2019

OFFICIAL BALLOT

Election of Regular Special District Member on Santa Barbara LAFCO

Vote for one of the following **Regular Special District Member** nominees:

<input type="checkbox"/>	Cindy Allen – Santa Ynez River Water Conservation District
<input type="checkbox"/>	Jay Freeman – Isla Vista Community Services District
<input type="checkbox"/>	Myron Heavin -Mission Hills Community Services District
<input type="checkbox"/>	Judith Ishkanian – Montecito Fire District
<input type="checkbox"/>	Karen Jones - Santa Ynez Community Services District
<input type="checkbox"/>	Deborah Murphy – Carpinteria Sanitary District
<input type="checkbox"/>	David Novis – Summerland Sanitary District

Name of Independent Special District

Signature of Voting Delegate

Print Name of Voting Delegate



MISSION HILLS COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors
FROM: Loch A Dreizler, General Manager
Casey Fowler, Administrative Assistant
DATE: March 20, 2019
SUBJECT: Development Agreement – Final Draft

Recommendation / Proposed Motion

- Recommendation: Find that the Summit View Homes Project will follow the California Environmental Quality Act (CEQA) as evidenced by certification of the Final Environmental Impact Report (EIR) by the City of Lompoc Community Development Department in April 2013.
- Proposed Motion: Approve the Development Agreement between Mission Hills CSD and MC SUMMIT 44, LLC.,

Policy Reference

- The Board approves development agreements and issues can and will serve letters.

Budget Resource

Connection Fees (Capacity Charges) from this development are expected to contribute \$516,000 to the water and wastewater funds.

Alternatives Considered

Various alternatives were considered before arriving at the terms in the attached Development Agreement.

Background

On November 14, 2019, The Board of Directors approved the following motions with 5-0 votes:

1. Development costs included in the attached Development Agreement.
2. Authorizing the General Manager to approve the Development Agreement for McCarthy Companies / Summit View Homes after the Development Agreement

has been approved by Mission Hills CSD legal counsel to include an 18-month expiration date on established rates.

3. Approved modifications to the Water Conservation Retrofit/Rebate Program

Discussion

The district issued an intent to serve letter on April 26, 2018

A Can and Will Serve Letter was issued in December 2015 and included language indicating the Letter would expire one year from the issue date. The Summit View Development Committee met with the developer in Lompoc's City Hall on March 1, 2018, and the developer requested the issuance of a new Can and Will Serve Letter.

On July 19, 2016, the Lompoc City Council followed the Planning Commission's recommendation and approved the proposal for the 44-home residential subdivision known as Summit View Homes, located at Purisima Road and Harris Grade Road.

Summit View Homes initially applied for annexation into the City of Lompoc in March 2007 and is included in the city's 2030 General Plan, the primary planning document for city development, as an expansion area.

Attachment(s):

1. DRAFT Development Agreement
2. FINAL Development Agreement distributed at the board meeting.



MISSION HILLS COMMUNITY SERVICES DISTRICT
WATER AND WASTEWATER FACILITY DEVELOPMENT AGREEMENT

between
Mission Hills Community Services District
and
MC Summit 44, LLC, Developer of the
Summit View Homes Residential Project

Through this Development Agreement ("Agreement"), Mission Hills Community Services District ("MHCS D") agrees to provide water and wastewater utility services to the Summit View Homes Residential Project (the "Project") proposed by MC Summit 44, LLC, and its successors and assigns ("Developer") as permitted by the County of Santa Barbara within the MHCS D boundaries and service area. Said water and wastewater utility services are to be provided as conditioned and agreed by the parties as set forth below, and subject to the MHCS D rules and regulations and Developer's payment of MHCS D's water and wastewater connection fees as set forth below.

