

VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT

3745 Constellation Road • Vandenberg Village • Lompoc, CA 93436
Telephone: (805) 733-2475 • Fax: (805) 733-2109 • info@vvcasd.org



"Pride in Community Service"

NOTICE: The Board of Directors of the Vandenberg Village Community Services District will meet at the District Office Conference Room, 3745 Constellation Road, Vandenberg Village, in compliance with [California Government Code § 54954](#).

Regular Board Meeting

AGENDA

Tuesday, November 3, 2026

4:30 p.m.

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE
2. ROLL CALL: Directors Cox, Gonzales, Heuring, Lamont, and Stassi
3. ADDITIONS AND DELETIONS TO AGENDA
4. PUBLIC FORUM

The Board will invite public comment on each action item as it is considered during the meeting.

At this time, members of the public wishing to address the Board on other matters that are within the jurisdiction of the District may do so when recognized by the President.

Please begin by stating your name and place of residence.

5. REPORTS FROM STAFF
 - A. Operations
 - B. Administration
 - C. General Manager

6. CONSENT CALENDAR

A. Minutes of the Regular Meeting on October 6, 2026..... page 1

B. Treasurer Report

1) Pro-forma Financial Statements as of September 30, 2026
..... page 11

2) Pro-forma Schedule of Investments as of September 30, 2026
..... page 25

3) Disbursements through October 31, 2026..... page 27

7. ACTION ITEMS

A. **Annual Audit:** Consider accepting the FY 2025-26 annual audit report from Moss, Levy & Hartzheim, LLP page 35

B. **Emergency Response Plan:** Consider adopting Resolution 244-26 approving the VVCSD Wastewater Enforcement Response Plan (ERP) page 71

8. REPORTS FROM DIRECTORS

A. Committees

1) **Finance/Budget** – Directors Stassi & Cox

2) **Legal/Personnel** – Directors Gonzales & Lamont

3) **Water/Wastewater** – Directors Heuring & Cox

4) **Santa Ynez River Valley Groundwater Basin Western Management Area Groundwater Sustainability Agency (WMA GSA)** – Directors Stassi & Lamont

B. District Representatives to External Agencies

1) **Association of California Water Agencies (ACWA) & Joint Powers Insurance Authority (ACWA/JPIA)** – Directors Heuring & Lamont

2) **California Special Districts Association (CSDA) & Santa Barbara County Chapter of CSDA (SBCCSDA)** – Directors Gonzales & Stassi

3) **Santa Ynez River Water Conservation District (SYRWCD)** – Directors Lamont & Heuring

C. Board President – Director Gonzales

9. INFORMATIONAL CORRESPONDENCE

A. **US Drought Monitor:** California, October 29, 2026 page 99

B. **National Weather Service:** Seasonal Precipitation Outlook, Nov-Dec-Jan 2026-27..... page 101

C. **National Weather Service:** Seasonal Temperature Outlook, Nov-Dec-Jan 2026-27..... page 103

D. **VVCSD:** Letter of Appreciation to the Santa Barbara County Fire Department page 105

E. **VVCSD:** LRWRP Upgrade Charge Notice, emailed to residents on October 19, 2026 page 107

F. **VVCSD:** Water Pumped vs Sold, 12 months page 109

G. **VVCSD:** Well Soundings, 12 months page 111

H. **VVCSD:** PG&E Production Costs, Fiscal Year 2026-27..... page 113

10. **DIRECTORS FORUM:** Any member of the Board may address the Board on any subject within the jurisdiction of the District.

11. ADJOURN

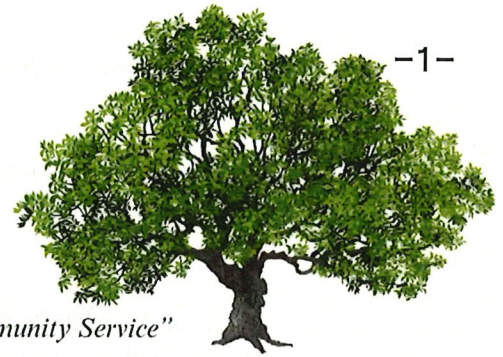
Notice Regarding Public Participation: For those who are unable to attend the meeting in person or electronically, but who wish to provide public comment on matters that are within the jurisdiction of the District, please submit any comments and written materials to the District in person or via electronic mail at administration@vvcasd.org. All submittals should indicate the board meeting date and agenda item number. Materials received by the District before or during the meeting will become part of the minutes and will be made available to the public under the Public Records Act.

This agenda was posted on the District website at <https://vvcasd.org> and 3745 Constellation Road, Vandenberg Village, California, and notice was delivered under Government Code § 54950 et seq. This Agenda contains a brief general description of each item to be considered. The Board reserves the right to change the order in which items are heard. The full board package with staff reports and other written documentation is available on the District's website at <https://vvcasd.org>. If you need reasonable accommodation due to a disability, please contact the Board Secretary 24 hours before the meeting at (805) 733-2475.

Please silence cell phones during the meeting, as a courtesy to others.

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"Pride in Community Service"

Regular Board Meeting

MINUTES

Tuesday, October 6, 2026

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

The meeting was held in a hybrid format in the Conference Room and via the Zoom video conferencing platform.

The meeting was called to order at 4:30 p.m. by President Gonzales, who led the Pledge of Allegiance.

2. ROLL CALL: Directors Cox, Gonzales, Heuring, Lamont, and Stassi were present.

OTHERS PRESENT

Cynthia Allen, General Manager; Avery Griffin, Service Person; Patricia LeCavalier, Financial Services Manager; and Mike Prater, Executive Director, Santa Barbara LAFCO attended in person.

Mike Garner, General Manager, Mission Hills Community Services District; and Chris Hanson and Grace Bridges, Meridian Consultants participated via Zoom video teleconference.

One member of the public was in attendance; Director Gonzales recognized Board Member-Elect Jake Lindley and thanked him for attending.

3. ADDITIONS AND DELETIONS TO THE AGENDA: None

4. PUBLIC FORUM

President Gonzales invited public comments, and there were none.

5. REPORTS FROM STAFF

A. Operations

Service Person Griffin reported that in September the district pumped 40.6 million gallons with an average daily demand of 1.35 million gallons. That is one percent more than last September.

In September, Vandenberg Village had 0.0 inches of rainfall. The calendar year total is currently 6.67 inches. The district well levels for September were 1B – 142 feet, 3A – 135 feet, and 3B – 136 feet.

In September, the crew replaced two 1" copper service lines, two 1" angle stops, and a ¾" service for an ADU upgrade. The crew completed installation of all new 2" meters. The crew also assisted 3rd Gen Pump with removal and installation of the new 25HP booster pump.

Service Person Griffin reported that the district had no sewer overflows in September. He concluded his report by sharing that Juan took the California Water Distribution 1 Exam and passed. Operations & Maintenance Manager Cole attended the CSDA Special District Leadership Academy Conference in San Luis Obispo.

Service Person Griffin verified for Director Gonzales that the installation of the 2" meters is complete and they will now begin replacing residential meters. Director Gonzales noted that the Water Pumped vs Sold chart on page 55 of the board package shows that we are currently getting more use out of Well 3A. Service Person Griffin clarified that the crew tries to switch between the wells every six months.

B. Administration

Financial Services Manager LeCavalier discussed the disbursements report. The report shows the cost for the 36 ea 2" meters that were installed by the field crew in August and September. This was paid to HydroPro Solutions (HPS West) on check #30828 for \$43,569. This represents roughly five percent of our five-year contracted amount. There are 2,530 meters left to purchase, ranging from 5/8" to 1½" meter sizes.

Mrs. LeCavalier went on to discuss a few other notable disbursements in September. This included the 4-inch hot tap installed in August for Lompoc Valley Medical Center, paid to RL Johnson. The 25HP filter pump was paid to 3rd Gen Pump; the final retention payment for Manhole and Sewer Main Rehab Project was paid to Vortex; the compact excavator was paid to Coastline Equipment; and the materials storage container was paid to Mid-State Containers.

Mrs. LeCavalier concluded her report with the most recent investment earnings rates, reporting 4.17 percent for the California CLASS Term Series II, which matures August 13, 2027. Our other California CLASS account is at 3.82 percent, LAIF is at 3.87 percent, and Mechanics Bank is at 3.94 percent

Director Lamont asked about the storage container purchased from Mid-State Containers. General Manager Allen and Service Person Griffin explained that the container was purchased to store our compact excavator along with other materials.

C. General Manager

General Manager Allen noted that the RL Johnson invoice for the 4" hot tap will be passed on to Lompoc Valley Medical Center as part of their project. We will send the medical center an invoice for that upgrade to their service line.

We received one new ADU Can and Will Service request in September. We have also received a request to split one of our duplexes into two separate meters. Currently, there are two duplexes on Oakwood Circle that are serviced by a single meter for each. Each dwelling receives a separate bill, and the water usage is split between the units. One of the units is requesting its own meter and is in the process of adding a separate service line. They will be required to pay a connection fee for the new meter connection.

General Manager Allen reported that our September update for the generator enclosure and carport permit application stated that the Structural and Non-Structural Plan Checks needed corrections. Our engineer is working to resolve these issues.

Over Labor Day weekend, a customer called the emergency number, and it did not forward to the on-call person. The customer was able to get in touch with our Board President, who was then able to have a service person dispatched. The leak was on our side, so the delay in response did not impact the customer's water usage. Our emergency number is a landline through Frontier that is call-forwarded to the on-call person's cellular phone. The breakdown occurred when the on-call person's cell phone glitched and rejected calls. To prevent this from happening in the future, we are now in the process of activating a mobile phone through Xfinity for the on-call person to carry. The emergency number will remain the same and will be call-forwarded to this phone.

Director Lamont mentioned to General Manager Allen that she may want to look into Grok Voice as another option. Grok Voice provides a service in which an AI voice agent receives the call and proceeds to contact our on-call person. If the on-call person is not contacted, it will then go through a list of contacts until someone is reached.

6. CONSENT CALENDAR

A. Minutes of the Regular Meeting on September 1, 2026

B. Treasurer Report

1) Pro-forma Financial Statements as of August 31, 2026

2) Disbursements through September 30, 2026

C. Investment Policy

D. Statement of Developers Fees

After a short discussion, the following motion was made:

Motion by Director Lamont, seconded by Director Stassi, to accept the consent calendar as presented.

Ayes: Directors Cox, Gonzales, Heuring, Lamont, and Stassi

Noes: None

Abstain: None

Absent: None

7. ACTION ITEMS

- A. **City of La Purísima:** Receive a presentation from Mike Prater, Executive Director, Santa Barbara LAFCO; discuss options; and provide direction to staff as appropriate.

Executive Director Mike Prater referenced the LAFCO handout titled "Procedures for Processing an Incorporation Proposal" found on page 41 of the board package. Mr. Prater discussed main points from this handout, which included the application process with LAFCO, procedures for processing an incorporation proposal, and the importance of hiring a consultant to perform a feasibility study.

Mr. Prater went on to answer questions from the board. Topics of discussion included a possible annexation by the City of Lompoc and its financial impact, the City of Lompoc's General Plan and Sphere of Influence. Mr. Prater shared the importance of our residents voicing their opinion to council members at public meetings when this topic is being discussed.

The board also had many questions regarding incorporation. Mr. Prater covered the process of applying for incorporation as well as the costs associated with this and the relative timeline. The need for a Comprehensive Financial Analysis in addition to the feasibility study was also discussed.

The board thanked Mr. Prater for attending our meeting and answering their questions regarding this matter.

Director Gonzales referenced page 40 of the board package, sharing that he would prefer to delay action until a later date. The board agreed to delay action at this time.

Director Gonzales asked that General Manager Allen follow up with our legal counsel, Mike Munoz, on the resolution that was provided to him.

No action was taken.

- B. **Mitigated Negative Declaration:** Adopt the Final MND prepared by Meridian Consultants for the well site lease.

Chris Hanson gave a brief introduction.

Grace Bridges gave a two-part presentation covering both a refresher on California Environmental Quality Act (CEQA) guidelines and the Water Well Replacement Project.

After a brief discussion, the following motion was made:

Motion by Director Gonzales, seconded by Director Lamont, to Adopt the Final MND prepared by Meridian Consultants for the well lease site.

Ayes: Directors Cox, Gonzales, Heuring, Lamont and Stassi

Noes: None

Abstain: None

Absent: None

8. REPORTS FROM DIRECTORS

A. Committees

1) **Finance/Budget** – Directors Stassi & Cox

Director Stassi reported that Finance/Budget will meet with staff at 2:00 p.m. on Friday, October 9.

2) **Legal/Personnel** – Directors Gonzales & Lamont

Directors Gonzales and Lamont reported that they did not meet.

3) **Water/Wastewater** – Directors Heuring & Cox

Directors Cox and Heuring reported that they did not meet.

4) **Santa Ynez River Valley Groundwater Basin Western Management Area Groundwater Sustainability Agency (WMA GSA)** – Directors Stassi & Lamont

Director Stassi reported that they're facing an issue with getting the City of Lompoc to agree to some of the features associated with adding a representative from the farming community.

5) **Ad Hoc** – Directors Gonzales & Lamont

Director Gonzales reported that he and Director Lamont met to discuss options for the future disposition of district-owned green space adjacent to the district office.

The committee looked at a number of different options for the green space. One was to retain the property and preserve it as open space. Another was to develop the property for district purposes, such as converting it to a drought-tolerant landscaping display garden, constructing additional parking areas, developing administration storage facilities, or expanding it for the Farmers Market and sitting areas. The possibility of leasing the property to another agency came up, as well as the options of subdividing and selling the property, or exploring public, private, or inter-agency partnerships.

Director Gonzales shared that General Manager Allen informed him that if the decision was to sell the land, it would be listed under one of the government codes as surplus, and another agency could be given priority to purchase the land.

The committee looked at selling the piece of property and came up with a tentative timeline for this option. If the decision was to pursue a lot split and sell the property, this would involve going through the county, splitting the parcel, the need for a survey, and working with a realtor. They estimate that this process could take three to four years.

Another option looked at was to improve the property by modifying the demonstration garden so it's a little smaller, and allow extra space for the Farmer's Market. Member of the public, Jake Lindley, shared that parking for the Farmer's Market is creating problems for guests staying at, or wanting to dine at, The Village Inn. Director Gonzales asked Mr. Lindley if this could come to the district's General Manager on a formal letterhead.

Director Gonzales asked if the board would allow the Ad Hoc Committee to meet again and present more definitive information to direct our General Manager.

Director Gonzales shared that a member of the public did attend the meeting and voiced their opinion in favor of the demonstration garden.

Director Stassi shared his concern is that the board will be looking at a possible rate increase of approximately 20 percent over three years. He believes rate payers would prefer the property be sold to avoid a rate increase rather than be developed by the district.

B. District Representatives to External Agencies

1) **Association of California Water Agencies (ACWA) & Joint Powers Insurance Authority (ACWA/JPIA)** – Directors Heuring & Lamont

Director Heuring had no report.

2) **California Special Districts Association (CSDA) & Santa Barbara County Chapter of CSDA (SBCCSDA)** – Directors Gonzales & Stassi

Director Stassi shared that the next SBCCSDA Chapter Meeting will be held in Goleta on October 26.

3) **Santa Ynez River Water Conservation District (SYRWCD)** – Directors Lamont & Heuring

Director Lamont had no report.

C. Board President – Director Gonzales

President Gonzales reported that he and General Manager Allen met on September 23. They prepared for the Ad Hoc Committee meeting, discussed inviting Mike Prater to today's meeting, and spoke about the upcoming Finance/Budget Meeting. They also discussed a provider, Go.gov. There is talk of Go.gov presenting a demonstration to Director Gonzales and General Manager Allen. This demonstration would be recorded and shared with the rest of the board.

Santa Barbara Fire Fuels Mitigation crews were out on Lot 54 once again, mitigating areas on Club House Road and the perimeter

around the homes in this area. Director Gonzales asked General Manager Allen for a letter thanking the crew for their work.

9. INFORMATIONAL CORRESPONDENCE

A. **US Drought Monitor:** California, October 1, 2026

B. **VVCSD:** Water Pumped vs Sold, 12 months

C. **VVCSD:** Well Soundings, 12 months

D. **VVCSD:** PG&E Production Costs, Fiscal Year 2026-27

10. DIRECTORS FORUM:

Director Cox shared her appreciation to the district for sending her to the CSDA Leadership Academy in September. She found the conference very informative.

Director Stassi shared that there are three candidates running for our board. Director Stassi and Director Cox are both running. Adding that Jake Lindley will be sworn in to the two-year position on our board.

Director Heuring shared his update with the Vandenberg Village Park and Playground Coalition. Phase One and Phase Two funding have been secured. The County is also going after a federal matching grant; the decision on this will be made around December or January.

11. ADJOURN

President Gonzales declared the meeting adjourned at 6:46 p.m.

Attest:

Signed:

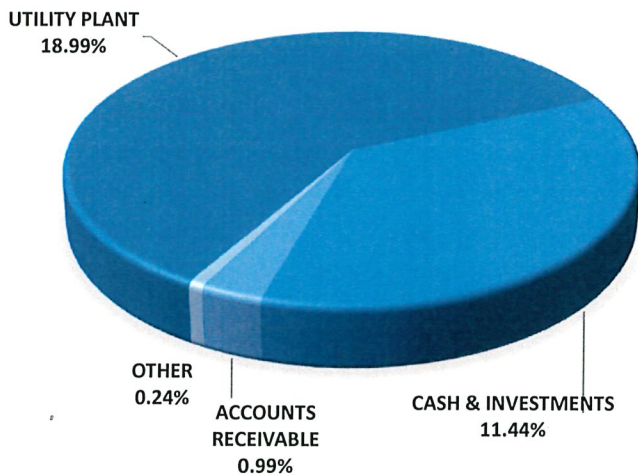
Brianna Jennings
Secretary, Board of Directors

Richard Gonzales
President, Board of Directors

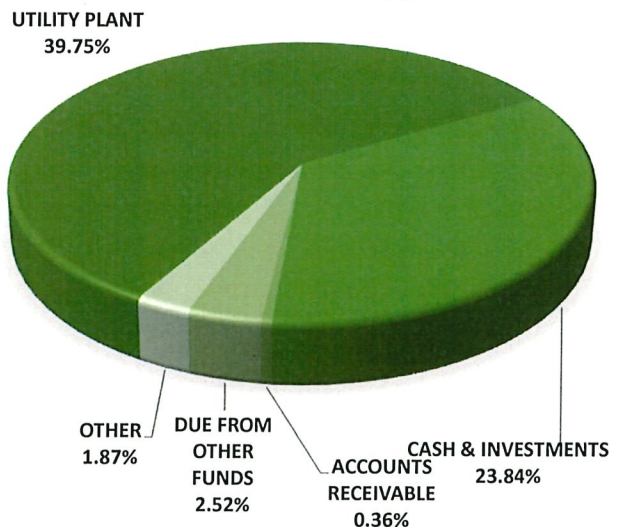
VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT
Statement of Net Position
As of September 30, 2026

	Water	Wastewater	2027 FYTD	FYE 2026	CHANGE
ASSETS					
UTILITY PLANT	\$7,550,688	\$15,803,255	\$23,353,944	\$23,237,186	\$116,758
CASH & INVESTMENTS	4,547,009	9,476,244	14,023,253	14,517,791	(494,538)
ACCOUNTS RECEIVABLE	392,667	144,615	537,282	476,903	60,379
DUE FROM OTHER FUNDS	0	1,000,000	1,000,000	1,000,000	0
OTHER	96,602	744,994	841,596	855,047	(13,451)
TOTAL ASSETS	\$12,586,967	\$27,169,108	\$39,756,075	\$40,086,926	(\$330,851)
DEFERRED OUTFLOWS OF RESOURCES-PENSIONS					
	\$284,616	\$195,049	\$479,665	\$479,665	\$0
TOTAL ASSETS & DEFERRED OUTFLOWS	\$12,871,583	\$27,364,157	\$40,235,740	\$40,566,591	(\$330,851)
LIABILITIES					
CURRENT LIABILITIES	\$456,478	\$122,008	\$578,486	\$1,108,810	(\$530,324)
UNEARNED REVENUE	0	139,072	139,072	139,072	0
CURRENT PORTION - DEBT- LRWRP UPGRADE PROJECT	0	702,722	702,722	702,722	0
LONG TERM DEBT- LRWRP UPGRADE PROJECT	0	1,443,427	1,443,427	1,443,427	0
DUE TO OTHER FUNDS	1,000,000	0	1,000,000	1,000,000	0
NET PENSION LIABILITY	956,268	655,335	1,611,603	1,611,603	0
TOTAL LIABILITIES	\$2,412,746	\$3,062,564	\$5,475,310	\$6,005,634	(\$530,324)
DEFERRED INFLOWS OF RESOURCES-PENSIONS					
	\$167,261	\$114,625	\$281,886	\$281,886	\$0
EQUITY					
CONTRIBUTED CAPITAL	\$1,305,909	\$3,802,578	\$5,108,487	\$5,157,638	(\$49,151)
EQUITY	8,848,798	20,321,786	29,170,584	27,893,316	1,277,268
CURRENT EARNINGS	136,870	62,603	199,473	1,228,117	(1,028,645)
TOTAL EQUITY	\$10,291,577	\$24,186,967	\$34,478,544	\$34,279,071	\$199,473
TOTAL LIABILITIES, DEFERRED INFLOWS & EQUITY	\$12,871,583	\$27,364,157	\$40,235,740	\$40,566,591	(\$330,851)

WATER ASSETS

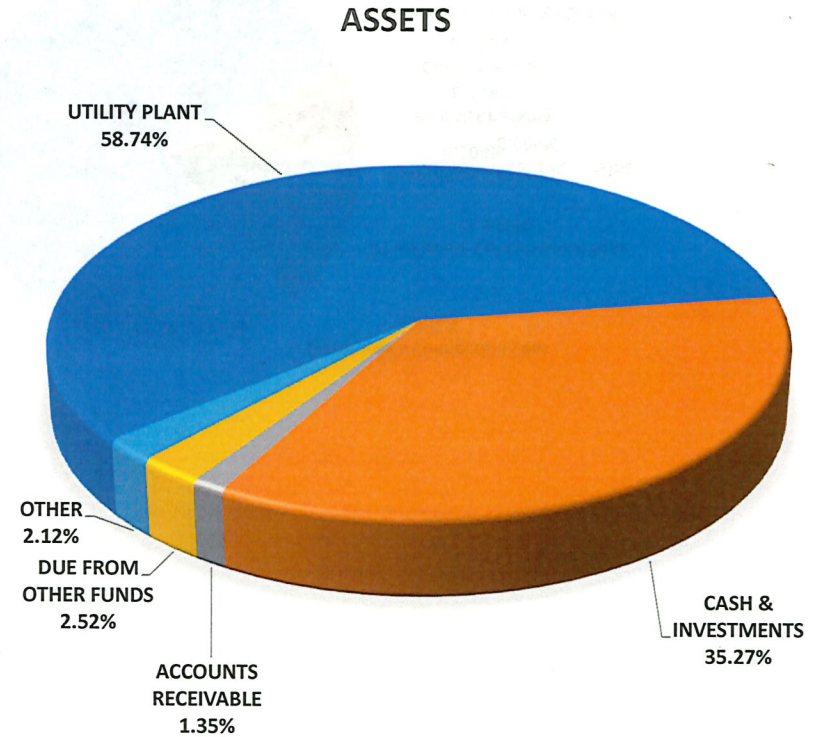


WASTEWATER ASSETS



VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT
Statement of Net Position
As of September 30, 2026

	2027 FYTD	FYE 2026	CHANGE
ASSETS			
UTILITY PLANT	\$23,353,944	\$23,237,186	\$116,758
CASH & INVESTMENTS	14,023,253	14,517,791	(494,538)
ACCOUNTS RECEIVABLE	537,282	476,903	60,379
DUE FROM OTHER FUNDS	1,000,000	1,000,000	0
OTHER	841,596	855,047	(13,451)
TOTAL ASSETS	\$39,756,075	\$40,086,926	(\$330,851)
DEFERRED OUTFLOWS OF RESOURCES-PENSIONS	\$479,665	\$479,665	\$0
TOTAL ASSETS & DEFERRED OUTFLOWS	\$40,235,740	\$40,566,591	(\$330,851)
LIABILITIES			
CURRENT LIABILITIES	\$578,486	\$1,108,810	(\$530,324)
UNEARNED REVENUE	139,072	139,072	0
LONG TERM DEBT- LRWRP UPGRADE PROJECT	2,146,149	2,146,149	0
DUE TO OTHER FUNDS	1,000,000	1,000,000	0
NET PENSION LIABILITY	1,611,603	1,611,603	0
TOTAL LIABILITIES	\$5,475,310	\$6,005,634	(\$530,324)
DEFERRED INFLOWS OF RESOURCES-PENSIONS	\$281,886	\$281,886	\$0
EQUITY			
CONTRIBUTED CAPITAL	\$5,108,487	\$5,157,638	(\$49,151)
EQUITY	29,170,584	27,893,316	1,277,268
CURRENT EARNINGS	199,473	1,228,117	(1,028,645)
TOTAL EQUITY	\$34,478,544	\$34,279,071	\$199,473
TOTAL LIABILITIES, DEFERRED INFLOWS & EQUITY	\$40,235,740	\$40,566,591	(\$330,851)

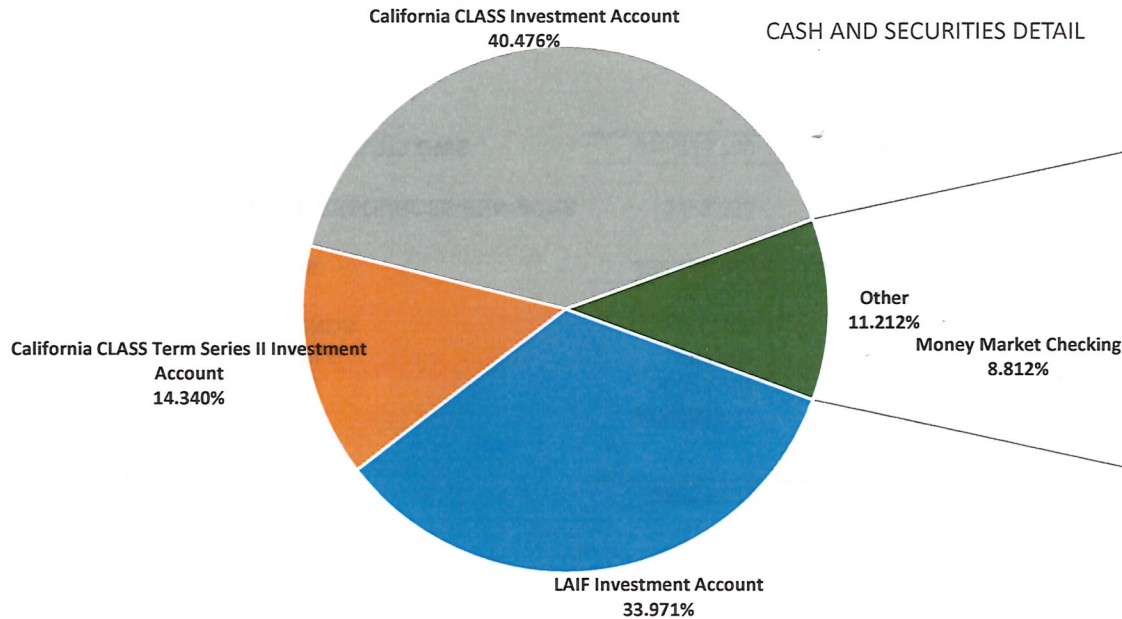
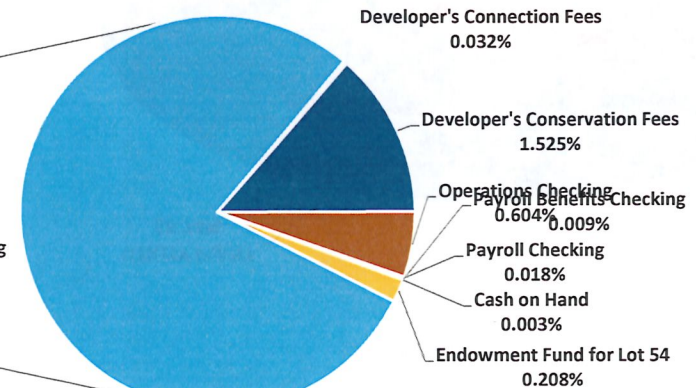


VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT

Cash Position Statement
As of September 30, 2026

CASH AND SECURITIES DETAIL

	2027 FYTD	FYE 2026	CHANGE
LAIF Investment Account	\$4,763,896	\$5,676,516	(\$912,620)
California CLASS Term Series II Investment Account	2,010,968	0	2,010,968
California CLASS Investment Account	5,676,089	5,623,601	52,488
Endowment Fund for Lot 54	29,190	28,916	274
Money Market Checking	1,235,780	2,817,153	(1,581,374)
Developer's Connection Fees	4,555	4,512	43
Developer's Conservation Fees	213,864	213,010	853
SUBTOTAL	\$13,934,341	\$14,363,709	(\$429,368)
Operations Checking	\$84,721	\$148,388	(\$63,667)
Payroll Checking	2,500	2,500	0
Payroll Benefits Checking	1,291	2,794	(1,503)
Cash on Hand	400	400	0
SUBTOTAL	\$88,912	\$154,081	(\$65,170)
TOTAL CASH AND SECURITIES	\$14,023,253	\$14,517,791	(\$494,537)

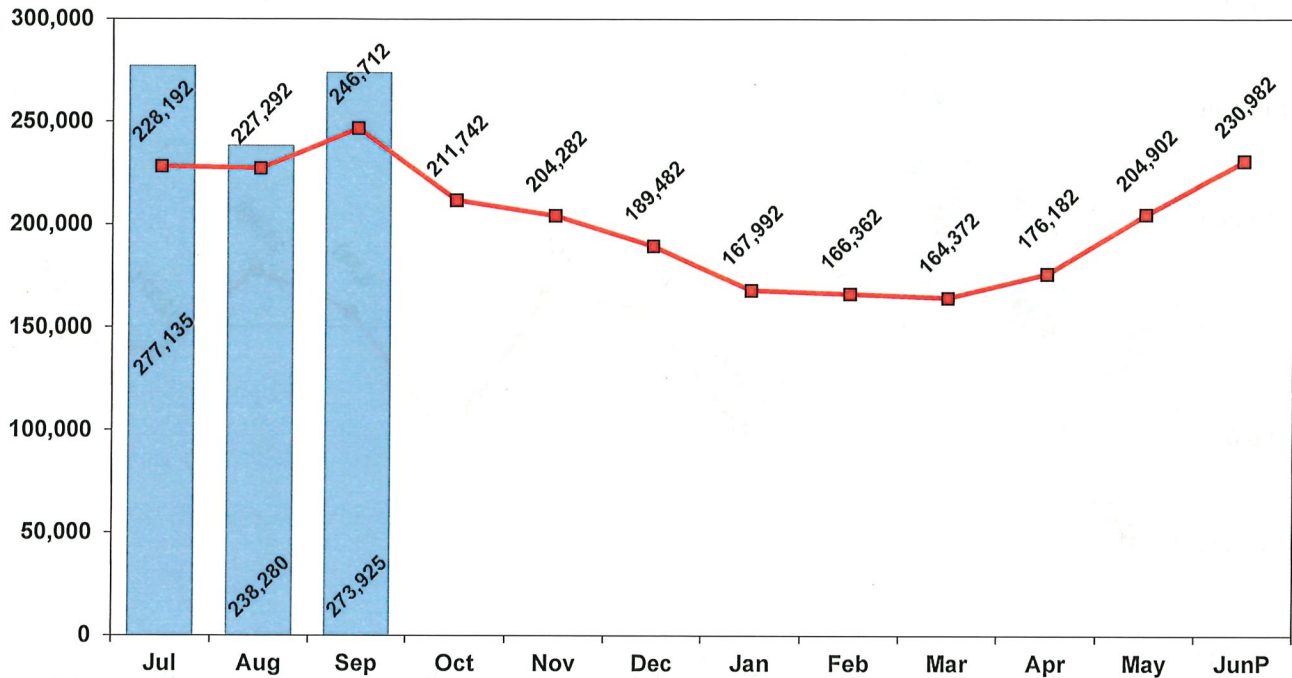


Operating Revenue and Expenses
Vandenberg Village Community Services District
July 1, 2026 to June 30, 2027

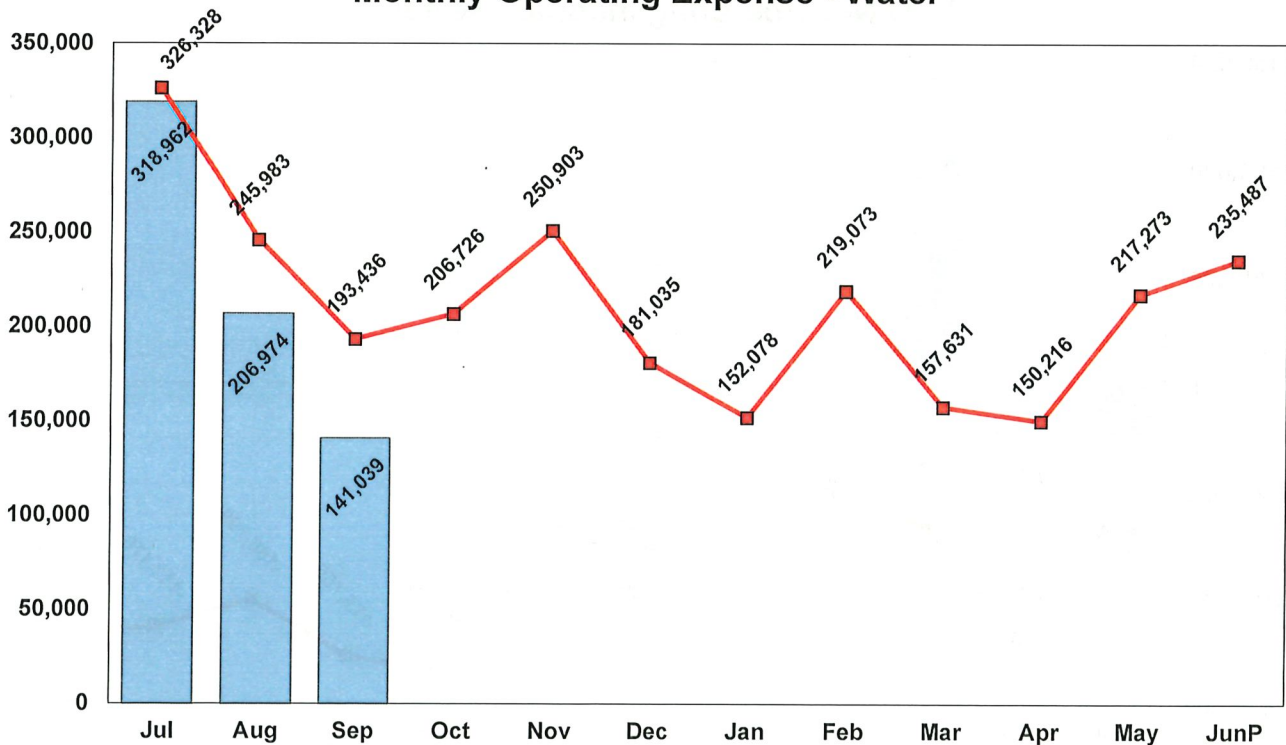
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Monthly Operating Revenue - Water

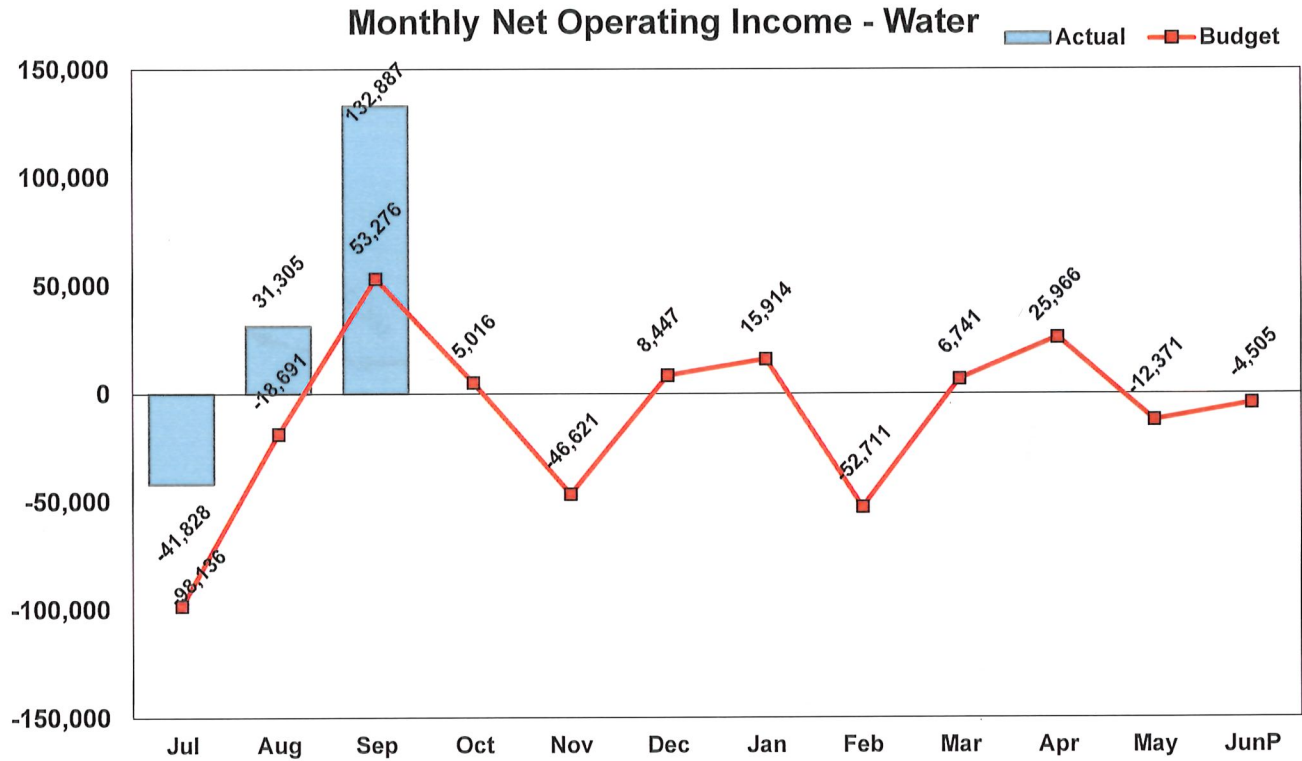
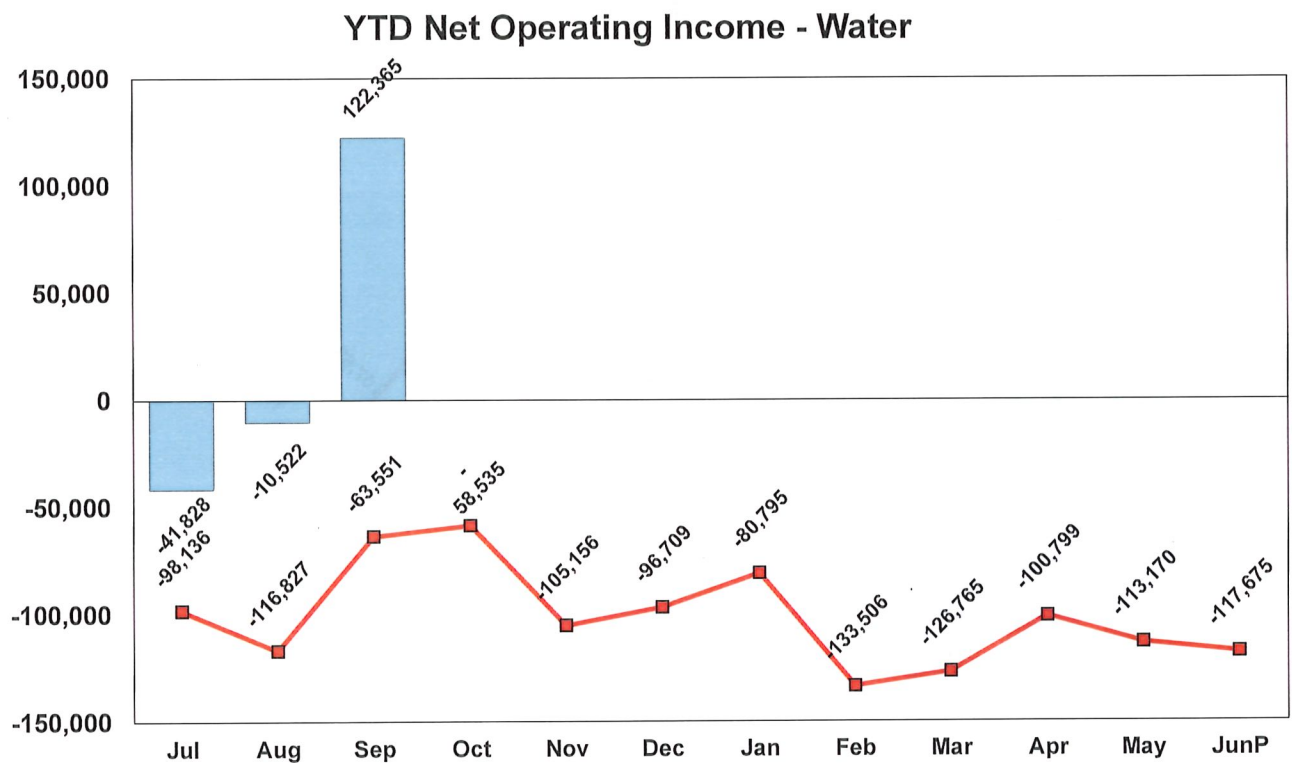
Actual Budget



Monthly Operating Expense - Water



Operating Income Vandenberg Village Community Services District July 1, 2026 to June 30, 2027



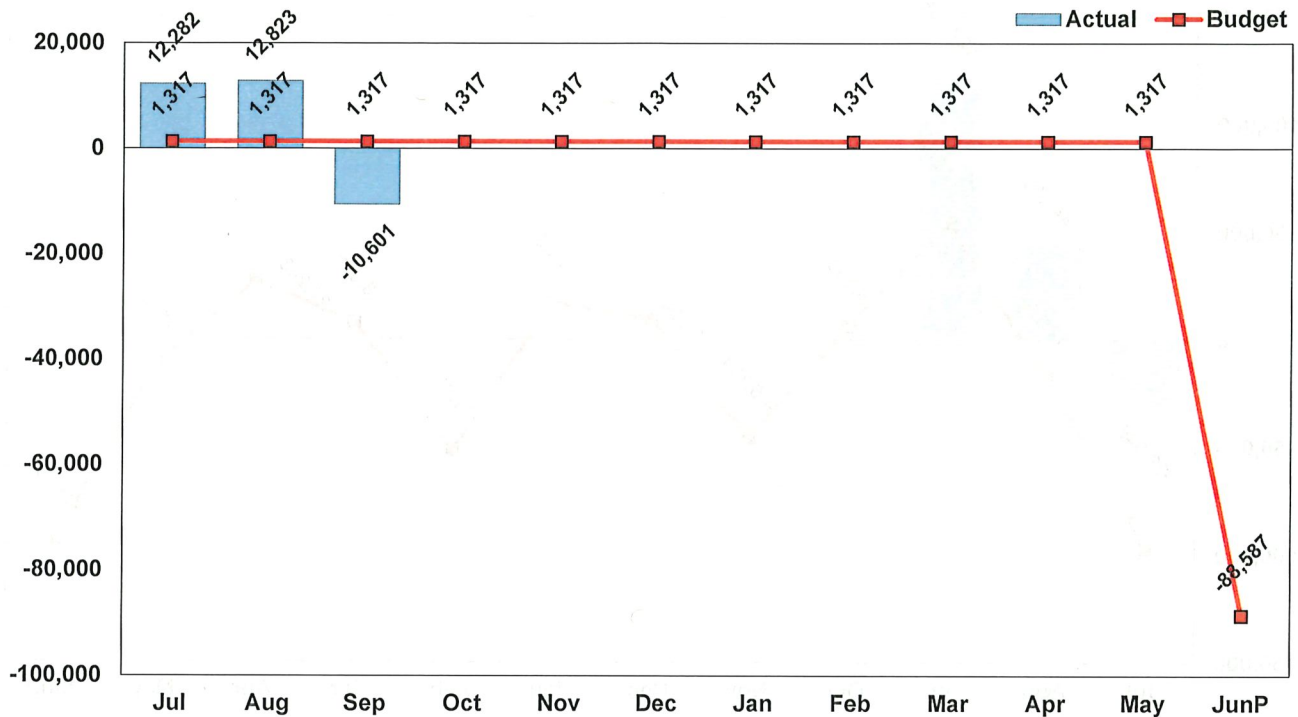
Non-Operating Income

Vandenberg Village Community Services District

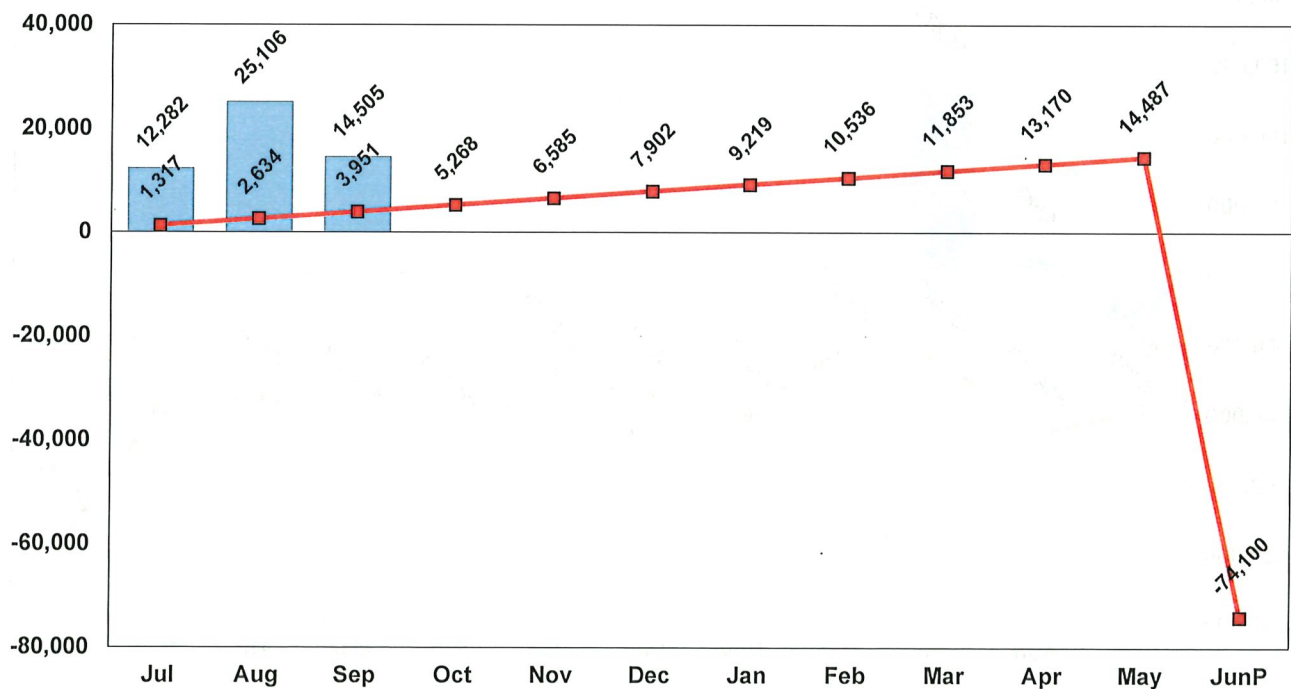
July 1, 2026 to June 30, 2027

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Monthly Net Non-Operating Income - Water

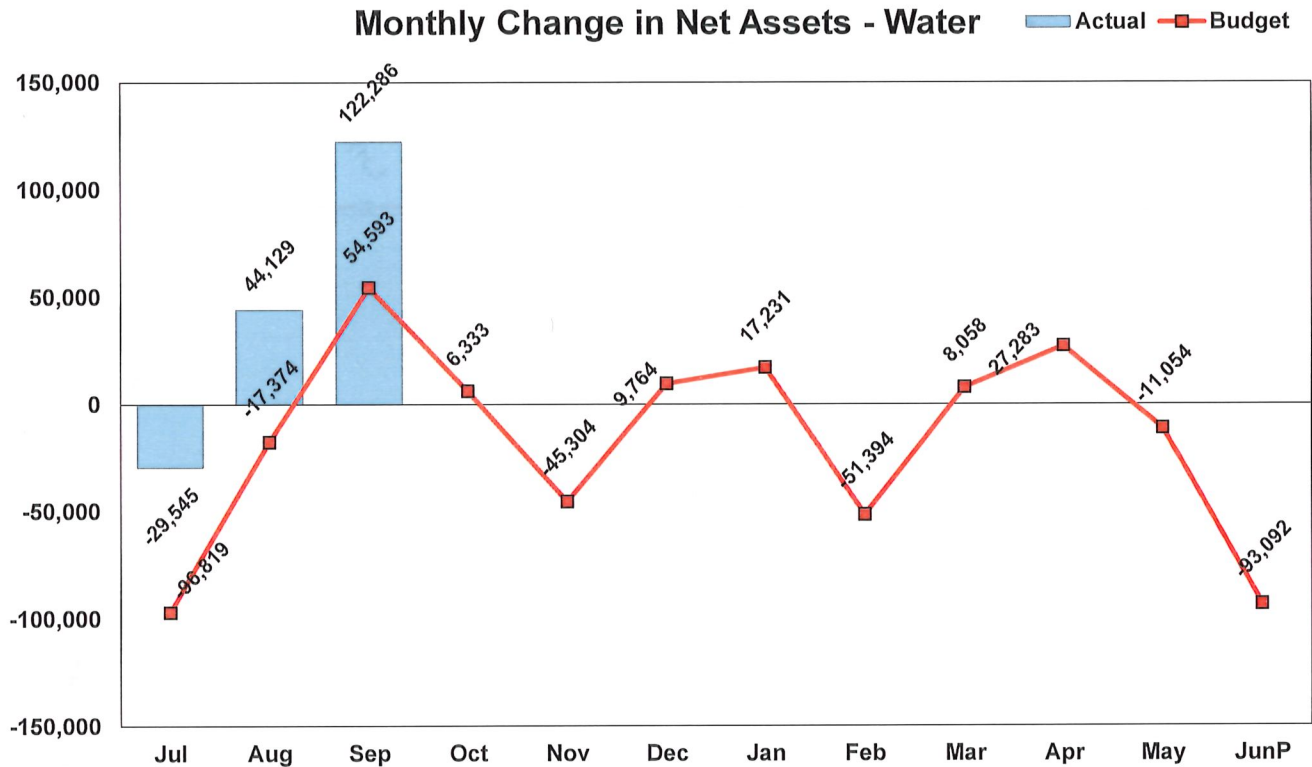
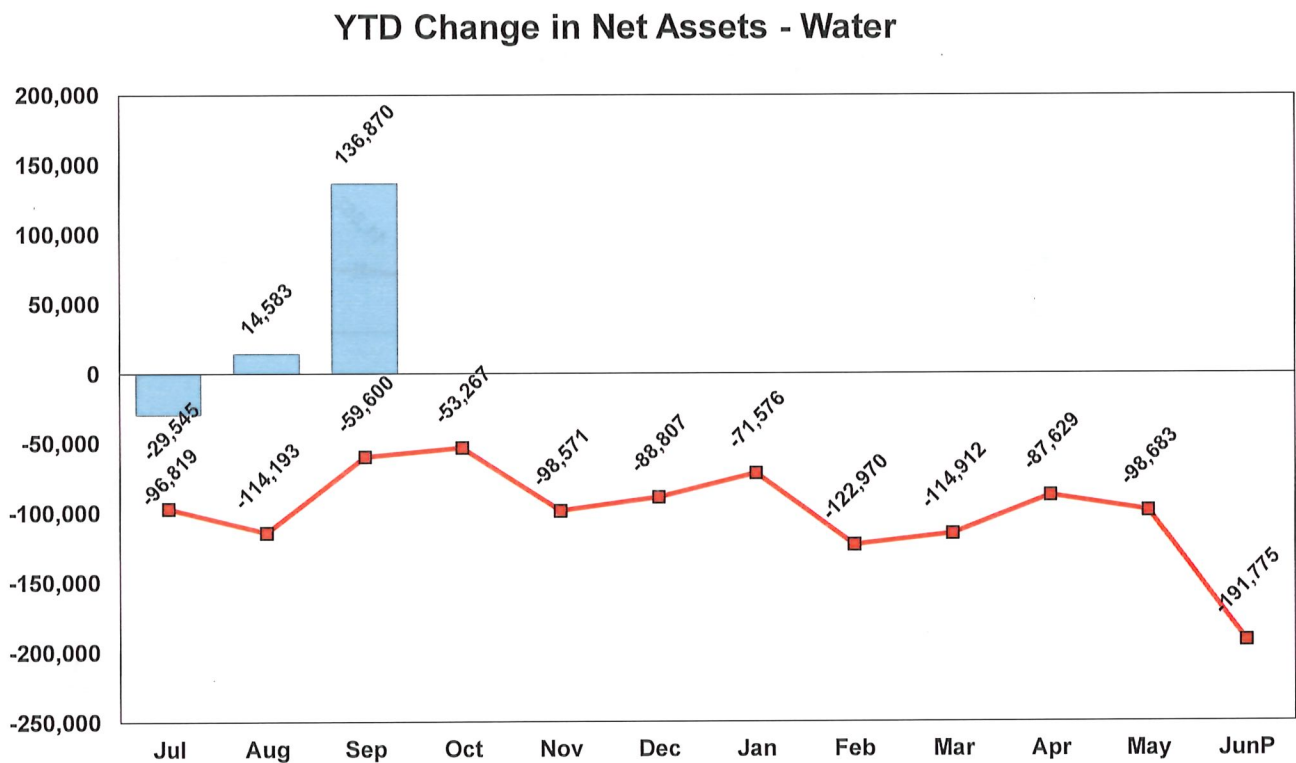


YTD Net Non-Operating Income - Water



Note: Interfund Loan Payment of \$89,900 is included in Net Non-Operating Income in June.

Change in Net Assets Vandenberg Village Community Services District July 1, 2026 to June 30, 2027



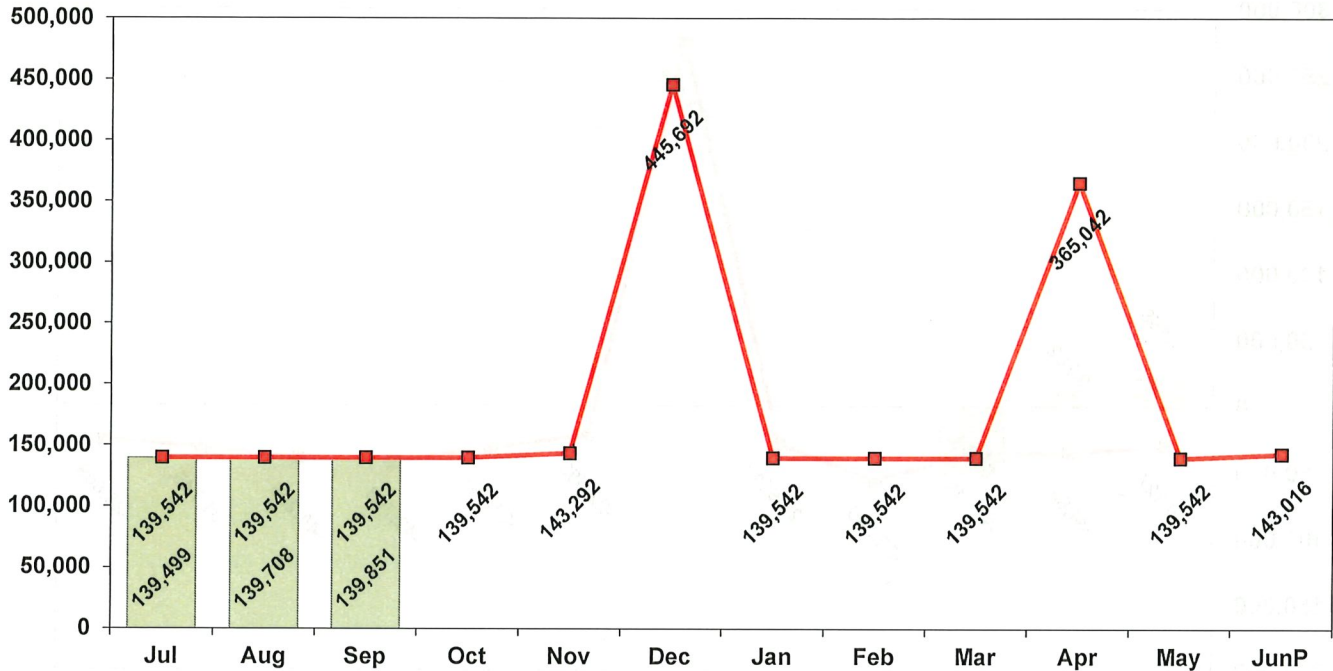
Note: Interfund Loan Payment of \$89,900 is included in Change in Net Assets in June.

