



Mosquito and Vector Management District of Santa Barbara County

Environmental Management of Human Disease Vectors

TRUSTEES (TERM ENDING):

President Teri Jory, City of Santa Barbara (1/4/23)

Vice-President Adam Lambert, Santa Barbara County
(12/31/22)

Secretary Bob Williams, Santa Barbara County
(12/31/22)

Charles Blair, Santa Barbara County (12/8/23)

Craig Geyer, City of Goleta (1/1/24)

Cathy Schlottmann, Santa Barbara County (12/8/23)

Joe Franken, City of Carpinteria (1/31/23)

Vacant, Santa Barbara County

Persons with disabilities who require any disability-related modification or accommodation, including auxiliary aids or services, in order to participate in the meeting are asked to contact the District's General Manager prior to the meeting by telephone at (805) 969-5050 or by email at gm@mvmddistrict.org.

REGULAR MEETING OF THE BOARD OF TRUSTEES

CONSISTENT WITH ASSEMBLY BILL 361, THE BOARD MEETING WILL BE HELD BY REMOTE CONFERENCING. MEMBERS OF THE PUBLIC WHO WISH TO OBSERVE THE MEETING AND/OR OFFER PUBLIC COMMENT CAN ACCESS THE MEETING BY USING THE FOLLOWING LINK: <https://us02web.zoom.us/j/86055467314> (MEETING ID: **860 5546 7314**; PASSCODE: **186375**; DIAL IN FOR AUDIO ONLY: +1-408-638-0968

JULY 14, 2022, 2:00 PM

AGENDA

1. ROLL CALL

2. CONFIRMATION OF AGENDA

3. STAFF ANNOUNCEMENTS regarding District business

4. PUBLIC COMMENT. Time reserved for the public to address the Board of Trustees relative to matters of District business not on the agenda. Comment time regarding specific agenda items will be available during consideration of the particular agenda items.

5. ITEMS OF GENERAL CONSENT. The following items can be approved by a single action of the Board. Items requiring additional discussion may be withdrawn from the listing and addressed in separate actions. (See attachments for each.)

- A. Approval of the Minutes of the June 9, 2022 special meeting (Page 3)
- B. Approval of the June Financial Statements for County Fund 4160 (Page 6)
- C. Approval of the June Disbursement Report (Page 11)
- D. Approval of the June Disease Surveillance Report (Page 18)
- E. Approval of the June District Operations Report (Page 21)

6. OLD BUSINESS. The Board will discuss and may take action on the following items:

- A. Accounts receivable contracts' status (5909 Misc. Revenue) (Page 22)
- B. Consider and approve method for adding compensation to contracts due to rising gasoline costs. (Page 23)

7. NEW BUSINESS. The Board will discuss and may take action on the following items:

- A.** Consider and approve Resolution 22-13: "A Resolution of the Board of Trustees of the Mosquito and Vector Management District of Santa Barbara County Authorizing Continuation of Remote Teleconferencing Meetings of the District's Legislative Bodies Pursuant to Government Code Section 54953(e)". (Page 26)
- B.** Public hearing to consider resolution approving Engineer's Report and ordering the levy of assessments for fiscal year 2022-23.
- C.** Consider and approve Resolution 22-14 approving the Engineer's Report and continuation of the assessments for fiscal year 2022-23, for service zones no. 1 and no. 2 mosquito and disease control assessments (Page 28)
 - Staff report recommending the continuation of assessments for fiscal year 2022-2023 (Page 83)
- D.** Consider and approve understanding of services provided by Moss, Levy and Hartzheim for conducting the District's audit and associated services for the fiscal year ended June 30, 2022. (Page 86).
- E.** Discuss and approve pay raise for Administrative Assistant Jessica Sprigg
- F.** Discuss and decide on the method for making contributions to OPEB-CERBT. (Page 91) Lump sum vs. monthly payments.
- G.** Discuss and consider funding for depreciation
- H.** Review and approve roll-forward valuation for measurement date 6/30/2021 (Page 92)
- I.** Discussion and selection of an actuarial consultant for actuarial services. (Page 122)
- J.** Reschedule the August 11 Board meeting and set a new date for that meeting
General Manager Cabrera will be out of the office through August 15.
- K.** Schedule a special meeting to approve a resolution authorizing continuation of remote teleconferencing meetings of the District's legislative bodies.
Meeting must be held on or before August 13.
- L.** Consider and select an insurer for providing District-sponsored life insurance, as agreed upon in the current MOU between the Mosquito and Vector Management District of Santa Barbara Employees Association and the MVMDSBC (Page 134)
 - a. Presentation by Alana Little, Health Benefits Manager SDRMA (Special District Risk Management Authority)
 - b. Presentation by Aflac District Manager Stephen Hardy
- M.** Consider and approve Resolution 22-15: "A Resolution in Memoriam by the Mosquito & Vector Management District of Santa Barbara County in Appreciation of and Honoring Cathy Schlottmann for Her Dedicated Public Service to Special Districts, Especially as a Trustee for the Mosquito & Vector Management District of Santa Barbara County". (Page 147)

8. GENERAL MANAGER'S REPORT (Page 148)

9. BOARD ANNOUNCEMENTS

10. ADJOURNMENT (The next meeting is scheduled for Thursday, August 11, 2022.)

**MOSQUITO AND VECTOR MANAGEMENT DISTRICT
of Santa Barbara County
MINUTES OF SPECIAL MEETING OF TRUSTEES
June 9th, 2022**

The special meeting of the Board of Trustees of the Mosquito and Vector Management District of Santa Barbara County was held at 2:00 PM, on Thursday, June 9th, 2022 via teleconference as allowed by California AB 361.

