

VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT



Strategic Plan

May 10, 2005

Mission Statement

"To efficiently provide dependable drinking water delivery and wastewater collection services to Vandenberg Village residents, with a commitment to customer service."

Organizational Structure

Vandenberg Village Community Services District was established in 1983 as a local government agency under California Government Code Section 61000 et seq. for the purpose of providing water and wastewater services to the community of Vandenberg Village, an unincorporated area of Santa Barbara County north of Lompoc. It is governed by a Board of five locally elected directors.

Introduction


Vandenberg Village Community Services District has used strategic plans to prepare the District for the future. They are an important planning tool for developing annual budgets, establishing rate structures, and accumulating reserves.

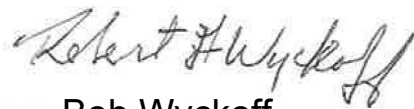
The previous plan, developed in 1996, focused resources on rehabilitating ailing buildings and infrastructure, and increasing the District's water storage capacity.

Most of the District's buildings and infrastructure, with the exception of Site 2, are in very good condition. The construction of a new one-million gallon water tank in 1999 significantly increased the District's water storage capacity. The District has five tanks that can hold a total of 3,300,000 gallons. This storage capacity is greater than most small to medium-size water systems in California.

The purposes of this strategic plan are:

- To maintain the District's infrastructure to a high standard and level of service.
- To exercise fiscal discipline in managing the District's operations and maintain a rate structure that is comparable to other local water and wastewater agencies.
- To upgrade and assure the continued availability of the Lompoc Regional Wastewater Reclamation Plant (LRWRP).
- To expand water and wastewater infrastructure to incorporate two new major housing developments (Providence Landing and Clubhouse Estates) and remaining smaller developments as the District nears buildout.
- To guide the District's annual planning and budget processes for 10 or more years in the future.


Joe Barget
General Manager


Bob Wyckoff
President, Board of Directors

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Lompoc Regional Wastewater Reclamation Plant (LRWRP)

Goal #1

Issue

The State of California mandated that the City of Lompoc upgrade the Lompoc Regional Wastewater Reclamation Plant (LRWRP). VVCSD owns 17.8% of the plant's capacity. In 2004 the City awarded a \$6M contract to Brown & Caldwell to design and manage the project. VVCSD used reserve funds to pay its share of this portion of the cost, or \$1,174,800. Lompoc is in the process of applying for a State Revolving Fund (SRF) loan to fund the actual construction, which is estimated to be in the \$40-\$60M range. Repayment of the SRF loan begins on the July 1st following the fiscal year that the project is complete. Lompoc will be passing a share of the SRF loan costs on to VVCSD. For planning purposes, VVCSD expects to start paying significantly increased wastewater expenses beginning July 2008.

Goal

Continue to contract with the City of Lompoc for wastewater treatment and gradually increase sewer rates to pay increased wastewater treatment expenses.

Strategy

1. Educate ratepayers on reasons for plant upgrade project and why it will increase VVCSD sewer rates. Use website, newspaper, announcements, etc.
2. Use reserve funds to pay off bonds early. This will reduce interest expense, eliminate current debt, and put VVCSD in better posture to finance new debt. [Bonds are scheduled to be paid off in 2008; however, VVCSD may pay them off as early as November 2005 at a cost of \$1,100,900.]
3. Finance Committee and staff to develop a sewer rate structure with public input.
4. Gradually increase rates to replenish reserves and avoid rate shock.
5. Cooperate and collaborate with City of Lompoc staff to develop best project with least cost to District ratepayers.
6. Renegotiate Wastewater Service Agreement with the City of Lompoc.
Current agreement has 35-year term: June 1, 1974 through June 1, 2009.

Cost (Capital Budget)

Assuming a \$50M construction cost, the VVCSD share would be \$8.9 million dollars. SRF loans must be repaid over 20 years.

Increase to monthly sewer rates will be about \$22 and phased in over next four years. (\$15.05 bond charge already in place and 2%-4% increases per year.)

Cost to monthly water rates is zero.

Development impact is 20%.

