VANDENBERG VILLAGE
COMMUNITY SERVICES DISTRICT
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"Pride in Community Service"

Regular Board Meeting

MINUTES

Tuesday, August 4, 2026

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

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

2. ROLL CALL: Directors Gonzales, Heuring, and Stassi were present in person. Director Lamont was absent.

   Director Cox attended remotely in accordance with Government Code § 54953.8.3.(c)(4).

   OTHERS PRESENT

   Cynthia Allen, General Manager; Avery Griffin, Service Person; and Patricia LeCavalier, Financial Services Manager.

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 July the district pumped 47.7 million gallons with an average daily demand of 1.54 million gallons. That is 3% more than last July.

In July, Vandenberg Village had 0.3 inches of rainfall. The calendar year total is currently 6.62 inches. The district well levels for July were 1B – 143 feet, 3A – 135 feet, and 3B – 135 feet.

Service Person Griffin went on to report that in July the crew replaced a 6" saddle, two 1-inch copper service lines, two 1-inch poly B service lines, and two ¾ copper service lines. The crew also repaired two 12-inch main lines and one 2-inch service line.

Sancon completed the Manhole Rehabilitation Project on July 8. The district had no sewer overflows in July.

B. Administration

Financial Services Manager LeCavalier shared that while we had no staff anniversaries, General Manager Allen, Director Cox, and Brianna all had birthdays in July.

Our most recent investment earnings rates were reported to be at 3.72% for California CLASS, 3.74% for Mechanics Bank, and 3.84% for LAIF.

Ms. LeCavalier discussed the District's June PG&E bill, which was paid in July. The accounts for the District's wells make up over 90% of our electricity bill. These are considered commercial accounts with time-of-use rates. Typically, our wells do not consume electricity during Peak hours of 4-9 p.m. On June 11 & 12, all three wells were running during Peak hours. This increases the energy usage charges nominally. The Max Peak Demand charges are what make a significant difference. Demand charges are based on the maximum usage during any 15-minute period during that rate period, but used for the entire month. This caused our Max Peak Demand charge for the wells to increase from $6.25 for May to $16,876 for June. The total PG&E increase from May to June was $17,020.

Our July PG&E bill has not yet been released, but we should expect the bill to be higher as the usage has increased and there was usage during Peak hours on July 9, when the Well 1B pump was installed and put into service.

Director Gonzales thanked Financial Services Manager LeCavalier for the explanation.

C. General Manager

General Manager Allen reported that the second CalPERS PEPRA resolution was not included on this month's agenda due to a software failure at CalPERS. The program they use for the contract amendments was down for several weeks, and they are currently working to catch up. We are expected to have this paperwork in time for the September meeting.

We received no new ADU Can and Will Serve requests in July.

General Manager Allen went on to report that on Friday afternoon, PG&E struck our 12-inch water main on Constellation, causing a puncture in the line. Our field crew responded immediately and worked late Friday night to install a repair clamp. Unfortunately, when water service was restored, they discovered a hairline crack in the main, which required the water to remain off while additional repairs were planned. Early Saturday morning, the crew returned, and the repair was completed later that evening. Valve replacements completed several years ago at Constellation and Apollo Way/Burton Mesa allowed us to isolate the affected section. This limited the outage to a small portion of Constellation. Since PG&E had submitted a DigAlert and our water line was properly marked before excavation, we will be submitting a claim to PG&E to recover the costs associated with the damage and repairs.

Our permit application for the generator enclosure and carport remains under County review. It was reported that County staff have differing interpretations regarding where the additional square footage requires the need for a Development Plan and Final Development Permit. Staff is working closely with our planner to obtain a final determination and will provide an update once the County reaches a decision. In the meantime, staff is preparing the RFP documents so that we can move quickly to secure a general contractor as soon as the permit is approved.

On July 16, we experienced a disruption with our phone system that prevented us from receiving incoming calls for several hours. The disruption was traced to a malicious actor who gained access to our VoIP provider's external phone platform and spoofed phone numbers belonging to multiple customers, including our organization and the provider itself. Approximately 100 calls were made using our phone number. Incoming callers were redirected to a non-functioning prompt that requested an extension but did not complete the call. Our ability to make outgoing calls was not affected, and all call activity continued to be logged through our phone management portal. This allowed us to identify legitimate callers and return those calls. The provider's engineering team responded quickly, blocking all unauthorized access within a few hours and continuing remediation efforts overnight. Most importantly, this issue was isolated to the VoIP provider's external platform. Our internal network, systems, and data were not involved, accessed, or compromised in any way. The event occurred entirely outside of our environment, and there was no impact to the District's network security.

