

VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT

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"Pride in Community Service"

MINUTES Special Meeting

May 26, 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, Lamont, and Stassi were present.

Director Cox arrived at 4:31 p.m.

OTHERS PRESENT

Cynthia Allen, General Manager; Jeff Cole, Operations and Maintenance Manager; and Patricia LeCavalier, Financial Services Manager.

Two members of the public were in attendance: Bill Kelly, 4097 Stardust; Mark Altshuler, 725 Mercury Avenue.

3. ADDITIONS AND DELETIONS TO THE AGENDA: None

4. PUBLIC FORUM

President Gonzales invited public comments, and there were none.

5. OPERATIONS REPORT

Operations and Maintenance Manager Cole reported that the district pumped 35.4 million gallons, with an average daily demand of 1.3

million gallons. This brings us close to last May's production.

Vandenberg Village received no rainfall in May, leaving the calendar-year total at 6.32 inches. The district's well levels for May were 1B – 140 feet, 3A – 135 feet, and 3B – 133 feet.

In May, the crew replaced two 1" angle stops, a 1" copper service line, and one 1" poly B service line. Sancon began lining manholes on May 11. They rehabilitated twenty-two manholes in two weeks. They will mobilize to begin work on the sewer line on June 1.

Mr. Cole reported that on May 19, we had our triannual California Water Boards Division of Drinking Water Sanitary Survey. The inspection went very well.

The District had no sewer overflows in May.

To conclude his report, Mr. Cole shared that Juan celebrated his 2nd anniversary with the District.

6. ADMINISTRATION REPORT

Financial Services Manager LeCavalier reported that our interim in-house audit visit has been rescheduled to June 8-9.

It was reported that the most recent investment earnings rates are: California CLASS at 3.69 percent, LAIF at 3.81 percent, and Mechanics Bank at 3.68 percent.

This morning, we received the City of Lompoc invoice for the annual State Revolving Fund loan payment of \$741,091. This invoice will be paid on May 28.

7. CONSENT CALENDAR

A. Minutes of the Regular Meeting on May 5, 2026

B. Treasurer's Report

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

(2) Disbursements through May 22, 2026

Director Stassi referenced the YTD Net Operating Income Water chart on page 18. It was noted that we're ahead by about \$350K, and this will help us have a nice year for Operating income.

Director Gonzales referenced page 29; check number 030648 for Crosno Construction. General Manager Allen confirmed that this was for the work they provided, and all work needed from them is now complete.

Director Gonzales referenced check number 030649 for the Filter Project Scada Programming. He wanted to verify if this was on the budget. General Manager Allen explained that this was on the expense budget.

The following motion was made:

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

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

Noes: None

Abstain: None

Absent: None

8. ACTION ITEMS

A. Meter Replacement Project

General Manager Allen reported that they have received a new quote for the Sonata meters; those prices can be found on page 34. It is slightly higher because the 1 ½ and 2-inch meters are more expensive.

Mr. Cole reached out for references on the Sonatas. He spoke with a General Manager in Knoxville, Tennessee, who shared that they have installed 10,000 Sonata meters in the past 4 years. They are

noticing an increase in revenue. They have 32,000 service connections and will be replacing all meters with the Sonata.

Director Gonzales asked when the installation could start. Operations and Maintenance Manager Cole said that as soon as he gets a purchase order, the meters can be ordered and start at the beginning of July.

After some discussion, the following motion was made:

Motion by Director Cox, seconded by Director Lamont, to approve the amendment of the FY 2025-26 Budget to issue a blanket purchase order to HydroPro Solutions for the purchase of AMR-compatible AML meters and to fund it with water reserves.

Roll Call Vote:

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

B. [PUBLIC HEARING] Capital Budgets

The Public Hearing was opened at 4:55 p.m.

Director Stassi referenced the Policy Implications on page 39, noting that our Financial Policies were updated in February and that we now have a policy that allows you to see how the Capital Improvement Plan (CIP) aligns with the budget.

Director Stassi reported that the Finance and Budget Committee began by reviewing last year's capital budget. The recommendation for water this year is \$354,350. It was noted that last year we were at \$912K and have been higher in previous years.

The Finance and Budget Committee imposed a restriction on staff, limiting each capital budget to \$500K over five years. Staff came back with a budget that had significant reductions. The Committee asked that the Wallace Group project for the Europa Loop be split into two elements: design this year and the actual cross-connection at Europa next year or in a future year.