1. ROLL CALL.

TRUSTEES PRESENT:

President Teri Jory
Vice-President Adam Lambert
Secretary Robert Williams
Trustee Charlie Blair
Trustee Craig Geyer
Trustee Joe Franken

TRUSTEES ABSENT:

Trustee Cathy Schlottmann

IN ATTENDANCE:

Brian Cabrera, General Manager
Jessica Sprigg, Administrative Assistant
Carrie Troup, CPA
Bill Morton, Municipal Finance Corporation
Charlotte Holifield, CSDA

2. CONFIRMATION OF AGENDA

-GM Cabrera requested that Item 7B be discussed following Public Comment. There were no objections.

3. STAFF ANNOUNCEMENTS regarding District business.

-Trustees that are due for training have been notified.

4. PUBLIC COMMENT –

-None.

7. NEW BUSINESS

B. Presentations from Charlotte Holifield, Coastal Network Public Affairs Coordinator for The California Special District Association on CSDA Services and Bill Morton, President of Municipal Finance Corporation and Consultant for CSDA Finance Corporation, on Financing for Capital Improvements and Other Large-Scale Projects and Purchases.

-Charlotte Holifield discussed the lobbying efforts and professional development/networking opportunities provided by CSDA. Bill Morton spoke about the benefits of utilizing CSDA financing services for District facilities/projects.

5. ITEMS OF GENERAL CONSENT. The following items are approved by a single action of the Board. Items requiring additional discussion may be withdrawn from the listing and approved in a separate action.

- A. Approval of the Minutes of the May 18, 2022 special meeting
 - B. Approval of the April Financial Statements for County Fund 4160
 - C. Approval of the April Disbursement Report
 - D. Approval of the April Disease Surveillance Report
 - E. Approval of the April District Operations Report
- Trustee Geyer made a motion to approve the Items of General Consent following discussion. Motion seconded by Vice-President Lambert and passed 6-0-0 by roll call vote.*

6. OLD BUSINESS

- A. Accounts receivable contracts' status (5909 Misc. Revenue)
-Mosquito Management Plans are being submitted for the contracts which are up for renewal.
- B. Discuss strategies for implementing a gas surcharge to contract services.
-Board discussed the inclusion of a fuel surcharge for contract work based on the significant increase in gas costs over previous years, which is not in line with the proposed increase to benefit assessment rates.

7. NEW BUSINESS

- A. Consider and approve Resolution 22-11: "A Resolution of the Board of Trustees of the Mosquito and Vector Management District of Santa Barbara County Authorizing Continuation of Remote Teleconferencing Meetings of the District's Legislative Bodies Pursuant to Government Code Section 54953(e)".
-Secretary Williams made a motion to adopt Resolution 22-11 and read by title only. Motion seconded by Trustee Geyer and passed 6-0-0 by roll call vote.
- B. Presentations from Charlotte Holifield, Coastal Network Public Affairs Coordinator for The California Special District Association on CSDA Services and Bill Morton, President of Municipal Finance Corporation and Consultant for CSDA Finance Corporation, on Financing for Capital Improvements and Other Large-Scale Projects and Purchases.
-Discussed following Public Comment.

8. MANAGER'S REPORT

-CSDA representative Charlotte Holifield organized a meeting between local special district managers and State Senator Monique Limon to bring her attention to the important work done by special districts.

9. BOARD ANNOUNCEMENTS

-None.

10. ADJOURNMENT

As there was no further business to be brought before the Board, the meeting was adjourned.

I certify that the above minutes substantially reflect the actions of the Board:

BY:

APPROVED:

Teri Jory
Board President

Robert Williams
Board Secretary

Financial Status (Real-Time)