General Manager Allen went on to report that the FBI has recently issued alerts regarding an increase in cyberattacks targeting water and wastewater systems through programmable logic controllers (PLCs). The District has taken steps to protect the PLCs within our SCADA system. It was noted that we do not use the brand of PLCs identified in these incidents. Our PLCs are not directly connected to the internet and can only be accessed through a secure VPN that requires multiple layers of authentication. All of our default passwords have been replaced with strong, unique credentials, which only further strengthens our system security. These measures significantly reduce the District's exposure to this threat.

We recently received notice from Cal OES that the performance period for our cybersecurity grant has been extended from December 2026 to August 2027. The extension was granted in response to federal funding delays. These delays caused many grant recipients to postpone purchases until reimbursement funding was confirmed. General Manager Allen has submitted our extension request. This will provide the District with additional time to complete the planned cybersecurity initiatives while maintaining eligibility for reimbursement.

General Manager Allen researched compensation data reported to the State Controller's Office by California special districts in response to President Gonzales' inquiry regarding retirement benefits for board members. Of the 1,374 districts that submitted annual compensation reports for 2024, only nine of these districts provide defined-benefit retirement plans to their elected officials, covering a total of 32 participants statewide. Of these nine districts, three administer their own retirement plans, and six participate in CalPERS. If VVCSD were to extend CalPERS coverage to board members, they would receive the PEPRA benefit formula of 2% at age 62 and would need approximately two terms of service to become vested.

To conclude her report, General Manager Allen shared that she will be attending the CSDA Annual Conference in Palm Desert at the end of the month.

Director Gonzales inquired about the piles of dirt, asphalt, and parts left on our property from PG&E. Service Person Griffin stated that this is all from PG&E and they should be clearing it out soon. Director Gonzales was upset by the fact that PG&E never checked with the District for permission to use our property during their work and would like to see a nice, formal letter go out to PG&E regarding the matter.

Director Gonzales thanked Service Person Griffin and the field crew for their hard work Friday afternoon into Saturday evening repairing the 12-inch water main PG&E struck during their work.

Director Gonzales asked about the status of the Filter Rehabilitation Project. Financial Services Manager LeCavalier let the board know she has received the final invoice and is considering the project complete. The Finance Officer will review the data at a Finance/Budget Committee meeting.

Director Stassi asked General Manager Allen for a rough estimate of how many ADU units we currently have permitted. General Manager Allen said roughly 25 units from over the past few years.

6. CONSENT CALENDAR

   A. Minutes of the Regular Meeting on July 7, 2026

   B. Treasurer's Report

      1) Pro-forma Financial Statements as of June 30, 2026

      2) Schedule of Investments through June 30, 2026

      3) Disbursements through July 31, 2026

   C. Public Official Reimbursement Report

   D. Surplus Property

   There were no questions regarding the Consent Calendar.

   The following motion was made:

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

   Roll Call Vote:

   Ayes: **Directors Cox, Gonzales, Heuring, and Stassi**
   Noes: **None**
   Abstain: **None**
   Absent: **Director Lamont**

7. ACTION ITEMS

   A. **Ordinance Revision**: Introduce, waive reading of the revised Code of Ordinances, and set a public hearing for September 1, 2026.

   General Manager Allen explained that this is part one of the Ordinance adoption. This has been separated into two different Ordinances, as both are very involved.

   The Wastewater User Ordinance was discussed first. The City of Lompoc sent the District notice that this needed to be updated. General Manager Allen went through the checklist of requirements on page 53 of the board package and reported that the City is satisfied with the final draft. General Manager Allen noted that having protection in the Ordinance for the District was very important for her. The Ordinance states that the City of Lompoc does not have jurisdiction to come and inspect any of our customers.

Director Gonzales thanked General Manager Allen for the work she has put into this.

The second Ordinance is for the Water/Wastewater Capacity Charges. Director Stassi discussed the buy-in fees that are required for developers. Director Stassi referenced page 60 of the board package, which shows that the district is looking at an increase of 161 projected future services. Director Stassi explained how the buy-in fees are calculated, which is explained on page 61 of the board package. Director Stassi noted that these fees have all gone down, which is good for developers. General Manager Allen explained that these fees are now lower because the parcel on Tamarack, near site 5, is currently going through the development stages; so we now have a number we can put in.

Director Cox noted that she read the Wastewater Ordinance revision in its entirety and had taken a certification exam on these sorts of regulations at the end of last year. She stated that General Manager Allen did great work on this.

Director Heuring added that the Water/Wastewater Committee meeting at which this was discussed went very well, and everything was explained very clearly.