Operating Revenue and Expenses
Vandenberg Village Community Services District
July 1, 2026 to June 30, 2027

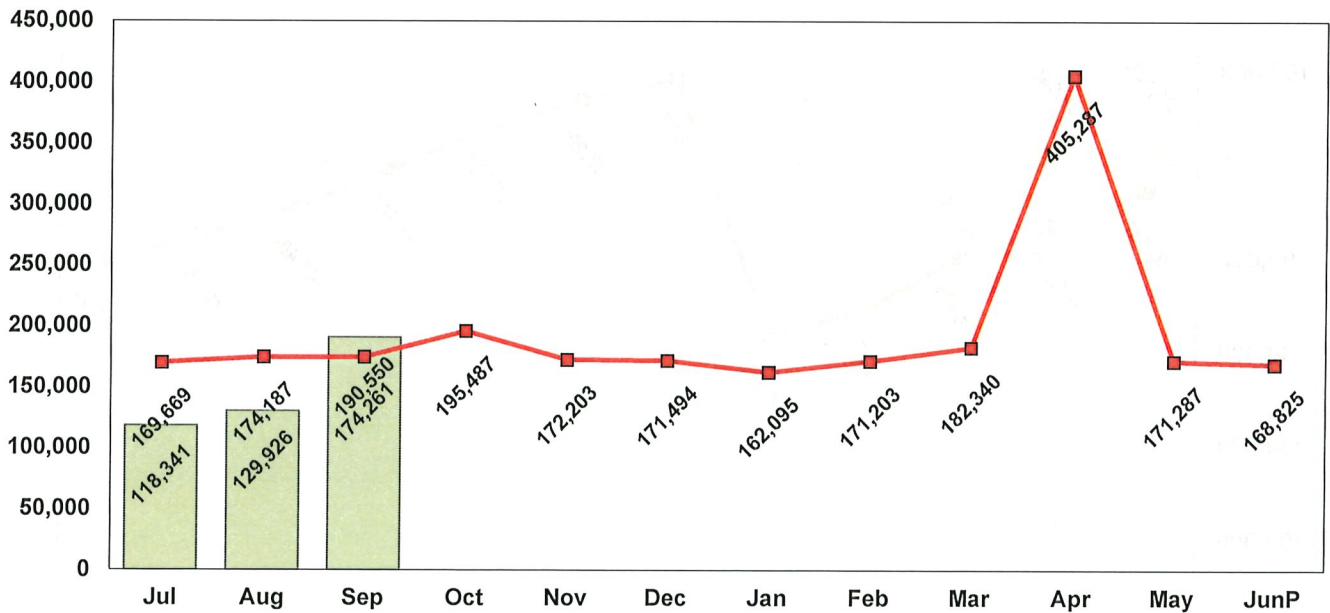
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Monthly Operating Revenue - Wastewater

Actual Budget



Monthly Operating Expense - Wastewater

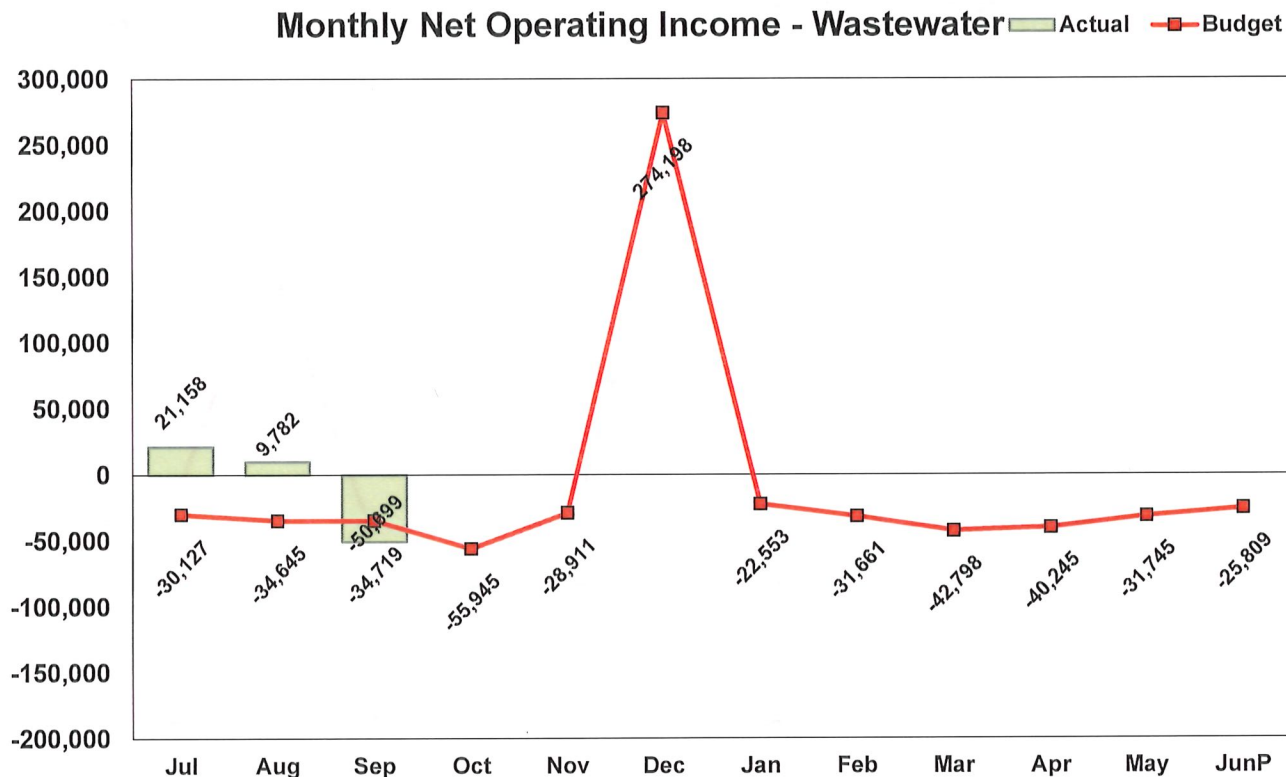


Operating Income

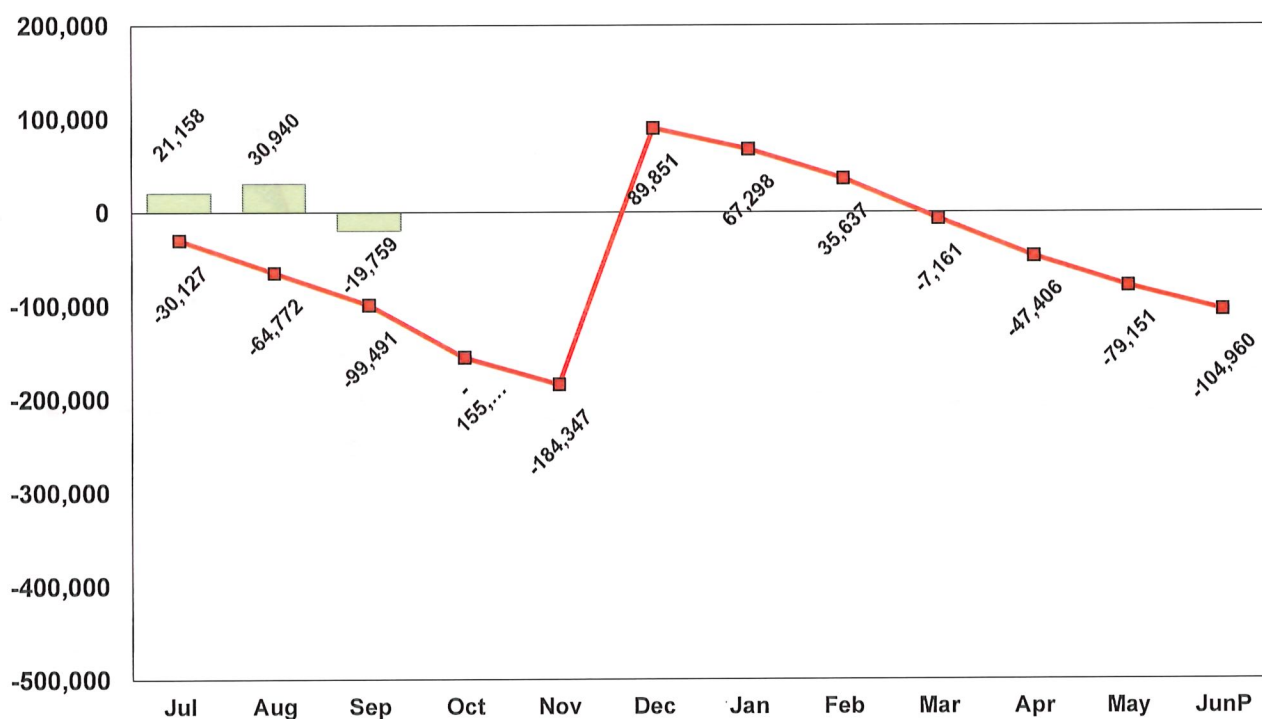
Vandenberg Village Community Services District

July 1, 2026 to June 30, 2027

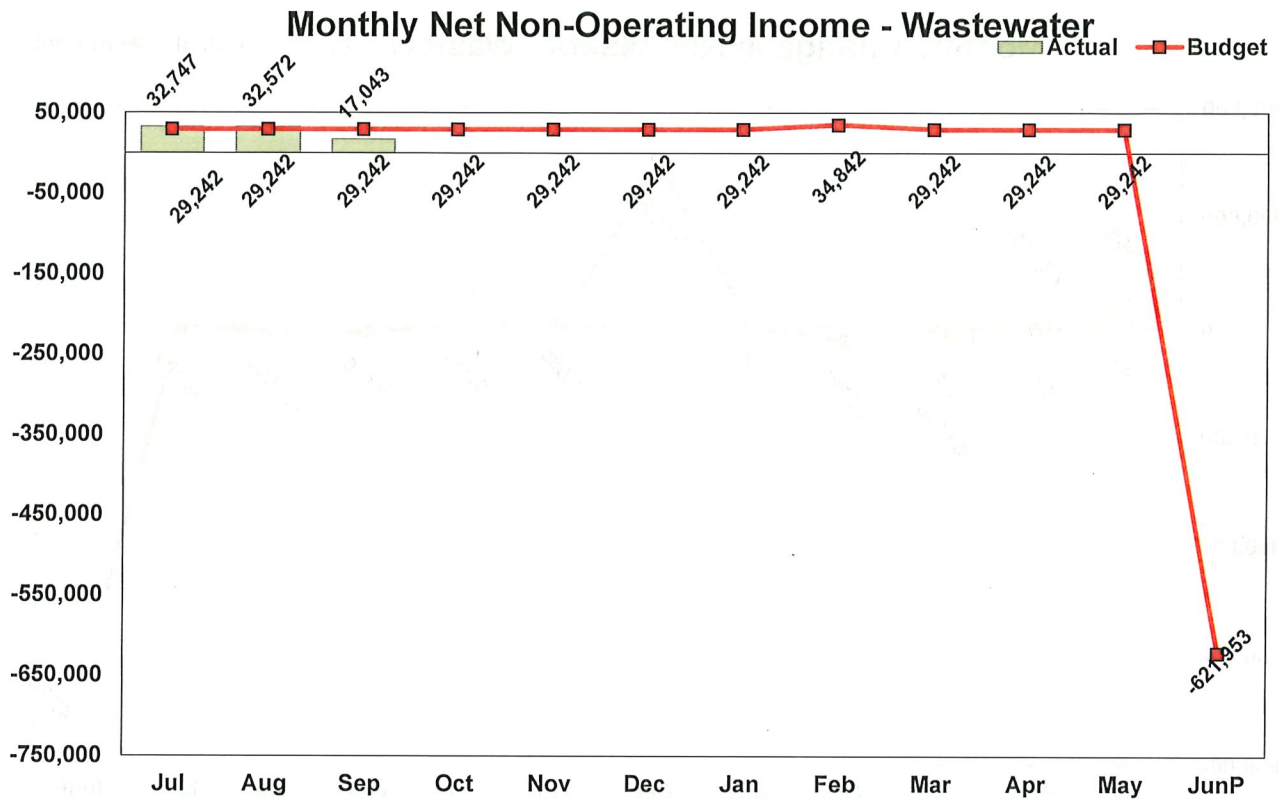
Monthly Net Operating Income - Wastewater



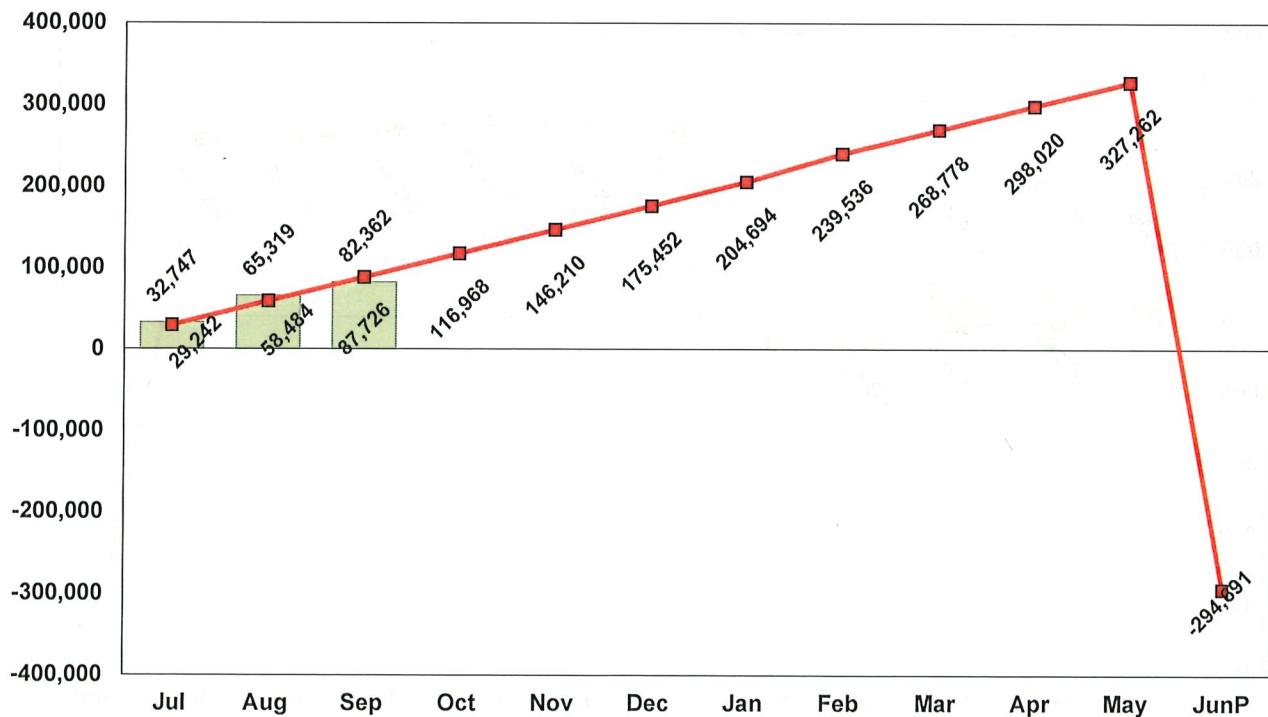
YTD Net Operating Income - Wastewater



Non-Operating Income
Vandenberg Village Community Services District
July 1, 2026 to June 30, 2027



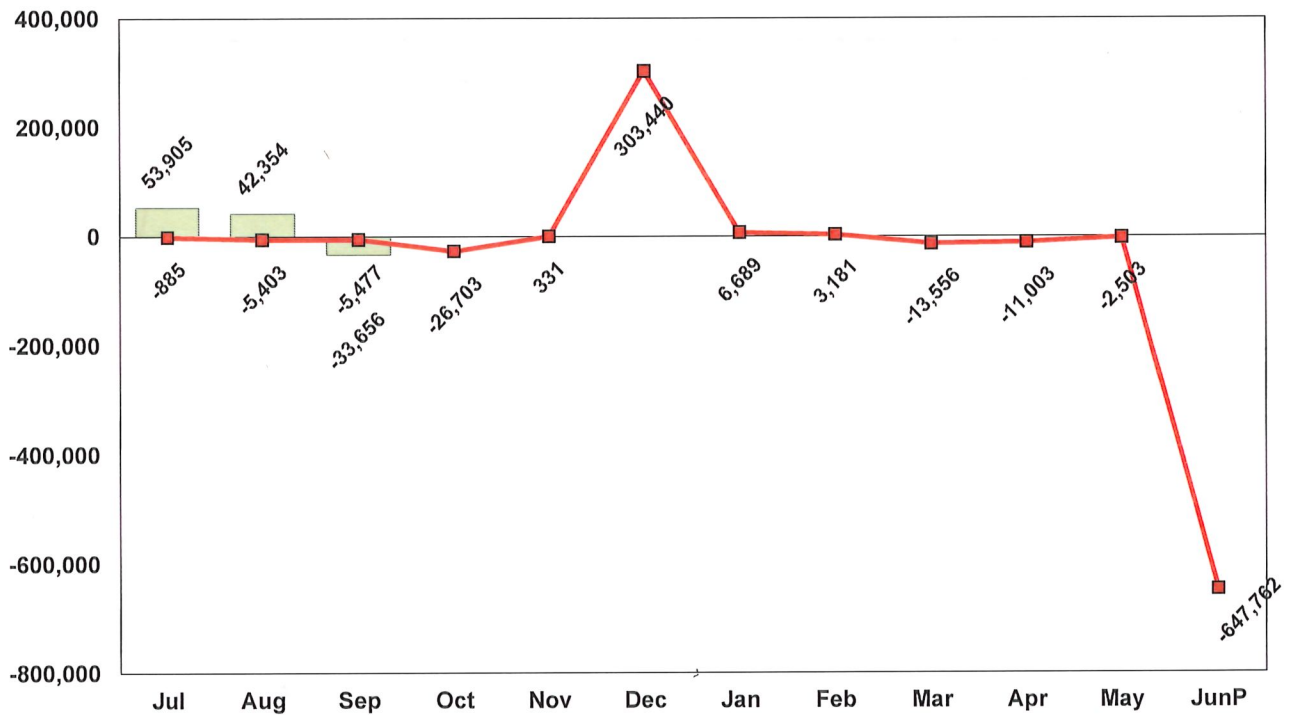
YTD Net Non-Operating Income - Wastewater



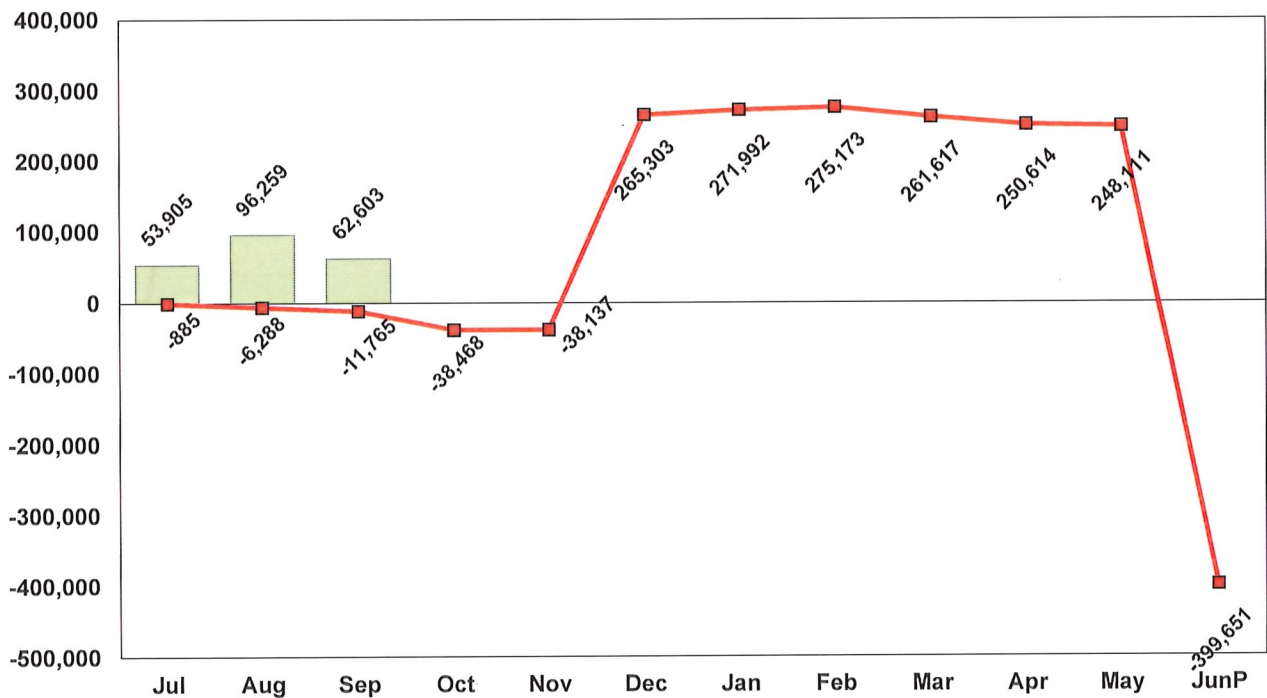
Note: LRWRP SRF payment of \$741,091 is included in Net Non-Operating Income in June.
Note: Interfund Loan Payment of \$89,900 is included in Net Non-Operating Income in June.

Change in Net Assets Vandenberg Village Community Services District July 1, 2026 to June 30, 2027

Monthly Change in Net Assets - Wastewater



YTD Change in Net Assets - Wastewater



Note: LRWRP SRF payment of \$741,091 is included in Net Non-Operating Income in June.
Note: Interfund Loan Payment of \$89,900 is included in Change in Net Assets in June.

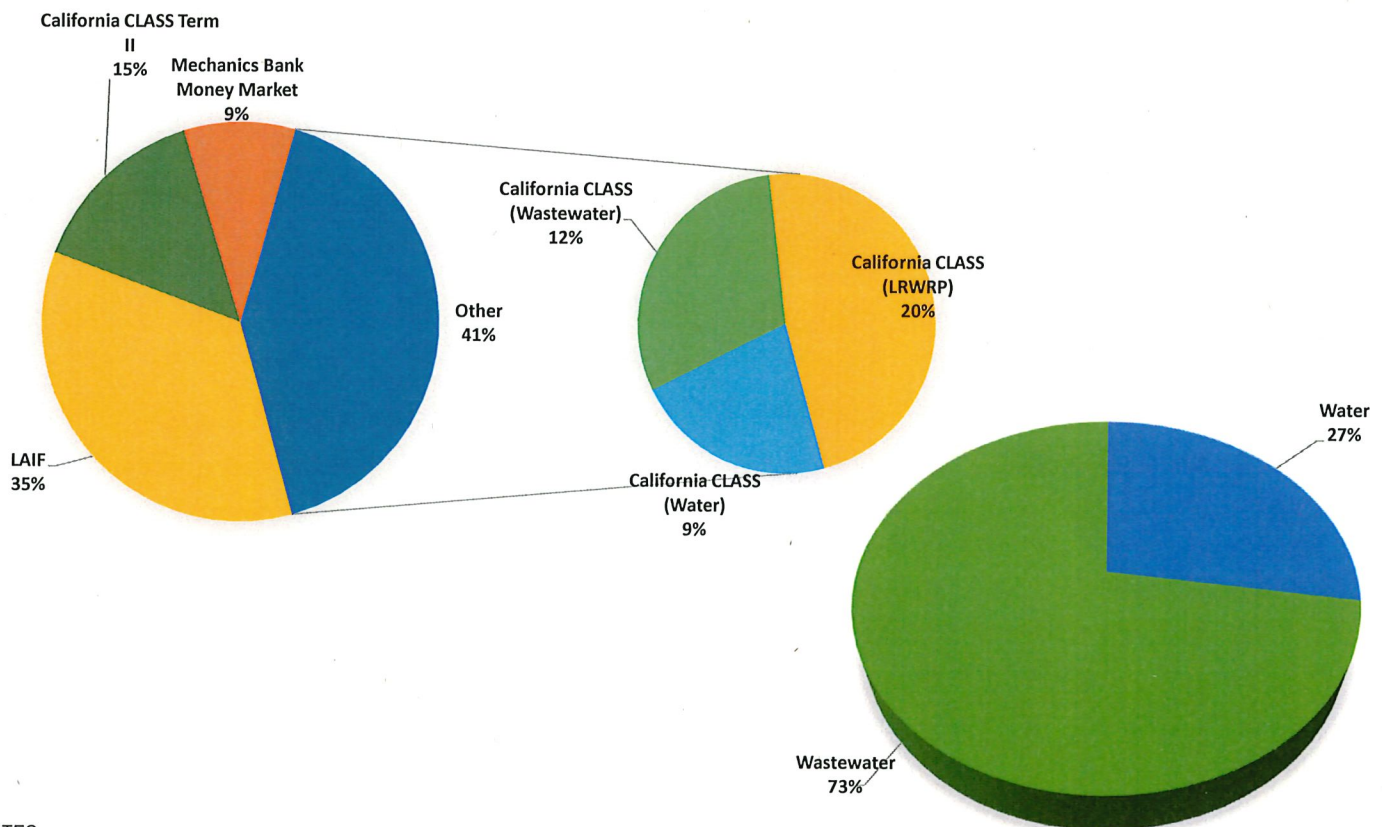
Statement of Cash Flow
Vandenberg Village Community Services District
For the Period from July 1, 2026 to September 30, 2026

	Water Fund	WW Fund	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers and users	\$ 703,326	\$ 391,271	
Cash payments for goods and services	(548,638)	(605,570)	
Cash payments to employees	(122,629)	(90,444)	
Net Cash Provided by Operating Activities	\$ 32,059	\$ (304,743)	\$ (272,684)
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES			
Purchase of capital assets	(184,037)	(206,047)	
Net Cash Used - Capital & Related Financing Activities	(184,037)	(206,047)	(390,085)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	85,869	82,362	
Net Cash Provided by Investing Activities	85,869	82,362	168,231
Net Increase (Decrease) in Cash & Cash Equivalents	(66,109)	(428,428)	(494,538)
Cash and cash equivalents, beginning of year	4,612,862	9,904,929	14,517,791
Cash and cash equivalents, year-to-date	4,547,009	9,476,244	<u>\$ 14,023,253</u>
Reconciliation to the Statement of Net Assets:			
Cash on hand	\$ 400		\$ 400
Cash and short term investments	4,546,609	9,476,244	<u>14,022,853</u>
			<u>\$ 14,023,253</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating Income (excluding Connection fees)	\$ 122,365	\$ (19,759)	
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation	71,593	185,846	
Change in operating assets and liabilities:			
(Increase) decrease in accounts receivable	(87,100)	(27,787)	
Increase (decrease) in accounts payable	(79,544)	(428,411)	
Increase (decrease) in accrued payroll	(27,253)	(14,631)	
Increase (decrease) in customer deposits	2,054	0	
Increase (decrease) in compensated absences	17,462	0	
Net Cash Provided by Operating Activities	\$ 32,059	\$ (304,743)	\$ (272,684)
Reconciliation to other financial statements			
Net operating income/(loss)	\$ 122,365	\$ (19,759)	
Connection Fees received from developers	0	0	
Non-operating income (Interest Revenue/Fair Market Value Offset)	30,393	82,362	
Non-operating expenses (Asset retirement/Interest expense)	(15,888)	0	
Total YTD Net Income (Current Earnings on Statement of Net Position)	\$ 136,870	\$ 62,603	\$ 199,473
Add back Interest Expense on LRWRP SRF Loan			
YTD Change in Net Assets on Revenue and Expense charts	\$ 136,870	\$ 62,603	\$ 199,473

VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT
Schedule of Investments
As of September 30, 2026

-25-

Banking Institution	Certificate/ Account No.	Rate / Term	Beginning Balance	Deposit (Withdrawal)	Interest Earned/ Accrued	Total Principal & Interest	Water	Wastewater
Local Agency Investment Fund (LAIF)	16-42-005	3.97% / quarterly	\$5,738,463	(\$1,000,000)	\$51,855	\$4,790,318	\$1,496,840	\$3,293,478
California CLASS (Water)	01-0153-001	3.82% / monthly	\$1,235,541		\$11,758	\$1,247,299	\$1,247,299	
California CLASS (Wastewater)	01-0153-002	3.82% / monthly	\$1,711,500		\$16,287	\$1,727,788		\$1,727,788
California CLASS (LRWRP)	01-0153-006	3.82% / monthly	\$2,676,560	\$2,000,000 (\$2,000,000)	\$24,443	\$2,701,002		\$2,701,002
California CLASS Term Series II (maturing 8/13/2027)	01-0153-T001	4.17% / monthly	\$0	\$2,000,000	\$10,968	\$2,010,968	\$628,371	\$1,382,597
Mechanics Bank Money Market Savings	9651012305	3.94% APY	\$2,817,153	\$1,370 (\$1,599,823)	\$17,079	\$1,235,780	\$386,146	\$849,633
TOTAL					\$132,390	\$13,713,154	\$3,758,656	\$9,954,499



NOTES:

- 1) VVCSD investments are in compliance with the Standard of Investment Policy approved by the Board of Directors.
- 2) Based on projected income and expenses, the District has the ability to meet the next six months of cash flow requirements.
- 3) The market value source documents are statements provided by the respective banking institutions.
- 4) This report is published in accordance with California Government Code 53646(b).

VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT

Disbursement # 11-26 From 10/1/2026 To 10/31/2026
Board Meeting Date 11/3/2026 Item: 6.B.3

Accounts Payable Amount	<u>\$291,107.89</u>
-------------------------	---------------------

Check Numbers	30862-30919
Electronic Vendor Payment Amount	\$18,187.28

Void Checks none

Confirmation Numbers	22604, 22605, 56169, 81055, 241697, 477506, 990088
A/P Hand Check Amount	

Payroll Amount	Check Numbers	
		\$82,470.10

Investment Transfers

Check Numbers	electronically transferred, 10160, 10161
---------------	---

Confirmation Numbers _____

Disbursements/Investments

A/P Checks	291,107.89
Electronic Vendor Payments	18,187.28
A/P Hand Checks	0.00
Payroll	82,470.10
Investments	0.00
TOTAL	\$391,765.27

REPORT.: Oct 29 26 Thursday
 RUN....: Oct 29 26 Time: 15:02
 Run By.: PATTY LECAVALIER

VANDENBERG VILLAGE CSD
 Cash Disbursement Detail Report
 Check Listing for 10-26 thru 10-26 Bank Account.: 13100

PAGE: 001
 ID #: PY-DP
 CTL.: VAN

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
022604	10/01/26	PIT02	PITNEY BOWES INC	15054.75	30146111	RELAY 4500 SYSTEM, VERTICAL POWER STACKER-PO#1817
				365.27	30146112	POWERGUARD SURGE PROTECTOR FOR INSERTER
			Check Total.....:	15420.02		
022605	10/01/26	PIT01	PITNEY BOWES GLOBAL FINAN	290.24	108109534	PB METER & MAIL MACHINE RENTAL 7/30/26-10/29/26
030862	10/01/26	CAL21	CALIFORNIA STATE LANDS CO	471.78	B53783	SLC STAFF CHARGES APP #W26877 8/26 CWIP WELL SITE
030863	10/01/26	CLS01	CLINICAL LABS OF SAN	430.00	1026553	MONTHLYBACTERIA,IRON,MANGANESE,PHYSICAL TESTS 8/26
030864	10/01/26	COA02	COASTLINE EQUIPMENT	577.33	1388765	PINS (QTY 6) - COMPACT EXCAVATOR
030865	10/01/26	COL01	JEFFREY COLE	151.00	C60930	MEALS/INCIDENTALS REIMB-CSDA LEADERSHIP-J. COLE
				300.41	C61001	REIMBURSEMENT-SCADA MODEM, MONITOR, DISPLAY PORT
			Check Total.....:	451.41		
030866	10/01/26	COM03	COMCAST	433.39	10520926	INTERNET - OFFICE 09/20/26-10/19/26
030867	10/01/26	COR01	CORBIN WILLITS SYSTEM INC	949.35	C609151	SERVICE AND ENHANCEMENT FEE 10/26
030868	10/01/26	COV01	COVERALL NORTH AMERICA, I	445.00	729646	JANITORIAL SERVICE 9/26
030869	10/01/26	FAM01	FAMCON PIPE & SUPPLY, INC	-609.35	66207.003C	CREDIT - FFDIS0342 3"x3'-6" FXF DI SPOOL
				-940.66	66207.004C	CREDIT - FFDIS0348 3"x4'-0" FL X FL D.I. SPOOL
				627.49	91316.001	RING GASKET, METER GASKET, NIPPLE, SPOOL
				1782.19	91436.001	4", 8", 10", 12" PVC PIPE
			Check Total.....:	859.67		
030870	10/01/26	FRO01	FRONTIER	303.50	28851026	FRONTIER 733-2475 09/13/26-10/12/26
				400.51	49051026	FRONTIER 733-3615/3975 09/13/26-10/12/26
			Check Total.....:	704.01		
030871	10/01/26	HPS01	HPS WEST, INC.	598.98	5171	3/4" SONATA METER - ADU UPGRADE - 3916 AGENA WAY
				24851.83	5213	10"x17.75"OCTAVEMETERW/EPOXYCOATED DI BODY-PO#1814
			Check Total.....:	25450.81		
030872	10/01/26	LOM01	CITY OF LOMPOC, FINANCE	34990.94	20859	WASTEWATER TREATMENT COSTS 7/26
				35312.00	21113	WASTEWATER TREATMENT COSTS 8/26
			Check Total.....:	70302.94		
030873	10/01/26	MIS01	MISSION PAVING, INC.	1000.00	6068	ASPHALTREPAIR-125&129INVERNESSAVE-COPPERLINEREPAIR
030874	10/01/26	POS01	POSTMASTER GENERAL	390.00	124-0926	POST OFFICE PERMIT #124 FEE

REPORT.: Oct 29 26 Thursday
 RUN....: Oct 29 26 Time: 15:02
 Run By.: PATTY LECAVALIER

VANDENBERG VILLAGE CSD
 Cash Disbursement Detail Report
 Check Listing for 10-26 thru 10-26 Bank Account.: 13100

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Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
030875	10/01/26	SAN39	SANTA MARIA TOOL, INC.	1152.21	20635	LOCKS FOR PAMREX HINGE - LOCKING MANHOLE COVERS
				80.00	20931	MODIFICATION (2) T-HANDLES - COMPACT EXCAVATOR
			Check Total.....:	1232.21		
030876	10/01/26	SEN01	SENATE RULES COMMITTEE	394.86	C60930	CALIFORNIA FLAGS (QTY 3), US FLAGS (QTY 3)
030877	10/01/26	SOU01	SO.CALIFORNIA GAS CO.INC.	51.56	79000926	SO. CALIF GAS - WELL 1B 08/27/26-09/25/26
				14.79	84180926	SO. CALIF GAS - OFFICE 08/27/26-09/25/26
			Check Total.....:	66.35		
030878	10/01/26	STE04	STERICYCLE, INC.	331.24	392626	DOCUMENT SHREDDING SERVICE 8/25/26, 9/8/26
030879	10/01/26	VAL04	VALLEY ROCK READY MIX, IN	503.19	26-41335	CONCRETE - SIDEWALK REPAIR - LVMC
				526.09	26-41359	SLURRY-1"COPPERSERVLINEREPAIR-119&125INVERNESSAVE
			Check Total.....:	1029.28		
030880	10/01/26	VES01	VESTIS	92.07	21099033	CONTINUOUS TOWELS, SHOP TOWELS, SUPPLIES 09/16/26
				67.16	21102543	PAPER TISSUE, PAPER TOWELS 09/23/26
			Check Total.....:	159.23		
030881	10/01/26	VRE01	JIM VREELAND FORD	466.12	10213	UNIT#22 FORD F150-DIAGNOSTICS,OIL,FILTERS,WIPERS
030882	10/01/26	WAL01	WALLACE GROUP	10356.25	68788	DESIGN - EUROPA / ENTERPRISE LOOP 8/26
030883	10/01/26	ZWO01	ZWORLD GIS, LLC.	3500.00	30000149	DATA ACQUISTION - 2026 GIS REGIONAL PROJECT
030884	10/01/26	\D007	DEJA R DOMINGUEZ	27.16	000C60901	CUSTOMER REFUND - DOM0005 - 629 MOONGLOW ROAD
030885	10/01/26	\T001	TWIN OAKS REAL ESTATE MA	143.99	000C60901	CUSTOMER REFUND-TWI0006-4004 CONSTELLATION ROAD
030886	10/08/26	SAN27	SANTA BARBARA COUNTY	3093.75	C61008	CEQA NOD/CDFW FEE-WATER WELL REPL PROJ
030887	10/15/26	ACW03	ACWA JOINT POWERS INSURAN	11455.47	710487	GROUP MEDICAL, DENTAL, VISION, LIFE, EAP 11/26
030888	10/15/26	ACW04	ACWA	14750.00	C61015	2027 ACWA AGENCY DUES
030889	10/15/26	AMA01	AMAZON CAPITAL SERVICES	74.88	T6XF-PKJJ	PAPERCLIPS, PHONE CASE & HOLSTER
030890	10/15/26	COA02	COASTLINE EQUIPMENT	1006.43	1384274	TY16405 TIGHTENER & TY16205 LINK CHAIN
				-201.53	1390467C	CREDIT - TY16405 TIGHTENER 5/16 - 3/8 (QTY 2)
			Check Total.....:	804.90		
030891	10/15/26	COL01	JEFFREY COLE	223.00	C61015	MEALS/INCID. REIMB.-WATERWISE PRO EXPO-J. COLE

REPORT.: Oct 29 26 Thursday
 RUN....: Oct 29 26 Time: 15:02
 Run By.: PATTY LECAVALIER

VANDENBERG VILLAGE CSD
 Cash Disbursement Detail Report
 Check Listing for 10-26 thru 10-26 Bank Account.: 13100

PAGE: 003
 ID #: PY-DP
 CTL.: VAN

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
030892	10/15/26	COR04	CORE & MAIN LP	2586.00	Z831274	24" SBF1900 FRAME & COVER MARKED SEWER (QTY 6)
030893	10/15/26	COV01	COVERALL NORTH AMERICA, I	445.00	763696	JANITORIAL SERVICE 10/26
030894	10/15/26	DUR01	JUAN DURAN	223.00	C61015	MEALS/INCID. REIMB.-WATERWISE PRO EXPO-J.DURAN
030895	10/15/26	FAM01	FAMCON PIPE & SUPPLY, INC	711.15	92514.001	6" COUPLING RINGS,6" SDR PIPE - C/O>MH CONVERSION
030896	10/15/26	FLU02	FLUME, INC.	840.45	2944	REBATES FOR FLUME SMART MONITOR (QTY 6)
030897	10/15/26	JPI02	ACWA/JPIA	3523.57	V004-1026	WORKERS' COMP PREMIUM 7/26-9/26
030898	10/15/26	MAR02	MARBORG INDUSTRIES	67.94	6984653	TRASH COLLECTION - OFFICE 9/26
				193.10	6984775	TRASH COLLECTION - SHOP 9/26
			Check Total.....:	261.04		
030899	10/15/26	NAT01	NATIONAL GROUP TRUST	679.41	23941126	LONG-TERM DISABILITY 11/26
030900	10/15/26	PGE01	PACIFIC GAS & ELECT. INC.	41410.40	6872-1026	PG&E CHARGES 9/1/26-9/30/26
030901	10/15/26	UBE01	UBEO WEST LLC	316.81	5400777	COPIER - CONTRACT USAGE 10/1/26-10/31/26
030902	10/15/26	UND01	UNDERGROUND SERVICE ALERT	180.50	20260796	USA TICKETS 09/26
030903	10/15/26	USB02	U.S.BANK CORPORATE PAYMEN	10776.46	32560926	LODGING,SUBS,MBRSHP,SUPPLIES,DELL,NOTICE,FUEL
030904	10/15/26	VES01	VESTIS	84.79	21106062	SHOP TOWELS, PAPER TISSUE, PAPER TOWELS 09/30/26
				67.67	21109604	PAPER TISSUE, PAPER TOWELS 10/07/26
			Check Total.....:	152.46		
030905	10/15/26	WES05	WESTERN EXTERMINATOR CO.	50.00	103104752	EXTERIOR INSECT PERIMETER TREATMENT - SITE #1
				24.00	103106905	INTERIOR RODENT CONTROL - SITE #1
				102.00	103106912	EXTERIOR RODENT CONTROL - SITE #1
				69.00	103108897	EXTERIOR RODENT CONTROL - STIE #3
			Check Total.....:	245.00		
030906	10/15/26	\A008	ATLANTIC AND PACIFIC REAL	125.00	C61014	REFUND PERMANENT DEPOSIT
030907	10/29/26	CLS01	CLINICAL LABS OF SAN	4865.00	1027477	MO.BAC,PHY,MANG,IRON,TCP,ACID,THM,EPA TESTS 9/26
030908	10/29/26	COM03	COMCAST	433.68	10521026	INTERNET - OFFICE 10/20/26-11/19/26
030909	10/29/26	COR01	CORBIN WILLITS SYSTEM INC	949.35	C610151	SERVICE AND ENHANCEMENT FEE 11/26
030910	10/29/26	CSD01	CALIFORNIA SPECIAL	10148.00	309-2027	2027 CSDA MEMBERSHIP RENEWAL

REPORT.: Oct 29 26 Thursday
RUN....: Oct 29 26 Time: 15:02
Run By.: PATTY LECAVALIER

VANDENBERG VILLAGE CSD
Cash Disbursement Detail Report
Check Listing for 10-26 thru 10-26 Bank Account.: 13100

PAGE: 004
ID #: PY-DP
CTL.: VAN

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
030911	10/29/26	CUT01	CUT & CLEAN LANDSCAPE SER	270.00	10796	OFFICE YARD MAINTENANCE & HAUL-AWAY SERVICE 10/26
030912	10/29/26	FRO01	FRONTIER	315.66 404.50	28851126 49051126	FRONTIER 733-2475 10/13/26-11/12/26 FRONTIER 733-3615/3975 10/13/26-11/12/26
			Check Total.....:	720.16		
030913	10/29/26	HPS01	HPS WEST, INC.	35954.02 6919.43	5302 5303	1"SONATA METER POLYMER FLOW TUBE (QTY 100)-PO#1807 ALLEGRO PIT UNIT W/ 2' NICOR (QTY 36) - PO#1807
			Check Total.....:	42873.45		
030914	10/29/26	SOU01	SO.CALIFORNIA GAS CO.INC.	55.96 17.35	79001026 84181026	SO. CALIF GAS - WELL 1B 09/26/26-10/26/26 SO. CALIF GAS - OFFICE 09/26/26-10/26/26
			Check Total.....:	73.31		
030915	10/29/26	STE04	STERICYCLE, INC.	339.65	15752920	DOCUMENT SHREDDING SERVICE 9/22/26, 10/6/26
030916	10/29/26	VES01	VESTIS	92.82 67.67	21113532 21117063	CONTINUOUS TOWELS, SHOP TOWELS, SUPPLIES 10/14/26 PAPER TISSUE, PAPER TOWELS 10/21/26
			Check Total.....:	160.49		
030917	10/29/26	VRE01	JIM VREELAND FORD	128.78	10781	UNIT #25 FORD F150- OIL, FILTER, & TIRE ROTATION
030918	10/29/26	WAL01	WALLACE GROUP	16931.75	69005	DESIGN - EUROPA / ENTERPRISE LOOP 9/26
030919	10/29/26	WES05	WESTERN EXTERMINATOR CO.	94.64 69.00	104647547 104647554	GOPHER CONTROL SERVICE 10/26 EXTERIOR RODENT CONTROL - LS #2
			Check Total.....:	163.64		
056169	10/29/26	STA12	STARLINK	140.00	NXC4EUDU	STARLINK INTERNET FOR SCADA 10/16/26-11/16/26
081055	10/15/26	TIE01	TIERZERO CLOUD COMMUNICAT	395.70	76727	TIERZERO CLOUD COMMUNICATIONS ACCT FEE 10/26
241697	10/15/26	PIT03	PITNEY BOWES	1335.32	01341026	POSTAGE FOR BILLS 09/26
477506	10/29/26	PIT03	PITNEY BOWES	201.00	76731026	POSTAGE FOR METER
990088	10/01/26	PIT03	PITNEY BOWES	405.00	76730926	POSTAGE FOR METER
			Cash Account Total.....:	309295.17		
			Total Disbursements.....:	309295.17		
				=====		
			Cash Account Total.....:	.00		

REPORT.: Oct 29 26 Thursday
RUN...: Oct 29 26 Time: 15:02
Run By.: PATTY LECAVALIER

VANDENBERG VILLAGE CSD
Cash Disbursement Detail Report - Payroll Vendor Payment(s)
Check Listing for 10-26 thru 10-26 Bank Account.: 13101

PAGE: 005
ID #: PY-DP
CTL.: VAN

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
42410	10/09/26	PUB02	PUBLIC EMPLOYEES	1918.33	C61009	PERS TDMC PP#20
42411	10/09/26	PUB02	PUBLIC EMPLOYEES	705.56	1C61009	PERS EPMC PP#20
42412	10/09/26	PUB02	PUBLIC EMPLOYEES	4075.53	2C61009	PERS EMPLR CONTRIB. PP#20
42420	10/09/26	PER04	CALPERS 457 PLAN	550.00	C61009	EMPLOYER PERS 457 PP#20
42421	10/09/26	PER04	CALPERS 457 PLAN	1386.32	1C61009	EMPLOYEE PERS 457 PP#20
131460	10/23/26	PUB02	PUBLIC EMPLOYEES	1921.64	C61023	PERS TDMC PP#21
131461	10/23/26	PUB02	PUBLIC EMPLOYEES	705.56	1C61023	PERS EPMC PP#21
131462	10/23/26	PUB02	PUBLIC EMPLOYEES	4078.92	2C61023	PERS EMPLR CONTRIB. PP#21
131470	10/23/26	PER04	CALPERS 457 PLAN	550.00	C61023	EMPLOYER PERS 457 PP#21
131471	10/23/26	PER04	CALPERS 457 PLAN	1247.80	1C61023	EMPLOYEE PERS 457 PP#21
365830	10/09/26	EFT01	EFTPS	3743.29	C61009	FEDERAL WH TAXES PP#20
365831	10/09/26	EFT01	EFTPS	104.16	1C61009	FICA SOCIALSECURITY PP#10
365832	10/09/26	EFT01	EFTPS	1035.60	2C61009	FICA MEDICARE PP#20
573920	10/23/26	EMP01	EMPLOYMENT DEVELOP.DEPART	1429.25	C61023	STATE WH TAXES PP#21
573921	10/23/26	EMP01	EMPLOYMENT DEVELOP.DEPART	459.25	1C61023	STATE DISABILITY PP#21
845540	10/23/26	EFT01	EFTPS	3830.21	C61023	FEDERAL WH TAXES PP#21
845541	10/23/26	EFT01	EFTPS	1024.46	1C61023	FICA MEDICARE PP#21
962400	10/09/26	EMP01	EMPLOYMENT DEVELOP.DEPART	1405.39	C61009	STATE WH TAXES PP#20
962401	10/09/26	EMP01	EMPLOYMENT DEVELOP.DEPART	453.29	1C61009	STATE DISABILITY PP#20
Cash Account Total.....:				30624.56		
Total Disbursements.....:				30624.56		
				=====		

VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT

AGENDA MEMORANDUM

TO: Board of Directors ITEM: 7.A.

FROM: Cynthia Allen, General Manager *CA*

Patricia LeCavalier, Financial Services Manager *PL*

DATE: November 3, 2026

SUBJECT: Annual Audit

Recommendation: Accept the Fiscal Year 2025-26 audit report prepared by Moss, Levy & Hartzheim.

Policy Implications:

- California Government Code § 61118 requires the boards of directors of community services districts to provide for regular audits of the district's accounts and records under California Government Code § 26909.
- California Government Code § 26909 requires the audit to conform to generally accepted auditing standards, and the District to file the audit with the auditor-controller and the local agency formation commission within 12 months of the end of the fiscal year.

Resource Impacts: There is \$10,150 in the budget for the preparation of this audit.

Alternatives Considered: Do not accept the audit.

Discussion: A team from Moss, Levy & Hartzheim, led by Christopher Padilla, conducted the District's annual financial audit from August 19 through August 21, 2026. The Fiscal Year 2025-26 Audit Report indicates that the District's total net capital assets were approximately \$23.2 million as of June 30, 2026 (p. 10).

The District's assets exceeded liabilities by \$34.2 million at fiscal year-end, representing an increase of approximately \$1.2 million compared to June 30, 2025 (p. 10).

Operating revenues increased by 1.7%, from \$5.13 million in FY 2024-25 to \$5.22 million in FY 2025-26, while operating expenses increased by 3.2%, from \$4.32 million to \$4.46 million (p. 13). Despite the increase in operating expenses, the District generated \$764,066 in net operating income during FY 2025-26.

	Water		Wastewater		Combined FYE 2026
	FYE 2025	FYE 2026	FYE 2025	FYE 2026	
Operating Revenue	2,378,836	2,470,554	2,756,015	2,749,764	5,220,318
Operating Expenses	2,151,395	2,137,846	2,168,744	2,318,406	4,456,252
Net Operating Income	227,441	332,708	587,271	431,358	764,066

Government Accounting Standards Board (GASB) 68 requires disclosure of the CalPERS pension valuation on the Statement of Net Position. This is discussed in depth in the Notes to Basic Financial Statements at the end of the Basic Financial Statements provided by Moss, Levy & Hartzheim.

There were no material problems. The office staff and Finance/Budget Committee have demonstrated exceptional stewardship through their cooperative oversight and prudent management of the District's financial resources.

Attachment: Fiscal Year 2025-26 Final Audit

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VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2026

As management of the Vandenberg Village Community Services District (District), we offer this overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2026 (FYE 26). It should be considered in conjunction with the information within the body of the audited financial statements and accompanying notes.

If you have questions regarding the information included in this report or wish to request additional financial information, please contact the District's General Manager, Cynthia Allen, Ph.D., at 3745 Constellation Road, Lompoc, CA 93436 or by calling (805) 733-2475.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

1) Government-Wide Financial Statements. The *Government-Wide Financial Statements* provide a broad overview of the District's finances, combining both the water and wastewater enterprise funds data.

The Statement of Net Position presents information on all assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position indicate whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the net position changed during the fiscal year. The District uses accrual-based accounting. Changes in net position are reported when the event causing the change occurs (i.e., an expense that is incurred on June 30 but is paid in July is reported as a decrease to net position in June).

The District charges a fee to customers to cover all or most of the costs of certain services it provides. The District's water and wastewater operations are reported as business-type activities on the Statement of Activities.

2) Fund Financial Statements. A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has no general fund; therefore, the District's funds can all be categorized as proprietary funds.

Proprietary funds. The District maintains a single type of proprietary fund: enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the Government-Wide Financial Statements. The District uses enterprise funds to account for its water and wastewater operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and wastewater operations.

The *Fund Financial Statements* provide a detailed view of the District's water and wastewater enterprise funds data.

The Statement of Net Position – Proprietary Funds presents information on assets and liabilities for each enterprise fund.

The Statement Revenues, Expenses, and Changes in Net Position – Proprietary Funds presents information showing how the net position changed during the fiscal year for each enterprise fund.

The Statement of Cash Flows – Proprietary Funds gives an overview of cash received and cash paid out during the fiscal year, separated by activity type (operating, capital/financing, non-capital/financing, and investing).

3) Notes to Basic Financial Statements. The *Notes to Basic Financial Statements* provide additional information for a more complete understanding of the data provided in the basic financial statements.

Types of Information in the Financial Statements

The District's financial statements use the accrual basis of accounting and report the following types of information:

- **Assets**—resources the District controls, from short-term assets like cash and investments to long-term capital assets (land, easements, water rights, wells and pumps, mains and distribution systems, buildings and improvements, vehicles, furniture and equipment, and construction in progress)
- **Liabilities**—amounts the District owes, from short-term liabilities such as salaries payable to long-term liabilities such as outstanding debt and net amounts owed to employees for pensions
- **Deferred outflows of resources and deferred inflows of resources**—flows that occurred during the year, or in prior years, that will not be reported as expenses and revenues until the future year to which they are related
- **Revenues and expenses**—inflows and outflows of economic resources, respectively, related to the current year.

GOVERNMENT-WIDE FINANCIAL SUMMARY

The government-wide financial summary contains comparative information from the prior year.

Net Position

	Business-type activities		Percentage Change
	2026	2025	2026-2025
Current and Other Assets	\$15,849,741	\$15,157,035	4.6%
Capital Assets	23,237,186	22,736,869	2.2%
Total Assets	39,086,927	37,893,904	3.1%
Deferred Outflows of Resources	479,665	607,078	-21.0%
Current Liabilities	1,882,879	1,400,382	34.5%
Noncurrent Liabilities	3,122,757	4,096,773	-23.8%
Total Liabilities	5,005,636	5,497,155	-8.9%
Deferred Inflows of Resources	281,886	24,123	1068.5%
NET POSITION			
Net Investment in Capital Assets	21,091,037	19,900,341	6.0%
Restricted	990,700	1,108,759	-10.6%
Unrestricted	12,197,333	11,970,604	1.9%
Total Net Position	\$34,279,070	\$32,979,704	3.9%

Net position may serve over time as a useful indicator of a government's financial position. Assets and deferred outflows exceeded liabilities and deferred inflows by \$34.3 million as of June 30, 2026. This is an increase of \$1.3 million from the fiscal year that ended June 30, 2025.

The following are significant current fiscal year transactions that have had an impact on the Statement of Net Position:

- *Current and Other Assets* increased by \$692,706. This is primarily due to the increase in cash and investments described below and a \$135,314 increase in accounts receivable. During the fiscal year, the Wastewater Fund also made a \$1,000,000 interfund loan to the Water Fund, which is eliminated in the government-wide statements. The loan will be repaid to the Wastewater Fund at 4% interest over 15 years. The main purpose of the loan is to bring the Water Reserves closer to the reserves goals. See next page for reserves balances and goals. Additionally, Cash and investments increased in FYE 26 by \$550,576, mainly due to investment interest earnings of \$599,518, decreased by the fair market valuation of investments adjustments of <\$13,072> from last fiscal year.
- *Capital Assets* had a net increase of \$500,317 after the annual depreciation expense of \$1,009,808. The most notable additions to Capital Assets were the Filter Rehabilitation Project, three 12" octave meters, the SCADA Upgrade, and the Manhole Ring and Cover Replacement. Ongoing projects with significant expenditures include the Future Replacement Well Site and relining Sewer Mains and Manholes.
- *Current Liabilities* increased by \$482,497. The largest portion of that increase was \$461,933 accrued for the portion of the sewer main relining work completed during the fiscal year but billed after year-end.
- *Non-Current Liabilities* showed a net decrease of \$974,016. It increased by \$67,727 for the noncurrent portion of compensated absences, which is reported separately beginning this fiscal year, and decreased by \$702,722 of the State Revolving Fund (SRF)

VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2026

loan on the Lompoc Regional Wastewater Reclamation Plant (LRWRP) upgrade due *within* the upcoming fiscal year, and by a \$339,021 reduction in Net Pension Liability due to CalPERS.