Supervisory Control and Data Acquisition (SCADA) System

Goal #2

Issue

The existing SCADA system was installed in 1996. It has served the District well but such technology is only reliable for about 10 years. Frequency and severity of problems with the SCADA system are increasing. It is difficult and expensive to find technical support to work on the proprietary software (Paragon) used with the current system. When the SCADA system was installed there were few security concerns so there are few security features.

A new state-of-the-art SCADA system is needed to improve system operation, reliability, and security. It will require new computer hardware, software, controls, and a long-term maintenance contract.

Goal

Replace the old SCADA system with a new state-of-the-art SCADA system to improve the performance, reliability, and security of water and sewer systems.

Strategy

1. Research manufacturers, vendors, and users of the latest SCADA technology. Follow the Mission Hills Community Services District project to replace its SCADA system in 2005.
2. Operations Manager to determine the general design and parameters of the new SCADA system.
3. Pursue grant funds. The District submitted a Prop 50 Grant pre-application for \$60,000 (half of a \$120,000 total project cost) in December 2004.

Cost (Capital Budget)

Estimated cost for a new SCADA system is \$120,000.

No impact to monthly water rates.
No impact to monthly sewer rates.

Development impact is 0%.

Water & Wastewater System Evaluation

Goal #3

Issue

The last comprehensive evaluation of the District's water and wastewater system was performed by Lawrence, Fisk & McFarland in 1994. This "Water System Reliability Study" addressed vulnerability to various hazards including wildfire, flood, earthquake, and loss of power. This study laid the groundwork for the previous strategic plan and included many capital improvements. Two large developments are in progress that will increase the District's water system by 20 percent. It is time to have a consultant take another, fresh look at systems to assess their overall condition and recommend changes or improvements. The study should consider such issues as construction of the water quality improvement project, increasing the size of the iron/manganese filter or adding a second filter, recommending total tank storage capacity, drilling replacement wells, and possible intertie with Mission Hills' water system.

The current water system can produce 1,800-2,000 gallons per minute (GPM), The capacity of the pressure filter system that removes iron and manganese is the limiting factor.

Goal

Provide a high quality, well maintained water supply and wastewater collection system with sufficient capacity to meet future requirements.

Strategy

1. Hire a consultant to perform an independent evaluation of the entire water system (to include wells, tanks, pressure zones, and pipelines); and wastewater collection system (to include lift stations and main lines).
2. Use the results of this study to refine this strategic plan and develop future capital budgets.
3. Water/Wastewater Committee to review this project.

Cost (Capital Budget)

Estimated cost for water & wastewater system evaluation is \$40,000 and funded entirely by water and wastewater reserves.

No impact to monthly water rates.
No impact to monthly sewer rates.

Development impact is 20%.

Standby Generators

Goal #4

Issue

The District has four old standby generators made by different manufacturers. Three of them were military surplus. They are not as reliable as they used to be. They are increasingly difficult and expensive to maintain. They probably do not meet current air emissions and noise standards.

Location	Size	Manufacturer	Function	Relative Importance	Relative Condition	Cost Allocation
Site 1	200 KW	Marathon	Water system pressure.	1 st (Most)	4 th (Best)	100% water
Site 3	150 KW	Cummins	Well 3B pump.	4 th (Least)	1 st (Worst)	100% water
Lift Station 1	50/60 KW	Allis Chambers	Lift station.	2 nd	2 nd	100% wastewater
<i>Portable</i>	25 KW	Sullair	Lift Stations 3 & 4. Office.	3 rd	3 rd	100% wastewater

Goal

Replace all standby generators with new state-of-the-art generators to restore services in the event of an extended power outage.

Strategy

1. Work with manufacturers and vendors to determine best makes and models for VVCS D's requirements.
2. Consider costs and efficiencies with replacing generators individually, in groups, or all at the same time.
3. Determine if it's feasible to have stationary generators serve two or more sites, or if it's feasible to use more portable generators.
4. Ensure generators comply with Santa Barbara County Air Pollution Control District (SBCAPCD) emissions requirements.
5. Pursue grant funds.