RECITALS

- 1. Name(s) of developer and/or project sponsor(s), and owner(s) of subject property:** MC Summit 44, LLC (Pat McCarthy, President).
- 2. Assessor's parcel number(s) of subject property:** Santa Barbara County APN: 097-250-034 (the "Property").
- 3. Type and purpose of Project:** A residential development.
- 4. Narrative and/or graphic description of the Project:** A residential development consisting of 44 single-family homes, a retention basin, and an open space lot more particularly described in the Project permitting actions of the City of Lompoc City Council hearing of July 19, 2016 for the Summit View Estates Vesting Tentative Tract Map, LOM 594.

NOW THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

I. TECHNICAL CONDITIONS

A. Water System Design and Construction: Developer's proposed water distribution system layout has been approved by MHCS D based upon its review of Preliminary Tentative Tract Map ("TM") 14,629. Developer shall submit Project plans to MHCS D that have been prepared by a California Registered Professional Engineer and approved by the City of Lompoc for the final

water system layout, including mains and laterals, and construction details, which shall comply with American Water Works Association (AWWA) potable water system standards and MHCSO Standards, whichever is more stringent.

B. Pressure Study and Water Distribution System Modification: The MHCSO standard is to maintain normal water operating pressures between 40 pounds per square inch (psi) and 120 psi.

C. Water Conservation: Developer agrees to participate in the MHCSO In-Lieu of Water Conservation fee in the amounts set forth in Exhibit A to ensure that the Project will minimize the impact on groundwater.

II. GENERAL CONDITIONS

A. STANDARDS FOR WATER AND/OR WASTEWATER SYSTEMS: Plans have been, or will be, designed and prepared, at no cost to the MHCSO, for the Project's on-site and off-site water and wastewater systems as set forth in the final approved plans prepared by Stantec Engineering Services (the "Facilities"). Developer, at its sole cost and expense, agrees to accomplish the following:

- i. Construct the Facilities in conformance with the approved plans, therefore; and
- ii. Obtain an encroachment permit from the Department of Public Works of the County of Santa Barbara and comply with all requirements thereof, including trench restoration and street resurfacing requirements for any portion of the Project situated within existing or proposed future public rights of way.

B. ACCEPTANCE OF PLANS AND SPECIFICATIONS: The completed Facilities plans as described above must be prepared in conformance with MHCSO Improvement Standards and requirements and must be approved and accepted by MHCSO's General Manager, which approval shall not be unreasonably withheld.

C. DRAWINGS: Developer shall provide MHCSO with one set of 24"x 36" reproducible "as built" digital drawings files in pdf, and one copy of the completed Project plans.

D. REVISION OF PLANS: Any changes in the accepted Facilities plans shall require written approval of Developer and MHCSO's General Manager.

E. RIGHTS OF WAY: Developer will provide to MHCSO, at no cost to MHCSO and in a form acceptable to MHCSO's General Manager and Legal Counsel, appropriate easements and rights of way for the operation, maintenance, repair, and replacement of all the Facilities not within existing public rights of way, public utility easements, and/or water and/or wastewater system easements.

F. CONSTRUCTION: Developer shall, at no cost to MHCSO, construct the Facilities pursuant to the accepted plans or any approved modifications thereof. Developer shall provide in any contract for construction of the Facilities that any contractor's materials supplier's guarantees thereunder, including a one (1) year warranty on the completed improvements, shall inure to the benefit of MHCSO after the works constructed thereunder have passed final inspection and have

been conveyed to MHCS D as provided below. Developer shall also provide in any contract for construction of the Facilities that the contractor's public liability and property damage insurance shall be extended to cover Developer and MHCS D and their agents, officers, and employees as additional insureds, with liability and bodily injury limits of not less than MHCS D's standard contractor insurance requirements.

G. COMPLIANCE WITH APPLICABLE LAWS: Developer shall comply with all applicable local, county, state, and federal laws in connection with the construction of the Facilities and this Agreement.

H. INSPECTION OF CONSTRUCTION: MHCS D's General Manager, or his/her agent(s), shall inspect the construction of the Facilities to assure that they are installed in accordance with the accepted plans. Said inspection shall be funded by an inspection fee paid by Developer as set forth in Exhibit A. Construction of the Facilities shall not commence until said inspection fee is paid. MHCS D's General Manager shall notify Developer of any deviation or failure to construct the Facilities pursuant to the accepted plans as soon as such deviation or failure is brought to his/her attention, and Developer shall promptly correct such deviation or failure.