RESERVES

- In 2024, the Board of Directors approved Resolution 229-24, which updated the District's Reserve Policy and revised targets for capital, operating, and emergency reserves. As of June 30, 2026, the District has unrestricted cash reserves of \$14.3 million plus \$742,642 on deposit with the City of Lompoc for the Wastewater Capital Reserve Fund requirement. The reserve goal fluctuates from year to year based on the accumulated depreciation expense, the current operating budget, and the audited value of capital assets. Based on the criteria set forth by the resolution, as of June 30, 2026, the District's minimum reserve target was \$9.2 million in reserves at fiscal year-end. See the following table for the June 30, 2026 goal calculations.
- In addition to the unrestricted cash reserves, there are the following restricted cash accounts: Developers' Connection Fees \$4,512, Developers' Conservation Funds \$213,011, Employee-paid Flex Spending health benefit account \$2,794, and funds designated for the maintenance of Lot 54 \$28,916.

WATER RESERVES	Water Reserve Balance as of June 30, 2026	Resolution 229-24 - Maximum Targets	Resolution 229-24 - Minimum Targets	Net Reserves - above <below> target
Emergency Reserve	1,659,690	1,659,690	1,106,460	0
Operating Reserve	856,128	856,128	856,128	0
Capital Reserve	1,856,434	1,909,740	1,909,740	(53,305)
	<u>\$4,372,252</u>	<u>\$4,425,558</u>	<u>\$3,872,328</u>	<u>(\$53,305)</u>

Resolution 229-24 Reserve Targets are based on Audited Financial Statements for the Fiscal Year Ended 6/30/24:

<i>Water Emergency Reserve Target = Minimum: 10% capital assets, Maximum: 15% capital assets</i>	11,064,602	6/30/24 Audit
<i>Water Operating Reserve Target = 25% operating expense budget</i>	3,424,514	FY 2025-26 Budget
<i>Water Capital Reserve Target = 50% accumulated depreciation</i>	3,819,479	6/30/24 Audit

WASTEWATER RESERVES	Wastewater Reserve Balance as of June 30, 2026	Resolution 229-24 - Maximum Targets	Resolution 229-24 - Minimum Targets	Net Reserves - above <below> target
Emergency Reserve	753,405	753,405	502,270	0
Operating Reserve	410,029	410,029	410,029	0
Capital Reserve	2,500,710	669,057	669,057	1,831,653
	<u>\$3,664,144</u>	<u>\$1,832,491</u>	<u>\$1,581,356</u>	<u>\$1,831,653</u>

Resolution 229-24 Reserve Targets are based on Audited Financial Statements for the Fiscal Year Ended 6/30/24:

<i>Wastewater Emergency Reserve Target = Minimum: 10% capital assets, Maximum: 15% capital assets</i>	5,022,698	6/30/24 Audit
<i>Wastewater Operating Reserve Target = 25% operating budget</i>	1,640,116	FY 2025-26 Budget
<i>Wastewater Capital Reserve Target = 50% accumulated depreciation</i>	1,338,114	6/30/24 Audit

LRWRP RESERVES	LRWRP Reserve Balance as of June 30, 2026	Resolution 229-24 - Maximum Targets	Resolution 229-24 - Minimum Targets	Net Reserves - above <below> target
WCRF held at City of Lompoc	742,642	742,642	742,642	0
Capital Reserve	6,240,785	5,061,235	3,036,741	1,179,550
	<u>\$6,983,427</u>	<u>\$5,803,877</u>	<u>\$3,779,383</u>	<u>\$1,179,550</u>

Resolution 229-24 Reserve Targets are based on Audited Financial Statements for the Fiscal Year Ended 6/30/24:

<i>LRWRP Reserve Target = Minimum: 15 percent of capacity rights, Maximum: 25 percent of capacity rights</i>	20,244,941	6/30/24 Audit
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ACTIVITIES

	Business-type activities		Percentage Change
	2026	2025	2026-2025
Charges for Services	5,220,318	5,134,851	1.7%
Investment Earnings	586,446	661,770	-11.4%
Connection Fees	10,561	10,561	0.0%
Total Revenues	\$5,817,325	\$5,807,182	0%
Operating Expenses	4,456,252	4,320,139	3%
Non-operating Expenses	132,957	100,399	32%
Total Expenses	\$4,589,209	\$4,420,538	4%
Change in Net Position	\$1,228,116	\$1,386,644	-11%
Net Position, beginning of year	32,979,704	31,593,060	4%
Prior Period Adjustments	71,250	0	
Net Position, end of fiscal year	\$34,279,070	\$32,979,704	4%

The District's financial position results from operating activities, investment activities, the acquisition and disposal of capital assets, and the depreciation of capital assets.

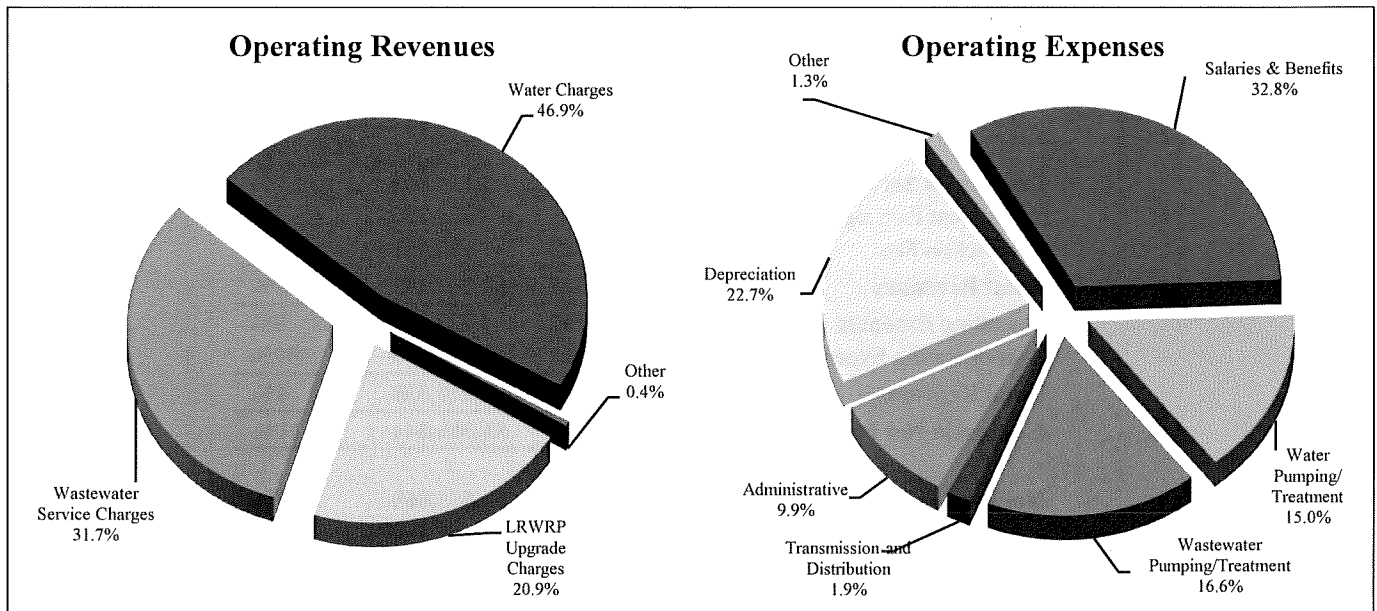
The following are significant current fiscal year transactions that have had an impact on the Statement of Activities:

- *Charges for Services* include a 4% increase in water use and service charges as of January 2026. Combined with slightly higher usage, Water charges for services increased by \$91,718. Wastewater service charges and LRWRP upgrade charges were largely unchanged from last year.
- *Investment Earnings* were only \$3,073 more in Interest Earnings for FYE 26, but the fair market valuation of investments adjustments were \$78,397 lower than last fiscal year's adjustments.
- *Operating Expenses* increased \$136,113, with the largest variance being \$131,012 more in wastewater pumping and treatment costs. The District pays a proportion of the total wastewater treatment costs for the LRWRP based on our Volume, Biochemical Oxygen Demand and Suspended Solids.
- *Non-Operating Expenses* increased mainly due to disposal of surplus assets, especially from the Filter Plant rehabilitation. The undepreciated portion of the replaced Filter Plant assets was \$33,900.
- *Prior Period Adjustments* were to recognize the \$71,250 receivable under the WMA GSA Cost Sharing and Reimbursement Agreement for reimbursement of FY24 and FY25 cash calls. The agreement was approved in September 2025, during FY26.

The following charts reflect major categories of actual FYE 26 operating revenues and expenses. Water and wastewater service and usage charges account for 99.6% (\$5.2 million) of the District's operating revenues. On the expense side, employee salaries and benefits are 32.8% (\$1.46 million) of the total operating expenses. This was a decrease of \$19,075, due to employee turnover. New employees' starting wages were lower than the wages of the employees who separated from the District.

Wastewater pumping and treatment is also a major component of operating expenses. It accounts for 16.6% (\$0.74 million) of the total annual expenses. Water source of supply, pumping, and treatment accounts for 15.0% (\$0.67 million), \$2,123 less than last year.

VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2026



FUND FINANCIAL STATEMENT DETAILED ANALYSES

As noted earlier in this report, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District does not have a general fund but separates all revenues and expenses into its specific water or wastewater enterprise fund, based on either actual fund expenditures or, as in the case of administrative salaries, an estimated percentage. During this fiscal year, the Wastewater Fund made a \$1,000,000 interfund loan to the Water Fund at 4% interest, payable over 15 years. Both of the District's enterprise funds ended the year with positive fund balances.

Water Fund

	Water Fund		Percentage Change
	2026	2025	2026-2025
Operating Revenues			
	\$2,470,554	\$2,378,836	4%
Operating Expenses			
	2,137,846	2,151,395	-1%
Operating Income	332,708	227,441	46%
Non-Operating Revenues (Expenses)			
Investment Earnings	124,519	147,049	-15.3%
Asset Retirement Loss	-72,340	-7,448	871%
Total Non-Operating Revenues (Expenses)	52,179	139,601	-63%
Capital Contributions			
Connection Fees	4,492	4,492	0.0%
Total Capital Contributions	4,492	4,492	0%
Net Position, beginning of year	9,694,076	9,322,542	4%
Prior Period Adjustments	71,250	0	
Net Position, end of fiscal year	\$10,154,705	\$9,694,076	5%

The water fund's net position increased by \$460,629.

- *Operating Revenues* increased by \$91,718. Water use and service charges increased 4% as of January 2026 and there was slightly higher water usage.
- *Investment Earnings* decreased because interest rates decreased from FY25, leading to lower interest earnings.
- *Asset Retirement Loss* was mainly from the undepreciated portion of the replaced Filter Plant assets of \$33,900, three 12" meters of \$26,453, and the Water fund portion of the SCADA Upgrade assets replaced of \$9,604.
- *Prior Period Adjustments* were to recognize the \$71,250 receivable under the WMA GSA Cost Sharing and Reimbursement Agreement for reimbursement of FY24 and FY25 cash calls. The agreement was approved in September 2025, during FY26.
- *Interfund Loan: the Water Fund received an interfund loan of \$1,000,000 from the Wastewater Fund, reported as an advance that does not affect net position, approved by the Board of Directors at the May 5, 2026 meeting. The interfund loan was not to cover an operational deficit, but to reduce the excess in the wastewater reserves and bring the water reserves closer to the target amount.*

Wastewater Fund

	Wastewater Fund		Percentage Change
	2026	2025	2026-2025
Operating Revenues	\$2,749,764	\$2,756,015	0%
Operating Expenses	2,318,406	2,168,744	7%
Operating Income	431,358	587,271	-27%
Non-Operating Revenues (Expenses)			
Investment Earnings	461,927	514,721	-10.3%
LRWRP Upgrade SRF Loan Interest Expense	-50,714	-62,838	-19%
Asset Retirement Loss	-9,903	-30,113	-67%
Total Non-Operating Revenues (Expenses)	401,310	421,770	-5%
Capital Contributions			
Connection Fees	6,069	6,069	0.0%
Total Capital Contributions	6,069	6,069	0%
Net Position, beginning of year	23,285,628	22,270,518	5%
Prior Period Adjustments	0	0	
Net Position, end of fiscal year	\$24,124,365	\$23,285,628	4%

The wastewater fund's net position increased by \$838,737.

- *Operating Expenses* increased \$149,662, with the largest variance being \$131,012 more in wastewater pumping and treatment costs. The District pays a proportion of the total wastewater treatment costs for the LRWRP based on our Volume, Biochemical Oxygen Demand and Suspended Solids.
- *Investment Earnings* decreased because interest rates decreased from FY25, leading to lower interest earnings.
- *LRWRP Upgrade SRF Loan Interest* portion of the payment on the loan decreases every year as the total principal amount remaining on the loan decreases.
- *Asset Retirement Loss* was mainly from the Wastewater fund portion of the SCADA Upgrade assets replaced of \$9,234.
- *Interfund Loan: the Wastewater Fund made an interfund loan of \$1,000,000 to the Water Fund, reported as an advance that does not affect net position, approved by the Board of Directors at the May 5, 2026 meeting. The interfund loan was not to cover an operational deficit, but to reduce the excess in the wastewater reserves and bring the water reserves closer to the target amount.*

CAPITAL ASSETS AND LONG-TERM FINANCING ACTIVITY

Capital Assets

- Capital assets include land, land improvements, buildings, building improvements, construction in progress, machinery and equipment, vehicles, infrastructure, and easements. Intangible assets such as water rights and wastewater capacity rights are

VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2026

also classified as capital assets. At the end of FYE 26, the District had \$37.8 million (before \$14.6 million in accumulated depreciation) invested in a broad range of capital assets including a 16.18-percent capacity right in the Lompoc Regional Wastewater Reclamation Plant (LRWRP) and a 100-percent capacity right in the Vandenberg Village Interceptor. The most notable additions to Capital Assets were the Filter Rehabilitation Project, three 12" octave meters, the SCADA Upgrade, and the Manhole Ring and Cover Replacement. Ongoing projects with significant expenditures include the Future Replacement Well Site and relining Sewer Mains and Manholes.

Long-Term Financing Activity

The District currently has one long-term obligation, the amount due to the City of Lompoc for its share of the State Revolving Fund (SRF) loan on the Lompoc Regional Wastewater Reclamation Plant (LRWRP) upgrade. Of the \$2,146,149 balance, \$702,722 is due within the upcoming fiscal year and \$1,443,427 is due after the upcoming fiscal year. In addition, the Water Fund owes the Wastewater Fund \$1,000,000 under the interfund loan, of which \$49,900 is due within the upcoming fiscal year and \$950,100 is due thereafter. The interfund loan is eliminated in the government-wide statements.

CURRENTLY KNOWN FACTS, DECISIONS OR CONDITIONS

The District expects the number of customers to increase as new homes are permitted and built within the parcel at the end of Tamarack Court by 161 single-family equivalent units. The capacity charges have been updated to reflect the projected total single-family equivalent units.

Water Rates were increased by 4% effective January 2026. The Finance/Budget Committee met on July 17, 2026 to start the planning process for future rate changes to prevent revenue shortfalls.

Interest rates on the District's conservative investments were about 4.18% for FY26, down slightly from 4.4% for FY25.

The Board of Directors increases employee salaries based on the CPI-W, West B/C, published by the U.S. Department of Labor, Bureau of Labor Statistics, with a maximum adjustment of 5.5 percent and a minimum adjustment of 2.0 percent. The CPI for FY27 is 2.6 percent.

Capital investment is focused on maintaining, repairing, rehabilitating, and replacing aging infrastructure in both the water distribution and wastewater collection systems. The filter pump replacement, administration office backup power project and raising offsite manholes are being carried forward to FYE 27. During the strategic planning process, the Board decided to move forward with a water loop from Europa Avenue to Enterprise Avenue to provide water to more customers on the south side of the village when water needs to be shut off for water main repairs. The design portion of the loop is included in the FY27 capital budget. The FY27 capital budget also includes a compact excavator to expedite repairs in locations that are too tight to use the backhoe tractor, well meters, water valves, improved storage at the shop, an inserter/folder machine for the office, converting additional cleanouts to manholes, and impellers, mechanical seals, and transducers for the lift stations.

The District continues to work with the State Lands Commission (SLC) and the California Department of Fish and Wildlife on obtaining additional land to drill replacement wells in the future. After years of study involving five alternative well sites, a cultural resources study, a biological resource assessment, and an environmental assessment were completed and submitted to the SLC. The District submitted an application to SLC to request a long-term lease of a specific 0.684-acre parcel of land adjacent to a historical 40-foot-wide road and pipeline easement and expects to receive a decision within the next fiscal year.

There is also a contract with our meter vendor to purchase all new meters for the District for \$944,485 over the next five years. These meters are part of the Water Fund operating expense budget.

Vandenberg Village Community Services District
Statement of Net Position
June 30, 2026

	Business-type Activities
ASSETS	
Cash and investments	\$ 14,517,791
Accounts receivable	421,427
Accrued interest receivable	55,476
Inventory	98,954
Prepaid expenses	13,451
Deposits	742,642
Capital assets, net of accumulated depreciation	<u>23,237,186</u>
Total assets	<u>39,086,927</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions	<u>479,665</u>
Total deferred outflows of resources	<u>479,665</u>
LIABILITIES	
Accounts payable	644,334
Accrued payroll expenses	46,868
Customer deposits	242,049
Unearned revenues	139,072
Compensated absences, current portion	107,834
Due to the City of Lompoc, current portion	702,722
Long-term liabilities	
Net pension liability	1,611,603
Compensated absences, net of current portion	67,727
Due to the City of Lompoc, net of current portion	<u>1,443,427</u>
Total liabilities	<u>5,005,636</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	<u>281,886</u>
Total deferred inflows of resources	<u>281,886</u>
NET POSITION	
Net investment in capital assets	21,091,037
Restricted for	
Construction	4,512
Water conservation	212,730
Employee health benefits	1,900
Maintenance of lot 54	28,916
Wastewater Capital Reserve Fund	742,642
Unrestricted	<u>12,197,333</u>
Total net position	<u>\$ 34,279,070</u>

See accompanying notes to basic financial statements.

Vandenberg Village Community Services District
Statement of Activities
For the Year Ended June 30, 2026

	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Business-type activities					
Water	\$ 2,210,186	\$ 2,470,554	\$ —	\$ 4,492	\$ 264,860
Wastewater	<u>2,379,023</u>	<u>2,749,764</u>	<u>—</u>	<u>6,069</u>	<u>376,810</u>
Total business-type activities	<u>\$ 4,589,209</u>	<u>\$ 5,220,318</u>	<u>\$ —</u>	<u>\$ 10,561</u>	<u>641,670</u>
General revenues					
Investment earnings					<u>586,446</u>
Change in net position					1,228,116
NET POSITION, beginning of year, as restated					<u>33,050,954</u>
NET POSITION, end of year					<u>\$ 34,279,070</u>

Vandenberg Village Community Services District
Statement of Net Position – Proprietary Funds
June 30, 2026
With Comparative Totals for June 30, 2025

	ENTERPRISE FUNDS			
	Water Fund	Wastewater Fund	Totals 2026	Totals 2025
ASSETS				
Cash and investments	\$ 4,612,862	\$ 9,904,929	\$ 14,517,791	\$ 13,967,215
Accounts receivable	304,600	116,827	421,427	286,113
Accrued interest receivable	55,476	—	55,476	59,700
Due from other funds	—	49,900	49,900	—
Inventory	96,602	2,352	98,954	82,142
Prepaid expenses	13,451	—	13,451	19,223
Deposits	—	742,642	742,642	742,642
Advances to other funds	—	950,100	950,100	—
Capital assets, net of accumulated depreciation	7,454,388	15,782,798	23,237,186	22,736,869
Total assets	12,537,379	27,549,548	40,086,927	37,893,904
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources related to pensions	284,616	195,049	479,665	607,078
Total deferred outflows of resources	284,616	195,049	479,665	607,078
LIABILITIES				
Accounts payable	134,513	509,821	644,334	117,509
Accrued payroll expenses	32,237	14,631	46,868	44,696
Customer deposits	242,049	—	242,049	235,316
Unearned revenues	—	139,072	139,072	139,001
Due to other funds	49,900	—	49,900	—
Compensated absences, current portion	72,359	35,475	107,834	173,481
Due to the City of Lompoc, current portion	—	702,722	702,722	690,379
Long-term liabilities				
Net pension liability	956,268	655,335	1,611,603	1,950,624
Advances from other funds	950,100	—	950,100	—
Compensated absences, net of current portion	62,603	5,124	67,727	—
Due to the City of Lompoc, net of current portion	—	1,443,427	1,443,427	2,146,149
Total liabilities	2,500,029	3,505,607	6,005,636	5,497,155
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to pensions	167,261	114,625	281,886	24,123
Total deferred inflows of resources	167,261	114,625	281,886	24,123
NET POSITION				
Net investment in capital assets	7,454,388	13,636,649	21,091,037	19,900,341
Restricted for				
Construction	4,512	—	4,512	130,019
Water conservation	212,730	—	212,730	206,614
Employee health benefits	1,900	—	1,900	1,674
Maintenance of lot 54	28,916	—	28,916	27,810
Wastewater Capital Reserve Fund	—	742,642	742,642	742,642
Unrestricted	2,452,259	9,745,074	12,197,333	11,970,604
Total net position	\$ 10,154,705	\$ 24,124,365	\$ 34,279,070	\$ 32,979,704

See accompanying notes to basic financial statements.

Vandenberg Village Community Services District

Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds

For the Year Ended June 30, 2026

With Comparative Totals for the Year Ended June 30, 2025

	ENTERPRISE FUNDS			
	Water Fund	Wastewater Fund	Totals 2026	Totals 2025
OPERATING REVENUES				
Residential	\$ 1,902,777	\$ 1,331,109	\$ 3,233,886	\$ 3,165,625
Commercial	169,575	325,707	495,282	494,375
Bulk meter residential	158,776	–	158,776	166,022
Irrigation	215,956	–	215,956	194,412
LRWRP upgrade	–	1,092,948	1,092,948	1,097,383
Other	23,470	–	23,470	17,034
Total operating revenues	2,470,554	2,749,764	5,220,318	5,134,851
OPERATING EXPENSES				
Salaries	460,018	315,400	775,418	739,156
Source of supply	50,563	–	50,563	53,733
Pumping	496,011	27,891	523,902	477,880
Water treatment	120,007	–	120,007	153,208
Wastewater treatment	–	709,900	709,900	590,662
Transmission and distribution	75,204	10,387	85,591	99,478
Customer accounts	66,101	54,197	120,298	149,697
Administrative and general	583,146	420,713	1,003,859	1,008,044
Other operating expenses	30,929	25,977	56,906	56,314
Depreciation	255,867	753,941	1,009,808	991,967
Total operating expenses	2,137,846	2,318,406	4,456,252	4,320,139
Net operating income	332,708	431,358	764,066	814,712
NON-OPERATING REVENUES (EXPENSES)				
Investment income	124,519	461,927	586,446	661,770
Interest expense	–	(50,714)	(50,714)	(62,838)
Net loss on disposal of capital assets	(72,340)	(9,903)	(82,243)	(37,561)
Total non-operating revenues (expenses)	52,179	401,310	453,489	561,371
CAPITAL CONTRIBUTIONS				
Connection fees	4,492	6,069	10,561	10,561
Total capital contributions	4,492	6,069	10,561	10,561
CHANGE IN NET POSITION	389,379	838,737	1,228,116	1,386,644
NET POSITION, beginning of year, as previously reported	9,694,076	23,285,628	32,979,704	31,593,060
Adjustment (Note 12)	71,250	–	71,250	–
NET POSITION, beginning of year, as restated	9,765,326	23,285,628	33,050,954	31,593,060
NET POSITION, end of year	\$ 10,154,705	\$ 24,124,365	\$ 34,279,070	\$ 32,979,704

See accompanying notes to basic financial statements.

Vandenberg Village Community Services District
Statement of Cash Flows – Proprietary Funds
For the Year Ended June 30, 2026
With Comparative Totals for the Year Ended June 30, 2025

	ENTERPRISE FUNDS			
	Water Fund	Wastewater Fund	Totals 2026	Totals 2025
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 2,414,816	\$ 2,748,242	\$ 5,163,058	\$ 5,222,774
Payments to suppliers	(1,361,704)	(747,382)	(2,109,086)	(3,314,822)
Payments to employees	(455,690)	(315,476)	(771,166)	(645,480)
Net cash provided by operating activities	597,422	1,685,384	2,282,806	1,262,472
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Advance from other funds	1,000,000	—	1,000,000	—
Advance to other funds	—	(1,000,000)	(1,000,000)	—
Net cash provided (used) by noncapital financing activities	1,000,000	(1,000,000)	—	—
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Payment on long-term debt	—	(690,379)	(690,379)	(678,253)
Interest on long-term debt	—	(50,714)	(50,714)	(62,838)
Connection fees collected	4,492	6,069	10,561	10,561
Purchase of capital assets	(608,595)	(996,845)	(1,605,440)	(419,058)
Net cash used by capital and related financing activities	(604,103)	(1,731,869)	(2,335,972)	(1,149,588)
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income	131,750	471,992	603,742	683,090
Net cash provided by investing activities	131,750	471,992	603,742	683,090
CHANGE IN CASH AND CASH EQUIVALENTS	1,125,069	(574,493)	550,576	795,974
CASH AND CASH EQUIVALENTS, beginning of year	3,487,793	10,479,422	13,967,215	13,171,241
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 4,612,862</u>	<u>\$ 9,904,929</u>	<u>\$ 14,517,791</u>	<u>\$ 13,967,215</u>

See accompanying notes to basic financial statements.

Vandenberg Village Community Services District
Statement of Cash Flows – Proprietary Funds (Continued)
For the Year Ended June 30, 2026
With Comparative Totals for the Year Ended June 30, 2025

Reconciliation of operating income to net cash provided by operating activities				
Operating income	\$ 332,708	\$ 431,358	\$ 764,066	\$ 814,712
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation	255,867	753,941	1,009,808	991,967
Change in operating assets, deferred outflows, liabilities, and deferred inflows				
Accounts receivable	(62,471)	(1,593)	(64,064)	84,391
Inventory	(16,681)	(131)	(16,812)	(21,377)
Prepaid expenses	3,732	2,040	5,772	(6,416)
Deferred outflows of resources	90,549	36,864	127,413	221,321
Accounts payable	79,492	447,333	526,825	(799,972)
Accrued payroll	1,656	516	2,172	12,055
Customer deposits	6,733	—	6,733	4,143
Unearned revenue	—	71	71	(611)
Compensated absences	2,672	(592)	2,080	12,700
Net pension liability	(249,188)	(89,833)	(339,021)	(13,721)
Deferred inflows of resources	152,353	105,410	257,763	(36,720)
Net cash provided by operating activities	<u>\$ 597,422</u>	<u>\$ 1,685,384</u>	<u>\$ 2,282,806</u>	<u>\$ 1,262,472</u>

Vandenberg Village Community Services District
Notes to Basic Financial Statements
June 30, 2026

Note 1 – Reporting Entity

The Vandenberg Village Community Services District (the District) was formed by the voters of Vandenberg Village at an election held on November 8, 1983, in the County of Santa Barbara, California. The District is governed by a Board of Directors elected by the residents of Vandenberg Village. On December 2, 1988, the District acquired the water and sewer service facilities of Park Water Company and now provides water and wastewater services to the residents of Vandenberg Village.

The District is a community services district organized under the laws of the State of California. As a political subdivision of the State, the District is exempt from federal and state income taxes.

The District has evaluated its relationships with other entities under the criteria established by GASB Statement No. 14, *The Financial Reporting Entity*, as amended, and has no component units.

Note 2 – Summary of Significant Accounting Policies

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Business-type activities, which rely to a significant extent on fees and charges for support, are the only type of activity reported by the Vandenberg Village Community Services District.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Items not properly included among program revenues are reported instead as general revenues.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the District's water and sewer function. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

B. Measurement Focus and Basis of Accounting

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

C. Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents include cash on hand, demand and savings deposits, and the District's investments in the Local Agency Investment Fund (LAIF) and California CLASS, which are available for withdrawal on demand.

