

**Board of Directors**

Steve Dietrich, President  
Jim MacKenzie, Vice President  
Jim Keeling, Financial Director  
Myron Heavin, Director  
Matthew Starbuck, Director



1550 East Burton Mesa Blvd.  
Lompoc, California, 93436-2100  
805.733.4366  
[www.mhcsd.org](http://www.mhcsd.org)

Brad Hagemann, General Manager

Mission Hills Community Services District Board of Directors

**Special Meeting**

Wednesday, March 29, 2023

4:30 PM

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

**Agenda**

**Public and staff may access the meeting via Zoom:**

**URL** to sign in for video access.

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

Meeting ID: 946 700 6985

**To access the meeting via telephone:**

**Dial in** 1 (669) 900-9128

**Director James Mac Kenzie attending via Teleconference:**

James Mac Kenzie: 3324 Erica Place, Lompoc, CA 93436

In accordance with Government Code Section 54953(b) this agenda will be posted at the above teleconference locations and those locations will be accessible to the public.

**1. Call to Order and Pledge of Allegiance**

**2. Roll Call**

**3. Public Comment** – Members of the public may address the Board on any item within the jurisdiction of the Board not included on this agenda for up to 3 minutes (Government Code Section 54954.3). **If you are unable to attend, you can submit comments in advance of the meeting to [admin@mhcsd.org](mailto:admin@mhcsd.org) before 1:00 PM, Tuesday, March 28, 2023.**

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

**A. Consideration of Approval of Minutes from:**

i) February 15, 2023, Regular Board Meeting

**B. Activity Reports for February**

i) Administration includes Administrative Assistant, Customer Service, Administrative Services Manager and General Manager Reports.

- ii) Water
- iii) Wastewater
- iv) Goals and Committee Updates

**C. Financial Reports**

- i) Revenue and Expenses Previous Year Comparison
- ii) Disbursements Journal
- iii) Variation from Projected Income
- iv) Bank Account Summary
- v) Budget to Actual

**5. Regular Business**

- i. Consider Adoption of Resolution No. 23-350 Updating the District’s Investment Policy

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

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

**ADJOURN**

**7. Public Comment on Closed Session**

**8. Closed Session**

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

**RECONVENE**

**Report out of Closed Session**

**Regular Board Meetings are held on the third Wednesday of each month beginning at 4:30 PM** Copies of the staff reports, or written materials provided for Mission Hills CSD for Open Session agenda items may be obtained upon request and are also available at the Customer Service Counter of the District Office for public inspection and reproduction during regular business hours. Closed Session items are not available for public review.

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

**Board of Directors**

Steve Dietrich, President  
Jim Mac Kenzie, Vice President  
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Brad Hagemann, General Manager

**Mission Hills Community Services District Board of Directors  
Regular Meetings Minutes  
Wednesday, February 15, 2023  
1550 East Burton Mesa Blvd, Lompoc, CA - District Board Room**

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 15, 2023, at the District Meeting Room, 1550 East Burton Mesa Boulevard, Lompoc, California.

**DIRECTORS PRESENT:**

By roll call: Steve Dietrich James Keeling, Matthew Starbuck, and Myron Heavin

**DIRECTORS ABSENT:**

Jim MacKenzie

**STAFF PRESENT:**

Brad Hagemann, Carol Reynolds, Javier Rodriguez, Jose Herrera, and Jose Acosta

**OTHERS PRESENT:**

Mark Hensley and Kathy Luetete

1. **Call to Order and Pledge of Allegiance**
2. **Roll Call**
3. **Public Comment-** No public comment received.

**4. Consent Agenda**

A. Approval of Minutes

- i) January 18, 2023

**B. Activity Reports for February**

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

**C. Financial Reports**

- i) Revenue and Expenses Previous Year Comparison
- ii) Disbursements Journal
- iii) Variation from Projected Income
- iv) Bank Account Summary
- v) Budget to Actual

**Approved Consent Items**

Motion made by Director Heavin and seconded by Director Keeling, to approve the Consent Agenda as presented Motion **passed 4-0 vote, with one Director absent.**

**5. Regular Business Items**

None

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

- A. General Manager’s Comments-** None
- B. Directors’ Comments-** None
- C. Public Comments-**None

**Adjourn to Closed Session**

- 7. Public Comment on Closed Session-** No Public Comment

**8. Closed Session**

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

**Reports out of Closed Session –** No reportable action.



With no further business to come before the Board, the meeting adjourned at 7:15 PM

Respectfully submitted:

**Lupe Huitron**

X

Steve Dietrich, President

X

Lupe Huitron, Board Secretary



Administrative Activity Reports for  
February 2023

### Administrative Assistant

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- Scheduled a time for Jon (District's Landscaper) to Rototill the sand on the playground area for the safety and accessibility of it.
- Board Packet.
- Reminded those who still haven't filed a form 700 to do so before the deadline.
- Drafted, posted, and distributed cancellation notices for meetings no longer occurring.
- Corresponded to emails.
- Answered and placed calls.
- Assisted customers with payments.
- Reminded Board Members to take state Mandated courses.
- Distributed Contract Agreement to appropriate party for signatures.
- Converted word documents.
- Assisted a customer with a question regarding power outage- per Billing Request
- Drafted Committee Meeting Agenda Notices
- Gathered documents regarding the refurbishing of ball-field.
- Contacted a couple Restaurants on price quotes for our yearly Safety dinner.

### Customer Service/Account Receivables

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- **Monthly:** New Customer Move Ins & Move outs: 9
- Applied 10% late fee non pay Feb: # 120 accounts.
- CSDA updated 2023 Customer Service in the Public Sector webinar
- Accounts **8** have entered Yr. or less payoff extension agreement \$ 6,956.00.
- USC/CSDA Emergency Preparedness Summit webinar/*(great information especially on cybersecurity)*
- *(1 Owner account bal. \$3,448 off since May 2022)*
- Residential **pending**\$ funds for a few accounts CSD.CA.Gov federal funded program low-income families qualify based on persons in the household. Can qualify for up to a onetime \$2,000 payment. Ends 8/31/23.



Administrative Activity Reports for  
**February 2023**

**Administrative Services Manager**

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- Assisted Customers, Recorded Payments
- Prepared Bank Deposits
- Participated in Financial Evaluation with CSDA Representative
- Worked with Coast Hills
- Worked with Five Star Bank
- Worked with Compuvision on Approved Projects
- Processed Accounts Payable
- Processed Payroll
- Completed Board Packet Reports
- Completed End of Month Reconciliations
- Reviewed Priorities on Operations with General Manager on Weekly Basis
- Attended Board Meeting
- Attended CSD Meeting

**General Manager Report Will be Provided as an Oral Report.**

**Board of Directors:**

President; Steve Dietrich  
Vice President; Jim MacKenzie  
Director; Matthew Starbuck  
Director; Jim Kelling  
Director; Myron Heavin



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General Manager, Brad Hagemann

## MISSION HILLS COMMUNITY SERVICES DISTRICT Water Reports – February 2023

**Monthly Water Distributed:** 8.3 MG (28 days)

**Daily average:** 0.29 MGD

**Monthly Water Sold:** 7.1 MG (25 days)

**Monthly Wastewater Influent:** 4.70 MG

### Wells

- Well 5 Motor has been installed, and back in service.
- Well 6 quarterly emission testing 2/15/23, all parameters in compliance.

### Tanks

- Final access road walkthrough with ATS, Crosno Construction, and State Parks for tank rehab project

### Compliance

- Submitted Air Pollution Control District Annual Report.
- Submitted Santa Barbara County Form 38 Public Water System Statistics Annual Report.

### Distribution System Maintenance/Repair

- Replaced 21 Hersey meters to Kamstrup meters.
- Repaired 0 service line leaks or main breaks.
- Preventative Maintenance Program: **February**
  - Hydrant Maintenance: 11
  - Valve exercised: 20

### Recurring Tasks

- **Daily:**
  - Electronically monitor levels via SCADA System
- **Weekly:**
  - Electronically check CL2 levels
  - Reorganize shop and tool inventory
- **Quarterly:**
  - Clean and inspect the solar panel for backup battery (Jan, Apr, Jul, Oct)
- **As Needed:**
  - Weed abatement

### Water Treatment Plant

- **Daily:**
  - Electronically record bulk storage tank levels
  - Determine daily filtration chemical rate.

- Record water produced from Wells 5,6, and 7
- **Weekly:**
  - Clean chlorine injection lines
  - Take and record Iron and Manganese treatment samples.
- **Monthly:** Complete State Water Resource Control Board (SWRCB) reports
- **Quarterly:** Remove weeds around shop and filtration plant (Feb, May, Aug, Nov)

#### **Distribution System**

- **Weekly:**
  - Collect and report weekly chlorine, phosphate, and PH results.
  - Sample “Bac-T” (coliform detection) every Wednesday
- **Monthly:**
  - Take distribution samples for State Water Board reports as needed.
  - End of month Residential and Commercial Meter Reads
  - Install new Kamstrup meters under Capital Improvement Project
  - Test and Inspect field equipment.
  - Mainline valve exercising
  - Hydrant flushing
- **Semi-Annually**
  - Complete dead-end flushing (Jun & Dec)

#### **Safety**

- Attend Weekly Safety Meetings
- Inspect Fire Extinguishers at water treatment plant, shop, and vehicles.
- Perform Daily Visual Inspection at Water Treatment Plant and Park



## MISSION HILLS COMMUNITY SERVICES DISTRICT Wastewater Report – February 2023

**Total Plant Monthly Influent flow: 4.70 MG**

**Average Daily Flow: 0.167 MGD**

**Ratio of Avg Daily Water produce to Avg. Daily Wastewater Flow: 167,000/250,000 = 67%**

### **Compliance**

- Submitted CIWQS monthly No-Spill Report for the month of February.
- Attended Monthly SAMA meeting at Vandenberg Village.
- No permit exceedances noted for February. WWTP and collection system performed well despite the heavy rains.

### **Collection System/Lift Station**

- Received Wet Well Wizard (odor and H<sub>2</sub>S control device), scheduled with Pro3 for installation.
- Manhole baskets were ordered and will be shipped out at the end of March. For Calle Primera/ Via Feliz H<sub>2</sub>S and odor control.

### **Wastewater Treatment Plant**

- Recycle pump fuses were replaced and inspected electrical panel due to power outages.

### **Recurring Tasks:**

#### **Wastewater Treatment Plant**

- **Daily:**
  - Record influent and recycle flows.
  - Monitor and record D.O. levels at Pond 1 & 2 effluent.
- **Weekly:**
  - In-house process control sampling and testing
  - Inspect and clean Headworks.
  - Remove Grit and inorganics from the Headworks.
  - Record PH levels at Pond 1 & 2 effluent
- **Monthly:** Complete Regional Water Quality Control Board (RWQCB) reports
- **Quarterly:** Self -Monitoring Reports (Jan, April, July, Oct)

### **Safety**

- Inspect Fire Extinguishers at water treatment plant, shop, and vehicles.
- Perform Once Daily Visual Inspection at Wastewater Treatment Plant.