As of: 6/30/2022 (100% Elapsed)
Accounting Period: OPEN

Selection Criteria: Fund = 4160

Layout Options: Summarized By = Fund, LineItemAccount; Page Break At = Fund

Fund 4160 -- Mosquito & Vector Mgt District

Line Item Account	6/30/2022 Fiscal Year Adjusted Budget	6/30/2022 Year-To-Date Actual	6/30/2022 Fiscal Year Variance	6/30/2022 Fiscal Year Pct of Budget
Revenues				
Taxes				
3010 -- Property Tax-Current Secured	460,000.00	489,718.82	29,718.82	106.46 %
3011 -- Property Tax-Unitary	6,900.00	7,482.28	582.28	108.44 %
3015 -- PT PY Corr/Escapes Secured	0.00	-31.38	-31.38	--
3020 -- Property Tax-Current Unsecd	18,000.00	17,945.15	-54.85	99.70 %
3023 -- PT PY Corr/Escapes Unsecured	0.00	772.68	772.68	--
3028 -- RDA Pass-through Payments	4,400.00	6,282.04	1,882.04	142.77 %
3029 -- RDA RPTTF Resid Distributions	7,800.00	11,292.08	3,492.08	144.77 %
3040 -- Property Tax-Prior Secured	0.00	-64.42	-64.42	--
3050 -- Property Tax-Prior Unsecured	2,400.00	581.43	-1,818.57	24.23 %
3054 -- Supplemental Pty Tax-Current	8,800.00	17,498.91	8,698.91	198.85 %
3056 -- Supplemental Pty Tax-Prior	100.00	-135.54	-235.54	-135.54 %
Taxes	508,400.00	551,342.05	42,942.05	108.45 %
Fines, Forfeitures, and Penalties				
3057 -- PT-506 Int, 480 CIOS/CIC Pen	0.00	18.07	18.07	--
Fines, Forfeitures, and Penalties	0.00	18.07	18.07	--
Use of Money and Property				
3380 -- Interest Income	13,000.00	4,747.16	-8,252.84	36.52 %
3381 -- Unrealized Gain/Loss Invstmnts	-4,488.00	-42,699.01	-38,211.01	951.40 %
Use of Money and Property	8,512.00	-37,951.85	-46,463.85	-445.86 %
Intergovernmental Revenue-State				
4220 -- Homeowners Property Tax Relief	2,250.00	2,165.80	-84.20	96.26 %
Intergovernmental Revenue-State	2,250.00	2,165.80	-84.20	96.26 %
Intergovernmental Revenue-Other				
4840 -- Other Governmental Agencies	15,000.00	16,581.60	1,581.60	110.54 %

Financial Status (Real-Time)

As of: 6/30/2022 (100% Elapsed)
Accounting Period: OPEN

Selection Criteria: Fund = 4160

Layout Options: Summarized By = Fund, LineItemAccount; Page Break At = Fund

Fund 4160 -- Mosquito & Vector Mgt District

Line Item Account	6/30/2022 Fiscal Year Adjusted Budget	6/30/2022 Year-To-Date Actual	6/30/2022 Fiscal Year Variance	6/30/2022 Fiscal Year Pct of Budget
4842 -- RDA Dissolution Proceeds	0.00	1,369.58	1,369.58	--
Intergovernmental Revenue-Other	15,000.00	17,951.18	2,951.18	119.67 %
Charges for Services				
4877 -- Other Special Assessments	648,425.00	649,699.83	1,274.83	100.20 %
Charges for Services	648,425.00	649,699.83	1,274.83	100.20 %
Miscellaneous Revenue				
5891 -- Refunds/Repayments	0.00	20,232.72	20,232.72	--
5909 -- Other Miscellaneous Revenue	120,000.00	116,366.89	-3,633.11	96.97 %
Miscellaneous Revenue	120,000.00	136,599.61	16,599.61	113.83 %
Revenues	1,302,587.00	1,319,824.69	17,237.69	101.32 %
Expenditures				
Salaries and Employee Benefits				
6100 -- Regular Salaries	489,000.00	435,139.00	53,861.00	88.99 %
6210 -- Commissioner/Director/Trustee	10,000.00	8,800.00	1,200.00	88.00 %
6400 -- Retirement Contribution	173,595.00	169,681.72	3,913.28	97.75 %
6475 -- Retiree Medical OPEB	21,000.00	6,602.87	14,397.13	31.44 %
6500 -- FICA Contribution	30,318.00	27,589.12	2,728.88	91.00 %
6550 -- FICA/Medicare	7,580.00	6,452.30	1,127.70	85.12 %
6600 -- Health Insurance Contrib	149,000.00	140,460.41	8,539.59	94.27 %
6700 -- Unemployment Ins Contribution	2,500.00	835.80	1,664.20	33.43 %
6900 -- Workers Compensation	23,000.00	20,492.00	2,508.00	89.10 %
Salaries and Employee Benefits	905,993.00	816,053.22	89,939.78	90.07 %
Services and Supplies				
7030 -- Clothing and Personal	6,900.00	4,959.19	1,940.81	71.87 %
7050 -- Communications	6,800.00	6,242.42	557.58	91.80 %

Financial Status (Real-Time)