I. CONVEYANCE: Within ninety (90) days after completion of construction of the Facilities in accordance with the accepted plans therefore and MHCS D's Improvement Standards:

- i. Developer shall convey title of the completed Facilities to MHCS D at no cost to MHCS D, free and clear of all liens and encumbrances, by appropriate conveying documents, acceptable in form and content to MHCS D's General Manager and Legal Counsel.
- ii. Developer shall provide MHCS D with one set of 24"x 36" reproducible "as built" drawings on matte mylar (5 mil minimum), electronic drawing files, and four copies of the completed Project plans.
- iii. Developer shall provide easements as specified above and the following special conditions:
 1. MHCS D agrees to quitclaim existing easements held in MHCS D's name encumbering the Property in the form attached hereto as Exhibit B. Developer agrees to convey to MHCS D and record utility easements, in the form attached hereto as Exhibit C, for the Facilities, over and across portions of the Property outside of the proposed streets. Said easements granted by the Developer shall be recorded prior to the conveyance of any portion of the Property to the Project's homeowner's association (the "Homeowner's Association"). Developer shall, at its own cost, provide to MHCS D a standard policy of title insurance (CLTA) for all the easements recorded by Developer. MHCS D shall record quitclaim deeds following recordation of Developer easements.
 2. Developer further agrees to grant to MHCS D all rights to underground waters lying beneath the Property and all of the remainder of TM 14,629 for the purpose of producing water and to do so by conveying and recording a Deed of Water Rights in the form attached hereto as Exhibit D. Said recording shall be accomplished prior to conveyance of streets/public rights-of-way/common areas to the Homeowner's

Association.

3. Upon satisfaction of all conditions imposed by MHCSO herein, MHCSO shall accept conveyance of title of the completed Facilities, or phases thereof, by resolution and include them as part of its system and shall thereafter operate and maintain said system.

J. **ACCOUNTING:** Developer shall furnish an accounting, satisfactory to MHCSO in its reasonable discretion, of the amounts expended for the construction and installation of the Facilities, with values applicable to the various components of the work, together with a list of any other materials and equipment being transferred, and their corresponding values.

Developer shall furnish to MHCSO a bond, irrevocable letter of credit, cash deposit, or other form of surety meeting MHCSO's approval, in an amount equal to 25% of the cost of the Facilities, as estimated by Developer's engineer and approved by MHCSO's General Manager, protecting MHCSO against any failure of the Facilities due to natural phenomenon or catastrophe, faulty materials, poor workmanship, or defective equipment. The term of the surety provided by Developer shall terminate one (1) year after acceptance of the Facilities by the MHCSO Board of Directors. Said surety shall name Developer as Principal and MHCSO as Obligor.

Developer agrees to reimburse MHCSO for all its staff and consulting costs for engineering, legal, and administrative services in connection with study and investigation of water and sewer service to the project, plan review, inspection of construction, testing of improvements, and other costs incurred by MHCSO in the performance of its duties under this agreement and otherwise in connection with providing water and sewer service to the project:

If necessary, and after spending the initial \$9,020 as indicated in Exhibit A, Developer shall advance an additional sum of \$5,000. Developer authorizes MHCSO to withdraw from the deposit to pay for services pursuant to this Agreement as they are incurred by MHCSO.

MHCSO will notify Developer whenever the balance on deposit is reduced below \$500. Within 15 days after such notification is mailed, Developer will make an additional deposit in \$5,000 increments up to an additional \$15,000.

Upon completion of construction and acceptance of the project by MHCSO, any funds so deposited by the Developer in excess of MHCSO's actual costs shall be refunded to the Developer.