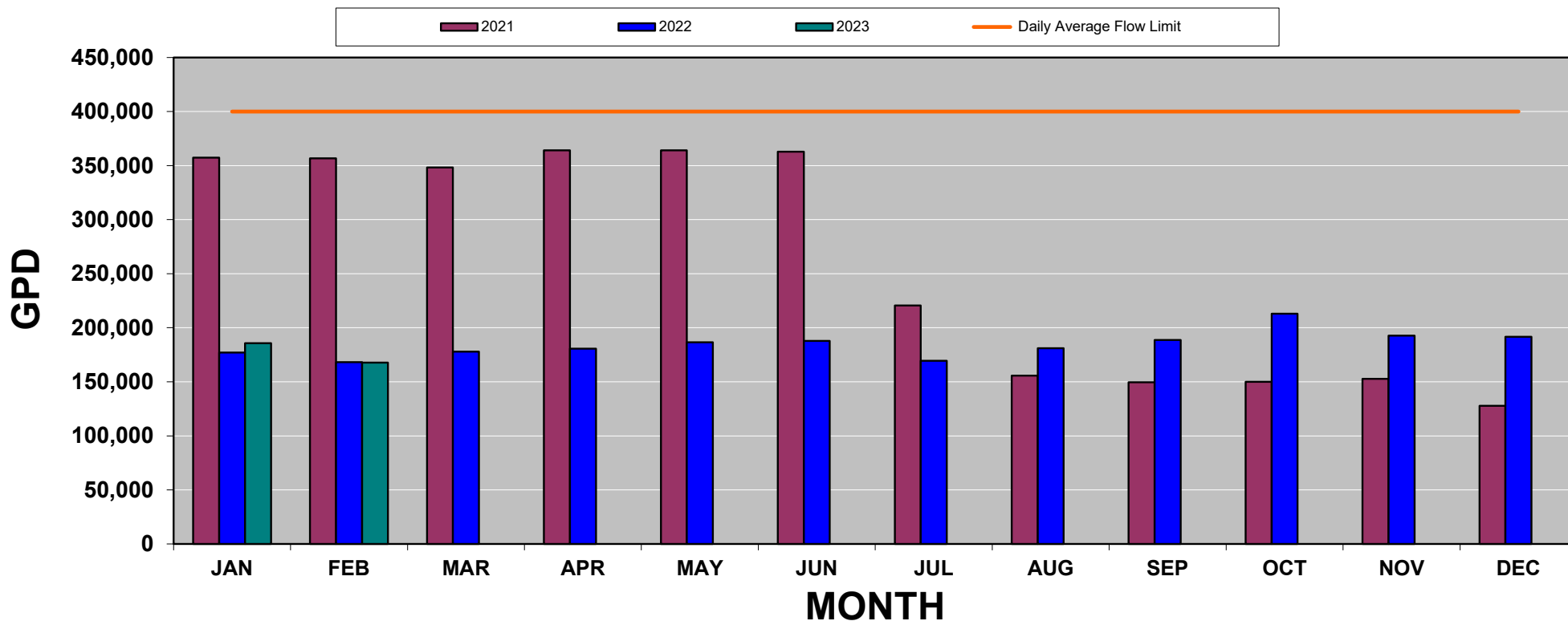
## MHCSD AVERAGE DAILY WASTEWATER FLOW (GPD)

MONTH	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Daily Average Flow Limit	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
2021	357,387	356,786	348,300	364,137	364,059	362,893	220,668	155,799	149,498	149,936	152,728	127,829
2022	177,041	168,115	177,989	180,559	186,491	187,850	169,490	181,125	188,697	212,966	192,728	191,717
2023	185,814	167,689										

July 2021- Sept. 2022 Recycle flow was removed from total effluent flow.

Jan 2021- Jun 2021 inaccurate Flo-dar meter readings

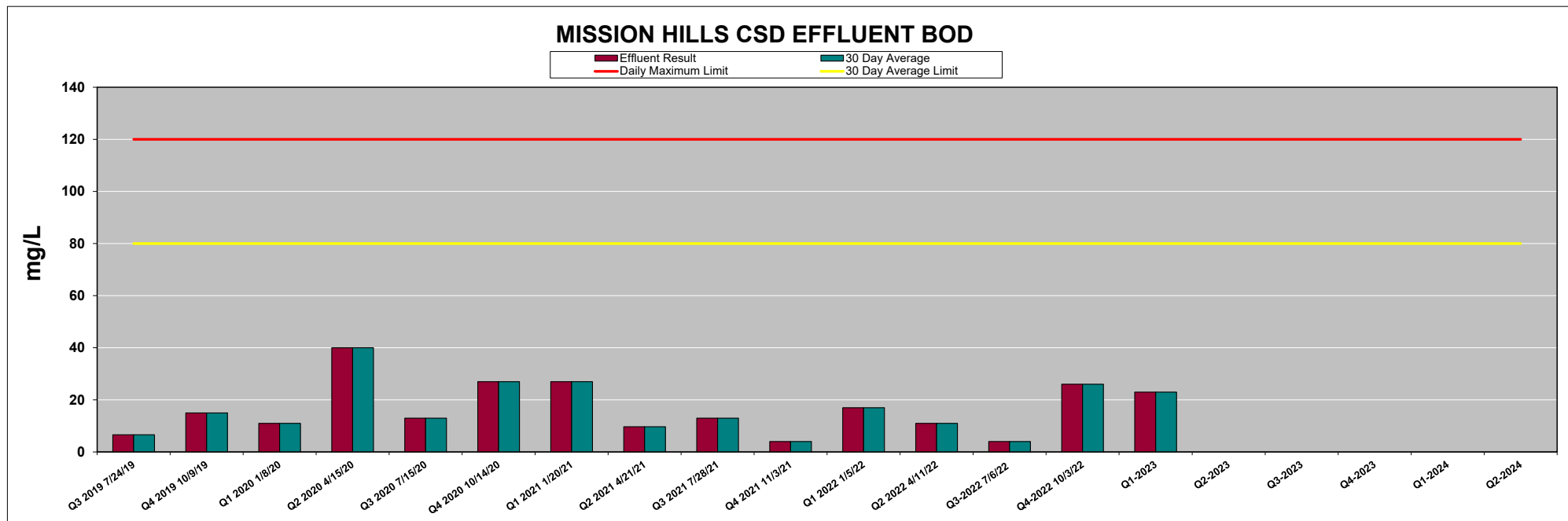
## MISSION HILLS CSD AVERAGE DAILY FLOW



### MISSION HILLS CSD EFFLUENT BOD (mg/L)

MONTH	7/24/2019	10/9/2019	1/8/2020	4/15/2020	7/15/2020	10/14/2020	1/20/2021	4/21/2021	7/28/2021	11/3/2021	1/5/2022	4/11/2022	7/6/2022	10/3/2022	1/12/2023	Q2-2023	Q3-2023	Q4-2023	Q1-2024	Q2-2024	
Daily Maximum Permit Limit	120	120	120	120	120	120	120	120	120	120	120	120	120	120	120	120	120	120	120	120	120
30 Day Average Permit Limit	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80
Effluent Result	7	15	11	>40	13	27	27	10	13	<4.0	17	11	<4.0	26	23						
30 Day Average	7	15	11	>40	13	27	27	10	13	<4.0	17	11	<4.0	26	23						

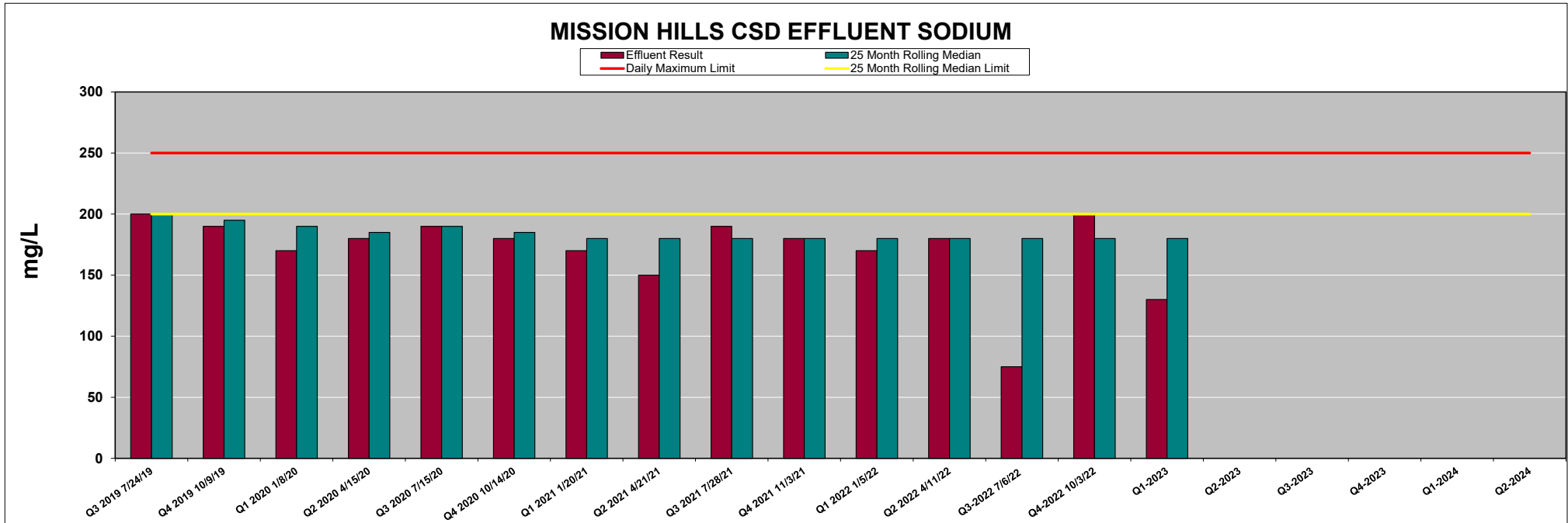
Non-detect, estimated, and greater than (>) results are graphed at their reporting levels or as reported by lab.





### MISSION HILLS CSD EFFLUENT SODIUM (mg/L)

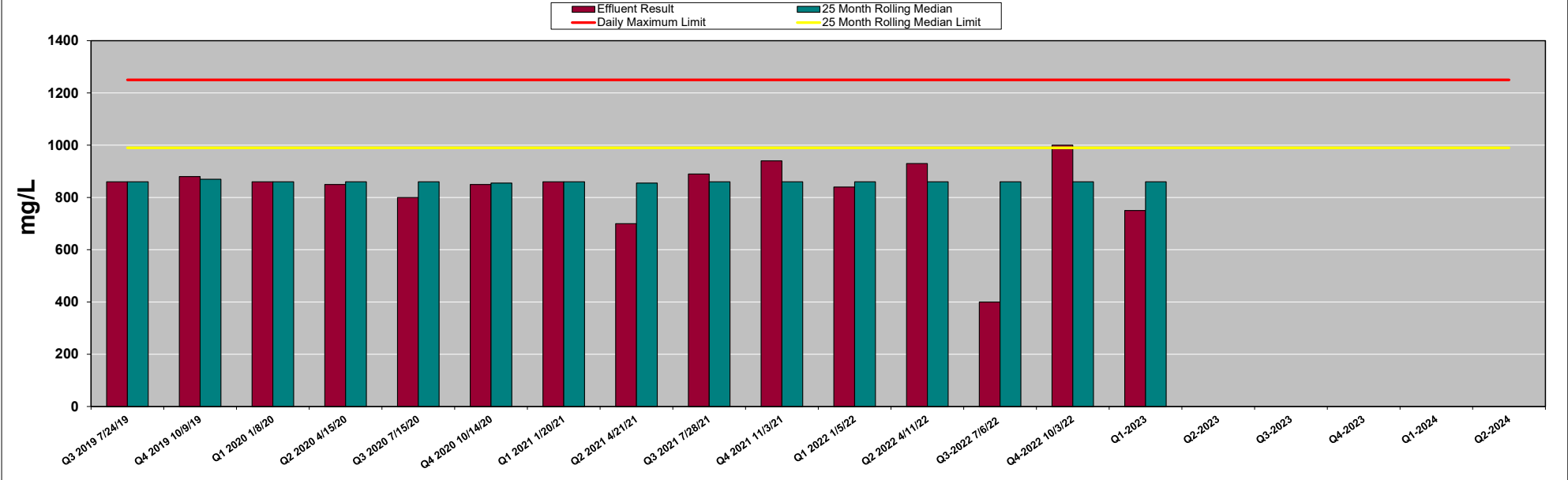
MONTH	7/24/2019	10/9/2019	1/8/2020	4/15/2020	7/15/2020	10/14/2020	1/20/2021	4/21/2021	7/28/2021	11/3/2021	1/5/2022	4/11/2022	7/6/2022	10/3/2022	1/12/2023	Q2-2023	Q3-2023	Q4-2023	Q1-2024	Q2-2024	
Daily Maximum Permit Limit	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250
25 Month Rolling Median Limit	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200
Effluent Result	200	190	170	180	190	180	170	150	190	180	170	180	75	200	130						
25 Month Rolling Median	200	195	190	185	190	185	180	180	180	180	180	180	180	180	180						