As of: 6/30/2022 (100% Elapsed)
Accounting Period: OPEN

Selection Criteria: Fund = 4160

Layout Options: Summarized By = Fund, LineItemAccount; Page Break At = Fund

Fund 4160 -- Mosquito & Vector Mgt District

Line Item Account	6/30/2022 Fiscal Year Adjusted Budget	6/30/2022 Year-To-Date Actual	6/30/2022 Fiscal Year Variance	6/30/2022 Fiscal Year Pct of Budget
7070 -- Household Supplies	3,200.00	2,886.94	313.06	90.22 %
7090 -- Insurance	19,000.00	18,836.00	164.00	99.14 %
7120 -- Equipment Maintenance	7,300.00	6,051.23	1,248.77	82.89 %
7121 -- Operating Supplies	9,000.00	11,032.39	-2,032.39	122.58 %
7124 -- IT Software Maintenance	7,000.00	7,331.53	-331.53	104.74 %
7200 -- Structure & Ground Maintenance	6,000.00	1,235.86	4,764.14	20.60 %
7430 -- Memberships	18,000.00	16,063.00	1,937.00	89.24 %
7450 -- Office Expense	6,000.00	4,023.10	1,976.90	67.05 %
7460 -- Professional & Special Service	63,000.00	57,181.57	5,818.43	90.76 %
7508 -- Legal Fees	15,000.00	17,018.38	-2,018.38	113.46 %
7546 -- Administrative Expense	11,000.00	9,568.00	1,432.00	86.98 %
7650 -- Special Departmental Expense	82,000.00	82,321.17	-321.17	100.39 %
7653 -- Training Fees & Supplies	6,000.00	1,429.00	4,571.00	23.82 %
7730 -- Transportation and Travel	5,000.00	1,349.41	3,650.59	26.99 %
7731 -- Gasoline-Oil-Fuel	9,600.00	10,530.39	-930.39	109.69 %
7732 -- Training	0.00	0.00	0.00	--
7760 -- Utilities	4,800.00	4,094.83	705.17	85.31 %
Services and Supplies	285,600.00	262,154.41	23,445.59	91.79 %
Other Charges				
7860 -- Contrib To Other Agencies	55,000.00	100,360.00	-45,360.00	182.47 %
Other Charges	55,000.00	100,360.00	-45,360.00	182.47 %
Capital Assets				
8200 -- Structures&Struct Improvements	10,000.00	0.00	10,000.00	0.00 %
8300 -- Equipment	60,000.00	0.00	60,000.00	0.00 %
Capital Assets	70,000.00	0.00	70,000.00	0.00 %
Expenditures	1,316,593.00	1,178,567.63	138,025.37	89.52 %

Financial Status (Real-Time)

As of: 6/30/2022 (100% Elapsed)
Accounting Period: OPEN

Selection Criteria: Fund = 4160

Layout Options: Summarized By = Fund, LineItemAccount; Page Break At = Fund

Fund 4160 -- Mosquito & Vector Mgt District

Line Item Account	6/30/2022 Fiscal Year Adjusted Budget	6/30/2022 Year-To-Date Actual	6/30/2022 Fiscal Year Variance	6/30/2022 Fiscal Year Pct of Budget
Other Financing Sources & Uses				
Other Financing Sources				
5911 -- Oper Trf (In)-Other Funds	30,337.00	0.00	-30,337.00	0.00 %
Other Financing Sources	30,337.00	0.00	-30,337.00	0.00 %
Other Financing Uses				
7901 -- Oper Trf (Out)	16,819.00	17,000.00	-181.00	101.08 %
Other Financing Uses	16,819.00	17,000.00	-181.00	101.08 %
Other Financing Sources & Uses	13,518.00	-17,000.00	-30,518.00	-125.76 %
Changes to Fund Balances				
Decrease to Restricted				
9797 -- Unrealized Gains	488.00	487.48	-0.52	99.89 %
Decrease to Restricted	488.00	487.48	-0.52	99.89 %
Changes to Fund Balances	488.00	487.48	-0.52	99.89 %
Mosquito & Vector Mgt District	0.00	124,744.54	124,744.54	--
Net Financial Impact	0.00	124,744.54	124,744.54	--

Cash Balances (Real-Time)

As of: 6/30/2022
Accounting Period: OPEN

Selection Criteria: Fund = 4160-4161

Layout Options: Summarized By = Fund; Page Break At = Fund

Fund	6/1/2022 Beginning Balance	Month-To-Date Cash Receipts (+)	Month-To-Date Treasury Credits (+)	Month-To-Date Warrants and Wire Transfers (-)	Month-To-Date Treasury Debits (-)	6/30/2022 Ending Balance
4160 -- Mosquito & Vector Mgt District	1,882,218.65	0.00	51,554.36	52,613.65	82,663.64	1,798,495.72
4161 -- SB Vector-Cap Asset Reserve	629,199.93	0.00	0.00	0.00	0.00	629,199.93
Total Report	2,511,418.58	0.00	51,554.36	52,613.65	82,663.64	2,427,695.65

Vendor Disbursements (Real-Time)