Cost (Capital Budget)

Estimated cost to replace all four generators is \$150,000.

No impact to monthly water rates.
No impact to monthly sewer rates.

Development impact is 0%.

Lift Station 1

Goal #5

Issue

Lift Station 1 currently receives wastewater flow from 305 homes and the Village Country Club. Two new developments will contribute additional wastewater to this lift station: Clubhouse Estates, APN 097-371-008 (52 Single Family Equivalents); and Ebbert, APN 097-371-091 (55 Single Family Equivalents).

Penfield & Smith performed a capacity study in April 2005, which determined the existing pumps can handle the increased wastewater flow from the two additional developments; however the volume of the wet well needs to be increased from 1,034 gallons to 3,556 gallons. This capacity increase would allow for a one-hour response time in the event of pump failure and would reduce cycling times for the pumps. Penfield & Smith also recommended further investigation into suspected infiltration in the wastewater line above and serving this lift station.

Goal

Increase the capacity of Lift Station #1 to accommodate future development.

Strategy

1. Investigate suspected infiltration in wastewater line that feeds into this lift station and consider making repairs or modifications.
2. Determine how the County Housing Element and potential rezoning of the remaining undeveloped properties may affect the capacity at Lift Station 1.
3. Complete upgrades prior to or in conjunction with new development.
4. Require developers to pay respective costs for upgrades.
5. Water/Wastewater Committee to review this project.

Cost (Capital Budget)

The estimated cost to increase the capacity of the lift station is \$30,000. These expenses will be funded by wastewater reserve funds.

No impact to monthly water rates.
No impact to monthly sewer rates.

Development impact is 75%.

Lift Station 2

Goal #6

Issue

Lift Station 2 is located near the northeast corner of the Days Inn Hotel property. Of the four lift stations in the District's wastewater system, it has the deepest wet well and it's the only one that still has underground pumps. Retrofitting the lift station with new, above-ground pumps would make them easier to maintain and eliminate the confined-space issue. The lift station would be considerably safer and easier to maintain.

Goal

Retrofit Lift Station 2 with above-ground pumps and standardize the use of above-ground pumps for all sewer lift stations.

Strategy

1. Since this lift station gets relatively low use and the development of Ebbert Property (APN 097-037-017) will impact it, schedule work to coincide with future development.
2. Require developer to cost share work on this lift station.
3. Replace underground pumps with Smith & Loveless pumps.
4. Standardize the use of Smith & Loveless pumps for all lift stations.
5. Water/Wastewater Committee to review this project.

Cost (Capital Budget)

Estimated cost for the modifying Lift Station 2 from a submerged pump to an above ground pump is \$25,000 and funded from wastewater reserve funds.

No impact to monthly water rates.

No impact to monthly sewer rates.

Development impact is 20%.

Water Quality Improvement Project

Goal #7

Issue

Raw water from the Lompoc Uplands aquifer is very hard. The District previously requested proposals for improving the quality and decided that a pellet-softening process holds the most promise. The next step is to do a pilot study to determine its effectiveness and to develop the design criteria for a full-scale water treatment plant. If the pilot study is successful, the District would pursue construction of a full-scale treatment process.

Goal

Improve water quality by reducing hardness and total dissolved solids (TDS).

Strategy

1. Educate ratepayers about the benefits of improved water quality.
2. Pursue grant funds for this project. The District submitted a Prop 50 Grant pre-application for \$55,000 (half of a \$110,000 total project cost for a pilot study) in December 2004.
3. Perform a pilot study first to determine the feasibility of the project.
4. Water/Wastewater Committee to review this project.

Cost (Capital Budget)

Estimated cost for the pilot study is \$110,000. The cost to build a permanent treatment facility is unknown at this time, but believed to be about \$1 million. Expenses associated with WQIP will be funded by water rates and water reserve funds.

Maximum impact to monthly water rates is unknown. Upgrade project would not directly impact rates; however, there may be increased treatment expenses.

No impact to monthly sewer rates.

Development impact is 20%.

