

VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT

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"Pride in Community Service"

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MINUTES Regular Meeting

April 5, 2022

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

The meeting was called to order at 7:00 p.m. by President Brooks who led the Pledge of Allegiance.

2. ROLL CALL: Directors Brooks and Redmon were present. Directors Bumpass, Gonzales, and Stassi participated via Zoom video conference.

OTHERS PRESENT

General Manager (and Assistant Board Secretary) Joe Barget, Administrative Services (AS) Manager Cynthia Allen, and Finance Administrator Patty LeCavalier.

3. ADDITIONS AND DELETIONS TO THE AGENDA

There were none.

4. PUBLIC FORUM

President Brooks invited public comments and there were none.

5. OPERATIONS REPORT

General Manager Barget reported the District pumped 31.7 million gallons of water for March with an average daily demand of 1.22 million gallons. This is 5 percent less than last year. Vandenberg Village received 1.7 inches of rain in March bringing the calendar year total to 1.8 inches.

The Well levels (below ground surface) for March were 1B-142', 3A-offline, and 3B-138'.

Well 3A has been off-line since January 28. Fisher Pump is still waiting on the replacement column pipe and other parts.

The field crew repaired four service line leaks. No sanitary sewer overflows to report.

Ben Quinlan, the newest member of the field crew, started work on March 14. Stephanie Garner completed 21 years with the District on March 20.

6. ADMINISTRATION REPORT

AS Manager Allen reported customer arrearages have returned to normal levels. As of today, 33 customers are 60 or more days delinquent for a total of \$15,000. Of those, 11 have past due balances of more than \$500 and 26 are on monthly payment plans.

Ben Quinlan was hired as the new Utility Service Person I and he started work on March 14. He is currently shadowing Manny Perez, and both are attending the annual California Rural Water Association (CRWA) Education and Exhibitor Expo in Lake Tahoe, April 25-28. Mr. Quinlan is taking a water treatment correspondence course through California State University, Sacramento, a prerequisite for the state water treatment operator examination.

7. CONSENT CALENDAR

A. Minutes from the Regular Meeting on March 1, 2022

B. Treasurer Report

1) Financial Statements

2) Disbursements through March 31, 2022

Motion by Director Redmon, seconded by Director Stassi to approve the March 1 Minutes and Treasurer Report.

Roll Call:

Ayes: Directors Brooks, Bumpass, Gonzales, Redmon, and Stassi

Noes: None

Abstain: None

Absent: None

C. Remote Teleconference Meetings

Motion by Director Redmon, seconded by Director Gonzales to make the necessary findings and continue remote teleconference meetings.

Roll Call:

Ayes: Directors Brooks, Bumpass, Gonzales, Redmon, and Stassi

Noes: None

Abstain: None

Absent: None

8. ACTION ITEMS

A. **Capital Budget** [Public Hearing opened at 7:07 p.m.]

General Manager Barget and the Finance/Budget Committee members, Director Redmon and Director Bumpass, reviewed the projects, noting this is one of the smaller capital budgets in recent years.

Director Redmon would like staff to investigate any grants available through the Air Pollution Control District (APCD) and consider replacing the Ford F150 truck with a fully electric or hybrid model.

Director Stassi questioned how the capital reserve requirement went up while the capital budget went down. AS Manager explained that the capital reserve requirement is calculated from the accumulated depreciation of capital assets, which increased due to the recently completed Tank Rehabilitation Project. The capital reserve requirement changes as new assets are added and old ones are retired. This dynamic is independent of the annual capital budget. Similarly, the emergency reserve calculation, 10 percent of capital assets, increases (or decreases) when the total value of capital assets goes up (or down).

Motion by Director Redmon, seconded by Director Gonzales to adopt the Fiscal Year 2022-23 Capital Budget for the Water and Wastewater Enterprise Funds

Roll Call:

Ayes: Directors Brooks, Bumpass, Gonzales, Redmon, and Stassi

Noes: None

Abstain: None

Absent: None

B. Operating Budget [Public Hearing opened at 7:26 p.m.]

General Manager Barget said there are six components of cost for water and wastewater services: pumps, pipes, power, people, chemicals, and regulations. The largest component is *people* and next year's budget reflects the 5.5 percent salary increase based on the CPI-W, West B/C index. In the *chemicals* category, the price of chorine jumped from \$1.07 to \$1.86 per gallon—a 74 percent increase.

General Manager Barget said the wastewater budget is in decent shape although the \$2 million Floradale Sewer Relocation Project results in a one-time increase in this year's combined (water and wastewater) operating budget to a high of \$6.7 million. The water budget is not in as good a shape as it does not fund any depreciation and requires using \$21,000 from reserves to cover a deficit.

Director Stassi believes the District will have higher than usual legal expenses due to forming a joint powers agency (JPA) or JPAs within the Santa Ynez River Valley Groundwater Basin for the Sustainable Groundwater Management Act (SGMA). He noted there is only \$5,000 in the budget for legal services.