From 6/1/2022 to 6/30/2022

Selection Criteria: Fund = 4160

Layout Options: Summarized By = Fund, Vendor; Page Break At = Fund

Fund 4160 -- Mosquito & Vector Mgt District

Disbursement	Disbursement Date	Dept	Purchase Order	Remit Description	Amount
Vendor 003551 -- VECTOR-BORNE SURVEILLANCE ACCOUNT					
W - 09783554	06/06/2022	880		Vendor Account:	692.00
				Total VECTOR-BORNE SURVEILLANCE ACCOUNT	692.00
Vendor 005979 -- CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM					
W - 09784123	06/16/2022	880		PEB-1	2,310.00
				Total CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	2,310.00
Vendor 006215 -- US BANK CORPORATE PAYMENT SYSTEM					
ACH - 762756	06/07/2022	880		Vendor Account:	5,101.62
				Total US BANK CORPORATE PAYMENT SYSTEM	5,101.62
Vendor 008116 -- HOWELL MOORE & GOUGH LLP					
W - 09783903	06/14/2022	880		Vendor Invoice #: 44211; Vendor Account:	138.00
				Total HOWELL MOORE & GOUGH LLP	138.00
Vendor 009136 -- TECHEASE COMPUTER SOLUTIONS LLC					
W - 09784126	06/16/2022	880		Vendor Invoice #: 44518; Vendor Account:	1,818.13
				Total TECHEASE COMPUTER SOLUTIONS LLC	1,818.13
Vendor 050379 -- ADP INC					
EFT	06/01/2022	880		Vendor Invoice #: 603100920	409.60
EFT	06/10/2022	880		Vendor Invoice #: 607451944	654.50
				Total ADP INC	1,064.10
Vendor 086415 -- CITY EMPLOYEES ASSOC LLC					
ACH - 762783	06/07/2022	880		UNION DUES	48.00
ACH - 764757	06/22/2022	880		UNION DUES	48.00
				Total CITY EMPLOYEES ASSOC LLC	96.00
Vendor 101532 -- STREAMLINE					
W - 09783571	06/06/2022	880		Vendor Invoice #: 051D17E0-0020	200.00
				Total STREAMLINE	200.00

Vendor Disbursements (Real-Time)

From 6/1/2022 to 6/30/2022

Selection Criteria: Fund = 4160

Layout Options: Summarized By = Fund, Vendor; Page Break At = Fund

Fund 4160 -- Mosquito & Vector Mgt District

Disbursement	Disbursement Date	Dept	Purchase Order	Remit Description	Amount
Vendor 127495 -- VESERIS					
ACH - 762253	06/02/2022	880		Vendor Invoice #: IN-0501021; Vendor Account:	16,107.34
				Total VESERIS	16,107.34
Vendor 132153 -- MVCAC MOSQUITO & VECTOR CONTROL ASSOC OF CA					
W - 09784532	06/23/2022	880		Vendor Invoice #: 7363255	418.00
				Total MVCAC MOSQUITO & VECTOR CONTROL ASSOC OF CA	418.00
Vendor 194683 -- Allied Administrators for Delta Dental					
ACH - 762806	06/07/2022	880		ID #	871.83
				Total Allied Administrators for Delta Dental	871.83
Vendor 246891 -- MISSION LINEN SUPPLY					
ACH - 762677	06/06/2022	880		Vendor Account:	373.96
				Total MISSION LINEN SUPPLY	373.96
Vendor 252027 -- Educated Car Wash					
ACH - 763267	06/13/2022	880		Vendor Invoice #: 922	19.95
				Total Educated Car Wash	19.95
Vendor 346888 -- CARRIE TROUP CPA					
ACH - 764525	06/21/2022	880		Vendor Invoice #: 0622V	2,325.00
				Total CARRIE TROUP CPA	2,325.00
Vendor 522736 -- McCormix Corporation					
ACH - 762454	06/03/2022	880		Vendor Account:	1,222.30
				Total McCormix Corporation	1,222.30
Vendor 551710 -- ADAPCO INC					
ACH - 762302	06/02/2022	880		Vendor Invoice #: 131479; Vendor Account:	4,741.00
				Total ADAPCO INC	4,741.00
Vendor 556712 -- MONTECITO WATER DISTRICT					
ACH - 764555	06/21/2022	880		Vendor Account:	61.68

Vendor Disbursements (Real-Time)

From 6/1/2022 to 6/30/2022

Selection Criteria: Fund = 4160

Layout Options: Summarized By = Fund, Vendor; Page Break At = Fund

Fund 4160 -- Mosquito & Vector Mgt District

Disbursement	Disbursement Date	Dept	Purchase Order	Remit Description	Amount
				Total MONTECITO WATER DISTRICT	61.68
Vendor 564677 -- MOSS LEVY & HARTZHEIM					
W - 09784190	06/16/2022	880		Vendor Invoice #: 32421; Vendor Account:	1,000.00
				Total MOSS LEVY & HARTZHEIM	1,000.00
Vendor 648390 -- CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM					
ACH - 762717	06/06/2022	880		Vendor Invoice #: 100000016807719; Vendor Account: 1	11,120.14
ACH - 764873	06/22/2022	880		Vendor Invoice #: 100000016836436; Vendor Account: 1	11,120.14
				Total CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	22,240.28
Vendor 710175 -- STATE/FEDERAL TAXES & DIRECT DEPOSITS					
EFT	06/02/2022	880		Vendor Account:	17,438.10
EFT	06/16/2022	880		Vendor Account:	17,438.10
EFT	06/30/2022	880		Vendor Account:	16,673.35
				Total STATE/FEDERAL TAXES & DIRECT DEPOSITS	51,549.55
Vendor 740582 -- BIG GREEN CLEANING COMPANY					
ACH - 763691	06/14/2022	880		Vendor Invoice #: 587512; Vendor Account:	83.94
				Total BIG GREEN CLEANING COMPANY	83.94
Vendor 767200 -- SOUTHERN CALIFORNIA EDISON					
ACH - 763434	06/13/2022	880		Vendor Account:	168.08
				Total SOUTHERN CALIFORNIA EDISON	168.08
Vendor 767800 -- THE GAS COMPANY					
ACH - 763497	06/13/2022	880		Vendor Account:	24.49
				Total THE GAS COMPANY	24.49
Vendor 776537 -- COX COMMUNICATIONS - BUSINESS					
ACH - 763501	06/13/2022	880		Vendor Account:	458.26
				Total COX COMMUNICATIONS - BUSINESS	458.26