80,000-Gallon Tank (Site 1)

Goal #8

Issue

Ebbert installed an 80,000-gallon tank at Site 1 in 1984. The District disconnected this tank in 1996 and it has been empty since. It is not plumbed properly and it would require some repairs and modifications before it could be put into use again. The tank may be of use for the water quality improvement project.

Goal

Determine a beneficial use for the 80,000-gallon tank or eliminate it.

Strategy

1. Hire a consultant to evaluate the condition of the tank and determine what maintenance and repairs are needed to place it back into operation.
2. Consider using the tank in support of the water quality improvement project and for any other purposes.
3. Eliminate the tank if there are excessive maintenance and repair costs and there are no beneficial uses.
4. Water/Wastewater Committee to review this project.

Cost (Operating Budget)

Estimated cost to evaluate the tank is \$1,500 and funded by water rates.
Estimated cost to refurbish the tank (inside and out) is \$80,000.

Impact to monthly water rates is negligible.
No impact to monthly sewer rates.

Development impact is 0%.

Water Tanks

Goal #9

Issue

The District has six steel water tanks. They are inspected every 3-5 years and minor repairs are programmed in subsequent budgets. Tanks usually require rehabilitation every 20-30 years. Rehabilitation is defined as complete sandblasting and recoating of the interior and exterior of the tank, and repair or replacement of structural components and appurtenances.

Tank Number	Capacity (gallons)	Year Built	Last Major Maintenance	Next Major Maintenance	Cost Estimate
1	300,000	1959	1998	2018	\$100,000
2	500,000	1961	1992	None. Tank planned for removal.	
3	500,000	1965	2001	2021	\$150,000
4	80,000	1984	None	None, until future of tank is certain.	
5 A	1,000,000	1992	None	2012	\$200,000
5 B	1,000,000	1998	None	2018	\$300,000

Goal

Systematically inspect, repair, and rehabilitate steel water tanks to ensure their serviceability and longevity.

Strategy

1. Do not perform any major work on Tank #2 because it is planned for removal.
2. Do not perform any work on Tank #4 until its future is certain.
3. Inspect tanks every 3-5 years. Perform minor maintenance and repairs.
4. Plan to accomplish a rehabilitation project on each tank every 20 years.

Cost (Capital Budget)

No impact to monthly water rates.
No impact to monthly sewer rates.

Development impact is 0%.

PolyB 2-inch Blowoffs

Goal #10

Issue

Polybutylene (PolyB) is a form of plastic resin that was used extensively in the manufacture of water supply piping from 1978 until 1995.

The Field Crew determined that there were nine 2" blowoffs in areas of the village that were developed since the 1980s that were plumbed with PolyB pipe. With age, and particularly with contact with chlorinated water, PolyB pipe becomes very brittle, breaks easily, and cannot be repaired. The Field Crew has already replaced six PolyB 2" blowoffs; there are three left to replace.

[Several homes in the village are plumbed with PolyB 1" pipelines to their water meters. When these break, they cause little damage and they are relatively easy to fix. The Field Crew continues to replace them as they break.]

Goal

Replace all PolyB 2" blowoffs to improve water system reliability.

Strategy

1. Purchase and store all the necessary parts and materials.
2. Replace the three remaining PolyB 2" blowoffs by December 2005.
3. Gradually eliminate PolyB pipe throughout the District.

Cost (Operating Budget)

Estimated cost for replacing the existing connections to PolyB pipes is \$4,500 and funded from water rates.

Impact to monthly water rates is negligible.

No impact to monthly sewer rates.

Development impact is 0%.

Water Wells

Goal #11

Issue

The District owns and operates three water wells. We primarily use Wells 1B and 3B, which produce the best water. Well 3A water is higher in hardness, total dissolved solids (TDS), and organics (organics increase chlorine demand) so this well is designated as a standby well.

Wells consists of four basic components: well casing, pump column, pump, and motor. They are depreciated over a 10-year period. All three wells have stainless steel casings, and we rebuild pumps and motors about every 5 years, to extend their longevity. Wells can last 30+ years. For strategic planning purposes we assume we will have to replace the next well in 2016.