K. **MHCSO SERVICES:** Water service will be provided by MHCSO based on its available water supply. Wastewater service will be provided by MHCSO based on its available collection and treatment capacity. MHCSO shall not provide any services to the Project until MHCSO accepts the Facilities, which acceptance shall not be unreasonably withheld. Developer shall not allow any person to use or commence operation of any part of the Facilities prior to MHCSO's acceptance without the express written consent of MHCSO. Except for the connection fees and related charges set forth in Exhibit A attached hereto, water and wastewater utility services shall be supplied in accordance with applicable MHCSO rates, ordinances, rules, and regulations as the same may be amended from time-to-time.

L. DEVELOPER'S RESPONSIBILITIES AFTER CONVEYANCE: After MHCS D's acceptance of the Facilities or phases thereof, Developer shall have no obligation for the operation, maintenance, repair or replacement thereof.

M. APPLICATION FOR WATER & SEWERAGE SERVICE: The Project's water and wastewater systems shall not be operated, other than for testing purposes, until the Facilities are conveyed to MHCS D and formally accepted by MHCS D as specified above and proper applications for service have been filed with MHCS D and accepted.

N. OBLIGATION FOR PIPELINE AND/OR FACILITIES: MHCS D shall be under no obligation to provide additional facilities to serve the Project. Upon acceptance of the Facilities by MHCS D, it shall become the sole property of MHCS D and shall be used and operated at MHCS D's sole discretion.

O. RATES AND CHARGES FOR SERVICE: Except for those connection fees and related charges specified in Exhibit A attached hereto and incorporated in full herein by this reference, all other services made available by MHCS D to users within the Project shall be at the established rates and charges as fixed by MHCS D's Board of Directors from time to time. MHCS D acknowledges and agrees that MHCS D intends to be bound by the connection fees and related charges set forth in Exhibit A for a period of eighteen months following the execution of this Agreement, and notwithstanding any subsequent MHCS D ordinance adopted during that eighteen-month period establishing different connection fees and related charges for MHCS D users, MHCS D shall impose on Developer only such agreed upon connection fees and related charges. Any MHCS D ordinance enacted prior to the expiration of that eighteen-month period subsequent to the execution of this Agreement which changes MHCS D connection fees and related charges shall include a provision explicitly excluding the Project from such fees and charges until the expiration of the eighteen months, and shall specifically reference this Agreement and its adopting ordinance. Developer shall have the option, prior to the expiration of the aforementioned eighteen-month period, to prepay for the connection fees at the rates set forth in Exhibit A, in which case any increased connection fee established by a subsequent MHCS D ordinance shall not apply.

P. Developer shall comply with state prevailing wage laws, Chapter 1 of Part 7 of Division 2 of the Labor Code, commencing with Section 1720 and Title 8, California Code of Regulations, Chapter 8, Subchapter 3, commencing with Section 16000, for any work performed under this Agreement. Developer shall defend, indemnify and hold District harmless from any liability, claims, penalties, damages, costs and expenses arising from the failure to comply with state prevailing wage laws.

III. RISK TRANSFER REQUIREMENTS

To allocate risks equitably between both parties and to place responsibility for risks on the entity controlling the risk, the parties agree as follows:

A. Hold Harmless: MHCS D is not, by inspection of the construction or installation of the Facilities, representing Developer or providing a substitute for inspection and control of such work by Developer. Any inspections and observations of the Facilities by MHCS D are for the sole purpose of providing notice of the stage and character of such work. Any failure of MHCS D to

note variances in the Facilities from the plans does not excuse or exempt Developer from complying with all terms of the plans. The fact that MHCSO inspects the construction of the Facilities and fails to notify Developer of deviations or failures to construct the Facilities pursuant to the accepted plans shall not be deemed to constitute a guarantee by MHCSO that the Facilities have been built in accordance with the accepted plans. During construction and prior to conveyance thereof to MHCSO and acceptance thereof by MHCSO, Developer shall hold harmless and indemnify MHCSO against all claims, demands, and charges by third parties arising out of alleged deviations or failures to construct the Facilities pursuant to the accepted plans. Developer's obligations under this section are comprehensive, except for MHCSO's proven sole or active negligence or willful misconduct.