Vendor Disbursements (Real-Time)

From 6/1/2022 to 6/30/2022

Selection Criteria: Fund = 4160

Layout Options: Summarized By = Fund, Vendor; Page Break At = Fund

Fund 4160 -- Mosquito & Vector Mgt District

Disbursement	Disbursement Date	Dept	Purchase Order	Remit Description	Amount
Vendor 855111 -- Vision Service Plan-CA ACH - 765172	06/23/2022	880		Vendor Invoice #: 815434679; Vendor Account: 3	176.59
				Total Vision Service Plan-CA	176.59
				Total Mosquito & Vector Mgt District	113,262.10

P.O. BOX 6343
FARGO ND 58125-6343



ACCOUNT NUMBER _____
STATEMENT DATE 06-22-2022
AMOUNT DUE \$2,615.33
NEW BALANCE \$2,615.33
PAYMENT DUE ON RECEIPT

000001634 01 SP 0.530 106481518642234 P
MVM DISTRICT
ATTN BRIAN CARERA
PO BOX 1389
2450 LILLIE AVE
SUMMERLAND CA 93067-1389

AMOUNT ENCLOSED
\$

Please make check payable to "U.S. Bank"

U.S. BANK CORPORATE PAYMENT SYSTEMS
P.O. BOX 790428
ST. LOUIS, MO 63179-0428

Please tear payment coupon at perforation.

CORPORATE ACCOUNT SUMMARY									
MVM DISTRICT	Previous Balance	Purchases And Other + Charges	Cash Advances +	Cash Advance Fees +	Late Payment Charges	- Credits	- Payments	New Balance	
Company Total	\$5,101.62	\$2,615.33	\$0.00	\$0.00	\$0.00	\$0.00	\$5,101.62	\$2,615.33	

CORPORATE ACCOUNT ACTIVITY										
MVM DISTRICT					TOTAL CORPORATE ACTIVITY					
					\$5,101.62 CR					
Post Date	Tran Date	Reference Number	Transaction Description				Amount			
06-08	06-08	7479826215900000000022	PAYMENT - 762756 00000 A				5,101.62 PY			

NEW ACTIVITY										
VESNA IRARRA		CREDITS	PURCHASES	CASH ADV	TOTAL ACTIVITY					
		\$0.00	\$259.68	\$0.00	\$259.68					
Post Date	Tran Date	Reference Number	Transaction Description				Amount			
05-25	05-24	24431052145838000234699	O'REILLY AUTO PARTS 2697 SANTA BARBARA CA				10.86			
06-01	05-31	24445002152000770321003	CKE*HOAGIES 580 PISMO BEACH CA				102.99			
06-02	05-31	24761972152091179000017	LINDE GAS & EQUIP 8059660829 CA				145.83			

CUSTOMER SERVICE CALL 800-344-5696	ACCOUNT NUMBER		ACCOUNT SUMMARY	
			PREVIOUS BALANCE	5,101.62
	STATEMENT DATE	DISPUTED AMOUNT	PURCHASES & OTHER CHARGES	2,615.33
	06/22/22	.00	CASH ADVANCES	.00
SEND BILLING INQUIRIES TO: U.S. Bank National Association C/O U.S. Bancorp Purchasing Card Program P.O. Box 6335 Fargo, ND 58125-6335	AMOUNT DUE 2,615.33		CASH ADVANCE FEES	.00
			LATE PAYMENT CHARGES	.00
			CREDITS	.00
			PAYMENTS	5,101.62
			ACCOUNT BALANCE	2,615.33