### MISSION HILLS CSD EFFLUENT TOTAL DISSOLVED SOLIDS (mg/L)

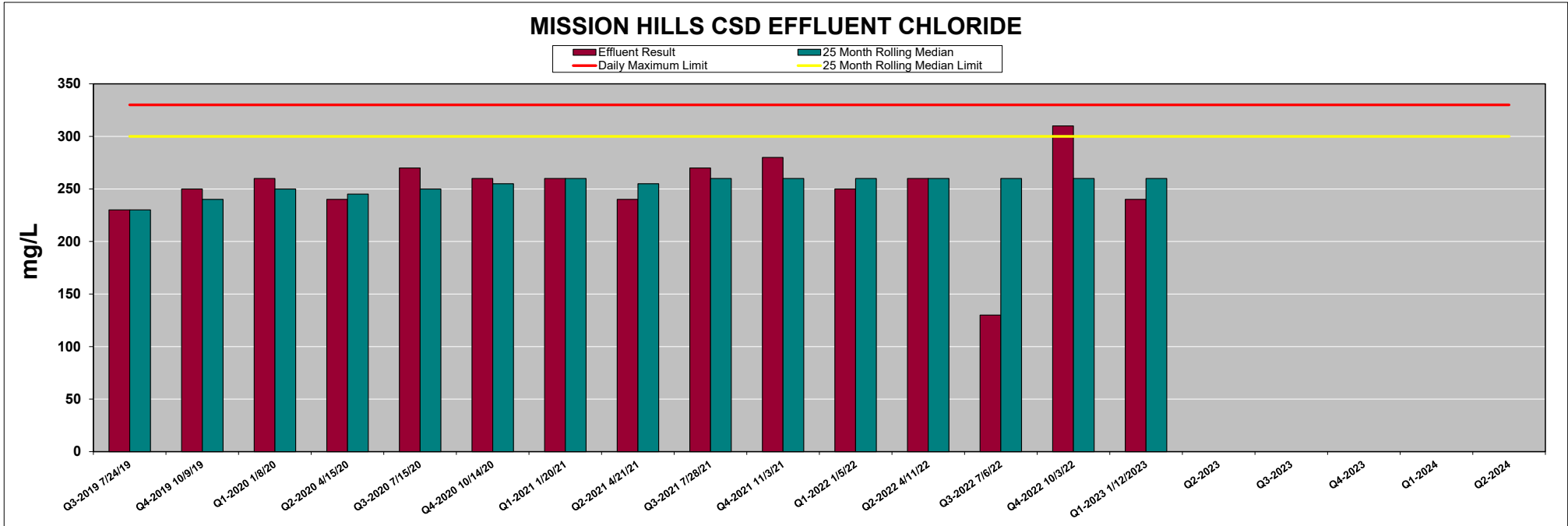
MONTH	7/24/2019	10/9/2019	1/8/2020	4/15/2020	7/15/2020	10/14/2020	1/20/2021	4/21/2021	7/28/2021	11/3/2021	1/5/2022	4/11/2022	7/6/2022	10/3/2022	1/12/2023	Q2-2023	Q3-2023	Q4-2023	Q1-2024	Q2-2024	
<b>Daily Maximum Permit Limit</b>	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
<b>25 Month Rolling Median Limit</b>	990	990	990	990	990	990	990	990	990	990	990	990	990	990	990	990	990	990	990	990	990
Effluent Result	860	880	860	850	800	850	860	700	890	940	840	930	400	1,000	750						
25 Month Rolling Median	860	870	860	860	860	855	860	855	860	860	860	860	860	860	860						

### MISSION HILLS CSD EFFLUENT TOTAL DISSOLVED SOLIDS



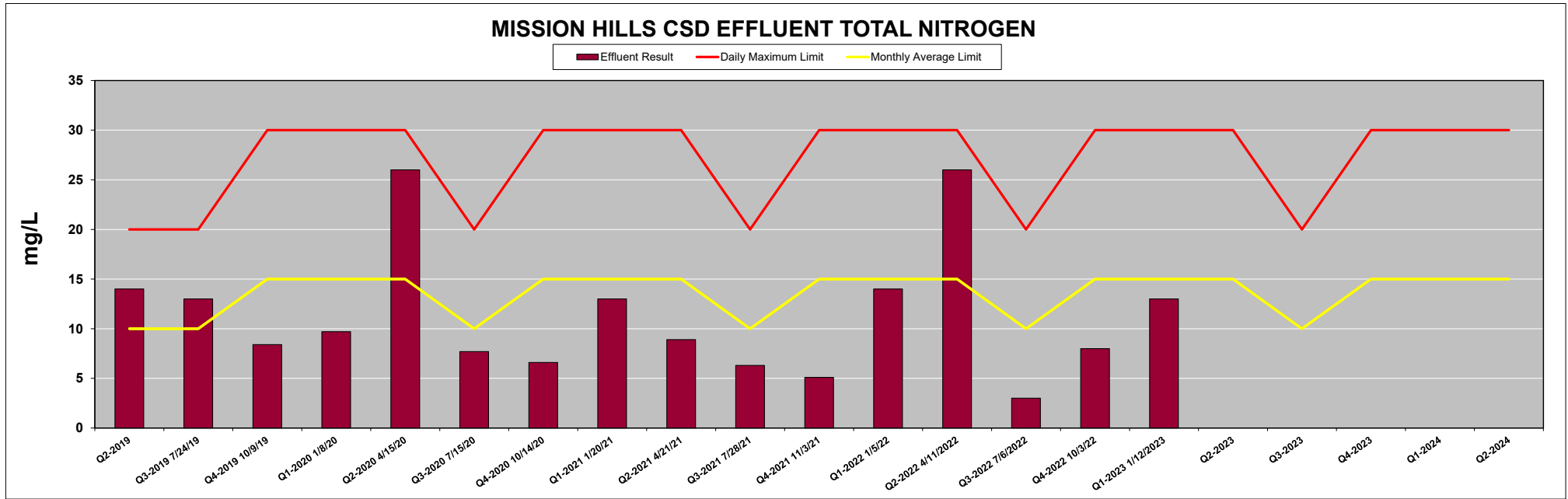
# MISSION HILLS CSD EFFLUENT CHLORIDE (mg/L)

MONTH	7/24/2019	10/9/2019	1/8/2020	4/15/2020	7/15/2020	10/14/2020	1/20/2021	4/21/2021	7/28/2021	11/3/2021	1/5/2022	4/11/2022	7/6/2022	10/3/2022	1/12/2023	Q2-2023	Q3-2023	Q4-2023	Q1-2024	Q2-2024	
<b>Daily Maximum Permit Limit</b>	330	330	330	330	330	330	330	330	330	330	330	330	330	330	330	330	330	330	330	330	330
<b>25 Month Rolling Median Limit</b>	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300
<b>Effluent Result</b>	230	250	260	240	270	260	260	240	270	280	250	260	130	310	240						
<b>25 Month Rolling Median</b>	230	240	250	245	250	255	260	255	260	260	260	260	260	260	260						



# MISSION HILLS CSD EFFLUENT TOTAL NITROGEN (mg/L)

MONTH	7/24/2019	8/20/2019	10/9/2019	1/8/2020	4/15/2020	7/15/2020	10/14/2020	1/20/2021	4/21/2021	7/28/2021	11/3/2021	1/5/2022	4/11/2022	7/6/2022	10/3/2022	1/12/2023	Q2-2023	Q3-2023	Q4-2023	Q1-2024	Q2-2024
Daily Maximum Permit Limit	20	20	30	30	30	20	30	30	30	20	30	30	30	20	30	30	30	20	30	30	30
Monthly Average Limit	10	10	15	15	15	10	15	15	15	10	15	15	15	10	15	15	15	10	15	15	15
Effluent Result	14	13	8	10	26	8	7	13	9	6	5	14	26	3	8	13					



## Top Goals

**Established by Board of Directors**

(Staff recommends the Board of Directors consider updating the Top Goals on an annual or by-annual basis)

**1. Wastewater TN (Total Nitrogen), Na (Sodium) & Chloride concentration reduction plan and compliance with RWQCB Time Schedule Order.**

- Staff continues to carefully monitor the treatment system to keep the effluent total Nitrogen levels in compliance with the TSO and WDR standards. The most recent compliance monitoring results and process control monitoring results have remained below the permit limits. Staff met with our new permit writer at the RWQCB in November and December. Staff has completed the TSO milestones to: Develop and Implement valve repair program - due date 10/31/2022 (completed); and Develop a Chloride Reduction program – due date 11/30/2022 (completed). Staff is working on isolating the pond valves so we can perform maintenance and repair as needed.

**2. Lawsuit with the City of Lompoc**

Refer to Closed Session discussion

**3. Cost Reduction – Energy usage and other applicable initiatives**

Please refer to the Energy Committee Update.

**4. Public Outreach – Implement regular information to the community.**

Staff continues to look for ways to improve our public outreach. Staff recently switched our website provider to Streamline. Our website is now more user friendly, and we are adding features that make it easier for our customers and interested parties to obtain information about the District. Also refer to the

**5. Pursue Grant Funding Opportunities for Capital Projects**

Grant funding requires an applicant to have a project that is designed and ready for bid. As we complete the Burton Ranch Development Agreement and make progress on the Lift Station Preliminary Design Report, we will be in a position to actively seek out and apply for grant funding.

## MHCS D COMMITTEE MEETING UPDATES

March 29<sup>th</sup> Board Meeting

Committee	Summary Discussion	Completed Meeting Date
<b>Water</b> MacKenzie & Starbuck Alt-Dietrich	Committee member will provide an oral summary of their meeting. Next meeting TBD.	March 13, 2023
<b>Wastewater</b> Mackenzie & Starbuck Alt-Heavin	Committee member will provide an oral summary of their meeting. Next meeting TBD.	March 13, 2023
<b>Finance</b> Dietrich & Keeling Alt-Starbuck	Committee member will provide an oral summary of their meeting. Points discussed, Purchasing Guidelines, Capital Spending & Cash Flow, Timing of Reservoir Project, Purisima Hills Outstanding Balance, Grants. Next meeting TBD.	March 7, 2023
<b>Energy</b> Heavin & Starbuck Alt-Dietrich	Committee member will provide an oral summary of their meeting. Points discussed, Solar Project. Next meeting TBD.	March 17, 2023
<b>Personnel</b> Keeling & Dietrich Alt-MacKenzie	Personnel Committee did not meet. Next meeting date TBD	
<b>GSA for WMA</b> Heavin Alt-MacKenzie	The WMA GSA met on February 22, 2023 and March 22, 2023. The February 22 <sup>nd</sup> meeting minutes and the Agenda for the March 22 <sup>nd</sup> meeting are attached. The GSA approved the 2022 Annual Report and directed staff to submit it to the State. I have attached an excerpt from the Annual Report as an attachment to this Staff Report. The next GSA meeting is scheduled for April 26, 2023.	March 22, 2023
<b>Community Engagement</b> Heavin & Keeling Alt-Starbuck	Committee member will provide a written presentation. Director Heavin's overall objective for this meeting is to reach the Lompoc Community with our Messages with Data Driven info, Setting community message outreach Goals, Measure results, increase meeting attendance, increase metric. Next meeting TBD.	March 17, 2023
<b>Development</b> Dietrich & MacKenzie Alt-Keeling	Development Committee did not meet. Next meeting TBD.	