B. Minimum Scope and Limit of Insurance: Developer shall procure and maintain for the duration of this Agreement insurance against any claims for injuries to persons or damages to property which may arise from, or in connection with, the performance of the work hereunder by Developer, its agents, representatives, employees, or subcontractors.

i. Coverage shall be at least as broad as:

- 1. Commercial General Liability (CGL):** Insurance Services Office (ISO) Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **\$2,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04), or the general aggregate limit shall be twice the required occurrence limit.
- 2. Automobile Liability:** Insurance Services Office Form CA 0001 covering Code 1 (any auto), with limits no less than **\$1,000,000** per accident for bodily injury and property damage.
- 3. Workers' Compensation** insurance as required by the State of California, with Statutory Limits, and Employers' Liability insurance with a limit of no less than **\$1,000,000** per accident for bodily injury or disease.
- 4. Builder's Risk** (Course of Construction) insurance utilizing an "All Risk" (Special Perils) coverage form, with limits equal to the completed value of the project and no coinsurance penalty provisions.
- 5. Surety Bonds** as described below.
- 6. Professional Liability** (if Design/Build), with limits no less than \$2,000,000 per occurrence or claim, and \$2,000,000 policy aggregate.

If Developer maintains broader coverage and/or higher limits than the minimums shown above, MHCSO requires and shall be entitled to the broader coverage and/or the higher limits maintained by Developer. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to MHCSO.

- ii. Self-Insured Retentions** Self-insured retentions must be declared to and approved by MHCSO. At the option of MHCSO, either: (i) Developer shall cause the insurer to reduce

or eliminate such self-insured retentions with respect to MHCSO, its officers, officials, employees, and volunteers; or (ii) Developer shall provide a financial guarantee satisfactory to MHCSO ensuring payment of losses and related investigations, claim administration, and defense expenses. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or MHCSO.

iii. **Other Insurance Provisions:** The insurance policies are to contain, or be endorsed to contain, the following provisions:

1. **MHCSO, its officers, officials, employees, and volunteers are to be covered as additional insureds** on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Developer including materials, parts, or equipment furnished in connection with such work or operations and automobiles owned, leased, hired, or borrowed by or on behalf of Developer. General liability coverage can be provided in the form of an endorsement to Developer's insurance (at least as broad as ISO Form CG 20 10, CG 11 85 or both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 forms if later revisions used).
2. For any claims related to this project, **Developer's insurance coverage shall be primary** insurance coverage at least as broad as ISO CG 20 01 04 13 with respect to MHCSO, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by MHCSO, its officers, officials, employees, or volunteers shall be in excess of Developer's insurance and shall not contribute with it.
3. Each insurance policy required by this clause shall provide that coverage shall not be canceled, except with thirty (30) days written notice to MHCSO.

C. Builder's Risk (Course of Construction) Insurance: Developer may submit evidence of Builder's Risk insurance in the form of Course of Construction coverage. Such coverage shall name MHCSO as a loss payee as their interest may appear. If the Project does not involve new or major reconstruction, at the option of MHCSO, an Installation Floater may be acceptable. For such projects, a Property Installation Floater shall be obtained that provides for the improvement, remodel, modification, alteration, conversion or adjustment to existing buildings, structures, processes, machinery, and equipment. The Property Installation Floater shall provide property damage coverage for any building, structure, machinery or equipment damaged, impaired, broken, or destroyed during the performance of the Work, including during transit, installation, and testing at MHCSO's site.

D. Acceptability of Insurers: Insurance is to be placed with insurers authorized to conduct business in the State of California with a current A.M. Best rating of no less than A: VII, unless otherwise acceptable to MHCSO.

E. Waiver of Subrogation: Developer hereby agrees to waive rights of subrogation which any insurer of Developer may acquire from Developer by virtue of the payment of any loss. Developer agrees to obtain any endorsement that may be necessary to affect this waiver of

subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of MHCS D for all work performed by Developer, its employees, agents, and subcontractors.