Vandenberg Village Community Services District
Notes to Basic Financial Statements
June 30, 2026

D. Investments

Investments are reported at fair value. The District's investments consist of positions in external investment pools, the Local Agency Investment Fund (LAIF) and the California Cooperative Liquid Assets Securities System (California CLASS), which are measured at the District's pro-rata share of the fair value provided by each pool, as described in Note 3.

E. Receivables

Accounts receivable consist primarily of amounts due from customers for water and sewer services and are stated at full value. The District did not experience any significant bad debt losses, and accordingly no provision has been made for doubtful accounts.

F. Inventory

The inventory maintained by the water utility consists primarily of water pipe, valves, and fittings. Inventory is valued at cost, determined on a first-in, first-out basis.

G. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as an expense when consumed rather than when purchased.

H. Deposits

The District maintains a wastewater capital reserve fund with the City of Lompoc (the City), reported as a deposit and described in Note 5.

I. Capital Assets

Capital assets, which include land, easements, water rights, wastewater capacity rights, utility plant (source of supply, pumping, treatment, transmission and distribution, and general plant), and construction in progress, are reported in the financial statements. Capital assets are defined by the District as assets with an individual cost of \$5,000 or more and an estimated useful life in excess of one year. Purchased or constructed capital assets are recorded at historical cost, including labor and benefits of District personnel directly attributable to construction. Contributed or donated capital assets are recorded at acquisition value at the date of contribution. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its life are expensed as incurred. Construction in progress is transferred to the appropriate capital asset class when the project is completed and placed in service.

J. Depreciation and Amortization

Capital assets are depreciated or amortized using the straight-line method over the following estimated useful lives:

Source of supply plant	10 years
Pumping plant	5 to 40 years
Water treatment plant	10 to 30 years
Transmission and distribution	10 to 75 years
General plant	5 to 40 years

Land, construction in progress, and intangible assets with indefinite useful lives (easements and water rights) are not depreciated or amortized.

Vandenberg Village Community Services District

Notes to Basic Financial Statements

June 30, 2026

K. Intangible Assets

Intangible capital assets consist of easements, water rights, and the District's contractual capacity rights in the Lompoc Regional Wastewater Reclamation Plant and the Vandenberg Village interceptor. Easements and water rights have indefinite useful lives and are not amortized. Capacity rights are amortized over the term of the related agreements. The District has no right-to-use lease assets and no subscription assets as of June 30, 2026.

L. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This financial statement element represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then. The District's deferred outflows of resources relate to its pension plan, as described in Note 9.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This financial statement element represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The District's deferred inflows of resources also relate to its pension plan.

M. Compensated Absences

Compensated absences consist of accumulated vacation, compensatory time, and sick leave. A liability is recognized for leave that has not been used if the leave is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability is measured using the pay rates in effect at June 30, 2026, including salary-related payments such as the employer's share of Medicare taxes. The portion expected to be used or paid within one year is reported as a current liability and the remainder as a noncurrent liability.

N. Unearned Revenue

Unearned revenue consists of sewer fees received from customers in advance of the period in which the related services are provided. These amounts are reported as a liability and are recognized as revenue in the period the services are provided. Unearned revenue totaled \$139,072 at June 30, 2026.

O. Customer Deposits

The District requires customers to pay an advance deposit for utility services or provide a letter of credit from another utility. It is the District's current policy to hold all deposits for a period of two years. Deposits are then refunded in full and no accrued interest is paid.

P. Due to the City of Lompoc

Amounts due to the City of Lompoc (the City) represent the District's contractual share of the capital costs and related financing of the Lompoc Regional Wastewater Reclamation Plant, as described in Note 6. The obligation is reported at the outstanding balance. The installment due within one year is reported as a current liability and the remainder is reported as a noncurrent liability.

Q. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Vandenberg Village Community Services District's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Vandenberg Village Community Services District

Notes to Basic Financial Statements

June 30, 2026

In addition to the pension plan, the District offers a 457 plan also through CalPERS. Employees can voluntarily contribute to the 457 plan and the District will match up to \$2,600 per year for Classic employees and \$3,900 per year for PEPRA employees. The 457 plan is not part of the net pension liability and is treated as a payroll expense in the financial statements.

R. Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net position is classified as net investment in capital assets, restricted, or unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of any bonds, notes, or other borrowings attributable to the acquisition, construction, or improvement of those assets. Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets, where the constraints are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Unrestricted net position consists of net position that does not meet the definition of net investment in capital assets or restricted net position.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

S. Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Nonoperating revenues and expenses consist of subsidies received and provided, revenues and expenses related to financing, resources from the disposal of capital assets and inventory, and investment income and expenses. All other revenues and expenses are reported as operating revenues and expenses.

Charges for water and sewer services are recognized as revenue in the period the services are provided. Investment earnings, interest expense, and gains and losses on the disposal of capital assets are reported as nonoperating items. Connection fees are reported as capital contributions.

T. Prior Year Comparative Totals

The accompanying financial statements include certain prior year summarized comparative information in total but not at the level of detail required for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2025, from which the summarized information was derived.

U. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, as prescribed by the GASB and the AICPA, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Vandenberg Village Community Services District
Notes to Basic Financial Statements
June 30, 2026

V. New Accounting Pronouncements

During the year ended June 30, 2026, the District implemented the following GASB Statements:

GASB Statement No. 103, *Financial Reporting Model Improvements* – This statement improves key components of the financial reporting model to enhance its effectiveness in providing information for

decision making and assessing a government's accountability. It revises the requirements for management's discussion and analysis, defines operating and nonoperating revenues and expenses for proprietary funds, and establishes a definition and presentation for unusual or infrequent items. Implementation changed the presentation of management's discussion and analysis and the classification of operating and nonoperating items. It had no effect on net position.

GASB Statement No. 104, *Disclosure of Certain Capital Assets* – This statement requires certain types of capital assets, including lease assets, intangible right-to-use assets, subscription assets, and other intangible assets, to be disclosed separately by major class within the capital asset note, and establishes disclosure requirements for capital assets held for sale. Implementation affected disclosure only, as described in Note 4. It had no effect on net position.

W. Future Accounting Pronouncements

GASB Statement No. 105, *Subsequent Events* – This statement improves the guidance for recognizing and disclosing events that occur after the financial statement date. The provisions of this statement are effective for fiscal years beginning after June 15, 2026, which is the District's fiscal year ending June 30, 2027. The District has not yet determined the effect of this statement on its financial statements.

Note 3 – Cash and Investments

Cash and investments at June 30, 2026, consisted of the following:

Cash on hand	\$ 400
Cash in checking accounts	261,759
Cash in savings accounts	2,817,153
Cash and investments with California CLASS	5,761,963
Cash and investments in Local Agency Investment Fund (LAIF)	<u>5,676,516</u>
Total cash and investments	<u>\$ 14,517,791</u>

Fair value measurements – The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. The District's investments in LAIF and California CLASS are positions in external investment pools and are not subject to the fair value hierarchy.

Vandenberg Village Community Services District

Notes to Basic Financial Statements

June 30, 2026

Authorized investments – The table below identifies the investment types that are authorized for the District by the California Government Code. The table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local agency bonds	5 years	None	None
U.S. Treasury obligations	5 years	None	None
State of California obligations	5 years	None	None
Other local agency obligations	5 years	None	None
U.S. agency securities	5 years	None	None
Bankers' acceptances	180 days	40%	30%
Commercial paper	270 days	25%	10%
Negotiable certificates of deposit	5 years	30%	None
Repurchase agreements	1 year	None	None
Reverse repurchase agreements	92 days	20% of base value	None
Medium-term notes	5 years	30%	None
Mutual funds	N/A	20%	10%
Money market mutual funds	N/A	20%	10%
Collateralized bank deposits	5 years	None	None
Mortgage pass-through securities	5 years	20%	None
County pooled investment funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint powers authority pools (California CLASS)	N/A	None	None

Disclosures relating to interest rate risk – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

	Carrying Amount	12 Months Or Less	13-24 Months	25-60 Months
California CLASS	\$ 5,761,963	\$ 5,761,963	\$ –	\$ –
LAIF	5,676,516	5,676,516	–	–
	<u>\$ 11,438,479</u>	<u>\$ 11,438,479</u>	<u>\$ –</u>	<u>\$ –</u>

Vandenberg Village Community Services District

Notes to Basic Financial Statements

June 30, 2026

Disclosures relating to credit risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by the California Government Code, the District's investment policy, or debt agreements, and the actual rating as of June 30, 2026, for each investment type:

	Carrying Amount	Minimum Legal Rating	AAAm	Not Rated
California CLASS	\$ 5,761,963	N/A	\$ 5,761,963	\$ –
LAIF	5,676,516	N/A	–	5,676,516
	<u>\$ 11,438,479</u>		<u>\$ 5,761,963</u>	<u>\$ 5,676,516</u>

Concentration of credit risk – The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of the District's total investments.

Custodial credit risk – Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 100% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the District's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2026, none of the District's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code does not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF and California CLASS).

Investment in state investment pool – The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying basic financial statements at the amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Investment in California CLASS – The District is a voluntary participant in the California Cooperative Liquid Assets Securities System (California CLASS), a joint powers authority investment pool for California public agencies governed by a board of trustees. The District's investment is reported at the value of its pool shares.

Vandenberg Village Community Services District
Notes to Basic Financial Statements
June 30, 2026

Note 4 – Capital Assets

Capital assets activity for the District for the year ended June 30, 2026, was as follows:

	Balance July 1, 2025	Additions	Deletions	Transfers	Balance June 30, 2026
Capital assets not being depreciated or amortized					
Land	\$ 1,042,000	\$ –	\$ –	\$ –	\$ 1,042,000
Easements	200,000	–	–	–	200,000
Water rights	650,000	–	–	–	650,000
Construction in progress	610,211	1,566,217	(12,440)	(1,052,177)	1,111,811
Total capital assets not being depreciated or amortized	2,502,211	1,566,217	(12,440)	(1,052,177)	3,003,811
Capital assets being depreciated or amortized					
Source of supply	402,088	–	–	–	402,088
Pumping	1,869,205	–	(251,787)	171,802	1,789,220
Treatment	315,912	7,799	(118,234)	713,774	919,251
Transmission and distribution	8,267,755	–	(24,604)	49,495	8,292,646
General plant	3,097,214	30,673	(64,456)	117,106	3,180,537
Wastewater capacity rights	20,244,941	–	–	–	20,244,941
Total capital assets being depreciated or amortized	34,197,115	38,472	(459,081)	1,052,177	34,828,683
Less accumulated depreciation and amortization					
Source of supply	363,397	10,166	–	–	373,563
Pumping	990,636	78,272	(232,949)	–	835,959
Treatment	183,040	16,971	(75,214)	–	124,797
Transmission and distribution	2,917,911	144,843	(7,266)	–	3,055,488
General plant	1,085,965	165,357	(61,528)	–	1,189,794
Wastewater capacity rights	8,421,508	594,199	–	–	9,015,707
Total accumulated depreciation and amortization	13,962,457	1,009,808	(376,957)	–	14,595,308
Total capital assets, net	\$ 22,736,869	\$ 594,881	\$ (94,564)	\$ –	\$ 23,237,186

Depreciation and amortization expense for the year ended June 30, 2026, was \$1,009,808 (\$255,867 water and \$753,941 wastewater).

Note 5 – Wastewater Capital Reserve Fund and Rent Expense

The District maintains a wastewater capital reserve fund with the City of Lompoc (the City). In return, the City supplies wastewater treatment services to the District. Interest is earned on the reserve balance and disbursements are made by the City for Vandenberg Village Community Services District's portion of capital improvements. The minimum reserve requirement for Vandenberg Village Community Services District is \$742,642. On June 30, 2026, the reserve balance was \$742,642.

The agreement between the District and the City of Lompoc states that at no time does title transfer to the District for any capital improvements made to the wastewater treatment plant. All disbursements made from the District's capital reserve fund for improvements are treated as a rental expense to the District.

Vandenberg Village Community Services District
Notes to Basic Financial Statements
June 30, 2026

Note 6 – Due to the City of Lompoc

The District has an agreement with the City of Lompoc (the City), originally dated June 1, 1974, and renewed for 35 years effective July 1, 2010, to repay its proportionate share of the capital costs of its 0.89 million gallons per day (MGD) capacity rights in the Lompoc Regional Wastewater Reclamation Plant (LRWRP). The 2007 LRWRP Upgrade Project increased plant capacity to 5.5 MGD, which reduced the District's share of the upgrade project and of all costs of the upgraded plant to 16.18%. The City estimated the total project cost at \$134,283,911 and issued various debt to finance the project.

The City financed the project in part with a State Revolving Fund (SRF) loan from the State Water Resources Control Board of up to \$91,787,186. The SRF loan is considered interest free by the State Water Resources Control Board because the repayment includes the City's matching portion of 16.667% of the loan proceeds, which results in an imputed interest rate of approximately 1.63% over the life of the loan. The District's share of the SRF loan was originally \$14,851,167, consisting of \$12,375,923 of principal and \$2,475,244 of interest. In January 2014, the District's share was adjusted to \$14,821,821, including principal of \$12,351,468, when the City determined that it had drawn less than originally intended on the SRF loan. The District repays its share in 20 annual installments of \$741,091, with the final installment in 2029. The obligation is secured by the District's capacity rights in the LRWRP.

The balance due to the City at June 30, 2026, was \$2,146,149. Future payments are as follows:

	Principal	Interest	Total
Years Ending June 30,			
2027	\$ 702,722	\$ 38,369	\$ 741,091
2028	715,285	25,806	741,091
2029	728,142	13,018	741,160
	<u>\$ 2,146,149</u>	<u>\$ 77,193</u>	<u>\$ 2,223,342</u>

Note 7 – Interfund Loan

In May 2026, the Board of Directors authorized a loan of \$1,000,000 from the Wastewater Fund to the Water Fund to provide funding for water system capital improvements. The loan bears interest at 4.00% and is repayable in fifteen annual installments of \$89,900 of principal and interest beginning in the year ending June 30, 2027. At June 30, 2026, the balance is reported as an advance to the Water Fund in the Wastewater Fund and an advance from the Wastewater Fund in the Water Fund, of which \$49,900 is due within one year. The advance is eliminated in the government-wide statement of net position.

Note 8 – Long-Term Liabilities

The changes in the District's long-term liabilities during the year ended June 30, 2026 consisted of the following:

	Balance July 1, 2025	Additions	Deletions	Balance June 30, 2026	Due within One Year
Compensated absences	\$ 173,481	\$ 2,080	\$ –	\$ 175,561	\$ 107,834
Due to the City of Lompoc	2,836,528	–	(690,379)	2,146,149	702,722
Net pension liability	1,950,624	–	(339,021)	1,611,603	–
	<u>\$ 4,960,633</u>	<u>\$ 2,080</u>	<u>\$ (1,029,400)</u>	<u>\$ 3,933,313</u>	<u>\$ 810,556</u>

Vandenberg Village Community Services District
Notes to Basic Financial Statements
June 30, 2026

Note 9 – Pension Plan

A. General Information about the Pension Plans

Plan descriptions – All qualified permanent and probationary employees are eligible to participate in the District's Miscellaneous Employee Pension Plans, cost-sharing multiple employer defined benefit plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS' website.

Benefits provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for nonduty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2026, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.7% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50-55	52-67
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.5%
Required employee contribution rates	8.00%	7.75%
Required employer contribution rates	16.09% + \$182,917	7.96% + \$2,003

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan is determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. District contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. Contributions to the pension plan from the District were \$279,761 for the year ended June 30, 2026.

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

At June 30, 2026, the District reported a liability of \$1,611,603 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2025 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2024 rolled forward to June 30, 2025 using standard update procedures. The District's proportion of the net pension liability was based

Vandenberg Village Community Services District
Notes to Basic Financial Statements
June 30, 2026

on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all Pension Plan participants, actuarially determined. The District's proportionate share of net pension liability for the miscellaneous plan as of June 30, 2024, and 2025 is as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2025	0.04033%
Proportion - June 30, 2026	<u>0.04040%</u>
Change - increase (decrease)	<u>0.00007%</u>

For the year ended June 30, 2026, the District recognized pension expense of \$325,916. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits.

At June 30, 2026, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 279,761	\$ —
Differences between expected and actual experience	193,109	—
Net difference between projected and actual earnings on retirement plan investments	—	218,068
Adjustment due to differences in proportions	6,795	18,558
Difference in actual contributions and proportionate share of contributions	<u>—</u>	<u>45,260</u>
	<u>\$ 479,665</u>	<u>\$ 281,886</u>

Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to net pension liability to be recognized in future periods in a systematic and rational manner.

\$279,761 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2027.

Vandenberg Village Community Services District
Notes to Basic Financial Statements
June 30, 2026

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expense as follows:

	Deferred Outflows(Inflows) of Resources
Years Ending June 30,	
2027	\$ 180,596
2028	(67,112)
2029	(112,221)
2030	(83,245)
	<u>\$ (81,982)</u>

Actuarial assumptions – The total pension liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions:

	Miscellaneous
Valuation Date	June 30, 2024
Measurement Date	June 30, 2025
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table (1)	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

(1) Mortality rates were developed using CalPERS-specific data and include generational improvements based on 80% of Scale MP-2020 from the Society of Actuaries, consistent with the CalPERS 2021 Experience Study.

Long-term expected rate of return – In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

Vandenberg Village Community Services District
Notes to Basic Financial Statements
June 30, 2026

The expected real rates of return by asset class are as follows:

Asset Class	Target Allocation	Real Return (a)(b)
Public Equity	37.0%	4.56%
Private Equity	17.0%	5.56%
Fixed Income	28.0%	2.53%
Real Assets	15.0%	3.03%
Private Debt	8.0%	4.93%
Strategic Leverage	-5.0%	1.40%
	<u>100.0%</u>	

Discount rate – The discount rate used to measure the total pension liability for PERF C was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the proportionate share of the net pension liability to changes in the discount rate – The following represents the District's proportionate share of the net pension liability calculated using the discount rate of the plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease 5.90%	Discount Rate 6.90%	1% Increase 7.90%
District's proportionate share of the net pension plan liability	\$ 2,924,836	\$ 1,611,603	\$ 530,826

Pension plan fiduciary net position – Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS' financial reports.

C. Payable to the Pension Plan

At June 30, 2026, the District reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2026.

Note 10 – Contingencies

According to the District's staff and attorney, no contingent liabilities are outstanding and no lawsuits are pending of any significant financial consequence.

Vandenberg Village Community Services District
Notes to Basic Financial Statements
June 30, 2026

Note 11 – Memorandum of Agreement

Vandenberg Village Community Services District participates in the Santa Ynez River Valley Basin Western Management Area Groundwater Sustainability Agency (GSA) through a memorandum of agreement (MOA). The relationship between Vandenberg Village Community Services District and the GSA is such that the GSA is not a component unit of Vandenberg Village Community Services District for financial reporting purposes.

The GSA is independently accountable for their fiscal matters. The agency maintains their own accounting records. Budgets are not subject to any approval other than the respective governing board. Member districts share surpluses and deficits agreed to by the voting parties. The Western Management Area GSA adopted a Groundwater Sustainability Plan (GSP) in January 2022. The GSP includes projects and management action that will require additional funding from the District in the future.

Note 12 – Prior Period Adjustment

During the year ended June 30, 2026, the District determined that charges of \$71,250 paid in prior years relating to the Santa Ynez River Valley Basin Western Management Area Groundwater Sustainability Agency are reimbursable to the District. A receivable was recorded and the beginning net position of the Water Fund was restated, increasing net position at July 1, 2025, by \$71,250.

Vandenberg Village Community Services District
Schedule of Proportionate Share of Net Pension Liability – Last 10 Years
As of June 30, 2026

The following table provides required supplementary information regarding the District's Pension Plan.

	<u>2026</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Proportion of the net pension liability	0.01575%	0.01608%	0.01575%	0.01579%	0.01417%
Proportionate share of the net pension liability	\$ 1,611,603	\$ 1,950,624	\$ 1,964,345	\$ 1,823,528	\$ 766,227
Covered payroll	\$ 783,149	\$ 891,402	\$ 865,463	\$ 836,489	\$ 905,194
Proportionate share of the net pension liability as percentage of covered payroll	205.78%	218.83%	226.97%	218.00%	84.65%
Plan's total pension liability	\$ 58,228,707,638	\$ 55,320,956,562	\$ 52,441,984,274	\$ 49,525,975,138	\$ 46,174,942,264
Plan's fiduciary net position	\$ 47,998,976,921	\$ 43,193,516,089	\$ 39,966,633,692	\$ 37,975,170,163	\$ 40,766,653,876
Plan fiduciary net position as a percentage of the total pension liability	82.43%	78.08%	76.21%	76.68%	88.29%
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Proportion of the net pension liability	0.01381%	0.01335%	0.01285%	0.01279%	0.01240%
Proportionate share of the net pension liability	\$ 1,502,320	\$ 1,368,316	\$ 1,238,381	\$ 1,268,715	\$ 1,072,559
Covered payroll	\$ 894,387	\$ 792,390	\$ 765,042	\$ 736,341	\$ 720,382
Proportionate share of the net pension liability as percentage of covered payroll	167.97%	172.68%	161.87%	172.30%	148.89%
Plan's total pension liability	\$ 43,702,930,887	\$ 41,426,543,489	\$ 38,944,855,364	\$ 37,161,348,332	\$ 33,358,627,624
Plan's fiduciary net position	\$ 32,822,501,335	\$ 31,179,414,067	\$ 29,308,589,559	\$ 27,244,095,376	\$ 24,705,532,291
Plan fiduciary net position as a percentage of the total pension liability	75.10%	75.26%	75.26%	73.31%	74.06%

Notes to Schedule:

There were no changes to assumptions for the June 30, 2025 measurement date.

Vandenberg Village Community Services District
Schedule of Pension Contributions – Last 10 Years
As of June 30, 2026

The following table provides required supplementary information regarding the District's Pension Plan.

	<u>2026</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Contractually required contribution	\$ 279,761	\$ 251,810	\$ 245,761	\$ 241,992	\$ 222,202
Contributions in relation to the contractually required contribution	<u>(279,761)</u>	<u>(251,810)</u>	<u>(245,761)</u>	<u>(241,992)</u>	<u>(222,202)</u>
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Covered payroll	\$ 817,142	\$ 783,149	\$ 891,402	\$ 865,463	\$ 836,489
Contributions as a percentage of covered payroll	34.24%	32.15%	27.57%	27.96%	26.56%
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 213,276	\$ 190,252	\$ 198,667	\$ 170,047	\$ 153,560
Contributions in relation to the contractually required contribution	<u>(213,276)</u>	<u>(190,252)</u>	<u>(198,667)</u>	<u>(170,047)</u>	<u>(153,560)</u>
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Covered payroll	\$ 905,194	\$ 894,387	\$ 792,390	\$ 765,042	\$ 736,341
Contributions as a percentage of covered payroll	23.56%	21.27%	25.07%	22.23%	20.85%

Notes to Schedule:

There were no changes to assumptions for the year ended June 30, 2026.

VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT

AGENDA MEMORANDUM

TO: Board of Directors

ITEM: 7.B

FROM: Cynthia Allen, General Manager *CA*
Jeff Cole, Operations and Maintenance Manager *JC*

DATE: November 3, 2026

SUBJECT: Wastewater Enforcement Response Plan (ERP)

Recommendations: Adopt Resolution No. 244-26 approving the VVCSD Wastewater Enforcement Response Plan (ERP) and direct staff to implement the ERP as required by the Wastewater User Ordinance.

Policy Implications:

- District Ordinance § 2.20.1 requires the ERP to be adopted by resolution within 180 days of the effective date of the Ordinance.
- District Ordinance § 2.23.2 details the requirements for the ERP as set forth in the Clean Water Act (33 United States Code [U.S.C.] section 1251 et seq.) and the General Pretreatment Regulations (Title 40 of the Code of Federal Regulations [CFR] Part 403).
- 40 CFR Part 403 requires development and implementation of an ERP to ensure consistent enforcement of pretreatment program requirements.
- The Wastewater Service Agreement with the City of Lompoc (2010) requires requires the District to implement pretreatment and FOG control measures applicable to users within the District's service area.
- Adoption of the ERP provides documented procedures for inspections, enforcement actions, Significant Noncompliance (SNC) determinations, and publication requirements.

Alternatives Considered: None.

Resource Impacts:

- Implementation will be performed using existing staff resources.
- Enforcement, monitoring, inspections, and cost recovery activities will be funded through wastewater user fees, cost recovery provisions, and penalties authorized by the Wastewater User Ordinance.
- Adoption of the ERP reduces regulatory risk and provides a documented framework for protecting District infrastructure and the capacity rights allocated to the District at the LRWRP.

Discussion:*Background*

The District owns and operates a wastewater collection system and conveys wastewater to the Lompoc Regional Wastewater Reclamation Plant (LRWRP) pursuant to the Wastewater Service Agreement with the City of Lompoc. Under the Agreement, the District is responsible for controlling discharges from users within its service area and implementing pretreatment measures necessary to protect the wastewater collection system and treatment plant.

Requirement for ERP

The recently updated Wastewater User Ordinance (Sections 2.20 through 2.25) establishes pretreatment, FOG control, permitting, inspection, monitoring, and enforcement requirements applicable to wastewater users within the District. Section 2.20 requires the District to adopt and maintain an Enforcement Response Plan (ERP) that provides a consistent framework for identifying violations, selecting enforcement actions, documenting compliance efforts, and achieving timely correction of violations.

Adoption of the ERP completes the implementation framework for the District's pretreatment program and provides staff with clear procedures for enforcement activities ranging from warning letters and Notices of Violation to emergency actions, service suspension, and Significant Noncompliance determinations.

Key Components

Major elements of the ERP include:

- Violation identification and investigation procedures.
- Three-tier violation classification system (Minor, Significant, and Severe).
- Enforcement response matrix establishing typical and escalated enforcement actions.
- FOG-specific enforcement procedures.
- Significant Noncompliance (SNC) determination criteria.
- Administrative penalty and cost recovery provisions.
- Emergency suspension authority.
- Compliance tracking and annual review requirements.

Benefits of the ERP

Adoption of the ERP will:

- Promote consistent and equitable enforcement.
- Protect the District's wastewater collection system.
- Reduce the risk of FOG-related blockages and sanitary sewer overflows.
- Protect the District's treatment capacity allocation at the LRWRP.
- Provide a documented process for Significant Noncompliance determinations and required public notification.
- Demonstrate compliance with federal pretreatment program expectations.

Attachments:

1. Resolution No. 244-26
2. Wastewater Enforcement Response Plan (Exhibit A)

VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT

3745 Constellation Road • Vandenberg Village • Lompoc, CA 93436
Telephone: (805) 733-2475 • Fax: (805) 733-2109 • info@vvcasd.org

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"Pride in Community Service"

RESOLUTION 244-26

NOVEMBER 3, 2026

WASTEWATER ENFORCEMENT RESPONSE PLAN

WHEREAS, the Vandenberg Village Community Services District (District) owns and operates a wastewater collection system serving the Vandenberg Village community; and

WHEREAS, the District conveys wastewater to the Lompoc Regional Wastewater Reclamation Plant (LRWRP) pursuant to the Wastewater Service Agreement between the District and the City of Lompoc; and

WHEREAS, the District has adopted a Wastewater User Ordinance establishing pretreatment requirements, discharge limitations, fats, oils, and grease (FOG) control requirements, permitting requirements, inspection authority, and enforcement remedies applicable to users of the wastewater collection system; and

WHEREAS, Section 2.20.1 of the District's Wastewater User Ordinance requires the District to adopt and maintain an Enforcement Response Plan (ERP) consistent with the requirements of 40 CFR Part 403 and the City of Lompoc's approved Pretreatment Program; and

WHEREAS, Section 2.23.2 of the District's Wastewater User Ordinance requires the ERP to establish procedures for identifying violations, determining appropriate enforcement responses, ensuring timely and consistent enforcement, and achieving compliance with applicable pretreatment standards and requirements; and

WHEREAS, the District's Sewer System Management Plan (SSMP) identifies the prevention of sanitary sewer overflows, protection of public health, protection of wastewater infrastructure, and compliance with regulatory requirements as key goals of wastewater system management; and

WHEREAS, adoption of a formal ERP will assist the District in implementing its wastewater pretreatment, fats, oils, and grease control, wastewater discharge permitting, compliance monitoring, and enforcement programs; and

WHEREAS, the Board of Directors finds that adoption of the ERP is in the best interests of the District and will promote compliance with applicable federal, state, regional, and local wastewater regulations.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Vandenberg Village Community Services District as follows:

Resolution 244-26
November 3, 2026
Page 2

SECTION 1. ADOPTION.