## NOTICE AND AGENDA OF REGULAR MEETING

GROUNDWATER SUSTAINABILITY AGENCY  
FOR THE WESTERNMANAGEMENT AREA  
IN THE SANTA YNEZ RIVER GROUNDWATER BASIN

HELD AT

VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT  
BOARD ROOM  
3745 CONSTELLATION RD, LOMPOC, CALIFORNIA  
(IN PERSON ONLY, NO REMOTE OR TELECONFERENCE OPTION)

AT 10:00 A.M., WEDNESDAY, MARCH 22, 2023

### AGENDA OF REGULAR MEETING

- I. Call to Order and Roll Call
- II. Additions or Deletions to the Agenda
- III. Public Comment (Any member of the public may address the Committee relating to any non-agenda matter within the Committee's jurisdiction. The total time for all public comment shall not exceed fifteen minutes and the time allotted for each individual shall not exceed five minutes. No action will be taken by the Committee at this meeting on any public comment item.)
- IV. Review and consider approval of meeting minutes of February 22, 2023
- V. Review and Summary of Request(s) for WMA GSA Written Verification under Executive Order N-7-22 and other well permits processed by County EHS in the WMA
  - a. APN 093-070-058 - Launchpad Lands, LLC
  - b. APN 093-020-012 - Jordan-Cramer Ranch
- VI. Consider approving and submitting the Second Annual Report for the Western Management Area of the Santa Ynez River Valley Groundwater Basin to DWR
- VII. Discuss SGMA Governance for the WMA
- VIII. Update on Required Conflict of Interest Form 700 Filings
- IX. Consider change in the set meeting time for regular meetings of the WMA GSA
- X. Next WMA GSA Regular Meeting, Wednesday, April 26, 2023, time TBD at Vandenberg Village Community Services District, Board Room, 3745 Constellation Rd., Lompoc
- XI. WMA GSA Committee reports and requests for future agenda items
- XII. Adjournment

[This agenda was posted 72 hours prior to the scheduled regular meeting at 3669 Sagunto Street, Suite 101, Santa Ynez, California, and SantaYnezWater.org in accordance with Government Code Section 54954. In compliance with the Americans with Disabilities Act, if you need special assistance to review agenda materials or participate in this meeting, please contact the Santa Ynez River Water Conservation District at (805) 693-1156. Advanced notification as far as practicable prior to the meeting will enable the GSA to make reasonable arrangements to ensure accessibility to this meeting.]

## MEETING MINUTES

### Groundwater Sustainability Agency for the Western Management Area in the Santa Ynez River Groundwater Basin February 22, 2023

A regular meeting of the Groundwater Sustainability Agency (GSA) for the Western Management Area (WMA) in the Santa Ynez River Groundwater Basin was held on Wednesday, February 22, 2023, at 10:00 a.m. As a result of the COVID-19 emergency, this meeting occurred solely via video/teleconference as recommended by Santa Barbara County Public Health, as authorized by State Assembly Bill 361, and Resolution WMA-2021-001 (passed on 10/20/2021, reaffirmed 11/16/2022).

WMA GSA Directors Present: Jeremy Ball, Chris Brooks, and Steve Jordan,

WMA GSA Directors Absent: Director and Alternate representing Mission Hills CSD

WMA GSA Alternate Directors Present: Art Hibbits, Ron Stassi, and Kristin Worthley

Staff Present: Joe Barget, Bill Buelow, Marliez Diaz, Brad Haggeman, Amber Thompson, and Matt Young

Others Present: Doug Circle, Ken Domako (VSFB), John Fio (EKI), Steven Heuring, Karen Kistler, Curtis Lawler (Stetson Engineers), and Katherine Stewart

#### I. Call to Order and Roll Call

WMA GSA Chair Chris Brooks called the meeting to order at 10:01 a.m. and asked Mr. Bill Buelow to call roll. A quorum was met with three Directors in attendance. Three GSA Alternate Directors were also present. The Director and Alternate representing the Mission Hills Community Services District (CSD) were absent.

GSA Director Jeremy Ball advised the Committee that he will need to leave the meeting at 11:00 a.m. but that the City of Lompoc Alternate Director, Kristin Worthley, is in attendance and can assume the Acting Alternate role at that time.

#### II. Consider findings under Government Code section 54953(e)(3) to authorize continuing teleconference meetings under Resolution WMA-2021-001

The reasonings for State Assembly Bill 361 and adoption of Resolution WMA-2021-001, passed on October 20, 2021, and reaffirmed on November 16, 2022, which authorized teleconference public meetings were still in effect. There was no discussion or public comment.

WMA GSA Director Jeremy Ball made a MOTION to authorize continuing teleconference meetings under Resolution WMA-2021-001. GSA Director Steve Jordan



**DRAFT**

seconded the motion and it passed 3-0-1 by roll call vote, with both Director and Alternate from the Mission Hills CSD being absent.

**III. Additions or Deletions to the Agenda**

No additions or deletions were made.

**IV. Public Comment**

There was no public comment. Mr. Buelow announced he did not receive any public comments in advance of the meeting.

**V. Receive Briefing on revision to the teleconferencing “Rules of the Brown Act” by AB 2449**

Mr. Buelow provided information on the AB2449 revisions to the teleconferencing rules of the Brown Act. He recommended GSA Directors contact their agency legal counsel with any questions. He reported that the staff recommendation is to return to in person only meetings beginning with the March 22, 2023 GSA meeting.

WMA GSA Chair Chris Brooks suggested Vandenberg Village CSD Conference Room for in person WMA GSA meetings. There was no discussion or public comment.

**VI. Review and consider approval of meeting minutes of November 16, 2022**

The minutes of the WMA GSA Committee meeting on November 16, 2022 were presented for GSA Committee approval. There was no discussion or public comment.

WMA GSA Director Jeremy Ball made a MOTION to approve the minutes of November 16, 2022, as presented. GSA Director Steve Jordan seconded the motion and it passed 3-0-1 by roll call vote, with both Director and Alternate from the Mission Hills CSD being absent.

**VII. Review and consider approval of Financial Statements and Warrant List**

The WMA GSA Committee reviewed the financial reports of FY 2022-23 Periods 4 through 6 (through December 31, 2022) and the Warrant Lists for October, November, and December 2022. There was no discussion or public comment.

WMA GSA Director Steve Jordan made a MOTION to approve the Warrant Lists for October, November, and December 2022 (Check Nos. 2009 and 1000-1001) totaling \$17,373.45, as presented. GSA Director Jeremy Ball seconded the motion and it passed 3-0-1 by roll call vote, with both Director and Alternate from the Mission Hills CSD being absent.

**VIII. Review and Summary of Request(s) for WMA GSA Written Verification under Executive Order N-7-22 and other well permits processed by County EHS in the WMA**

Mr. Buelow reported that the WMA GSA received two requests for written verifications under Executive Order N-7-22.

**DRAFT**

WMA GSA Director Steve Jordan announced he is a partial owner of Jordan-Cramer Ranch and recused himself from this matter and left the meeting. GSA Alternate Director Art Hibbits assumed the role of GSA Acting Alternate Director.

Mr. Buelow presented the WMA GSA Summary of Well Verifications and Other Wells, briefly reviewed rules set by Paragraph 9 of the Executive Order, and presented the Draft Reviews of each well application which were prepared by GSI Water Solutions for the following well permit applications.

**a. Jordan-Cramer Ranch - APN 093-020-012**

Mr. Buelow presented the Draft Review of New Well Application in the Santa Ynez River Valley Groundwater Basin, Western Management Area (WMA) APN: 093-020-012 (Well Permit (WP) 0005360) Jordan-Cramer Ranch, dated February 17, 2023. Discussion followed. There was no public comment.

WMA GSA Acting Alternate Director Art Hibbits made a MOTION for the WMA GSA to acknowledge receipt of the request to provide a written verification to Jordan-Cramer Ranch and to provide the written verification under Executive Order N-7-22. GSA Chair Chris Brooks seconded the motion. There was no further discussion and no public comment. The motion passed 3-0-1 by roll call vote, with both Director and Alternate from the Mission Hills CSD being absent.

**b. Launchpad Lands, LLC - APN 093-070-058**

Mr. Buelow presented the Draft Review of Well Application in the Santa Ynez River Valley Groundwater Basin, Western Management Area (WMA) APN: 093-070-058 (WP 0005467) Launchpad Lands, LLC, dated February 17, 2023.

WMA GSA Director Steve Jordan rejoined the meeting and reassumed the role of GSA Director. GSA Alternate Director Art Hibbits remained in the meeting as the non-acting alternate.

Mr. Buelow reported that no committee vote is required to issue a well verification for this replacement well as the WMA GSA Committee had previously authorized staff to issue well verifications for replacement wells if recommended by GSI Water Solutions.

Discussion followed. There was no public comment. As suggested in GSI Water Solutions' review, the Directors, by consensus, requested staff to clarify past water production of the existing well. They also asked staff to clarify the intended use for the water produced plus add production parameters to the written verification letter before issuing the letter. Mr. Buelow received the request and answered that he will provide a revised report to Committee at the March meeting.

**IX. Receive Presentation by Curtis Lawler of Stetson Engineering “Airborne Electro-Magnetic (AEM) Survey for the Western Management Area and Central Management Area – WY 2022 Studies Summary”**

Curtis Lawler, Stetson Engineers, presented information on the Airborne ElectroMagnetic (AEM) Survey for Western Management Area and Central Management

**DRAFT**

Area and Water Year 2022 Studies Summary. There was no discussion, no action, and no public comment.

**X. Receive Presentation by Santa Barbara County Water Agency, “Western Management Area Overview of Historical Water Level Trends and Recent October 2022 Measurements”**

Ms. Marliez Diaz, Santa Barbara County Water Agency, presented information on the Western Management Area Overview of Historical Water Level Trends and Recent October 2022 Measurements. There was no discussion, no action, and no public comment.

**XI. Receive Update on WMA Second Annual Report**

WMA GSA Director Jeremy Ball left the meeting. GSA Alternate Director Kristin Worthley assumed the role of Acting Alternate Director.

Mr. Buelow provided an update on the WMA Second Annual Report. He informed the GSA Committee that staff is planning for a presentation of the Report during the March 22, 2023 public meeting. There was no discussion, no action, and no public comment.

**XII. Next WMA GSA Meeting, Wednesday, March 22, 2023, at 10:00 a.m. – location TBD**

WMA GSA Chair Chris Brooks announced the next WMA GSA meeting will be Wednesday, March 22, 2023 at 10:00 a.m., in person at a location to be determined, possibly Vandenberg Village CSD Conference Room.

**XIII. WMA GSA Committee reports and requests for future agenda items**

WMA GSA Director Steve Jordan expressed concern that future governance plans are not yet completed. He emphasized his preference would be for one Basin-wide JPA but realizes issues may exist preventing that as a viable option.