F. Verification of Coverage: Developer shall furnish MHCS D with original Certificates of Insurance, including all required amendatory endorsements (or copies of the applicable policy language affecting coverage required by this clause), and a copy of the Declarations and Endorsement Page of the CGL policy listing all policy endorsements before work begins. Failure to obtain the required insurance documents prior to beginning work on the Facilities shall not waive the Developer's obligation to provide them. MHCS D reserves the right to require complete, certified copies of all compulsory insurance policies, including endorsements, at any time.

G. Subcontractors: Developer shall require and verify that all subcontractors maintain insurance meeting all requirements stated herein, and Developer shall ensure that MHCS D is an additional insured on insurance required from subcontractors. For CGL coverage, subcontractors shall provide coverage with a form at least as broad as CG 20 38 04 13.

H. Surety Bonds: Developer shall provide the following Surety Bonds or other form of surety as approved in writing by MHCS D:

- i. Performance Bond
- ii. Payment Bond
- iii. Maintenance Bond

The Payment Bond and the Performance Bond shall be in a sum equal to the contract price of the Facilities. If the Performance Bond provides for a one-year warranty, a separate Maintenance Bond is not necessary. If the warranty period specified in the contract is for longer than one year, a Maintenance Bond equal to 10% of the contract price is required. Bonds shall be duly executed by a responsible corporate surety, authorized to issue such bonds in the State of California and secured through an authorized agent with an office in California.

I. Special Risks or Circumstances: MHCS D reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other circumstances. Such modifications shall not be effective without the prior written agreement of Developer, which shall not be unreasonably withheld.

IV. MISCELLANEOUS

A. NOTICES: Notices or requests from any party to this Agreement to the remaining parties thereof shall be in writing and delivered or mailed, postage prepaid, to the following addresses:

If to MHCS D:
General Manager
Mission Hills Community Services District
1550 Burton Mesa Boulevard
Lompoc, California 93436

If to Developer:

Project Manager
MC Summit 44, LLC
721 East Main Street
Ventura, CA 93001

B. SUCCESSORS AND ASSIGNS: This Agreement shall run with the land and shall be binding upon and inure to the benefit of the successors and assigns of all parties. A Memorandum of this Agreement shall be duly recorded in the Official Records in the County of Santa Barbara.

C. MHCS D POWERS: Nothing herein contained shall be deemed to limit, restrict, or modify any right, duty, or obligation given, granted, or imposed upon MHCS D by the laws of the State of California now in effect, or hereafter adopted, nor to limit or restrict the power or authority of MHCS D, including the enactment of any rules, regulations, policies, resolutions or ordinances and in the event that any part of provisions contained in this Agreement or incorporated herein, are found to be illegal or unconstitutional by a court of competent jurisdiction, such findings shall not affect the remaining parts, portions, or provisions hereof.

D. ATTORNEYS' FEES: Should any party be required to institute legal action to either compel performance of this Agreement or recover damages for nonperformance, the prevailing party shall be entitled to reasonable attorneys' fees, cost of suit, and all other expenses of litigation incurred in connection therewith.

E. TERMINATION: This Agreement shall terminate and be of no further force and effect at MHCS D's discretion if MHCS D determines that construction of the Project has not commenced within twelve (12) months from the date of this Agreement, and Developer has not submitted the plans and specifications for acceptance as provided for above.

F. MODIFICATION: This Agreement may not be modified, amended, or terminated, nor may any term or provision hereof be waived or discharged, except in writing signed by the party against whom such amendment, modification, termination, waiver, or discharge is sought to be enforced.

G. ENTIRE AGREEMENT: This Agreement, including all exhibits attached hereto, contains the entire agreement of the parties hereto with respect to the matters covered thereby, and no other agreement, statement or promise made by any party hereto or to any employee, officer or agent of any party hereto, which is not contained herein, shall be binding or valid. All prior or contemporaneous agreements or writings between or among the parties are specifically merged into this Agreement.