Director Stassi went on to state that, on the wastewater side, the district had three large projects totaling around \$1.3 million last year. These projects are nearly completed, which allows us to go light on the wastewater budget. The Finance and Budget Committee expects to spend only \$221,850. Director Stassi referenced page 41, where you can see the staff's contribution, which shows how they track the Capital Budget with the CIP projects.

Director Stassi went on to say that after some discussion, the Finance and Budget Committee determined that a spending pause would not be in the best interest of the residents or businesses. The Committee instead recommended reducing the FY2026-27 water capital budget from \$539,350 to \$354,350.

Director Stassi noted that as the capital budget approval process moves forward, the board may choose to reinstate the construction of the Europa Loop, further reduce the FY 2026-27 budget, or implement a broader spending pause.

Director Gonzales wanted to clarify that the suggestion of a spending pause wasn't meant to be a complete or zero-spending pause, but a conservative pause. It was meant to take a step back and review the district's finances, including expenditures and reserves. Director Gonzales explained that his intent in pausing was to assess what was truly required and get our books in alignment.

Director Gonzales referenced page 41 and the three priorities discussed at the Strategic Plan meeting in January. Director Gonzales expressed concern about the Europa Loop project being moved to a different year, noting that we only have one line to that group of homes. General Manager Allen explained that the project

was zeroed out to fund the design; this will give staff a better number to put in and then bring back to the board. The project can then be reinstated if the board approves. A placeholder was left for the project, giving the board the option to approve it when they're ready.

Director Gonzales went on to discuss the excavator and whether the purchase would be money well spent. Mr. Cole explained the importance of the excavator and the convenience it gives the whole crew when they need to work in an area that won't fit the tractor. Otherwise, the crew would need to dig by hand. Relying on a rental can be a risk, as one may not always be readily available. Director Gonzales said he won't second-guess Mr. Cole's opinion on the need for this tool, and he appreciates him looking out for his crew.

After much discussion between the Board and staff, the following motion was made:

Motion by Director Stassi, seconded by Director Lamont, to adopt the Fiscal Year 2026-27 Capital Budget for the Water and Wastewater Enterprise Funds.

Roll Call Vote:

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

Noes: None

Abstain: None

Absent: None

The Public Hearing was closed at 5:27 p.m.

C. [PUBLIC HEARING] Operating Budgets

The Public Hearing was opened at 5:27 p.m.

Director Cox started her report by stating that the staff has done a great job in outlining the Operating Budget. It's very similar to last

year's, with some minor increases that are laid out very well in the resource impacts.

Director Cox referenced page 56 and the recommended rate increases. She commented that these are still relatively moderate, considering inflation. This encapsulates the cost-of-living adjustment and is very similar to last year's budget. On pages 54 and 55, those increases are clearly outlined by the staff.

Director Gonzales had a question on page 54 regarding SGMA's potential cash call for projects and grant administration. General Manager Allen confirmed this is not grant-dependent. The payback will be from the rates now that they have a rate structure and are receiving money through extraction fees.

Director Gonzales referenced the tentative rate increases on page 56 and the Lompoc Regional Wastewater Reclamation Plant (LRWRP) Upgrade Charges. The current LRWRP charges are at \$361.44 per year. Staff recommended reducing the LRWRP charge for FY 2026-27 by 75 percent, bringing it to \$271.08. Director Stassi shared that he had previously spoken with General Manager Allen about making a motion to reduce the LRWRP charge by 50 percent for the coming year, bringing it to \$180.72 annually.

Director Gonzales then referenced the "Administrative and General" section on page 61. He asked whether \$5,000 for legal counsel was still sufficient or if we should raise the amount. General Manager Allen believes \$5,000 is enough.

The following motion was made:

Motion by Director Cox, seconded by Director Lamont, to amend the LRWRP budget to collect revenue at 50 percent of the adopted rate for Fiscal Year 2026-27, to adopt the amended FY 2026-27 Operating Budget for the Water and Wastewater Enterprise Funds, which includes a 2.6 percent cost-of-living salary increase for all employees effective July 1, 2026, and approve FY 2026-27 Administrative Overhead Fee of 19.56 percent.

Roll Call Vote:

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

Noes: None

Abstain: None

Absent: None

The Public Hearing was closed at 5:49 p.m.