The Board of Directors hereby adopts the Vandenberg Village Community Services District Wastewater Enforcement Response Plan, attached hereto as Exhibit A and incorporated herein by this reference. The ERP shall take effect immediately upon adoption of this Resolution.

SECTION 2. IMPLEMENTATION.

The General Manager and the Operations and Maintenance Manager are authorized and directed to implement and administer the ERP and to take actions necessary to carry out its provisions consistent with District ordinances, policies, and applicable law.

SECTION 3. ADMINISTRATIVE REVISIONS.

The Board authorizes the General Manager to make non-substantive administrative revisions to the ERP, including updates to contact information, job titles, references, forms, reporting procedures, and regulatory citations, provided such revisions do not materially alter enforcement authority, enforcement procedures, penalty provisions, or policy direction established by the Board. Substantive amendments shall be presented to the Board for approval by resolution.

SECTION 4. ANNUAL REVIEW.

The General Manager shall annually review the ERP and recommend revisions as necessary to maintain consistency with applicable regulatory requirements, the District's Wastewater User Ordinance, the Sewer System Management Plan, and the requirements of the City of Lompoc Pretreatment Program.

SECTION 5. SEVERABILITY.

If any section, subsection, sentence, clause, phrase, or portion of this Resolution is for any reason held invalid or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Resolution.

PASSED, APPROVED, AND ADOPTED by the Board of Directors of the Vandenberg Village Community Services District at a regular meeting held on November 3, 2026, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

ATTEST:

Richard Gonzales, President
Board of Directors

Brianna Jennings, Secretary
Board of Directors

Resolution 244-26
November 3, 2026
Page 3

CERTIFICATION

I, Brianna Jennings, Secretary to the Board of Directors of the Vandenberg Village Community Services District, hereby certify that the foregoing Resolution No. 244-26 was duly adopted by the Board of Directors at a regular meeting held on November 3, 2026.

Brianna Jennings, Secretary
Board of Directors

EXHIBIT A

WASTEWATER ENFORCEMENT RESPONSE PLAN

**PRETREATMENT, FOG, AND WASTEWATER DISCHARGE
ENFORCEMENT PROGRAM**

Effective November 3, 2026

1. PURPOSE

This Enforcement Response Plan ("ERP") establishes procedures for identifying, investigating, documenting, and responding to violations of:

- District Wastewater User Ordinance requirements;
- Wastewater discharge permits;
- Fats, Oils, and Grease (FOG) Control Program requirements;
- Pretreatment standards;
- Local discharge limitations;
- Reporting requirements;
- Monitoring requirements; and
- Other wastewater discharge requirements applicable to users of the District wastewater collection system.

This ERP is intended to:

- Return users to compliance as quickly as possible;
- Ensure fair, timely, and consistent enforcement;
- Protect the District's wastewater collection system;
- Protect the Lompoc Regional Wastewater Reclamation Plant (LRWRP);
- Prevent sanitary sewer overflows (SSOs);
- Protect public health and the environment;
- Eliminate economic benefit obtained through noncompliance;
- Recover costs incurred as a result of violations; and
- Demonstrate compliance with applicable federal, state, regional, and local wastewater regulations.

2. LEGAL AUTHORITY

This ERP is adopted pursuant to:

- Clean Water Act, 33 U.S.C. § 1251 et seq.;
- 40 CFR Part 403;
- California Government Code § 61000 et seq.;
- California Government Code § 54740;
- District Wastewater User Ordinance;
- Wastewater Service Agreement between the District and the City of Lompoc; and
- District Sewer System Management Plan (SSMP)

The District may:

- Enter and inspect facilities;
- Review records;
- Require reports;
- Sample wastewater discharges;
- Require pretreatment;
- Require corrective actions;
- Issue notices and orders;
- Recover costs;
- Assess administrative penalties when authorized;
- Suspend service;
- Terminate service; and
- Pursue all remedies available under law.

3. RESPONSIBLE OFFICIALS

General Manager

The General Manager shall:

- Approve major enforcement actions;
- Authorize emergency enforcement;
- Authorize legal referrals;
- Approve SNC determinations;
- Report material violations to the Board.

Operations and Maintenance Manager

The Operations and Maintenance Manager shall:

- Administer this ERP;
- Conduct inspections;
- Investigate violations;
- Classify violations;
- Issue Notices of Violation;
- Recommend enforcement actions;
- Maintain compliance records;
- Act as Legally Responsible Official.

District Field Personnel

District personnel may:

- Conduct inspections;
- Document violations;
- Collect samples;
- Respond to emergencies;
- Assist with investigations.

District Counsel

District Counsel may assist with:

- Administrative hearings;
- Cost recovery;
- Injunctive relief;
- Civil enforcement;
- Judicial proceedings.

4. IDENTIFICATION OF NONCOMPLIANCE

Violations may be identified through:

- Routine inspections;
- FOG inspections;
- Wastewater sampling;
- Review of permit reports;
- Review of grease interceptor maintenance records;
- Customer complaints;
- Employee observations;
- SSO investigations;
- Information provided by the City of Lompoc;
- Information provided by regulatory agencies.

All violations shall be documented by District staff and maintained in the user's compliance file.

5. INVESTIGATION OF VIOLATIONS

The Operations and Maintenance Manager shall evaluate available information to determine:

- Nature of the violation;
- Severity of the violation;
- Duration of the violation;
- Potential impact to the collection system;
- Potential impact to LRWRP operations;
- Public health implications;
- Environmental impacts;
- Appropriate enforcement response.

Investigations may include:

- Site inspections;
- Interviews;
- Sampling;
- Records review;
- Monitoring;
- Contractor evaluations;

- CCTV review where necessary.

6. ENFORCEMENT CONSIDERATIONS

The District shall consider the following factors when selecting an enforcement response:

- Magnitude of the violation;
- Duration of the violation;
- Frequency of recurrence;
- Impact on the sewer system;
- Impact on LRWRP operations;
- Environmental impact;
- Public health threat;
- Compliance history;
- Good-faith compliance efforts;
- Economic benefit obtained through noncompliance.

7. VIOLATION CLASSIFICATION

Level 1 - Minor Violations

Examples include:

- First-time reporting deficiencies;
- Incomplete records;
- Incomplete FOG maintenance logs;
- Minor best management practice violations;
- Minor housekeeping concerns.

Level 2 - Significant Violations

Examples include:

- Failure to maintain grease interceptors;
- Failure to submit required reports;
- Failure to meet compliance schedules;
- Repeated Level 1 violations;
- Failure to comply with a NOV.

Level 3 - Severe Violations

Examples include:

- Unauthorized discharges;
- Hazardous waste discharges;
- Slug discharges;
- FOG discharges causing blockage;
- User-caused SSOs;
- Falsification of records;

- Denial of access;
- Interference;
- Pass-through;
- Significant Noncompliance.

8. ENFORCEMENT TOOLS

The District may utilize one or more of the following:

Verbal Warning	Informal notification of a minor violation.
Warning Letter	Written documentation requiring corrective action.
Notice of Violation (NOV)	Formal written notice identifying violation(s) and specifying corrective actions and deadlines.
Compliance Order	Formal order requiring corrective measures and compliance milestones.
Consent Agreement	Voluntary written agreement establishing compliance obligations and schedules.
Cease and Desist Order	Order requiring immediate cessation of prohibited discharges.
Administrative Hearing Notice	Notice requiring a user to appear and explain noncompliance.
Administrative Penalty	Monetary penalty authorized by ordinance or applicable law.
Service Suspension	Temporary interruption of sewer service.
Service Termination	Permanent discontinuation of service subject to applicable law.

9. ENFORCEMENT RESPONSE MATRIX

The District shall generally utilize the following enforcement responses when addressing violations of applicable pretreatment requirements, wastewater discharge permits, FOG requirements, and other wastewater regulations. Enforcement actions may be escalated based upon the severity of the violation, compliance history, actual or threatened harm to the wastewater system, public health impacts, environmental impacts, or other relevant factors. Multiple enforcement actions may be utilized where appropriate.

Violation	Typical Response	Escalated Response	Response Goal
First-time minor violation	Verbal Warning or Warning Letter	Notice of Violation (NOV)	15 days
Incomplete records or housekeeping deficiencies	Warning Letter	NOV	15 days
Failure to maintain FOG records or manifests	Warning Letter	NOV	15 days

Violation	Typical Response	Escalated Response	Response Goal
Failure to implement required BMPs	Warning Letter or NOV	Compliance Order	15 days
Failure to submit required reports	NOV	Compliance Order	15 days
Late reporting (non-SNC)	NOV	Compliance Order	15 days
Repeated minor violations	NOV	Compliance Order	10 days
Failure to maintain grease interceptor or FOG control device	NOV	Compliance Order, Cost Recovery, Administrative Penalty	10 days
Failure to complete corrective actions required by an NOV	Compliance Order	Administrative Hearing and Penalty	Immediate
Failure to meet compliance schedule milestones	Compliance Order	Administrative Hearing and Penalty	Immediate
Unauthorized discharge	NOV or Compliance Order	Administrative Penalty, Hearing, Suspension	Immediate
Slug discharge or spill event	Compliance Order	Administrative Penalty, Suspension	Immediate
Denial of access for inspection, monitoring, or sampling	NOV	Compliance Order, Hearing, Suspension	Immediate
False statements, falsified records, or inaccurate reporting	Compliance Order	Administrative Penalty, Hearing, Legal Referral	Immediate
Discharge causing interference or pass-through	Immediate Enforcement Action	Suspension, Termination, Legal Referral	Immediate
FOG discharge causing blockage or SSO	Immediate Enforcement Action	Cost Recovery, Penalty, Suspension	Immediate
User-caused SSO	Immediate Enforcement Action	Cost Recovery, Penalty, Suspension	Immediate
Significant Noncompliance (SNC)	Formal Enforcement Action	Hearing, Penalty, Suspension, Termination	Within 30 days
Emergency endangerment or imminent threat	Emergency Suspension or Termination	Additional Enforcement as Necessary	Immediate

Enforcement Escalation Factors

In determining the appropriate enforcement response, the District may consider:

- Magnitude of the violation;
- Duration of the violation;
- Frequency of occurrence;

- Compliance history;
- Good-faith efforts to comply;
- Economic benefit obtained through noncompliance;
- Actual or potential harm to the collection system;
- Actual or potential harm to LRWRP operations;
- Public health impacts;
- Environmental impacts; and
- Whether the violation constitutes Significant Noncompliance.

Enforcement Flexibility

The District may bypass intermediate enforcement steps and proceed directly to stronger enforcement measures whenever circumstances warrant, including Significant Noncompliance, unauthorized discharges, interference, pass-through, denial of access, falsification of information, user-caused SSOs, emergency conditions, or threats to public health, safety, property, the environment, or the wastewater system. Enforcement actions are cumulative and may be pursued concurrently.

The enforcement responses identified in this matrix are guidance tools and do not limit the District's authority to pursue any remedy authorized by ordinance, permit, agreement, or applicable law.

10. FOG ENFORCEMENT

Because FOG represents the most significant pretreatment risk within the District, FOG violations shall be prioritized.

First Occurrence

- Warning Letter;
- Education;
- Corrective Action Deadline.

Second Occurrence

- NOV;
- Mandatory interceptor cleaning;
- Follow-up inspection.

Third Occurrence

- Compliance Order;
- Cost Recovery;
- Administrative Penalty.

FOG Blockage or SSO

- Immediate investigation;
- NOV;

- Cost Recovery;
- Increased inspection frequency;
- Compliance Order;
- Administrative Penalty;
- Possible service suspension or termination.

11. SIGNIFICANT NONCOMPLIANCE (SNC)

Significant Noncompliance shall be determined in accordance with the criteria set forth in Appendix E. Upon determination of SNC, the District shall issue formal enforcement action and may:

- Require additional monitoring;
- Conduct increased inspections;
- Impose administrative penalties; and
- Require compliance schedules.

The District shall annually publish users determined to be in Significant Noncompliance in a manner consistent with 40 CFR 403.8(f)(2)(viii).

12. COST RECOVERY

The District may recover:

- Inspection costs;
- Sampling costs;
- Laboratory costs;
- Contractor costs;
- Sewer cleaning costs;
- CCTV inspection costs;
- Engineering costs;
- SSO response costs;
- Environmental cleanup costs;
- Administrative expenses;
- Legal costs where authorized.

13. ADMINISTRATIVE PENALTIES

Administrative penalties may be assessed pursuant to District Ordinance Sections 2.23 and 2.24, California Government Code § 61000 et seq., applicable pretreatment requirements, and other applicable laws.

In establishing penalty amounts, the District shall consider:

- Nature of the violation;
- Duration;
- Economic benefit;
- Compliance history;
- Environmental impact;

- Public health impact.

14. ADMINISTRATIVE HEARINGS

When appropriate, the District may issue a Notice of Administrative Hearing in accordance with Ordinance § 2.23.5. Notice shall specify the proposed enforcement action, basis for the action, hearing date, time, and location.

The hearing may consider:

- Violation history;
- Compliance efforts;
- Corrective actions undertaken;
- Proposed enforcement actions.

Nothing herein shall limit the District's authority to take emergency action when necessary to protect public health, safety, property, or the environment.

Users may appeal enforcement determinations in accordance with District Ordinance appeal procedures.

15. EMERGENCY AUTHORITY

Pursuant to District Ordinance § 2.23.7, the District may immediately suspend a User's discharge whenever necessary to stop or prevent an actual or threatened discharge that presents an imminent or substantial endangerment to public health, safety, welfare, the environment, the wastewater collection system, or the operation of the Lompoc Regional Wastewater Reclamation Plant (LRWRP). Informal notice shall be provided whenever practicable.

Emergency authority may be exercised whenever a discharge:

- Endangers public health or safety;
- Threatens the environment;
- Causes or threatens interference;
- Causes or threatens pass-through;
- Causes or threatens a sanitary sewer overflow;
- Damages or threatens District infrastructure;
- Violates an emergency order issued by the District; or
- Otherwise presents an imminent threat requiring immediate action.

Any User subject to an emergency suspension shall immediately cease or eliminate the discharge. If voluntary compliance is not achieved, the District may take any action necessary to halt the discharge, including physical interruption of service, disconnection from the wastewater system, or other emergency measures authorized by law.

A User responsible for a discharge resulting in emergency action shall provide a written report describing the cause of the discharge, corrective actions implemented, and measures taken to prevent recurrence within five (5) business days unless waived by the District.

The District may allow service to resume when the threat has been eliminated and the User demonstrates compliance to the District's satisfaction. Nothing in this ERP shall be construed to require a hearing before the District exercises its emergency authority. Emergency actions may be taken immediately when necessary to protect public health, safety, property, the environment, or the wastewater system.

16. ENFORCEMENT TIMELINES

Unless circumstances require more immediate action:

- Violations shall be documented within five (5) business days.
- Initial enforcement shall occur within thirty (30) calendar days.
- SNC violations shall receive formal enforcement action within thirty (30) days of determination.
- Follow-up action shall occur within sixty (60) days if violations remain unresolved.
- Emergency violations shall receive immediate response.

17. COMPLIANCE TRACKING

The District shall maintain records of:

- Inspections;
- Sampling results;
- NOVs;
- Compliance Orders;
- Hearing Notices;
- SNC determinations;
- Administrative penalties;
- Cost recovery actions;
- Corrective actions;
- SSO investigations.

Records shall be retained in accordance with the District's records retention policies and applicable legal requirements.

18. ANNUAL REVIEW

The General Manager and Operations and Maintenance Manager shall review this ERP annually.

The review shall consider:

- Enforcement effectiveness;
- FOG program performance;
- SSO trends;
- SNC determinations;
- Regulatory changes;
- Changes to the City's Pretreatment Program;
- Recommended ordinance amendments.

Administrative revisions may be made consistent with Board-authorized authority. Substantive revisions shall be submitted to the Board of Directors for approval.

APPENDICES

Appendix A: Definitions

Appendix B: Notice of Violation Template

Appendix C: Enforcement Forms and Orders

Appendix D: FOG Inspection Checklist

Appendix E: Significant Noncompliance Criteria

Appendix F: Enforcement Response Flowchart

Appendix G: Recommended Penalty Guidelines

APPENDIX A

DEFINITIONS

For purposes of this Enforcement Response Plan, the following definitions shall apply.

Administrative Penalty – a monetary penalty assessed pursuant to the District's Wastewater User Ordinance and applicable law.

Best management practices (BMPs) – schedules of activities, prohibitions of practices, maintenance procedures, and other management practices to implement general and specific discharge prohibitions. BMPs include treatment requirements, operating procedures, and practices to control plant site runoff, spillage or leaks, sludge or waste disposal, or drainage from raw materials storage.

Cease and Desist Order – a written order directing a user to immediately stop a prohibited discharge or activity.

Compliance Order – a written order requiring corrective actions and establishing compliance deadlines.

District – Vandenberg Village Community Services District

Fats, oils, and grease (FOG) – any non-polar or polar fats, oils, and grease substance, such as a vegetable or animal product that is used in, or is a byproduct of, the cooking or food preparation process, that turns or may turn viscous or solidifies with a change in temperature or other conditions or has the potential to cause interference with or obstruction to the publicly owned treatment works.

Interference – a discharge that, alone or in conjunction with a discharge or discharges from other sources, inhibits or disrupts the POTW, its treatment processes or operations or its sludge processes, use or disposal; and therefore, is a cause of a violation of the City's NPDES permit or of the prevention of sewage sludge use or disposal in compliance with any of the following statutory/regulatory provisions or permits issued thereunder, or any more stringent State or local regulations: section 405 of the Act; the Solid Waste Disposal Act, including Title II commonly referred to as the Resource Conservation and Recovery Act (RCRA); any State regulations contained in any State sludge management plan prepared pursuant to Subtitle D of the Solid Waste Disposal Act; the Clean Air Act; the Toxic Substances Control Act; and the Marine Protection, Research, and Sanctuaries Act.

NOV (Notice of Violation) – a written enforcement notice identifying violations and required corrective actions.

Pass Through – a discharge which exits the POTW into waters of the United States in quantities or concentrations which, alone or in conjunction with a discharge or discharges from other sources, is a cause of a violation of any requirement of the city's NPDES permit, including an increase in the magnitude or duration of a violation.

Pretreatment – the reduction of the amount of pollutants, the elimination of pollutants, or the alteration of the nature of pollutant properties in wastewater prior to or in lieu of discharging or otherwise introducing such pollutants into the wastewater system.

Significant Noncompliance (SNC) – a violation meeting one or more criteria identified in Appendix E.

Slug load or discharge – any discharge at a flow rate or concentration, which could cause a violation of the prohibited discharge standards of this Ordinance. A slug discharge is any discharge of a non-routine, episodic nature, including but not limited to an accidental spill or a non-customary batch discharge, which has a reasonable potential to cause interference or pass through, or in any other way violate the POTW's regulations, local limits, or permit conditions.

User – any person or entity discharging wastewater into the District collection system.

APPENDIX B

NOTICE OF VIOLATION TEMPLATE

VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT
NOTICE OF VIOLATION

Date: _____
Facility Name: _____
Address: _____
Responsible Party: _____
Date of Violation: _____
Compliance Deadline: _____

NOTICE IS HEREBY GIVEN that the District has determined the above facility is in violation of the District Wastewater User Ordinance, Wastewater Discharge Permit requirements, or other applicable wastewater regulations.

DESCRIPTION OF VIOLATION:

REQUIRED CORRECTIVE ACTIONS:

- 1. _____
- 2. _____
- 3. _____

Written verification of corrective actions shall be submitted no later than the above compliance deadline.

Failure to comply may result in additional enforcement action, including administrative penalties, cost recovery, service suspension, service termination, or other remedies authorized by law.

District Representative:	Receipt Acknowledged:
_____	_____
Operations and Maintenance Manager	Facility Representative
Date _____	Date _____

APPENDIX C

COMPLIANCE ORDER TEMPLATE

**VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT
COMPLIANCE ORDER**

Date: _____
Facility Name: _____
Address: _____

The District has determined that the above-referenced user is in violation of wastewater discharge requirements and hereby orders the following corrective actions.

VIOLATIONS:

REQUIRED CORRECTIVE ACTIONS:

1. _____
2. _____
3. _____

COMPLIANCE MILESTONES

Action	Due Date
_____	_____
_____	_____
_____	_____

The user shall provide written documentation of each completed milestone.

Failure to comply may result in additional enforcement action, including administrative penalties, cost recovery, administrative hearings, service suspension, service termination, or other remedies authorized by law.

Issued by:

General Manager
Date _____

APPENDIX D

FOG INSPECTION CHECKLIST

Date: _____

Facility Name: _____

Address: _____

Inspector: _____

General Requirements:

Item	Yes	No
Approved grease interceptor installed	☐	☐
Grease interceptor accessible	☐	☐
Interceptor structurally sound	☐	☐
No evidence of overflow	☐	☐
Maintenance records available	☐	☐
Cleaning manifests available	☐	☐
Hauler receipts available	☐	☐
Kitchen BMPs posted	☐	☐
Staff trained on BMPs	☐	☐
Waste grease properly stored	☐	☐
Sink strainers installed	☐	☐

Operational Evaluation:

Observation	Yes	No
Excessive grease accumulation	☐	☐
Improper grease disposal	☐	☐
Backups or slow drains observed	☐	☐
Interceptor overdue for cleaning	☐	☐
Evidence of bypassing equipment	☐	☐

Violations Noted:

Inspector Recommendation:

- ☐ No Action
- ☐ Warning Letter
- ☐ Notice of Violation
- ☐ Compliance Order
- ☐ Additional Inspection

Inspected by:

Signature: _____

Title: _____

APPENDIX E

SIGNIFICANT NONCOMPLIANCE CRITERIA

A user is in significant noncompliance if its violation meets one or more of the following criteria as referenced in 40 CFR 403.8(f)(2)(viii):

1. Chronic Violations

Chronic violations of wastewater Discharge limits, defined here as those in which 66 percent or more of all of the measurements taken for the same pollutant parameter during a 6-month period exceed (by any magnitude) a numeric Pretreatment Standard or Requirement, including instantaneous limits, as defined by 40 CFR 403.3(l);

2. Technical Review Criteria (TRC) Violations

Technical Review Criteria (TRC) violations, defined here as those in which 33 percent or more of all of the measurements taken for the same pollutant parameter during a 6-month period equal or exceed the product of the numeric Pretreatment Standard or Requirement including instantaneous limits, as defined by 40 CFR 403.3(l) multiplied by the applicable TRC (TRC = 1.4 for BOD, TSS, fats, oil, and grease, and 1.2 for all other pollutants except pH);

3. Interference or Pass-Through

Any other violation of a Pretreatment Standard or Requirement as defined by 40 CFR 403.3(l) (daily maximum, long-term average, instantaneous limit, or narrative Standard) that the District determines has caused, alone or in combination with other Discharges, Interference or Pass Through (including endangering the health of District personnel or the general public);

4. Endangerment

Any discharge of a pollutant that has caused imminent endangerment to human health, welfare or to the environment or has resulted in the District's exercise of its emergency authority under paragraph (f)(1)(vi)(B) of this section to halt or prevent such a discharge;

5. Compliance Schedule Violations

Failure to meet, within 90 days after the schedule date, a compliance schedule milestone contained in a local control mechanism or enforcement order for starting construction, completing construction, or attaining final compliance;

6. Reporting Violations

Failure to provide, within 45 days after the due date, required reports such as baseline monitoring reports, 90-day compliance reports, periodic self-monitoring reports, and reports on compliance with compliance schedules;

7. False Reporting

Failure to accurately report noncompliance;

8. Other Significant Violations

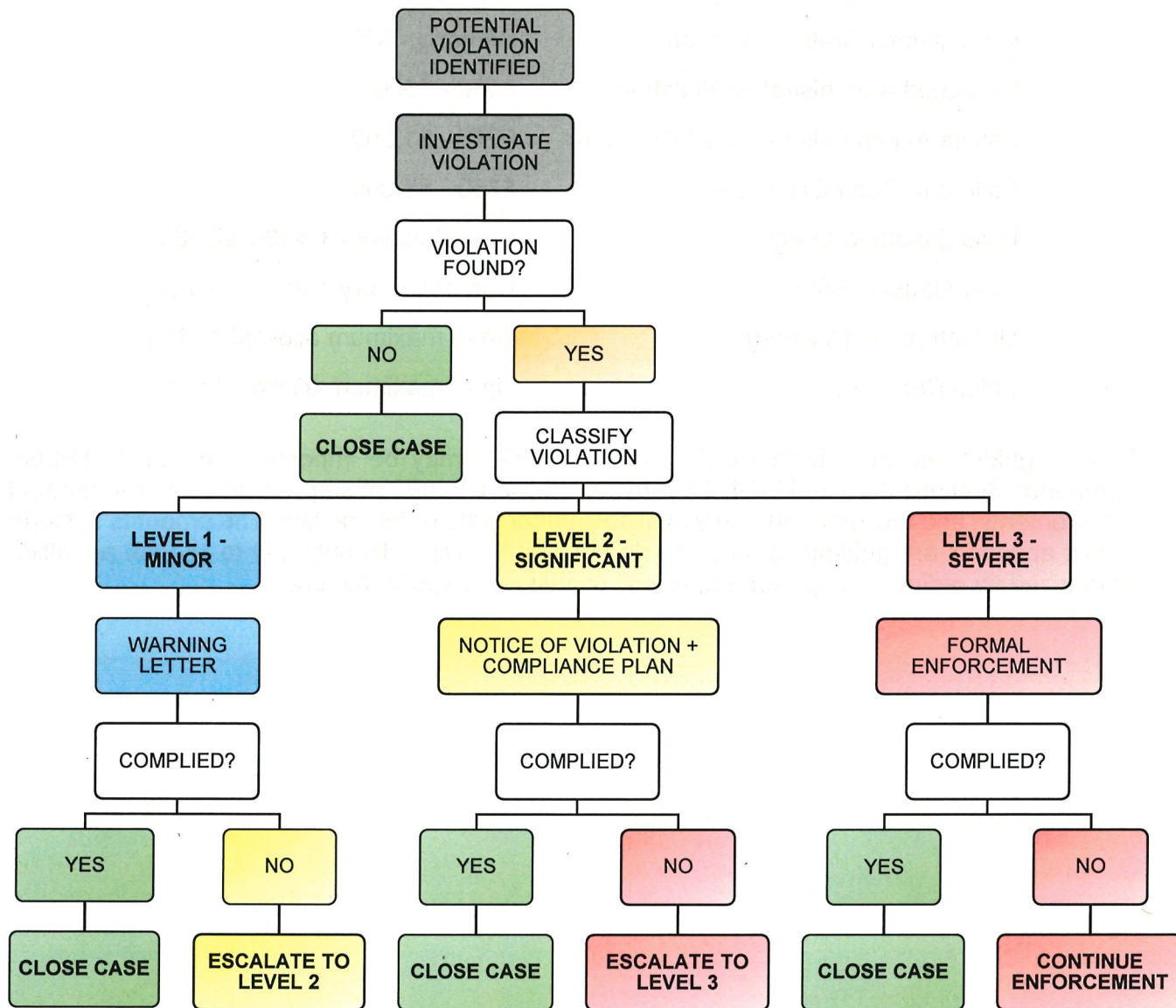
Any other violation or group of violations, which may include a violation of Best Management Practices, which the District determines will adversely affect the operation or implementation of the local Pretreatment Program.

9. Emergency Suspension Events

Any discharge requiring the District to exercise emergency authority to halt or prevent the discharge.