H. COUNTERPARTS: This Agreement may be executed in any number of counterparts, each of which is an original and all of which taken together form one single document.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the dates written below.

DATED: _____

DEVELOPER

MC SUMMIT 44, LLC,
a California limited liability corporation

By: _____

Name: _____

Title: MC Summit 44, LLC Representative

DATED: _____

MHCSD

MISSION HILLS COMMUNITY SERVICES
DISTRICT

By: _____

Name: _____

Title: Board President

By: _____

Name: _____

Title: Legal Counsel

By: _____

Name: _____

Title: Board Secretary or General Manager

EXHIBIT A

CONNECTION FEES AND RELATED CHARGES

ASSIGNED FEES:

Capacity Charges

- MHCSO Ordinance #xxx-xxx
- Summit View Homes will pay the ¾" Meter rate, but MHCSO will install 1" Meters
- Water Capacity Charge for ¾" Meter \$8,294 each Single-Family Residence (44)
- Sewer Capacity Charge \$3,435 per unit each Single-Family Residence (44)

Current Published Rates		
	¾" Meter	1" Meter
Water	\$ 8,294	\$ 10,369
Sewer	\$ 3,435	\$ 3,435
Capacity Charge	\$ 11,729	\$ 13,804
44	\$ 516,076	\$ 607,376

Planned Assets of NBS Study

- Reference the September 2018 Draft NBS Study for Capacity Charges
- Reference 8%
- Reference NBS 100%
- Reassesses Planned Assets

100% Planned Assets (NBS Study)	
New Reservoir	\$ 500,000
Water Treatment Plant	\$ 500,000
Additional Aeration	\$ 100,000
Line Pond #3	\$ 500,000
WDR Compliance	\$ 360,000
	\$ 1,960,000
Summit View Homes % of Build Out	8.0%
	\$ 156,800

Water Conservation Fee

- The current Ordinance #02-68 has a water conservation fee of \$310
- Modified Ordinance

Water Meter Install

- The district will set water meter(s) upon request after the district has accepted improvements to be dedicated to the district, if applicable.

Inspection Fee:

- MHCS D will hire a Professional Engineer to inspect underground infrastructure at the cost of \$205 per Single-Family Residence to be paid by MC Summit 44, LLC.

Other Fees (Single Family Residence)			
Water Conservation	\$310	44	\$ 13,640
Water Meters Single Family	\$450	44	\$ 19,800
2" Water Meter - Irrigation	\$36,246	1	\$ 36,246
Inspections	\$205	44	\$ 9,020
Totals			\$ 78,706

Current Retainer:

- The current retainer as of 10.30.18 is \$5,500. However MHCS D may have incurred additional costs for plan check.

Total Fees	
Capacity Charges	\$516,076
100% Planned Assets	\$156,800
Other Fees	\$78,706
Totals	\$751,582

GENERAL CONDITIONS:

Pay Structure:

- 25% of the planned assets, paid when permits are approved, and development agreement signed.
- Water Conservation Fees, Meter Install and Inspections, paid when permits are approved, and development agreement signed.
- Water and Wastewater Capacity Charges paid when a meter is installed.
- The balance of reassessed planned assets up to \$156,800. MHCS D to reassess planned assets by June 2019 with qualified estimates or based on a revised NBS Study. If the reassess goes down, the balance due will be reassessed.

Capacity Charge and Pay Structure				
25% current estimated planned assets	meters, inspection	capacity charges + conservation fee	reassessed planned assets up to \$156,800	Total
\$ 39,200	\$ 65,066	\$ 529,716	\$ 117,600	\$ 751,582
Paid when permits approved	Paid when permits approved	Paid per meter as installed	Paid 12 months after permits approved	

EXHIBIT B

QUIT CLAIM DEED

See Separate Document

RECORDING REQUESTED BY:

WHEN RECORDED MAIL TO:

Mission Hills Community Services District
General Manager
1550 Burton Mesa Boulevard
Lompoc, CA 93436

(This Space for Recorder's Use Only)

APN:

Fee Exempt per GC Sections 6103 and 27383

EASEMENT QUITCLAIM DEED

The undersigned grantor(s) declare(s):

Documentary Transfer Tax is \$ 0 **R&T 11911**

☐ Computed on full value of property conveyed, or

☐ Computed on full value less value of liens and
Encumbrances remaining at time of sale.