WMA GSA Chair Chris Brooks agreed future governance should be determined. He emphasized his preference would be to transition the current terms of the WMA Memorandum of Agreement (MOA), as written, into a JPA for the WMA.

**XIV. Adjournment**

GSA Director Chris Brooks adjourned the meeting at 11:24 a.m.

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Chris Brooks, Chairman

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William J. Buelow, Secretary



SECOND ANNUAL REPORT WATER YEAR 2022  
FOR THE  
SANTA YNEZ RIVER VALLEY GROUNDWATER BASIN  
BULLETIN 118 BASIN NO. 3-15  
WESTERN MANAGEMENT AREA  
GROUNDWATER SUSTAINABILITY AGENCY

WMA

Western Management Area

MARCH 2023



STETSON  
ENGINEERS INC.

WATER RESOURCE PROFESSIONALS  
SERVING CLIENTS SINCE 1957

WMA GSA Committee Meeting - March 22, 2023

## COVER PHOTOGRAPHS

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Front Cover: Santa Ynez River flowing through the Lompoc Plain in the Western Management Area because of the summer and fall 2022 water rights releases from Bradbury Dam. The photograph was taken on September 12, 2022. Water rights releases are conducted by the U.S. Bureau of Reclamation following State Water Resources Control Board orders and the Cachuma Project Settlement Agreement and result in water being released from storage in Lake Cachuma.

Back Cover: National Agriculture Imagery Program (NAIP) natural color orthographic photo mosaic of Western Management Area photographed on May 21, 2022.

SANTA YNEZ RIVER VALLEY GROUNDWATER BASIN

WESTERN MANAGEMENT AREA

# **Second Annual Report Water Year 2022**

**March 2023**

Santa Ynez River Valley Groundwater Basin  
Western Management Area  
Groundwater Sustainability Agency Committee  
Water Year 2022 (October 2021-September 2022)

City of Lompoc

**Jeremy Ball**, City Council, GSA Vice Chair  
**Kristin Worthley**, City Staff (Alternate)

Santa Ynez River Water Conservation District

**Steve Jordan**, Director  
**Art Hibbits**, Director (Alternate)

Vandenberg Village  
Community Services District

**Chris Brooks**, Director, GSA Chair  
**Dan Redmon**, Director (Alternate)  
*through January 31, 2022*

**Ron Stassi**, Director (Alternate)  
as of February 1, 2022

Mission Hills  
Community Services District

**Myron Heavin**, Director  
**Bruce Nix**, Director (Alternate)

Santa Barbara County Water Agency

**Joan Hartmann**, District 3 Supervisor  
**Meighan Dietenhofer**, County Staff (Alternate)

***GSA Member Agency Staff Representatives:***

**Matt Young**, Santa Barbara County Water Agency

**Kristin Worthley**, City of Lompoc

**Marliez Diaz**, Santa Barbara County Water Agency

**Brad Hagemann**, Mission Hills Community Services District

**William J. Buelow, PG**, GSA Coordinator  
Santa Ynez River Water Conservation District

**Joe Barget**  
Vandenberg Village Community Services District

*Italicized indicates former committee members or staff representatives*

# PREPARERS

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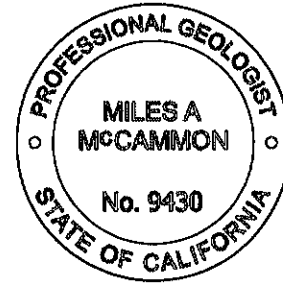
## *Stetson Engineers:*



Curtis Lawler, PE (Project Manager)



Miles M<sup>c</sup>Cammon, CHG, PG



Scott Lowrie  
Noah Wasserman

Robyn Krueger  
John Gowan

## *Additional Thanks:*

Oliver Page, PG  
(Principal, Stetson Engineers)

Allan Richards, PE  
(Principal, Stetson Engineers)

Ali Shahroody, PE  
(Principal, Stetson Engineers)



## ACKNOWLEDGMENTS

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The Western Management Area Groundwater Sustainability Agency Committee and Stetson Engineers Inc. would like to thank and acknowledge the many stakeholders, entities, and private citizens who have contributed their time and expertise to develop this Second Annual Report.

ArcGIS® software by Esri was used in part to create maps in this report. ArcGIS® and ArcMap™ are the intellectual property of Esri and are used herein under license. Copyright © Esri. All rights reserved.

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## EXECUTIVE SUMMARY

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This is the second annual report for the Western Management Area (WMA). This report describes changes within the WMA and progress for Water Year (WY) 2022. WY 2022 started on October 1, 2021, and ended on September 30, 2022.

The WMA is the most western agency in the Santa Ynez River Valley Groundwater Basin (SYRVGB). The SYRVGB is in Santa Barbara County, within the Central Coast Region of California. DWR identifies the SYRVGB as basin number 3-15. The SYRVGB has three management agencies: Western (WMA), Central (CMA), and Eastern (EMA). The Department of Water Resources (DWR) designated the SYRVGB as a medium-priority groundwater basin. The WMA Groundwater Sustainability Agency (GSA) is implementing the Sustainable Groundwater Management Act (SGMA) law, which is overseen by the DWR.

In WY 2022, the WMA submitted its Groundwater Sustainability Plan (GSP) to DWR in January 2022. DWR has two years to complete a review of the WMA GSP. The WMA GSP indicated that the current WMA conditions are sustainable. The WMA GSP established sustainable management criteria for measuring progress toward groundwater sustainability. The WMA GSP recommended projects and management actions. These projects help maintain sustainability, avoid undesirable results, and avoid unsustainable groundwater conditions.

WY 2022 was a dry year in the WMA: it was the eleventh year of drought, and the last wet year in the WMA was 2011. WY 2022 was not the driest year during the drought, but there was little rain, and the Santa Ynez River was dry for most of the year. The largest reservoir on the Santa Ynez River, Lake Cachuma, had not spilled since WY 2011.

The estimated sustainable yield of the WMA is 26,000 to 27,000 acre-feet per year (AFY). Sustainable yield is the long-term average over the period of record. The total estimated groundwater storage change in the WMA during WY 2022 is a gain of 3,800 acre-feet (AF). The estimated total groundwater production in the WMA during WY 2022 was about 23,430 AF. Total use includes all water types including groundwater, surface water (surface and underflow), and imported water. The total estimated water use is about 28,270 AF.



The WMA has organized this Second Annual Report into the following chapters:

- General information (including Basin location) – Chapter 1
- Hydrologic conditions – Chapter 2
- Groundwater elevation data (including contours, with hydrographs as an appendix) – Chapter 3
- Water supply data (including groundwater extraction data) – Chapter 4
- Groundwater storage data – Chapter 5
- Progress towards GSP implementation and sustainability – Chapter 6.

Mission Hills Community Services District  
Revenue and Expenses Previous Year Comparison  
February 2023

	A	B	C	D	E	F	G	H	J	L	M
1											
2								<b>Feb 23</b>	<b>Feb 22</b>	<b>\$ Change</b>	<b>Explanation</b>
3							<b>Ordinary Income/Expense</b>				
4							<b>Income</b>				
5							4005 · 48 hour notice fees	315.00	225.00	90.00	
6							4025 · Construction hydrant meter	0.00	150.00	-150.00	
7							4045 · Late fees	2,038.30	0.00	2,038.30	No Fees Charged 2022
8							4060 · Reconnection fees	115.00	0.00	115.00	
9							4075 · Returned check fees	0.00	55.00	-55.00	
10							4085 · Sewer basic charges	91,044.04	84,024.20	7,019.84	Increase in Rates 2023
11							4095 · Street sweeping charges	1,511.64	1,511.40	0.24	
12							4105 · Water basic charges	56,367.07	60,233.00	-3,865.93	Decrease in Rates 2023
13							4115 · Water usage charges	24,315.38	31,237.62	-6,922.24	Decrease in Lower Consumption Rate 2023
14							<b>Total Income</b>	<b>175,706.43</b>	<b>177,436.22</b>	<b>-1,729.79</b>	
15							<b>Gross Profit</b>	<b>175,706.43</b>	<b>177,436.22</b>	<b>-1,729.79</b>	
16							<b>Expense</b>				
17							6000 · Salaries and wages				
18							6005 · Wage expense	52,896.14	50,348.21	2,547.93	Staff Promotions
19							6010 · Payroll tax expense	4,454.62	4,184.10	270.52	
20							<b>Total 6000 · Salaries and wages</b>	<b>57,350.76</b>	<b>54,532.31</b>	<b>2,818.45</b>	
21							6050 · Employee benefits				
22							6060 · Disability insurance	272.87	258.50	14.37	
23							6065 · Health insurance	10,971.23	21,021.96	-10,050.73	Timing of Payment
24							6075 · Retirement expenses	1,448.16	1,293.36	154.80	
25							6090 · Vacation & Sick Leave	4,096.40	2,368.51	1,727.89	More Vacation Taken 2023
26							6095 · Benefit Administration	89.82	89.82	0.00	
27							<b>Total 6050 · Employee benefits</b>	<b>16,878.48</b>	<b>25,032.15</b>	<b>-8,153.67</b>	
28							6100 · Director fees	1,250.00	1,375.00	-125.00	
29							6110 · Depreciation expense	28,189.70	31,054.00	-2,864.30	
30							6140 · Vehicle expenses				
31							6145 · Tractor and equipment	0.00	0.00	0.00	
32							6150 · Vehicle fuel	1,484.08	1,290.21	193.87	
33							6155 · Vehicle maintenance	1,746.72	2,175.06	-428.34	
34							<b>Total 6140 · Vehicle expenses</b>	<b>3,230.80</b>	<b>3,465.27</b>	<b>-234.47</b>	
35							6190 · Dues and memberships	900.00	1,041.69	-141.69	
36							6200 · Office expenses				
37							6205 · Bank fees and charges	0.00	15.00	-15.00	
38							6230 · Office supplies	284.90	462.84	-177.94	
39							6235 · Postage expense	708.33	605.82	102.51	
40							6245 · Office Equipment	169.17	169.17	0.00	
41							<b>Total 6200 · Office expenses</b>	<b>1,162.40</b>	<b>1,252.83</b>	<b>-90.43</b>	
42							6300 · Operating supplies and expenses				
43							6310 · Miscellaneous supplies	0.00	5,251.52	-5,251.52	Hydrants, Gaskets, White Marking Paint, Valves, Wrench 2022
44							6315 · Oil expense	0.00	17.39	-17.39	
45							6325 · Portable equipment	4.37	-630.28	634.65	
46							6330 · Shop supplies	0.00	137.29	-137.29	
47							6335 · Small tools and appliances	44.30	563.50	-519.20	
48							6340 · Chemicals				
49							6342 · Bioremediation	0.00	3,040.42	-3,040.42	Chemicals 2022
50							6344 · Chlorine	1,685.05	1,434.34	250.71	
51							6345 · Corrosion inhibitor	3,385.93	0.00	3,385.93	Chemicals 2023
52							6347 · Other chemicals	0.00	377.22	-377.22	
53							<b>Total 6340 · Chemicals</b>	<b>5,070.98</b>	<b>4,851.98</b>	<b>219.00</b>	
54							<b>Total 6300 · Operating supplies and ex</b>	<b>5,119.65</b>	<b>10,191.40</b>	<b>-5,071.75</b>	
55							6350 · Safety expenses				
56							6360 · Protective Clothing/Uniforms	282.47	175.00	107.47	
57							<b>Total 6350 · Safety expenses</b>	<b>282.47</b>	<b>175.00</b>	<b>107.47</b>	
58							6410 · Contractual services				