The following motion was made:

Motion by Director Heuring, seconded by Director Stassi, to waive reading of the revised Code of Ordinances and set a public hearing for September 1, 2026.

Ayes:	**Directors Cox, Gonzales, Heuring, and Stassi**
Noes:	**None**
Abstain:	**None**
Absent:	**Director Lamont**

B. **Strategic Plan**: Review draft strategic plan and adopt or provide direction to staff.

Director Gonzales shared that he and Director Cox met with General Manager Allen, Operations & Maintenance Manager Cole, and Financial Services Manager LeCavalier to review the Strategic Plan.

Director Gonzales stated that he believes it is important to have something that drives the District and gives direction. He believes the Strategic Plan gives staff the ability to perform their jobs with a sound foundation and guidance. Director Gonzales noted that the Strategic Plan was last updated in 2005 and commented on the importance of having this updated for ratepayers, the board, and staff.

Consultants were brought in to look at projects on the Strategic Plan. Director Gonzales believes the consultants gave guidance and steered the board in a way he found appropriate. The Strategic Plan then went to both the Water/Wastewater and Finance/Budget Committees. Each committee brought their findings back to the board. The Ad Hoc is now bringing the Strategic Plan back to the board.

Director Stassi stated that he believes everyone worked well to get caught up and get the Strategic Plan updated. He did comment on one of the recommendations for the Water and Wastewater Systems Evaluation, which recommended that these be budgeted as two separate projects, with the wastewater evaluation being conducted first and the water evaluation conducted at a later date. Director Stassi feels that these would be better to conduct together. If they do remain separate, he believes the water evaluation should be done first, as this is where we have big plans for the new well.

Director Cox noted that the wastewater evaluation was recommended to be completed first due to funding. The wastewater fund is healthy, and this evaluation could be conducted while determining how to fund the water side the following year. Director Cox does see the systems as being separate, but values Director Stassi's points made regarding the new well site.

General Manager Allen did comment that this is just the plan. Once this goes to the Finance/Budget Committee to discuss funding, they could decide whether or not to complete each evaluation together or separately.

Director Cox suggested taking out the funding timeline portion and approving the Strategic Plan without that specification.

The following motion was made:

Motion by Director Gonzales, seconded by Director Stassi, to adopt the 2026 Strategic Plan as edited.

Roll Call Vote:

Ayes:	**Directors Cox, Gonzales, Heuring, and Stassi**
Noes:	**None**
Abstain:	**None**
Absent:	**Director Lamont**

C. **Financial Policies:** Review and adopt revised Financial Policies.

Director Stassi reported that the Finance/Budget Committee reviewed the Financial Policies and is in agreement with what staff recommended.

Director Stassi suggested that once the District is no longer on the County Tax Roll, it would be wise to look at the reserve policies again. Director Stassi also commented on the concept of using the maximum and minimum, or targeted value. Director Stassi drew an example showing how the maximum and minimum are trigger points, and our target would be the median.

General Manager Allen commented that the Strategic Plan will need to be added to the Financial Policies, which can be seen on page 100 of the board package.

Director Stassi provided a handout which breaks down the structure of most Strategic Plans and explains how board members have the leading role in setting direction. Director Stassi's recommendation is to reword the first sentence on page 100 to state that the Board of Directors, rather than the District, shall prepare, adopt, and periodically update its Strategic Plan.

Director Gonzales had a question regarding the second paragraph on page 100 of the board package, questioning whether the Strategic Plan is driving the Capital Improvement Plan (CIP) or the other way around. General Manager Allen explained the hierarchy as the Strategic Plan, which feeds into the CIP; we then look at the projects for that year, and those go into the Capital Budget. The Strategic Plan is where you'll look at new Capital Improvements, new items that you're not doing regularly that will then be moved into the CIP, and from there they will go into the budget.

The following motion was made:

Motion by Director Stassi, seconded by Director Gonzales, to adopt the revised Financial Policies as edited.

Roll Call Vote:

Ayes:	**Directors Cox, Gonzales, Heuring, and Stassi**
Noes:	**None**
Abstain:	**None**
Absent:	**Director Lamont**

D. **Mitigated Negative Declaration**: Review and consider accepting the MND prepared by Meridian Consultants for the well site lease.

Director Heuring was pleased to hear that our plans for the well lease site would cause no significant environmental impact.

General Manager Allen explained that this will now be posted to the California Environmental Quality Act (CEQA) Clearinghouse for public comment for 30 days.

Director Gonzales asked if the $60K that has remained unspent for the project includes the $50K invoiced from Meridian. General Manager Allen clarified that the $50K has already been paid. We have $20K left on the contract with Meridian, which leaves us with $40K.