Well	Year Drilled
1B	1985
3A	1978
3B	1987

Goal

Plan to drill a new well in 2016 to replace one of the existing wells and maintain sufficient water production capacity to serve the village.

Strategy

1. Continue using Wells 1B and 3B as the primary sources of water and give priority to maintaining and repairing these wells.
2. Use Well 3A as a standby well.
3. Rebuild pumps and motors every 5 years to extend their longevity.
4. Ensure the District has sufficient reserve funds to replace at least one well in the next 20 years.

Cost (Capital Budget)

Estimated cost to drill a new well in 2016 is \$500K.

No impact to monthly water rates.
No impact to monthly sewer rates.

Development impact is 20%.

Site 2

Goal #12

Issue

Site 2 has two old wells and a 500,000-gallon tank on site. Both wells failed and were converted into observation wells. The tank was constructed in 1961 as a source of water storage and water pressure during the early development of Vandenberg Village. The District took the tank out of service in 1984 and has since been using it only for additional storage (rotating the water in the tank every 30-45 days). The tank was recoated in 1992, the last time any significant maintenance was performed at the site. Buildings, pumps, pipes, and other infrastructure throughout the site have aged and deteriorated into poor condition. Access to the site, a dirt road, is poor. Since the subsequent construction of two 1-million gallon tanks at Site 5, the need and benefit of the tank at Site 2 has diminished. There would be a one-time cost to remove the tank and infrastructure but it would save the District substantial recurring operations and maintenance costs over the long term.

Goal

Remove the 500,000-gallon water tank and associated infrastructure at Site 2 to reduce operations and maintenance expenses.

Strategy

1. Keep using the tank for water storage in the short term.
2. Perform minimal maintenance at the site.
3. Request proposals to remove the tank and achieve some cost reduction by selling the tank for reuse of scrap metal.
4. Water/Wastewater Committee to review this project.

Cost (Operating Budget)

Estimated cost to remove the tank and infrastructure is \$60,000.
This cost would be funded by water rates.

Maximum impact to monthly water rates is 12%.
No impact to monthly sewer rates.

Development impact is 0%.

Automatic Meter Readers

Goal #13

Issue

The Field Crew manually reads water meters once a month (2 men X 4 days X 6 hours = 48 man-hours per month). The Field Crew is standardizing the use of Rockwell and Metron meters, and is phasing in automatic meter reader (AMR) compatible meters to facilitate conversion in the future. Conversion would require installing a radio transmitter in each meter and purchasing new meter readers for the new technology. Converting to automatic meter readers would significantly reduce the labor requirement (1 man X 1 day X 6 hours = 6 man-hours).

The increase of 380 service connections from Providence Landing and Clubhouse Estates would likely require another utility service person on the Field Crew. Automatic meter readers would save approximately one-fourth of a man-year.

Goal

Automate the process for reading water meters to improve accuracy and efficiency, and give the Field Crew more time to operate and maintain facilities.

Strategy

1. Educate the public about the benefits and efficiencies of automated meter readers.
2. Staff to research AMR technology to determine which manufacturers best suit requirements and are compatible with computer systems.
3. If the District has not implemented automatic meter readers before 2008 (after Providence Landing and Clubhouse Estates are completed) reevaluate staffing level and workload to determine if additional staffing is warranted.

Cost (Operating and Capital Budgets)

Estimated cost for automatic meter readers is \$400,000.

[((\$150/meter X 2,500 meters) + \$25,000 for readers and software]

Cost to be funded by both water rates and water reserve funds.

Maximum impact to monthly water rates is 11%.

No impact to monthly sewer rates.

Development impact is 20%.

Vehicles & Equipment

Goal #14

Issue

The District owns and maintains a small vehicle and equipment fleet to support its operations. We generally plan on replacing pickup trucks and the sedan every 8-10 years and other items of equipment every 12-20 years. These timeframes are adjusted as necessary based on the use, condition, and importance of each item. This table lists our items and the years they are planned for replacement. The cost to replace assumes a 2% annual inflation factor.