D. Resolution 239-26

Director Gonzales read Resolution 239-26. Resident Mark Altshuler questioned whether this resolution should be adopted. Director Gonzales stated that he will push to have the LRWRP charge removed entirely. General Manager Allen explained that the LRWRP charge has an end date of 2029 because it is tied to our State Revolving Fund loan.

The following motion was made:

Motion by Director Stassi, seconded by Director Cox, to adopt Resolution 239-26 to continue collecting Lompoc Regional Wastewater Reclamation Plant (LRWRP) Upgrade charges on the annual county tax roll for Tax Year 2026-27 at 50 percent of the previous amount.

Roll Call Vote:

Ayes: Directors Cox, Heuring, and Stassi

Noes: Director Gonzales

Abstain: Director Lamont

Absent: None

E. Leave93436.org

James Lamont presented a report on behalf of Leave93436.org regarding the status of the organization's goals. He reported that the City of Lompoc has an active Sphere of Influence (SOI)

expansion proposed for Santa Barbara County LAFCO. This would extend Lompoc's planning authority north of the Santa Ynez River into Vandenberg Village and the surrounding communities.

If the expansion were approved, it would give Lompoc the legal planning footprint over our community without the residents' votes. Mr. Lamont stated that the annexation typically follows SOI expansion. Leave93436.org is trying to interrupt that sequence of events. Mr. Lamont supplied board members with an NOI (Notice of Intent) package.

The board requested that staff reach out for legal counsel on the matter and revisit this at the July meeting.

9. REPORTS

A. Committees

No committees met.

B. District Representatives to External Agencies

Director Stassi reported that SGMA will be meeting tomorrow at 2:00 p.m.

C. Board President

Director Gonzales shared that he met with General Manager Allen on May 22 to discuss the board package and the possibility of a presentation from Leave93436.org.

D. General Manager

General Manager Allen reported that there were no new ADU Can and Will Serve requests. We did receive the plans for the one pending request and are currently evaluating the project.

The soils report that was required for our generator project has been received, and the results indicate that we can proceed as

planned. Our engineer is completing our permit application with the county.

Crystal Lynn from California CLASS visited General Manager Allen last week and shared information about a new product they are offering. The TERM Series II is a pooled investment that works like a CD. You lock in a rate by locking in the number of months you would like to invest. As of today, the two-month maturity rate is 3.61 percent, and the twelve-month maturity rate is 3.89 percent. Financial Services Manager LeCavalier previously reported that, as of last Friday, our current CLASS investment was 3.69 percent.

General Manager Allen provided this information to our Finance Director, and they're considering a Finance/Budget Committee meeting this summer to review investments. The committee would also like to look at Five Star Bank as an additional investment pool.

General Manager Allen shared that Doctor Blair's funeral will be held at Valley of the Flowers Church on Saturday, May 30, 2026, at 11:00 a.m. To conclude her report, General Manager Allen informed the board that she will be out of the office the week of June 22.

Director Gonzales had a question regarding the status of the proposed well sites. General Manager Allen let him know that we are still waiting for Meridian to complete the Mitigated Negative Declaration. She will reach out to Meridian for an update.

10. INFORMATIONAL CORRESPONDENCE

- A. **US Drought Monitor:** California, May 19, 2026
- B. **VVCSD:** Water Pumped vs Sold, 12 months
- C. **VVCSD:** Well Soundings, 12 months

11. DIRECTORS' FORUM

Director Cox wanted to mention that, as we keep discussing the Europa Loop, she hopes the staff has some input on planning the new developments to avoid a similar issue. General Manager Allen stated that we do sign off on the plans.

Director Stassi stated that the next time the Finance/Budget Committee meets, they should revisit the plant reserve policy.

12. CLOSED SESSION

Public Employee Performance Evaluation (Gov't Code § 54957)
Title: General Manager

The Directors convened a closed session at 6:51 p.m.

13. OPEN SESSION

The Directors reconvened into open session at 7:09 p.m.

The following action was taken upon return from the closed session:

Motion by Director Gonzales, seconded by Director Lamont, to approve a one-time bonus of \$7,000 for the General Manager, effective immediately.

Roll Call Vote:

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

14. ADJOURN

President Gonzales declared the meeting adjourned at 7:10 p.m.

Attest:

Signed:

Brianna Jennings
Secretary, Board of Directors

Richard Gonzales
President, Board of Directors