The following motion was made:

Motion by Director Heuring, seconded by Director Stassi, to receive the draft Initial Study/Mitigated Negative Declaration (IS/MND) prepared by Meridian Consultants and direct the General Manager to release the Draft IS/MND and Notice of Intent for a 30-day public review period.

Roll Call Vote:

Ayes:	**Directors Cox, Gonzales, Heuring, and Stassi**
Noes:	**None**
Abstain:	**None**
Absent:	**Director Lamont**

E. **Europa Loop**: Review the proposals received for the design of the project and select a consultant.

Director Heuring reported that the Water/Wastewater Committee recommended Option B for this project because it also includes the survey. Director Cox added that this would save staff time and effort from arranging the survey themselves. It would be more cost-effective to let the engineering group handle this part of the project as well.

Director Gonzales agrees that Option B is a good choice. He did ask if the limited construction support listed in Option A would be handled by the District. General Manager confirmed that staff feels confident these are tasks that could be handled in-house.

The following motion was made:

Motion by Director Heuring, seconded by Director Stassi, to award a contract to Wallace Group for Option B for professional engineering services to design the Europa Loop.

Roll Call Vote:

Ayes:	**Directors Cox, Gonzales, Heuring, and Stassi**
Noes:	**None**
Abstain:	**None**

Absent: Director Lamont

F. **Investments:** Review District's current investments and consider adding another.

Our District Ordinance states the Finance Officer is to recommend investment and reserve funds. Director Stassi shared that he had the benefit of Director Cox looking over this information with him as well as staff input.

The conclusion reached was to recommend diversifying from all variable-rate interest to fixed-interest investments. It was decided to invest 2 million with California CLASS Term Series II with a 12-month redemption. General Manager Allen shared a handout showing the interest rate is currently at 4.19%.

The following motion was made:

Motion by Director Stassi, seconded by Director Cox, to transfer $2 million into a California CLASS Term Series II account with a 12-month redemption taking $1 million from Mechanics Bank and $1 million from LAIF.

Roll Call Vote:

Ayes:	**Directors Cox, Gonzales, Heuring, and Stassi**
Noes:	**None**
Abstain:	**None**
Absent:	**Director Lamont**

8. REPORTS FROM DIRECTORS

A. Committees

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

Director Stassi reported Finance/Budget met on July 17 to discuss the reserve policy, financial policy, capital charges, rates and charges, and investments.

Staff provided an analysis for the committee that reflected a three-year rate increase; it will be just under a 20% total rate increase. Director Stassi noted that this is just an estimate at this time.

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

Director Gonzales reported that they did not meet.

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

Director Heuring reported that Water/Wastewater met on July 17. Everything discussed in that meeting is on today's agenda.

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

Director Stassi reported that no meeting has taken place in the last month.

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 Gonzales reported that the chapter meeting was last week on Monday, July 27. Ameresco, Inc. gave a presentation at the meeting.

The CSDA Annual Conference will start August 24 in Palm Desert. Director Gonzales, Director Stassi, and General Manager Allen will be attending.

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

Director Heuring had no report.

C. Board President – Director Gonzales

President Gonzales thanked the field crew and administration for their work during the 12-inch water main repair on Constellation. He thanked General Manager Allen for quickly informing the board of this incident.

President Gonzales informed the board that he and General Manager Allen met and discussed Lot 54. They also spoke about CalPERS and deferred compensation for the board. This would have to go through the process of funding through the Finance/Budget Committee. General Manager Allen will look into some of the costs associated with this as we get closer to speaking about budgets.

They also spoke about the disruption with our phone system. General Manager Allen assured Director Gonzales that although they were able to spoof our phone number, they did not have access to any sensitive or customer information. The Strategic Plan was also spoken about during their meeting.

9. INFORMATIONAL CORRESPONDENCE

A. **US Drought Monitor**: California, July 28, 2026

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

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

D. **VVCSD**: PG&E Production Costs, Fiscal Year 2025-26

E. **CSDA**: Voting Receipt – Seat C Coastal Network

10. DIRECTORS FORUM:

Director Cox expressed her gratitude to General Manager Allen for setting up the Zoom meeting and for the Directors allowing her to attend remotely. Since Director Cox was involved in so many of the action items tonight, she was grateful to attend.

Director Heuring commented on the email he had sent out to the Directors informing them that he will not be running for re-election. He commented that he has loved working on the Board.

11. ADJOURN

President Gonzales declared the meeting adjourned at 6:08 p.m.

Attest:	**Signed:**
Brianna Jennings **Secretary, Board of Directors**	**Richard Gonzales** **President, Board of Directors**