Company Name: MVM DISTRICT
Corporate Account Number:
Statement Date: 06-22-2022

NEW ACTIVITY					
JESSICA E SPRIGG		CREDITS	PURCHASES	CASH ADV	TOTAL ACTIVITY
		\$0.00	\$398.94	\$0.00	\$398.94
Post Date	Tran Date	Reference Number	Transaction Description	Amount	
05-30	05-27	24692162147100514840415	VERIZONWRLSS*RTCCR VB 800-922-0204 FL	5.89	
06-02	06-01	24692162152100088436089	IN *TECHEASE COMPUTER SOL 805-5643273 CA	250.00	
06-06	06-03	24137462155001387373821	USPS PO 0513320113 CARPINTERIA CA	1.56	
06-15	06-14	24164072165741913816691	FEDEX 91381669 800-4633339 TN	141.49	
ROBBY R SHARP		CREDITS	PURCHASES	CASH ADV	TOTAL ACTIVITY
		\$0.00	\$312.54	\$0.00	\$312.54
Post Date	Tran Date	Reference Number	Transaction Description	Amount	
05-27	05-25	24269792146500561593254	WOODSTOCKS PIZZA INC - SAN LUIS OBIS CA	10.10	
05-27	05-25	24761972146091174000037	LINDE GAS & EQUIP 8059660829 CA	122.47	
05-30	05-26	24164052147378002112735	EXXONMOBIL 97647622 BUELLTON CA	69.02	
06-22	06-20	24000972172411805262150	EDUCATED CAR WASH 805-6878800 CA	110.95	
KAREN EGERMAN-SCHULTZ		CREDITS	PURCHASES	CASH ADV	TOTAL ACTIVITY
		\$0.00	\$493.70	\$0.00	\$493.70
Post Date	Tran Date	Reference Number	Transaction Description	Amount	
05-26	05-25	24231682146837000027967	SMART AND FINAL 914 SANTA BARBARA CA	60.83	
06-08	06-06	24761972158091175000049	LINDE GAS & EQUIP 8059660829 CA	14.60	
06-10	06-08	24761972160091178000034	LINDE GAS & EQUIP 8059660829 CA	122.47	
06-13	06-10	24492152161852093740317	SAMPLEPREP 732-623-0494 NJ	152.14	
06-16	06-14	24761972166091176000071	LINDE GAS & EQUIP 8059660829 CA	57.46	
06-22	06-20	24761972172091173000076	LINDE GAS & EQUIP 8059660829 CA	86.20	
DONALD CRAM		CREDITS	PURCHASES	CASH ADV	TOTAL ACTIVITY
		\$0.00	\$262.20	\$0.00	\$262.20
Post Date	Tran Date	Reference Number	Transaction Description	Amount	
05-24	05-23	24327432143292100247875	SMOG IT SANTA BARBARA CA	51.75	
06-15	06-13	24000972165383104687109	EDUCATED CAR WASH 805-6878800 CA	138.62	
06-15	06-13	24761972165091174000033	LINDE GAS & EQUIP 8059660829 CA	71.83	
BRIAN J CABRERA		CREDITS	PURCHASES	CASH ADV	TOTAL ACTIVITY
		\$0.00	\$888.27	\$0.00	\$888.27
Post Date	Tran Date	Reference Number	Transaction Description	Amount	
05-30	05-28	24692162148100889119592	IN *KEYMAN 805-8893327 CA	615.28	
06-14	06-13	24011342164000036141856	ZOOM.US 888-799-9666 WWW.ZOOM.US CA	14.99	
06-15	06-15	24204292166000028147541	MSFT * E0800J4Y5A 800-6427676 WA	42.00	



Company Name: MVM DISTRICT
Corporate Account Number:
Statement Date: 06-22-2022

NEW ACTIVITY				
Post Date	Tran Date	Reference Number	Transaction Description	Amount
06-15	06-14	24692162165100955315528	SQ *KENNEDY'S AUTOMOTIVE SANTA BARBARA CA	216.00

Department: 00000 Total: \$2,615.33
Division: 00000 Total: \$2,615.33



**MOSQUITO and VECTOR MANAGEMENT DISTRICT
of SANTA BARBARA COUNTY**

DISEASE SURVEILLANCE REPORT

June 2022

Vector-borne Disease Surveillance

Location	Date	Number of Mosquitoes	Type of Trap	# of Traps	Mosquitoes per Trap Night	Pools Submitted	WSW Virus Test Result
Chumash Park, Pismo Beach, SLO	5/31-6/1	55	EVS	3	18.3	2	-
Pismo Creek, SLO	5/31-6/1	11	EVS	1	11	1	-
Pismo Creek, SLO	5/31-6/1	4	Gravid	1	4	1	-
North Beach Campground, SLO	5/31-6/1	1	Gravid	1	1	0	-
North Beach Campground, SLO	5/31-6/1	16	EVS	1	16	1	-
Pismo Beach Golf Course, Oceano, SLO	5/31-6/1	59	EVS	3	19.7	4	
Oceano Dunes, SLO	5/31-6/1	37	EVS	3	12.3	2	-
Carpinteria Creek	6/1-6/2	105	Gravid	3	35	3	-
Paradise Road	6/8-6/9	189	EVS	7	27	5	-
Paradise Road	6/8-6/9	61	BGP	2	30.3		
Paradise Road	6/7-6/9	7	Gravid	3	2.3		
Pismo Eco Reserve, Oceano, SLO	6/13-6/14	36	EVS	1	36		
Pismo Golf Course, Oceano, SLO	6/13-6/14	91	EVS	1	91	1	-
Oceano Dunes, SLO	6/13-6/14	201	EVS	4	50.25	3	-
Crescent Drive, 93105	6/14-6/15	7	EVS	6	1.2		
Crescent Drive, 93105	6/10-6/15	210	Gravid	4	10.5	6	-
UCSB/SBAir Bluffs	6/17-6/23	73	Gravid	3	4	1	
USCB/SBAir Bluffs	6/20-6/21	88	EVS	8	11	4	-
Islay Park, San Luis Obispo, SLO	6/23-6/24	70	EVS	3	23.3	2	-
Producer's Ditch, San Luis Obispo, SLO	6/23-6/24	210	EVS	3	70	6	-
Laguna Lake Park, SLO	6/23-6/24	58	EVS	3	19.3	1	
San Luis Obispo Water Treatment Plant, SLO	6/23-6/24	15	EVS	3	5	1	-