Mission Hills Community Services District  
Revenue and Expenses Previous Year Comparison  
February 2023

	A	B	C	D	E	F	G	H	J	L	M
1											
2								<b>Feb 23</b>	<b>Feb 22</b>	<b>\$ Change</b>	<b>Explanation</b>
59							6420 · Cleaning service	200.00	200.00	0.00	
60							6425 · Office equip maintenance	382.37	840.84	-458.47	
61							6430 · Internet access	168.35	163.35	5.00	
62							6435 · Landscaping services	472.94	214.55	258.39	
63							6437 · Pest Control	110.00	100.00	10.00	
64							6445 · Security expense	112.50	112.50	0.00	
65							6449 · SCADA Support	0.00	6,329.75	-6,329.75	Lift Station Level Controls Upgrade 2022
66							6450 · Software support	1,705.74	1,578.75	126.99	
67							6452 · Credit Card Processing	297.30	316.94	-19.64	
68							6453 · Software Subscriptions	128.00	937.72	-809.72	
69							6455 · Street sweeping services	1,471.18	1,414.60	56.58	
70							6466 · Emissions Testing	832.10	0.00	832.10	
71							6470 · Other contractual services	1,154.00	7,857.69	-6,703.69	Hach, Environmental Techniques, H&S Environmental 2022
72							<b>Total 6410 · Contractual services</b>	<b>7,034.48</b>	<b>20,066.69</b>	<b>-13,032.21</b>	
73							6475 · Professional services				
74							6480 · Accounting services	1,048.94	1,721.44	-672.50	
75							6490 · Legal services	8,596.31	1,573.67	7,022.64	Litigation Fees
76							<b>Total 6475 · Professional services</b>	<b>9,645.25</b>	<b>3,295.11</b>	<b>6,350.14</b>	
77							6500 · Printing and publication	225.80	0.00	225.80	
78							6505 · Equipment lease and rentals	598.43	783.73	-185.30	
79							6525 · Research and monitoring				
80							6535 · Monitoring expense	1,034.00	6,159.00	-5,125.00	Decrease in Required Monitoring 2023
81							<b>Total 6525 · Research and monitoring</b>	<b>1,034.00</b>	<b>6,159.00</b>	<b>-5,125.00</b>	
82							6600 · Travel and meetings				
83							6610 · Meals	40.00	202.77	-162.77	
84							<b>Total 6600 · Travel and meetings</b>	<b>40.00</b>	<b>202.77</b>	<b>-162.77</b>	
85							6650 · Utilities				
86							6655 · Cell phones	0.00	191.06	-191.06	
87							6665 · Electrical	8,110.16	10,659.71	-2,549.55	Lower Utility Cost 2023
88							6670 · Natural gas	2,440.32	0.00	2,440.32	Use of Gas Well 2023
89							6685 · Telephone	199.69	455.73	-256.04	
90							6691 · Trash & Recycling	292.02	221.10	70.92	
91							<b>Total 6650 · Utilities</b>	<b>11,042.19</b>	<b>11,527.60</b>	<b>-485.41</b>	
92							6700 · Government fees and charges	0.00	471.48	-471.48	
93							6720 · Repairs and maintenance				
94							6740 · Hydrants	2,939.51	0.00	2,939.51	Famcon Pipe 2023
95							6745 · Lift station expenses	8,630.75	0.00	8,630.75	Reliant Water Technologies
96							6750 · Collection expense	2,247.36	30.91	2,216.45	Pro3 Automation
97							6790 · Waste water plant	451.05	561.96	-110.91	
98							6795 · Other repairs and mainten	0.00	875.00	-875.00	
99							<b>Total 6720 · Repairs and maintenance</b>	<b>14,268.67</b>	<b>1,467.87</b>	<b>12,800.80</b>	
100							<b>Total Expense</b>	<b>158,253.08</b>	<b>172,093.90</b>	<b>-13,840.82</b>	
101							<b>Net Ordinary Income</b>	<b>17,453.35</b>	<b>5,342.32</b>	<b>12,111.03</b>	
102							<b>Other Income/Expense</b>				
103							<b>Other Income</b>				
104							7006 · Market Appreciation/(Depr)	-780.51	-5,339.53	4,559.02	Better Return 2023
105							7010 · Interest income	2,728.03	864.38	1,863.65	Better Interest 2023
106							<b>Total Other Income</b>	<b>1,947.52</b>	<b>-4,475.15</b>	<b>6,422.67</b>	
107							<b>Net Other Income</b>	<b>1,947.52</b>	<b>-4,475.15</b>	<b>6,422.67</b>	
108							<b>Net Income</b>	<b>19,400.87</b>	<b>867.17</b>	<b>18,533.70</b>	

Mission Hills Community Services District  
Disbursements Journal  
February 2023

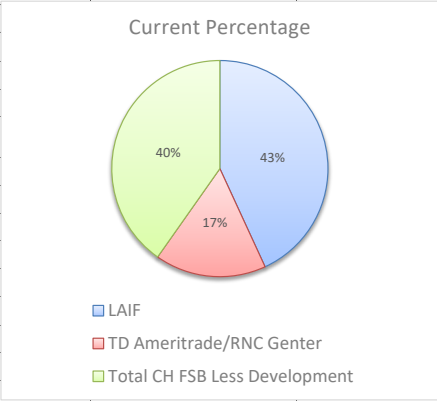
	A	B	G	I	K	M	N
			Date	Num	Name	Amount	Explanation
1							
2		<b>1000 · FSB - Operating 1535412</b>					
3			02/07/2023	33170	ACECO Equipment Rentals	-91.53	
4			02/07/2023	33171	ACWA/JPIA *Medical Insurance	-11,769.13	Monthly Health Ins
5			02/07/2023	33172	American Industrial Supply	-230.12	
6			02/07/2023	33173	Carmel & Naccasha LLP	-846.31	
7			02/07/2023	33174	Comcast	-168.35	
8			02/07/2023	33175	County of Santa Barbara- Gen Svcs	-5,857.12	Vehicle Maintenance - 2 Months
9			02/07/2023	33176	Home Depot	-1,605.19	
10			02/07/2023	33177	JB Dewar Inc	-53.36	
11			02/07/2023	33178	Jon's Lawn Mowing	-150.00	
12			02/07/2023	33179	Linde Gas & Equipment Inc	-44.30	
13			02/07/2023	33180	Lompoc Fire Equipment Service Inc	-381.35	
14			02/07/2023	33181	Mainline Utility Company	-1,600.00	
15			02/07/2023	33182	O'Connor Pest Control	-110.00	
16			02/07/2023	33183	Office Depot Business Credit	-110.42	
17			02/07/2023	33184	Santa Barbara Co Air Pollution Con	-498.12	
18			02/07/2023	33185	SoCalGas	-4,320.80	Utility Bill
19			02/07/2023	33186	SP Maintenance Services, Inc.	-1,471.18	
20			02/07/2023	33187	Staples	-69.32	
21			02/07/2023	33188	Staples Business Credit	-97.40	
22			02/07/2023	33189	Surface Pumps Inc	-841.00	
23			02/07/2023	33190	Verizon	-204.00	
24			02/07/2023	33191	Underground Service Alert of SC	-50.25	
25			02/07/2023	33192	Waste Management	-292.02	
26			02/15/2023	33193	Famcon Pipe & Supply Inc.	-2,939.51	Hydrant Maintenance
27			02/15/2023	33194	Kendra L Estes Marketing Supplies	-282.47	
28			02/15/2023	33195	Pitney Bowes	-185.30	
29			02/15/2023	33196	Santa Barbara County EHS / CUPA	-499.00	
30			02/15/2023	33197	Smith Alarms & Electronics, Inc.	-112.50	
31			02/15/2023	33198	Surface Pumps Inc	-1,786.16	
32			02/27/2023	33199	California Special Districts Associat	-40.00	
33		Total 1000 · FSB - Operating 1535412				-36,706.21	
34		<b>1060 · CHCU - General 4163</b>					
35			02/02/2023	EFT	Tierzero	-133.90	
36			02/06/2023	EFT	PG&E	-2,771.73	Utility Bill
37			02/09/2023	EFT	Deluxe	-225.80	
38			02/13/2023	EFT	PG&E	-236.30	Utility Bill
39			02/13/2023	EFT	PG&E	-2,987.56	Utility Bill
40			02/13/2023	EFT	PG&E	-446.57	Utility Bill
41			02/13/2023	EFT	PG&E	-29.72	Utility Bill
42			02/13/2023	EFT	PG&E	-1,464.58	Utility Bill
43			02/13/2023	EFT	PG&E	-39.23	Utility Bill
44			02/22/2023	EFT	PG&E	-10.31	Utility Bill
45			02/22/2023	EFT	TASC	-89.82	
46			02/28/2023	EFT	Right Networks	-128.00	
47		Total 1060 · CHCU - General 4163				-8,563.52	
48		<b>1070 · CHCU - Payroll 4155</b>					
49			02/01/2023		Payroll	-19,905.86	
59			02/03/2023	E-pay	EDD	-1,391.98	
60			02/03/2023	E-pay	IRS USATAXPYMT	-5,388.98	
61			02/03/2023	EFT	CA State Disbursement Unit/Expert	-299.07	
62			02/07/2023	1359	Employment Development Departm	-45.99	
63			02/07/2023	1360	Matrix Trust Company	-4,278.85	401K/457 Contributions
64			02/15/2023		Payroll	-19,480.70	
65			02/15/2023		Payroll	-1,143.10	
66			02/15/2023	1361	Matrix Trust Company	-4,186.97	401K/457 Contributions
81			02/17/2023	E-pay	EDD	-1,396.14	
82			02/17/2023	E-pay	IRS USATAXPYMT	-5,509.88	

Mission Hills Community Services District  
**Disbursements Journal**  
 February 2023

	A	B	G	I	K	M	N
1			Date	Num	Name	Amount	Explanation
83			02/17/2023	EFT	CA State Disbursement Unit/Expert	-299.07	
84			02/28/2023	EFT	AFLAC	-66.82	
85		Total 1070 · CHCU - Payroll 4155				-63,393.41	
86		<b>1075 · CHCU - ACH 4130</b>					
87			02/16/2023	EFT	Springbrook (ACH Services)	-179.50	
88			02/28/2023	EFT	Bluefin Payment Systems	-1,032.04	
89		Total 1075 · CHCU - ACH 4130				-1,211.54	
90		<b>TOTAL</b>				<b>-109,874.68</b>	