Item	Model Year	Model	Purchase Price	Year Purchased	Due to Replace	Cost to Replace
Pickup Truck	1997	Ford F-250	\$22,972	1997	2006	\$30,000
Pickup Truck	1998	Ford F-250	\$23,265	1998	2007	\$30,000
Sewer Jetter	1996	Harben	\$35,431	1996	2008	\$50,000
Pickup Truck	2001	Dodge Ram	\$20,687	2001	2009	\$30,000
Sedan	2002	Ford Taurus	\$16,536	2002	2010	\$20,000
Dump Truck	1997	Ford F-800	\$41,118	1996	2011	\$60,000
Pickup Truck	2003	Dodge Dakota	\$16,765	2003	2011	\$30,000
Backhoe	1991	Case 580K	\$37,046	1991	2011	\$60,000

Goal

Systematically replace vehicles and equipment needed to support the District's operations.

Strategy

1. Purchase quality vehicles and maintain them.
2. Keep vehicles and equipment at least 8 years but no longer than 20 years.
3. Use the State Purchasing Program to purchase items at competitive prices.
4. Purchase Ford cars and trucks to standardize the fleet for the ease of operations, maintenance, and service.

Cost (Capital Budget)

Cost to be funded by water and wastewater reserve funds.

No impact to monthly water rates.
No impact to monthly sewer rates.

Development impact is 0%.

CalPERS Retirement Plan

Goal #15

Issue

The District participates in the California Public Employees Retirement System (CalPERS) but does not participate in social security. District employees are in the CalPERS *Local Miscellaneous* group for which five different retirement formulas are available. The District currently contracts for the **2% @ 55** benefit formula (the second lowest). Typically, public agencies that do not participate in social security offer one of the better benefit formulas. Neighbor cities recently upgraded to the second highest, **2.7% @ 55**, benefit formula: Santa Maria in 2002, and Lompoc in 2005.

A better retirement plan would make the District competitive within the northern Santa Barbara County job market. It will help the District recruit and retain quality employees.

The Governor is trying to fundamentally change the retirement system for public employees hired after January 1, 2007. The District needs to prepare for the possibility of funding and managing two separate retirement programs.

Goal

Provide a CalPERS retirement plan that attracts and retains quality employees.

Strategy

1. Continue participation in CalPERS. Do not participate in Social Security.
2. Evaluate costs associated with changing to the 2.7% @ 55 or other benefit formulas.
3. Consider the District's retirement benefit within the context of total compensation (Salary + Benefits = Total Compensation).
4. Legal/Personnel Committee to review this issue.

Cost (Operating Budget)

Retirement costs fluctuate annually depending on the performance of CalPERS investments.

Contracting for the 2.7% @ 55 would increase the annual cost for FY 2005-06 from 17% to 23% of salary, an increase of about \$35,000.

Maximum impact to monthly water rates is 2%.

Maximum impact to monthly sewer rates is 1%.

Development impact is 0%.

District Office

Goal #16

Issue

Park Water Company constructed the building that houses the District administration. It was never intended for use by a public agency and it lacks many of the necessities required by the District. The building is not rate-payer friendly and not conducive to allowing public use of the conference room after hours and on weekends. A public agency building should have a better layout for public access, a large conference room for public meetings, an information technology center (computer/printing room), a large fireproof vault/storage room for record retention, an employee break room out of public view, accessible restrooms, and have space for future growth.

Goal

Provide a larger office building to house District administrative staff and better serve the public.

Strategy

1. Educate rate-payers as to the requirement and benefit of a new building.
2. Evaluate District operations and needs associated with the building.
3. Consider the two alternatives of expanding the existing building and constructing a new building.
4. Search for available real estate to construct a new, larger facility.
5. Consider the possibility that VVCS and MHCS may consolidate in a future and constructing a new facility that could house a new, larger district.

Cost (Capital Budget)

Estimated cost to expand the existing building is \$50,000 - \$150,000

Estimated cost to construct a new, larger building is \$500,000 - \$1,000,000.

No impact to monthly water rates.

No impact to monthly sewer rates.

Development impact is 20%.