Motion by Director Redmon, seconded by Director Bumpass to adopt the Fiscal Year 2022-23 Operating Budget for the Water and Wastewater Enterprise Funds which includes a 5.5 percent cost of living salary increase for all employees effective July 1, 2022.

Roll Call:

Ayes: Directors Brooks, Bumpass, Gonzales, Redmon, and Stassi

Noes: None

Abstain: None

Absent: None

Motion by Director Redmon, seconded by Director Gonzales to approve Fiscal Year 2022-23 administrative overhead fees of 15.94 percent.

Roll Call:

Ayes: Directors Brooks, Bumpass, Gonzales, Redmon, and Stassi

Noes: None

Abstain: None

Absent: None

9. REPORTS

A. Committees

Director Brooks who attended a Groundwater Sustainability Agency (GSA) Committee meeting, said the governance and implementation of the Groundwater Sustainability Plan (GSP) are going to cost money. There is \$40,000 in the District's water operating budget for SGMA.

B. District Representatives to External Agencies - Nothing to report.

C. President – Nothing to report

D. General Manager

Floradale Sewer Relocation Project. Wallace Group completed the design for the Floradale Sewer Relocation Project. Lompoc City Engineer Craig Dierling and General Manager Barget approved the project plans on April 1. Lompoc will advertise the project for bid this week and expects to recommend the City Council award a construction contract at their May 17 city council meeting. The construction project will replace about one-half mile of 50-year-old ductile iron pipe within

the Vandenberg Village Interceptor, including the portion attached to the old Floradale Bridge which will be replaced with a 12-inch horizontal directional drill (HDD) high-density polyethylene (HDPE) pipe underneath the Santa Ynez River. The Engineer's estimate for construction is \$1,219,625 but total project costs are estimated at \$2.0 million.

Congressman Carbajal. Staff received an email from Congressman Carbajal's staff announcing FY23 Community Project Funding, a supplement to the traditional federal appropriations process that allows for direct project inclusion in federal appropriation bills. This is like an "earmark" but comes with added restrictions and requirements including matching state/local government funds. Each member of Congress is allowed to submit 15 projects to the appropriations committees. AS Manager Allen and General Manager Barget are preparing an online application for the Floradale Sewer Relocation Project. The deadline is April 14.

LAFCO. The Santa Barbara County Local Agency Formation Commission (LAFCO) is conducting its municipal service review (MSR) process and sent a detailed 10-page questionnaire to the District. AS Manager Allen and General Manager Barget submitted the information requested. General Manager Barget is meeting with LAFCO Executive Director Mike Prater here on April 7, for a quick tour of facilities and to discuss issues facing the District.

County Supervisor. Fourth District Supervisor Bob Nelson is scheduled to visit the District on April 25. General Manager Barget suggested a special (in-person) board meeting to give him a presentation on the District and the opportunity to meet and informally discuss issues with VVCSD directors.

SDLD. There are funds in the current fiscal year budget for one director to attend Special Districts Legislative Days (SDLD) in Sacramento, May 17-18. AS Manager Allen is planning to attend and if any director would like to go with her, please let Board Secretary Garner know.

Public Water System Statistics. The District pumped 1,376 acre-feet of water in 2021. This volume is down from the highest volume ever

pumped, 1,729 acre-feet in 2007. There have been significant water conservation efforts and accomplishments during the last 15 years.

10. INFORMATIONAL CORRESPONDENCE

- A. US Drought Monitor: California, March 29, 2022
- B. ACWA JPIA letter, \$10,000 Risk Control Grant, March 22, 2022
- C. Public Water System Statistics, Calendar Year 2021

11. DIRECTORS FORUM

Since his appointment to the Board, Director Stassi has reviewed a lot of financial information including the 2006 Reserve Policy, on the water system only. He does not think the policy is anywhere close to industry standards. He prepared a three-page memo on cash reserves with an analysis showing a reserves goal of about half the level under the current policy. He asked the Directors to look at his memo and hopefully discuss it at a future meeting. General Manager Barget said he will provide a copy of Director Stassi's memo in each Director's mail slot.

Director Gonzales gave a "shout-out" to the administrative staff on the quality of information presented in the board packages. He complimented the field crew for working closely with Southern California Gas on a water leak that developed into a gas leak, too, near his home on Club House Court.

Director Bumpass has historically been reluctant to entertain rate increases; however, the high rate of inflation combined with the significant cost increases the District has seen this year are making him nervous. If one of the wells fails, it will consume most of the available reserves. He has shifted toward a rate increase but hopes it could be done gradually.

Director Brooks echoed Director Gonzales' shout-outs and agreed to disagree with Director Stassi's assessment of reserves. The District is a fiscally sound organization, and he wants it to stay that way.

12. ADJOURN

President Brooks declared the meeting adjourned at 8:05 p.m.

Attest:

Signed:

**Joe Barget
Assistant Secretary,
Board of Directors**

**Christopher Brooks
President, Board of Directors**