	A	B	C	D	E	F	G	H	I	J	K
1	<b>Variation From Projected Income</b>										
2	<b>Fiscal Year Ending 6-30-2023</b>										
3											
4		<b>Water</b>			<b>Wastewater</b>						
5	<b>Billing Month</b>	<b>Projected Income*</b>	<b>Actual Income</b>	<b>Variation</b>	<b>Projected Income</b>	<b>Actual Income</b>	<b>Variation</b>	<b>Total (Loss) / Gain</b>	<b>Current Year Units Sold</b>	<b>Last Year Units Sold</b>	<b>Previous 5 Year Average Units Sold</b>
6	Jul-22	\$ 114,125	\$ 115,954	\$ 1,829	\$ 83,750	\$ 84,284	\$ 534	\$ 2,363	22,621	23,039	22,132
7	Aug-22	\$ 117,875	\$ 116,411	\$ (1,464)	\$ 83,750	\$ 84,012	\$ 262	\$ (1,202)	25,390	25,038	24,000
8	Sep-22	\$ 116,250	\$ 123,135	\$ 6,885	\$ 83,750	\$ 84,083	\$ 333	\$ 7,218	20,829	21,488	22,252
9	Oct-22	\$ 112,000	\$ 111,535	\$ (465)	\$ 83,750	\$ 83,923	\$ 173	\$ (292)	16,842	18,786	20,501
10	Nov-22	\$ 110,125	\$ 104,613	\$ (5,512)	\$ 83,750	\$ 90,668	\$ 6,918	\$ 1,406	15,567	17,377	19,882
11	Dec-22	\$ 100,625	\$ 98,210	\$ (2,415)	\$ 83,750	\$ 90,466	\$ 6,716	\$ 4,301	10,999	11,828	14,781
12	Jan-23	\$ 89,125	\$ 84,430	\$ (4,695)	\$ 83,750	\$ 90,525	\$ 6,775	\$ 2,079	9,757	12,272	11,964
13	Feb-23	\$ 94,375	\$ 80,682	\$ (13,693)	\$ 83,750	\$ 91,044	\$ 7,294	\$ (6,399)	9,472	16,772	14,006
14	Mar-23	\$ 91,000	\$ -	\$ -	\$ 83,750	\$ -	\$ -	\$ -		19,671	13,658
15	Apr-23	\$ 90,625	\$ -	\$ -	\$ 83,750	\$ -	\$ -	\$ -		17,723	13,480
16	May-23	\$ 102,750	\$ -	\$ -	\$ 83,750	\$ -	\$ -	\$ -		23,118	18,271
17	Jun-23	\$ 111,125	\$ -	\$ -	\$ 83,750	\$ -	\$ -	\$ -		22,524	20,430
18											
19	<b>Total</b>	<b>\$ 1,250,000</b>	<b>\$ 834,970</b>	<b>\$ (19,530)</b>	<b>\$ 1,005,000</b>	<b>\$ 699,004</b>	<b>\$ 29,004</b>	<b>\$ 9,475</b>	131,477	229,636	215,356
21									<b>Year to Date Monthly Averages</b>		
22	YTD avg	100%	<b>67%</b>		100%	<b>70%</b>			16,435	19,136	17,946
23									<b>Yearly Average</b>	19,136	17,946
24											
25	* Projected Income is calculated by using current year and previous 5 year average monthly units sold.										
26											
27	<b>Units Sold by Calendar Year (1 Unit = 1 HCF = 748 Gallons)</b>										

	A	AM	AN	AO	AP	AQ	AR	AS	AT
1	<b>Bank Account Summary</b>								
2									
3		7/31/2022	8/31/2022	9/30/2022	10/31/2022	11/30/2022	12/31/2022	1/31/2023	2/28/2023
31									
32	<b>LAIF</b>	\$1,740,868	\$1,740,868	\$1,740,868	\$1,746,792	\$1,746,792	\$1,746,792	\$1,755,917	\$1,756,842
33									
34	<b>TD Ameritrade/RNC Genter</b>	\$1,275,353	\$1,272,832	\$1,267,141	\$1,265,349	\$1,274,442	\$676,072	\$677,886	\$677,767
35									
36	<b>Coast Hills FCU</b>								
37	Checking	\$509,281	\$403,898	\$385,477	\$506,532	\$407,477	\$301,898	\$389,104	\$487,562
38	Development	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
39	Investment Checking	\$202	\$202	\$202	\$202	\$202	\$202	\$202	\$202
40	Savings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
41	Payroll	\$62,923	\$33,096	\$18,384	\$14,140	\$14,451	\$36,764	\$55,733	\$48,255
42	ACH (Sweep Account)	\$1,000	\$2,522	\$2,910	\$3,570	\$3,285	\$1,000	\$1,932	\$2,519
43	<b>Total Coast Hill FCU</b>	\$573,406	\$439,717	\$406,972	\$524,444	\$425,415	\$339,864	\$446,970	\$538,538
44									
45	<b>Five Star Bank</b>								
46	Operating	\$369	\$150,380	\$150,393	\$77,085	\$68,835	\$220,420	\$81,158	\$36,357
47	Development	\$261,437	\$261,459	\$261,481	\$261,503	\$261,525	\$261,547	\$261,569	\$261,589
48	Money Market	\$455,694	\$456,275	\$456,837	\$457,552	\$458,305	\$1,059,879	\$1,061,817	\$1,063,757
49	ACH (Sweep Account)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
50	Payroll	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
51	<b>Total Five Star Bank</b>	\$717,500	\$868,114	\$868,711	\$796,140	\$788,664	\$1,541,845	\$1,404,544	\$1,361,704
52									
53	<b>Combined Balance</b>	\$4,307,127	\$4,321,532	\$4,283,693	\$4,332,724	\$4,235,313	\$4,304,572	\$4,285,317	\$4,334,851
54									
55	<b>Monthly Change</b>	\$1,238	\$14,404	-\$37,839	\$49,031	-\$97,411	\$69,259	-\$19,255	\$49,534
56									
57	<b>Fiscal Year Monthly Change To Date</b>								
58	<b>\$28,962</b>								
59									
60	<b>INVESTMENT STRATEGY</b>								
61	Along with resuming active management, the Finance Committee and Staff recommend a								
62	balanced distribution of monies as stated below								
63	between TD Ameritrade, LAIF and Coast Hills								
64	Credit Union/Five Star Bank. This distribution will								
65	allow the District to maximize yields on								
66	investments, while meeting operating and capital								
67	cash needs								
68	<b>Recommended Investment Strategy:</b>								
69	01. Coast Hills CU/Five Star Bank: \$300,000								
70									
71	<b>Goal of about 10%</b>								
72	02. TD Ameritrade: 50% of balance of unrestricted								
73	cash								
74	<b>Goal of about 45%</b>								
75	03. LAIF: 50% of the balance of unrestricted cash								
76	<b>Goal of about 45%</b>								
77									
78									



	B	C	D	E	F	G	H	L	M
1	Mission Hills Community Services District								8
2	Budget to Actual Comparison								0.67
3	JUL 22 -FEB 23								4
4		Budgeted	Prorated Budget	Actual		Remainder		% of Budget	Explanation
5	<b>Income</b>	Fiscal Year 22-23	JUL 22 -FEB 23	JUL 22 -FEB 23	Difference	Budgeted Amount		<b>67%</b>	
6	Late Fees/Charges	\$ 50,000	\$ 33,333	\$ 21,814	\$ (11,519)	\$ 28,186		44%	Lower Than Budgeted
7	Water Service	\$ 1,250,000	\$ 833,333	\$ 834,970	\$ 1,637	\$ 415,030		67%	On Track With Budget
8	Sewer Service	\$ 1,005,000	\$ 670,000	\$ 699,004	\$ 29,004	\$ 305,996		70%	Slightly Higher Than Budgeted
9	Street Sweeping	\$ 18,000	\$ 12,000	\$ 12,051	\$ 51	\$ 5,949		67%	On Track With Budget
10		\$ 2,323,000	\$ 1,548,667	\$ 1,567,840	\$ 19,173	\$ 755,160		<b>67%</b>	Revenue is on Track With Budget
11									
12									
13		Budgeted	Actual			Remainder			
14	<b>Expense</b>	Fiscal Year 22-23	JUL 22 -FEB 23	JUL 22 -FEB 23	Difference	Budgeted Amount			
15	Salaries & Wages	\$ 705,000	\$ 470,000	\$ 482,097	\$ (12,097)	\$ 222,903		68%	Slightly Higher Than Budgeted
16	Employee Benefits	\$ 250,000	\$ 166,667	\$ 151,844	\$ 14,823	\$ 98,156		61%	Slightly Lower Than Budgeted
17	Director Fees	\$ 16,500	\$ 11,000	\$ 4,750	\$ 6,250	\$ 11,750		29%	Less Meetings Than Budgeted
18	Depreciation	\$ 375,000	\$ 250,000	\$ 225,518	\$ 24,482	\$ 149,482		60%	Depreciation Slightly Lower Than Budgeted
19	Election Expense	\$ 3,000	\$ 2,000		\$ 2,000	\$ 3,000		0%	No Election Expense
20	Vehicle Expense	\$ 23,000	\$ 15,333	\$ 24,704	\$ (9,370)	\$ (1,704)		107%	More Maintenance Than Budgeted - Additional Vehicles
21	Insurance	\$ 25,000	\$ 16,667	\$ 11,875	\$ 4,792	\$ 13,125		47%	Lower Than Budgeted
22	Memberships	\$ 30,000	\$ 20,000	\$ 25,806	\$ (5,806)	\$ 4,194		86%	Timing of Payment of Memberships
23	Office Expenses	\$ 25,000	\$ 16,667	\$ 13,412	\$ 3,254	\$ 11,588		54%	Lower Than Budgeted
24	Operating Supplies	\$ 25,000	\$ 16,667	\$ 10,800	\$ 5,866	\$ 14,200		43%	Lower Than Budgeted
25	Chemicals	\$ 100,000	\$ 66,667	\$ 40,327	\$ 26,340	\$ 59,673		40%	Lower Than Budgeted
26	Safety	\$ 5,000	\$ 3,333	\$ 3,490	\$ (157)	\$ 1,510		70%	Slightly Higher Than Budgeted
27	Contractual Services	\$ 125,000	\$ 83,333	\$ 75,594	\$ 7,739	\$ 49,406		60%	Slightly Lower Than Budgeted
28	Professional Services	\$ 125,000	\$ 83,333	\$ 50,145	\$ 33,188	\$ 74,855		40%	Lower Than Budgeted
29	Printing & Publication	\$ 5,300	\$ 3,533	\$ 1,753	\$ 1,781	\$ 3,547		33%	Lower Than Budgeted
30	Equipment Lease	\$ 13,500	\$ 9,000	\$ 6,076	\$ 2,924	\$ 7,424		45%	Lower Than Budgeted
31	Monitoring	\$ 36,000	\$ 24,000	\$ 11,032	\$ 12,968	\$ 24,968		31%	Lower Than Budgeted
32	Travel/Meetings/Meals	\$ 15,000	\$ 10,000	\$ 5,791	\$ 4,209	\$ 9,209		39%	Lower Than Budgeted
33	Utilities	\$ 220,000	\$ 146,667	\$ 127,105	\$ 19,561	\$ 92,895		58%	Lower Than Budgeted
34	Government Fees	\$ 35,000	\$ 23,333	\$ 33,420	\$ (10,086)	\$ 1,580		95%	Timing of Payment of SWRCB Fees
35	Repairs & Maintenance	\$ 80,000	\$ 53,333	\$ 74,943	\$ (21,610)	\$ 5,057		94%	Timing of Payment Reliant Water Tech, Pro3 Automation
36	Miscellaneous Expenses	\$ 25,000	\$ 16,667	\$ -	\$ 16,667	\$ 25,000		0%	Uncollectables or Write Offs
37		\$ 2,262,300	\$ 1,508,200	\$ 1,380,482	\$ 127,718	\$ 881,818		<b>61%</b>	Expenses Are 6% Below Budget
38									
46	Resolution 15-229 - Budget Preparation and Approval Process								
47	C.3. - Whenever a budgeted expense line item has circumstances where a projected expense exceeds a 5% variance of the total budget,								
48	the GM will be required to seek a super majority approval from the BoD before the expense is finalized, when possible.								
49					5% =	\$ 113,115.00			



## MISSION HILLS COMMUNITY SERVICES DISTRICT

### MEMORANDUM

**TO:** Board of Directors

**FROM:** Brad Hagemann, General Manager, and the Finance Committee

**DATE:** March 29, 2023

**SUBJECT:** **Consider Approval of Resolution No. 2023-350 Updating the District's Investment Policy and Consider Opening a Reserve Fund Account with California CLASS**

#### Recommendation / Proposed Motion

- Recommendation: That the Board of Directors Approve Resolution No. 23-350
- Proposed Motion: Approve Resolution No. 23-350

#### Discussion/Recommendation

The Finance Committee recently met and directed staff to prepare an update to the District's Investment Policy (Policy No. 3035) and to present an option for the Board to open an account with California Cooperative Liquid Assets Securities System (CLASS). Staff consulted with Rick Wood at CSDA and he provided a template for updating the District's Investment Policy. The draft updated policy is provided as an attachment to this staff report.