FOR A VALUABLE CONSIDERATION, the receipt and adequacy of which are hereby
acknowledged,

MISSION HILLS COMMUNITY SERVICES DISTRICT, a special district organized under the
laws of the State of California, ("**Transferor**"),

does hereby remise, release and forever quitclaim to

MC Summit 44, LLC, a California limited liability company ("**Transferee**"),

all right, title, and interest Transferor has in the following described Real Property:

The land described herein is situated in the State of California, County of Santa Barbara, City of
Lompoc, and legally described as follows:

**SEE EXHIBIT "A," ATTACHED HERETO AND INCORPORATED HEREIN BY
REFERENCE.**

**THE PURPOSE OF THIS QUITCLAIM DEED IS TO RELINQUISH ANY AND ALL
RIGHT FOR [EASEMENT PURPOSE] OF THAT CERTAIN EASEMENT CREATED
BY [INSTRUMENT AND RECORDING DATE/DOC NUMBER].**

[SIGNATURES ON FOLLOWING PAGE]

Executed on _____, 2019
at Lompoc, California

MISSION HILLS COMMUNITY SERVICES DISTRICT,
a California special district

By:

_____, Board President

ATTEST:

Casey Fowler, District Clerk

EXHIBIT C

EASEMENT DEED

See Separate Document

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Mission Hills Community Services District
General Manager
1551 Burton Mesa Boulevard
Lompoc, CA 93436

APN:

SPACE ABOVE FOR RECORDER'S USE

PUBLIC UTILITY EASEMENT DEED

The Undersigned Grantor Declares: DOCUMENTARY TRANSFER TAX \$0* No Consideration [Exempt Gov. Code Sections 6103 and 27383].

- ☐ Computed on full value of property conveyed, or
- ☐ Computed on full value of items or encumbrances remaining at time of sale,
- ☐ Unincorporated area X City of Lompoc

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, MC Summit 44, LLC, a California limited liability company ("Grantor"), owner of property in the City of Lompoc, County of Santa Barbara, State of California, as more particularly described in Exhibit A, attached hereto and incorporated herein by reference,

hereby GRANTS to the Mission Hills Community Services District, a special district organized under the laws of the State of California ("Grantee"), the following described interest in Grantor's property: a perpetual easement and right of way for access over that portion of the Grantor's property described and depicted in Exhibit B-1 and Exhibit B-2, respectively, attached hereto and incorporated herein by reference for public utility purposes, including the right to construct, maintain, operate, repair, and replace utility improvements.

MC SUMMIT 44, LLC

By: _____
Its: _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
COUNTY OF SAN LUIS OBISPO)

On _____, 2019, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____(Notary Seal)
Signature of Notary Public

EXHIBIT D

DEED OF WATER RIGHTS

See Separate Document

RECORDING REQUESTED BY:

WHEN RECORDED MAIL TO:

Mission Hills Community Services District
General Manager
1550 Burton Mesa Boulevard
Lompoc, CA 93436

(This Space for Recorder's Use Only)

APN:

Fee Exempt per GC Sections 6103 and 27383

DEED OF WATER RIGHTS

MC Summit 44, LLC, a California limited liability company, does hereby declare that it is the owner in fee of the real property described in this deed and does hereby grant to MISSION HILLS COMMUNITY SERVICES DISTRICT, a special services district organized under the laws of the State of California, all overlying groundwater rights appurtenant to the real property located in the County of Santa Barbara, State of California and more particularly described in Exhibit A, attached hereto and incorporated herein by this reference.

Executed on _____, 2019 at Lompoc, California

MC SUMMIT 44, LLC

By:

Its: _____