



MISSION HILLS COMMUNITY SERVICES DISTRICT
Closed and Regular Meeting Minutes
4:30 PM Wednesday, September 18th, 2019

The Regular Meeting of the Board of Directors of the Mission Hills Community Services District was called to order at 4:33 pm on Wednesday, September 18th, 2019, at the District Meeting Room, 1550 East Burton Mesa Boulevard, Lompoc, California.

DIRECTORS PRESENT:

By roll call: Myron Heavin, Karina Naughton, Steve Dietrich, and Bruce Nix (Via Teleconference)
Walt Fasold

DIRECTORS ABSENT:

STAFF PRESENT:

Loch Dreizler, Melissa Smith, and Kayla Cunningham

OTHERS PRESENT:

Ron Herbig, Chris Smith, Kevin Maxwell Telfer

PLEDGE OF ALLEGIANCE

1. 4:00 PM Call to Order

2. Roll Call

3. Pledge of Allegiance

4. Adjourn to Closed Session (Time Closed 4:30 PM & Time Open: 4:33 PM)

Conference with Legal Counsel – Anticipated Litigation under Government Code §54956.9(d)(4) - Initiation of Litigation (One case)

Comment to the Public out of Closed Session – There was no reportable action out of the closed session. Also, there were no comments from the public out of closed session.

5. Reconvene to Regularly Scheduled Meeting

6. Public Comment: Resident Ron Herbig was interested in the location of the Burton Ranch Development, and the G.M. showed him on the wall map. He also wanted to know about the monthly rate impact to current ratepayers with new development. In that same line of questioning resident, Mr. Telfer, inquired if development was necessary to minimize rate increases. Director discussion ensued, and the overriding goal of the Board is to “do no harm” to existing ratepayers.

7. Presentation: No special presentation was given.

8. Consent Items:

Consent Item 8A. Approval of Minutes

The Board of Directors approved Regular Meeting Minutes August 21, 2019, and Special closed session on August 31, 2019, without modification.

Consent Item 8B. Activity Reports for August 2019: Director Heavin mentioned meeting with SoCal gas to discuss Well 6 engine efficiency. G.M. met with SoCal Gas to perform an efficiency test, and Mission Hills Community Services District is waiting on a draft report.

Consent Item 8C. Financial and Expenditures Report for August 2019

Director's Dietrich and Naughton wanted to exam development funds/connection fees as other income. MHCSA Accountant explained it would have a separate fund, set up through MHCSA Accounting software. At this time, the monies will deposit into our general account. Director Naughton and MHCSA Accountant will meet to clear up any potential liabilities.

Motion and Second by Naughton and Dietrich, to approve the Consent Agenda after review and discussion - motion passed 4 to 0

9. Discussion Items:

Discussion Item 5A. District Investment Strategy

Recommendation for the Board of Directors to review and discuss the District's investment strategy proposed by the Finance Committee. "Motion to approve the investment strategy proposed by the Finance Committee, including professional management by RNC Genter, that would also include a quarterly review by the Finance Committee." The motion received a 1 to 1 vote with two abstentions; the motion did not pass. After further discussion, a new motion to authorize staff to "Transfer approximately \$500,000 in funds to our LAIF account coming from Coast Hills Credit Union and TD Ameritrade. Refer the question regarding TD Ameritrade providing the District active management of our portfolio back to the Finance Committee for a recommendation at a future Board meeting." Motion and Second by Heavin and Naughton, motion approved 4 to 0.

Discussion Item 5B. Goals and Committee Updates

- Proposed agenda for Committee Meetings as followed: Development Committee: Waiting on Burton Ranch Developers to come up with a proposed date to meet.
- Steve Harris and Howard Kolb will be meeting on October 3, 2019, at 8:30 with the Wastewater Committee.
- The proposed Water Committee will be meeting on October 9, 2019, hoping to continue the discussion of water pressure with Cannon through electronic means. Dietrich would like to know how Cannon programmed the valves.
- Ground Water Sustainability September 25th, 10:00 AM at the Water Treatment Plant in Lompoc.
- G.M. crossed referenced the Capital Improvement Projects, with the goals Director Fasold handed out from the last Board Meeting. G.M color coated the CIP to separate from the additional goals Director Fasold created. Director Heavin would like to see if the goals established as part of the budgeting process and the budget based on our goals.

10. Communications:

- A. Director's Communications** – Director Heavin would like to see weed abatement performed at Well #6 and Hillside in front of the maintenance shop. G.M made Director Heavin aware of professionals coming to the District to clean up a portion of the weeds.
- B. Attorney Contract Modifications** – G.M. spoke about the Mission Hills CSD Procurement Table under the Consultants or Services section with the Board packet. The original contract MHCSO had with the legal counsel, The Hensley Group, was for \$10,000, and G.M., with Development Committee approval, increased the contract by \$15,000 to \$25,000. If the Hensley Group requires additional contract changes above \$25,000, Board approval will be required.
- C. Burton Ranch Development Workshop** – Looking for a good date/time to convene a Board of Directors Development Workshop, dependent on legal counsel advice and Lompoc's response to letter scheduled for delivery on September 19

ADJOURNMENT:

With no further business to come before the Board, the meeting adjourned at 6:13 PM

Respectfully Submitted,

Kayla Cunningham, Board Secretary

Myron Heavin, Vice President, Board of Directors