The Finance Committee also recommended that the Board consider opening an account with California CLASS to diversify the District's reserve funds portfolio and take advantage of the relatively higher rate of return provided by California CLASS. California CLASS is a new Joint Powers Authority Investment Pool that provides public agencies the opportunity to invest in funds on a cooperative basis that are managed in accordance with State law with the primary objectives of offering Participants maximum safety, daily and next day liquidity and optimized returns. CLASS is endorsed by the California Special Districts Association and the League of California Cities. I am attaching two brochures that further describe the CLASS JPA and their governance structure. The current interest rate (as of March 1, 2023) on deposits for CLASS is 4.73% as compared to 2.65% for LAIF and 2.75% for Five Star Bank.

Staff and the Finance Committee recommend the Board adopt Resolution No. 23-350 which approves the update to the District's Investment Policy. In addition, the Finance Committee recommends the Board direct staff to open an account with California CLASS and consider moving \$1,500,000 from the District's LAIF Reserve account and \$500,000 from the District's Five Star Bank Reserve account.

**ATTACHMENTS**

- A. Resolution No. 23-350
- B. MHCS D Investment Policy No. 3035
- C. Brochures regarding California CLASS



**RESOLUTION NO. 23-350**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE MISSION HILLS COMMUNITY SERVICES DISTRICT  
AMENDING THE DISTRICT'S INVESTMENT POLICY No.  
3035**

(This Resolution supersedes and replaces Resolution No.  
13-219)

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

**WHEREAS**, in November of 1992, in accordance with the law in effect at that time (Government code Section 61737.02), the District adopted Resolution No. 111, establishing an alternative depository for the District funds; and

**WHEREAS**, on August 8, 2012, the District replaced Resolution No. 111 with Resolution 12-202 in order to comply with the provisions of Section 61053 and to reflect the status of the District's funds; and

**WHEREAS**, on September 11, 2013, the District replaced Resolution 12-202 with Resolution No. 13-219 to comply with the provisions of Section 61053 and to reflect the status of the District's funds; and

**WHEREAS**, the District has also adopted Resolution No. 11-194, authorizing deposit of District money and a contract for banking services with Coast Hills Federal Credit Union; and

**WHEREAS**, the District has also adopted Resolution No. 22-334, authorizing deposit of District money and a contract for banking services with Five Star Bank; and

**WHEREAS**, the District desires to replace Resolution No. 13-219 with a new resolution that updates and revises the District's Investment Policy to comply with current laws and regulations.

**NOW THEREFORE**, be it resolved by the Board of Directors of the Mission Hills Community Services District as follows:

1. Appointment of District Treasurer: The Board of Directors appoints the Financial Director as the District Treasurer.
2. Adopted System of Accounting and Auditing: the District's financial statements are prepared on the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recognized when incurred. Auditing is conducted in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the State Controller's *Minimum Audit Requirements for California Special Districts*. This system of accounting and auditing completely and at all times shows the District's financial condition. The system of accounting and auditing adheres to generally accepted accounting principles.
3. Adopted Procedure for Drawing and Signing Checks: All District checks must be signed by two people. The General Manager may be one of signatures for checks less than \$25,000. Any two members of the Board of Directors shall sign for checks greater than \$25,000. However, in an emergency and in the absence of a second board member, the District General Manager and Financial Director or the Board President may act as the two signatories. These procedures for drawing and signing checks adhere to generally accepted accounting principles.
4. Designation of Depository of the District's Money: Five Star Bank and Coast Hills Federal Credit Union are designated as the depositories of the District's money.
5. Compliance with Government Code: The District shall at all times comply with Article 1 (commencing with Section 53600) and Article 2 (commencing with Section 53630) of Chapter 4 of Part 1 of Division 2 of Title 5 with regard to the investment of surplus funds and the deposit of funds.
6. Quarterly Financial Reports: The District Treasurer shall review, approve and present written Financial Reports at least quarterly to the Board of Directors. The Financial Reports will generally be included in the District's Regular monthly Board Meeting agenda packet. The Financial Reports shall include, but not be limited to, receipts and disbursements and balances in the accounts managed by the District Treasurer and the District General Manager.

7. Rescission of Previous Resolutions: This Resolution supersedes and replaces Resolution No. 13-219, and updates the District's Investment Policy No. 3035, with is attached to this Resolution. All ordinances, resolutions or administrative actions by the Board of Directors, or parts thereof, which are inconsistent with any provision of this Resolution are hereby superseded only to the extent of such inconsistency.
  
8. Effective Date: This Resolution will be effective immediately.

On motion of Director \_\_\_\_\_, seconded by Director \_\_\_\_\_, and on the following roll call vote, to-wit:

AYES:

NOES:

**ABSENT:**

**ABSTAIN:**

The foregoing Resolution is hereby passed and adopted this 29th day of March, 2023.

ATTEST:

X

Lupe Huitron  
Secretary to the Board

APPROVED AS TO FORM:

X

Steve Dietrich  
President, Board of Directors

**POLICY TITLE: Investment of District Funds**  
**POLICY NUMBER: 3035**

3035.1 Premise:

- a) The State Legislature has declared the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern (Government Code (GC) § 53600.6 and § 53630.1); and,
- b) Government Code Sections 53601, et seq., allow the legislative body of a local agency to invest surplus monies not required for the immediate necessities of the local agency; and,
- c) The treasurer or fiscal officer of a local agency is required to annually prepare and submit a statement of investment policy and such policy, and any changes thereto, is to be considered by the local agency's legislative body at a public meeting (GC § 53646(a)). The statement shall also be annually presented to any oversight agency of the local agency.
- d) For these reasons, and to ensure prudent and responsible management of the public's funds, it is the policy of the District to invest funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all statutes governing the investment of District funds as defined in GC §53600 et seq.

3035.2 Scope:

This investment policy applies to all financial assets of the District. These funds are accounted for in the annual audited financial statements of the District.

3035.3 Prudence:

The Board and persons authorized to make investment decisions subject to these policies are fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a fiduciary shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the District.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of capital as well as the probable income to be derived.

Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from policy or expectations are reported in the next issued quarterly treasury report and appropriate actions are taken to control adverse developments. When a deviation poses a significant risk to the District's financial position, the fiscal officer shall notify the Board immediately.

3035.4 Objectives:

As specified in GC §53600.5, when investing, reinvesting, purchasing, acquiring, exchanging, selling or managing public funds, the primary objectives of the investment activities, in priority order, shall be:

- a) Safety: Safety of principal is the foremost objective of the investment program. Investments of the District shall be undertaken in a manner that seeks to ensure the preservation of capital in the whole portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
- b) Liquidity: The secondary objective shall be to meet the liquidity needs of the District.
- c) Yield: The third objective shall be to achieve a return on the funds under the District's control.

3035.5 Reporting:

The District will comply with the reporting requirements as defined in GC §53646 et seq. and GC §53607.





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**Bob Shull**  
Director, Investment Services  
[bob.shull@californiaclass.com](mailto:bob.shull@californiaclass.com)  
(213) 378-2070



**Laura Glenn, CFA®**  
Senior Director, Investment Services  
[laura.glenn@californiaclass.com](mailto:laura.glenn@californiaclass.com)  
(404) 822-8287



**Brent Turner**  
Regional Director of Strategy  
[brent.turner@californiaclass.com](mailto:brent.turner@californiaclass.com)  
(303) 999-8190



**Rodrigo Bettini**  
Director, Investment Services  
[rodrigo.bettini@californiaclass.com](mailto:rodrigo.bettini@californiaclass.com)  
(813) 820-0703

Many factors affect performance including changes in market conditions and interest rates and in response to other economic, political, or financial developments. Investment involves risk including the possible loss of principal. No assurance can be given that the performance objectives of a given strategy will be achieved. Past performance is no guarantee of future results. Any financial and/or investment decision may incur losses. California CLASS is rated 'AAAm' by S&P Global Ratings. A 'AAAm' rating by S&P Global Ratings is obtained after S&P evaluates a number of factors including credit quality, market price exposure, and management. For a full description on rating methodology, please visit [www.spglobal.com](http://www.spglobal.com). California CLASS Enhanced Cash is rated 'AAAf/S1' by FitchRatings. The 'AAAf' rating is Fitch's opinion on the overall credit profile within a fixed-income fund/portfolio and indicates the highest underlying credit quality of the pool's investments. The 'S1' volatility rating is Fitch's opinion on the relative sensitivity of a portfolio's total return and/or net asset value to assumed changes in credit spreads and interest rates. The 'S1' volatility rating indicates that the fund possesses a low sensitivity to market risks. For a full description on rating methodology, please visit [www.fitchratings.com](http://www.fitchratings.com). Ratings are subject to change and do not remove credit risk. More information to come.





## California Cooperative Liquid Assets Securities System

### What is California CLASS?

California Cooperative Liquid Assets Securities System (California CLASS) is a joint exercise of powers entity authorized under Section 6509.7, California Government Code. California CLASS is a pooled investment option that was created via a joint exercise of powers agreement by and among California public agencies. California CLASS offers public agencies a convenient method for investing in highly liquid, investment-grade securities carefully selected to optimize interest earnings while maximizing safety and liquidity. The California CLASS Prime and Enhanced Cash funds offer public agencies the opportunity to strengthen and diversify their cash management programs in accordance with the safety, liquidity, and yield hierarchy that provides the framework for the investment of public funds.

### How is it governed and managed?

California CLASS is overseen and governed by a Board of Trustees. The Board is made up of public agency finance professionals who participate in California CLASS and are members of the Joint Powers Authority (JPA). The Board of Trustees has entered into an Investment Advisor and Administrator Agreement with Public Trust Advisors, LLC. Public Trust is responsible to the Board for all program investment and administrative activities as well as many of the services provided on behalf of the Participants.

### How can we participate?

Enrolling in California CLASS is simple. Public agencies may become Participants simply by filling out the Participant Registration Form that can be found in the document center on the California CLASS website. Public agencies may submit the completed registration packet to California CLASS Client Services for processing at [clientservices@californiaclass.com](mailto:clientservices@californiaclass.com). To obtain account forms and fund documents, visit [www.californiaclass.com/document-center/](http://www.californiaclass.com/document-center/).

### Endorsed By:



[www.calcities.org](http://www.calcities.org)



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### Participants benefit from the following:

- Same-day availability of funds in Prime Fund (11:00 a.m. PT cut-off)
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- Secure online access for transactions and account statements
- No withdrawal notices for Prime Fund
- Participant-to-Participant transactions
- Interest accrues daily and pays monthly
- No maximum contributions
- No minimum balance requirements
- No transaction fees\*
- Annual audit conducted by independent auditing firm\*\*
- Dedicated client service representatives available via phone or email on any business day

\*You may incur fees associated with wires and/or ACH transactions by your bank, but there will be no transaction fees charged from California CLASS for such transactions.  
\*\*External audits may not catch all instances of accounting errors and do not provide an absolute guarantee of accuracy.



## MISSION HILLS COMMUNITY SERVICES DISTRICT

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

- A. General Manager Comments
- B. Director's Comments
- C. Public Comments