APPENDIX F

ENFORCEMENT RESPONSE FLOWCHART



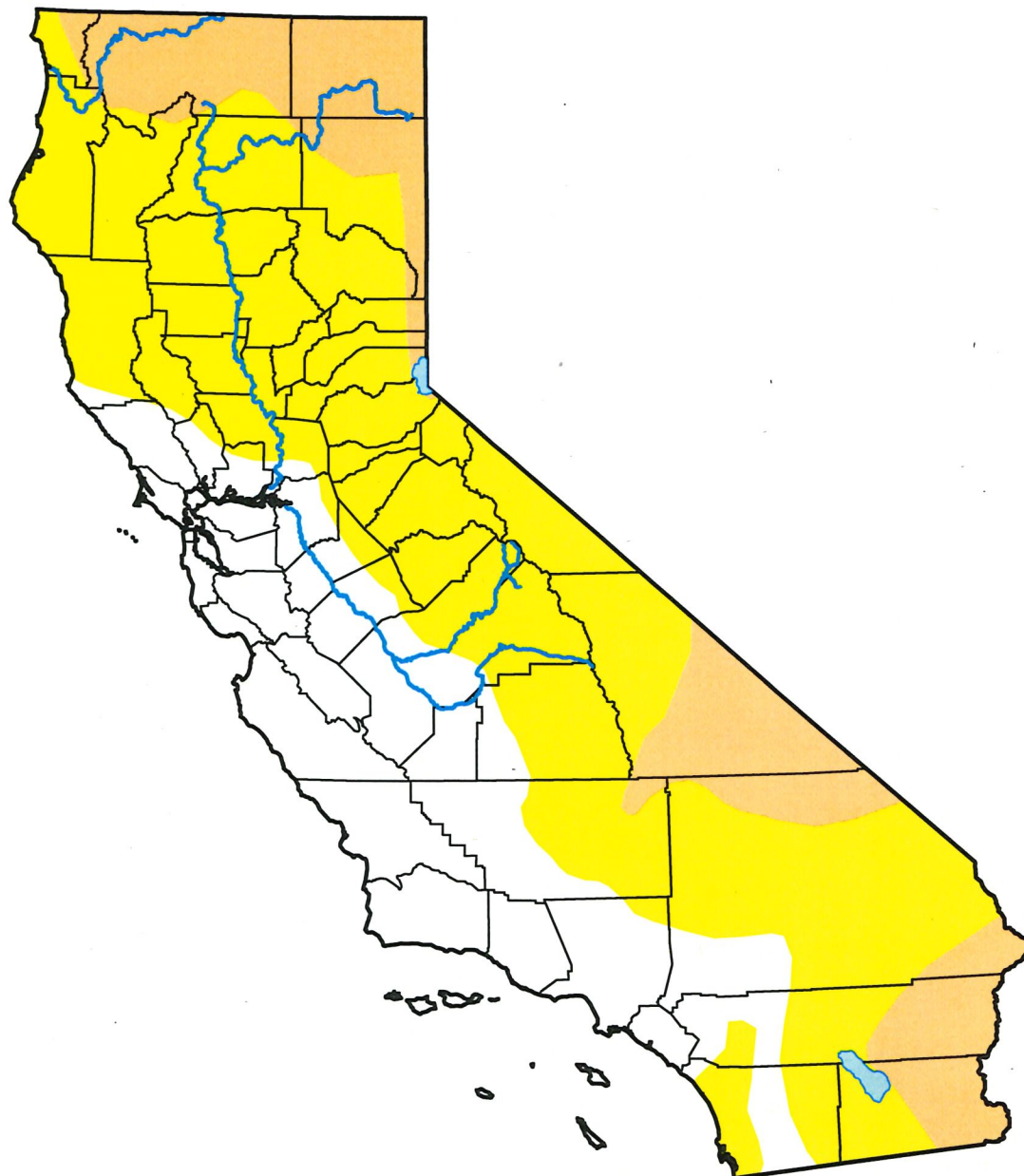
APPENDIX G

RECOMMENDED PENALTY GUIDELINES

Violation Type	Typical Penalty Range
Minor Administrative Violation	Warning - \$250
Repeated Administrative Violation	\$250 - \$500
Failure to Maintain Grease Interceptor	\$250 - \$1,000
Failure to Submit Reports	\$250 - \$1,000
FOG Blockage Event	Cost Recovery + \$500-\$2,500
User-Caused SSO	Cost Recovery + \$1,000-\$5,000
Unauthorized Discharge	Up to maximum allowed by law
False Reporting	Up to maximum allowed by law

Penalty guidelines are advisory only. Actual penalties may be imposed pursuant to District Ordinance Sections 2.23 and 2.24, Government Code § 61000 et seq., applicable pretreatment requirements, and any other authority available under state or federal law. The amounts set forth in this appendix are guidelines only and do not limit the District's authority to impose penalties authorized by ordinance, agreement, permit condition, or applicable law.

U.S. Drought Monitor California



October 27, 2026

(Released Thursday, Oct. 29, 2026)

Valid 8 a.m. EDT

Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	27.88	72.12	18.36	0.00	0.00	0.00
Last Week 10-20-2026	27.88	72.12	23.26	0.00	0.00	0.00
3 Months Ago 07-28-2026	34.73	65.27	6.54	0.70	0.00	0.00
Start of Calendar Year 01-06-2026	100.00	0.00	0.00	0.00	0.00	0.00
Start of Water Year 09-29-2026	27.88	72.12	23.26	0.00	0.00	0.00
One Year Ago 10-28-2025	47.18	52.82	31.83	9.58	1.10	0.00

Intensity:

None	D2 Severe Drought
D0 Abnormally Dry	D3 Extreme Drought
D1 Moderate Drought	D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>

Author:

Richard Tinker
CPC/NOAA/NWS/NCEP



droughtmonitor.unl.edu

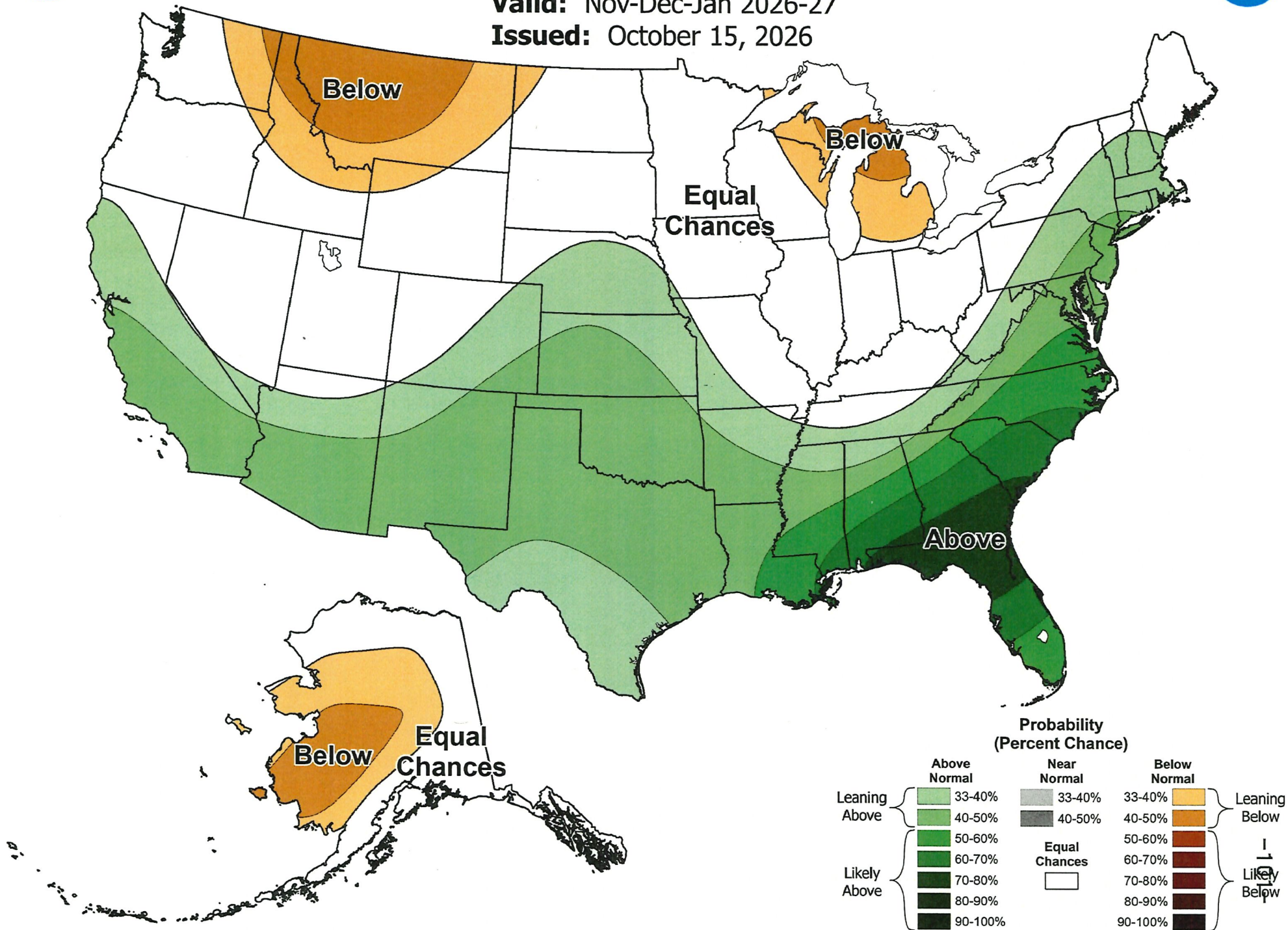


Seasonal Precipitation Outlook



Valid: Nov-Dec-Jan 2026-27

Issued: October 15, 2026



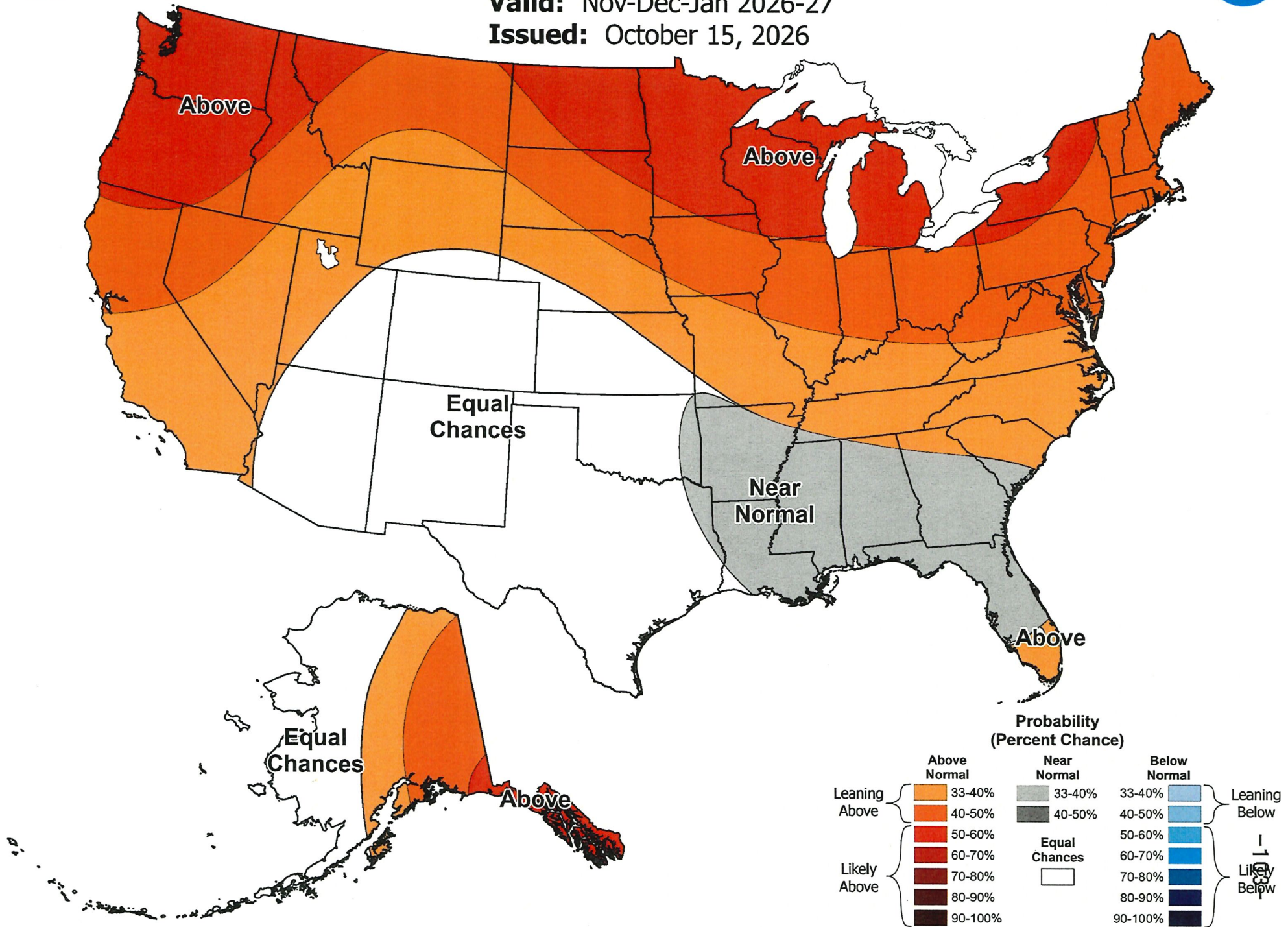


Seasonal Temperature Outlook



Valid: Nov-Dec-Jan 2026-27

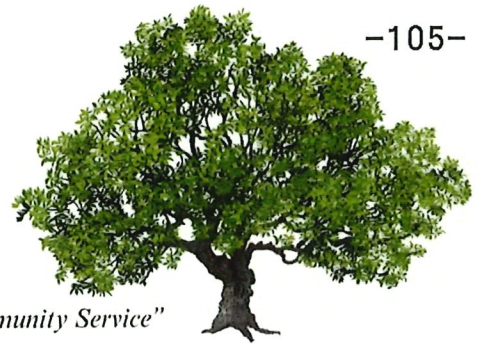
Issued: October 15, 2026



VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT

3745 Constellation Road • Vandenberg Village • Lompoc, CA 93436
Telephone: (805) 733-2475 • Fax: (805) 733-2109 • info@vvcasd.org

-105-



"Pride in Community Service"

October 26, 2026

Fire Chief Garrett Huff
Division Chief/Fire Marshal Fred Tan
Deputy Fire Marshal Vince LaRocco
Santa Barbara County Fire Department
4410 Cathedral Oaks Road
Santa Barbara, CA 93110

Dear Chief Huff, Division Chief Tan, and Deputy Fire Marshal LaRocco,

On behalf of the Vandenberg Village Community Services District, I would like to express our sincere appreciation for the recent vegetation management efforts conducted by Santa Barbara County Fire Department personnel in and around Vandenberg Village.

As wildfire risks continue to challenge communities throughout California, your proactive efforts to reduce fuel loads and improve defensible space around our community provide tangible benefits to our residents and enhance the safety of the area. The visibility of this work serves as a reminder of the dedication and foresight your team brings to protecting lives, property, and critical infrastructure.

We recognize that this work requires significant planning, coordination, and commitment. The visible improvements resulting from these efforts reflect the professionalism and commitment of your team and demonstrate the Santa Barbara County Fire Department's continued investment in protecting the communities it serves.

Please extend our gratitude to the firefighters, vegetation management crews, and support staff whose hard work made this project possible. Their efforts have not gone unnoticed and are greatly appreciated by the residents of Vandenberg Village.

Thank you for your leadership, partnership, and continued commitment to wildfire prevention and public safety. We look forward to continuing our collaboration in protecting our community.

Sincerely yours,

VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT

Cynthia Allen, Ph.D.
General Manager

caa

Distribution:

Fire Chief Garrett Huff (U.S. Mail and Email - ghuff@countyofsb.org)
Division Chief/Fire Marshal Fred Tan (Email - ftan@countyofsb.org)
Deputy Fire Marshal Vince LaRocco (Email - vlarocco@countyofsb.org)



Vandenberg Village Community Services District

On May 26, 2026, the VVCSD Board of Directors approved a 50 percent reduction in the *LRWRP Upgrade Charge* that is currently collected on the annual Santa Barbara County Property Tax Statement. Your 2026-2027 Property Tax Statement should reflect the reduction in the Fixed Charge from \$361.44 to \$181.72.

The *LRWRP Upgrade Charge* was established in 2007 to fund capital expenses for the [LRWRP Upgrade Project](#). This includes the annual \$742,558 payment for VVCSD's share of the State Revolving Fund (SRF) loan used to fund the project, contractual obligations for any maintenance performed on the plant, and a portion of the depreciation expense related to the asset.

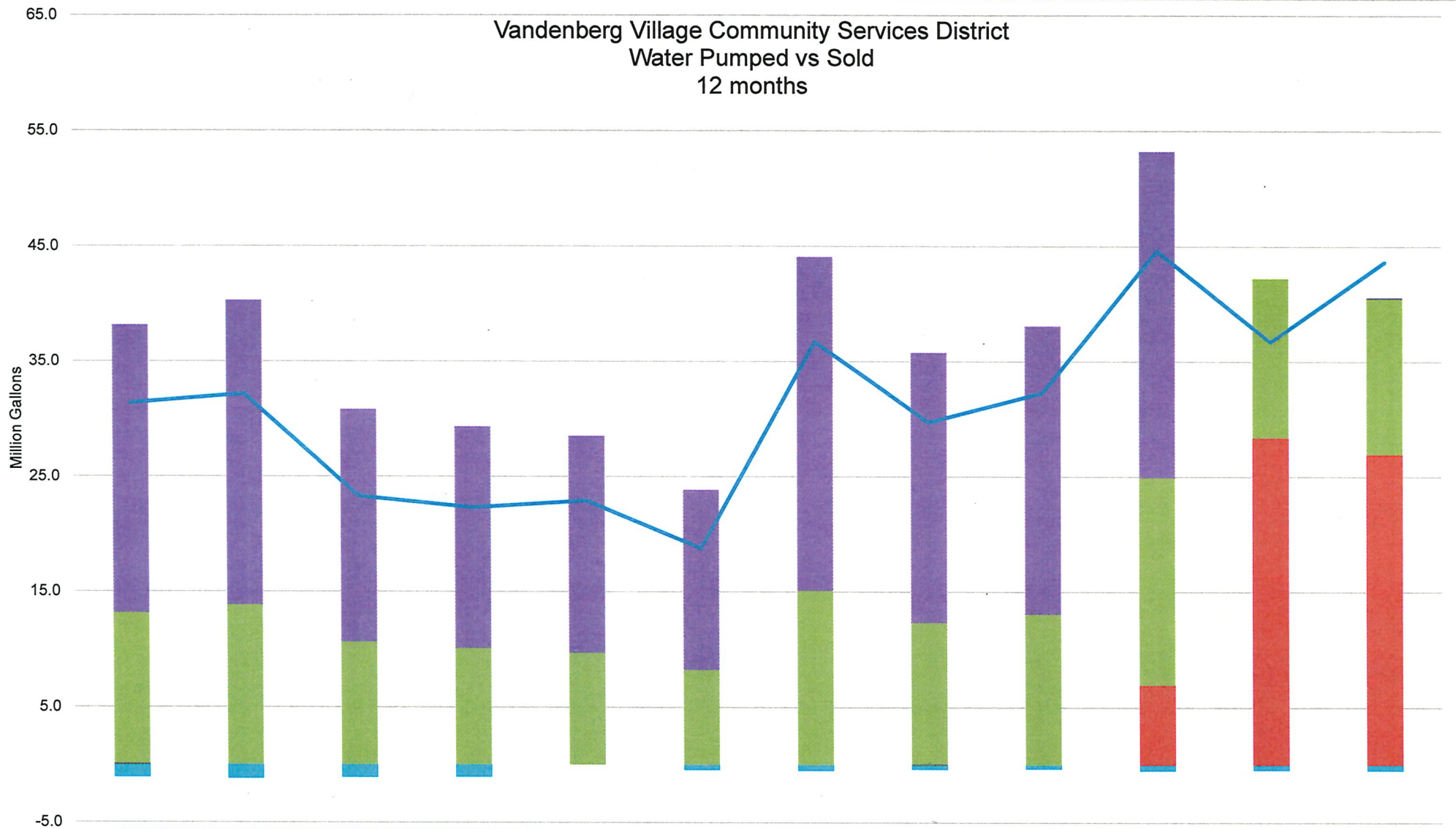
In 2017, [the charge was moved from the monthly bills](#) to the Santa Barbara County Property Tax Statement. The final SRF loan payment is due on August 31, 2029, and LRWRP Reserves will fund the annual payments in 2027, 2028, and 2029.

Vandenberg Village Community Services District
CA

We know your time is valuable and we only want to send information you are interested in. If you decide you no longer want to receive emails from us, you can {{UNSUBSCRIBE}}.

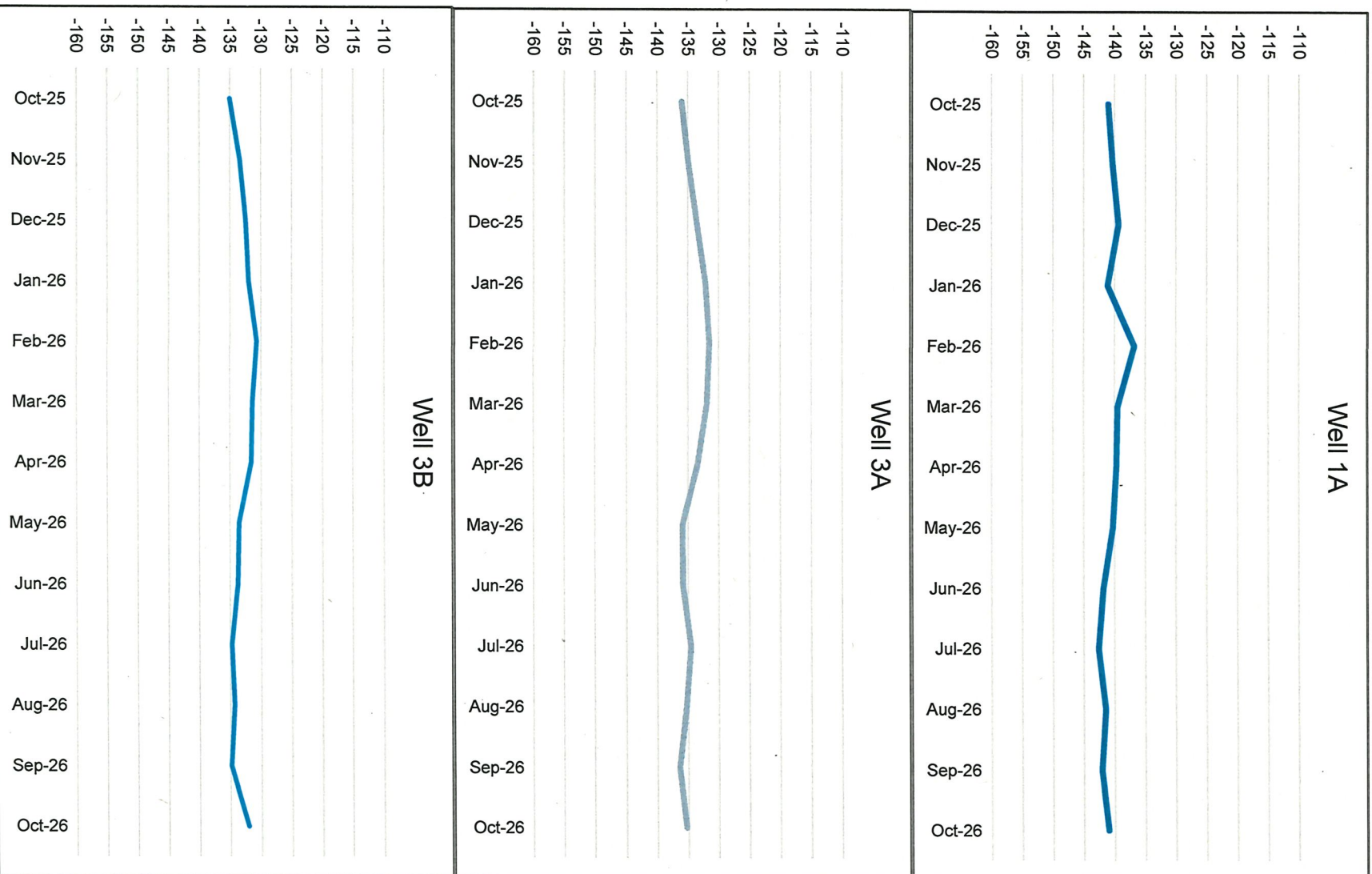
Powered by [Streamline](#).

Vandenberg Village Community Services District Water Pumped vs Sold 12 months



	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26
Filter Loss	(1.1)	(1.2)	(1.1)	(1.1)	0.0	(0.5)	(0.5)	(0.4)	(0.3)	(0.5)	(0.4)	(0.5)
Well 3A	25.0	26.5	20.2	19.2	18.8	15.6	29.0	23.4	25.0	28.3	0.0	0.1
Well 3B	13.1	13.8	10.7	10.1	9.7	8.2	15.1	12.3	13.1	18.0	13.8	13.5
Well 1B	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	6.9	28.4	26.9
Total Sold	31.4	32.1	23.3	22.3	22.9	18.8	36.7	29.7	32.3	44.6	36.7	43.6

Vandenberg Village Community Services District
Well Soundings
12 months



VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT PG&E PRODUCTION COSTS														
WATER PRODUCTION (MG)														
	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27	Total MG	Total AF
WELL 1B	23,516	30,335	10,475	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	64,326	197,423
WELL 3B	15,753	15,058	13,927	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	44,738	137,305
WELL 3A	8,452	0.000	17,999	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	26,451	81,181
	47,721	45,393	42,401	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	135,515	415,908
PG&E COSTS														
	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27	Total	Total \$ per AF
WELL 1B	\$39,440.67	\$32,795.40	\$28,267.45										\$100,503.52	
WELL 3B	\$7,460.75	\$5,808.14	\$5,663.41										\$18,932.30	
WELL 3A	\$5,849.71	\$352.43	\$4,086.95										\$10,289.09	
STATION 4	\$69.78	\$651.88	\$1,515.78										\$2,237.44	
STATION 5	\$2,896.95	\$1,946.66	\$39.03										\$4,882.64	
	\$55,717.86	\$41,554.51	\$39,572.62	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$136,844.99	\$329.03
Prior Year	\$48,326.17	\$55,908.45	\$48,504.50	\$36,991.16	\$29,330.57	\$29,568.43	\$31,867.71	\$27,286.89	\$31,534.20	\$31,516.74	\$35,067.84	\$51,855.47	\$457,758.13	\$334.39
Current Year	\$55,717.86	\$41,554.51	\$39,572.62	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$136,844.99	\$329.03
Variance	15.30%	(25.67%)	(18.41%)	(100.00%)	(100.00%)	(100.00%)	(100.00%)	(100.00%)	(100.00%)	(100.00%)	(100.00%)	(100.00%)	(70.11%)	(1.60%)
COST PER ACRE FOOT														
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	in \$ per AF from	Average
Prior Year	\$337.46	\$384.02	\$386.21	\$318.91	\$313.10	\$306.96	\$381.88	\$366.85	\$279.48	\$273.27	\$273.94	\$385.37		\$333.95
Current Year	\$380.43	\$298.28	\$304.09											\$327.60
Variance	12.73%	(22.33%)	(21.26%)											(1.90%)
PG&E kWh														
	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27	Total	Average
WELL 1B	118,788.992	121,068.616	91,064.736										330,922.344	110,307.448
WELL 3B	21,032.594	20,089.407	19,307.006										60,429.007	20,143.002
WELL 3A	9,289.400		1,860.400										11,149.800	3,716.600
STATION 4	90.201	1,368.642	3,372.803										4,831.646	1,610.549
STATION 5	6,587.546	4,409.094	114.778										11,111.417	3,703.806
	155,788.733	146,935.759	115,719.722	-	-	-	-	-	-	-	-	-	418,444.213	34,870.351
Prior Year	136,616.245	148,590.038	136,045.269	122,796.370	100,499.114	102,447.097	88,673.520	75,608.699	117,835.842	119,023.207	133,714.457	144,347.213	1,426,197.070	118,849.756
Current Year	155,788.733	146,935.759	115,719.722	-	-	-	-	-	-	-	-	-	418,444.213	34,870.351
Variance	14.03%	(1.11%)	(14.94%)	(100.00%)	(100.00%)	(100.00%)	(100.00%)	(100.00%)	(100.00%)	(100.00%)	(100.00%)	(100.00%)	(70.66%)	(70.66%)