Location	Date	Number of Mosquitoes	Type of Trap	# of Traps	Mosquitoes per Trap Night	Pools Submitted	WSW Virus Test Result
Crescent Drive, 93105	6/15-7/1	77	BGS2	1	4.8	0	
Calvary Cemetary, 93105	6/15-7/1	0	BGS2	1	0		
More Mesa/Shoreline, 93110	6/27-6/28	41	EVS	7	5.9		
More Mesa/Shoreline, 93110	6/24-7/1	58	Gravid	2	4.1	3	pending

BGS2=Biogents Sentinel 2

BGP=Biogents Pro

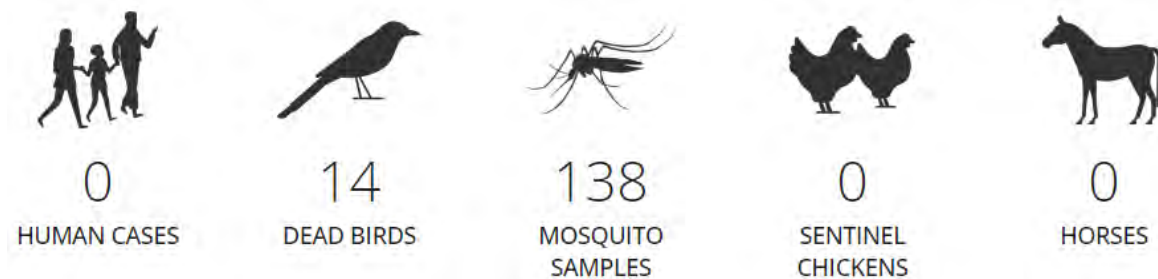
EVS=encephalitis surveillance trap (CO²)

WSW=WNV, SLEV, AND WEE

California Arbovirus Detection

In June, 133 WNV positive mosquito pools were reported in California. Thirteen dead birds also tested positive for WNV; at this time last year, 35 infected dead birds had been found. There have been no WNV detections in horses, humans, or sentinel chickens. Two mosquito pools from Imperial and Kings Counties tested positive for Saint Louis encephalitis virus. No detections of Western equine encephalitis virus have been reported in California this year.

2022 West Nile Virus Activity in California through June



In June, four dead birds were reported in Santa Barbara County. One woodpecker was accepted by the State for testing; results are pending. Nineteen mosquito pools from Santa Barbara County tested negative for encephalitis viruses.

Invasive *Aedes* Mosquito and Zika Virus Update

No *Aedes aegypti* mosquitoes or other invasive *Aedes* species have been detected in Santa Barbara County, thus far in 2022.

Aedes aegypti mosquitoes are present in 22 California counties. *Aedes albopictus* is present in four. *Aedes notoscriptus* occurs in L.A., Orange and San Diego Counties. To date, there have been no human cases of Zika, dengue, or chikungunya in California in 2022.

Plague Surveillance

On June 7th and 8th, staff assisted CDPH biologists with plague surveillance. Blood samples taken from 16 California ground squirrels (CAGS) at Figueroa Campground and 11 CAGS at Upper Oso Campground were tested for *Yersinia pestis* antibodies; all tested negative.



Credit: Ambar Del Moral/Mashable

Mosquito Attractants and Defending Yourself

For National Mosquito Awareness Week*, the *Los Angeles Times* published an article titled “Southern California is now a mosquito zone. Here’s how to defend yourself.” After consulting with the American Mosquito Control Association and the Greater L.A. Vector District, the reporter covered what things attract mosquitoes and how to counteract them; see the chart below.

Attractant	Defense
Bare skin	Wear loose long sleeves and pants, closed-toe shoes Wear light-colored clothing Use repellents containing Deet, IR3535, picaridin, or oil of lemon eucalyptus. Do not apply repellents before applying sunscreen. Area repellents like tiki torches can also be effective.
Dark clothing colors, contrast showing animal shape	
Skin odors	
Skin bacteria	
Exhaled carbon dioxide, breath odors	
Diet and metabolism—possibly grapes, avocados, bananas	
Blood type O	
Time of day—dawn and dusk	Avoid being outdoors at dawn and dusk when most species are most active
Stagnant water in yard for mosquito egg-laying	Eliminate standing water

Each person has a different combination of these attractants, and each of the 24 mosquito species in California has different perceptions and preferences.

When the District sets mosquito traps, carbon dioxide from dry ice is the most effective lure. Light attracts a wide variety of insects, so many traps also use light to guide the mosquito inside. The odor of water containing decomposing organic matter lures mosquitoes that are ready to lay eggs into gravid traps. This pungent scent is made by steeping alfalfa meal fertilizer and yeast in buckets of water for 3-7 days. The company Biogents has developed a trap and lure cartridge for the invasive species that specialize in biting humans, *Aedes aegypti* and *Aedes albopictus*. The lure contains ammonia, lactic acid, and caproic acid in a particular ratio to mimic human skin scent. It also attracts the native WNV vector, *Culex quinquefasciatus*.



BG human scent lure

*The third full week of June. California Mosquito Awareness Week is the third full week of April.

Mosquito and Vector Management District of Santa Barbara County

Report of District Operations -June 2022

Location	Mosquito					Bees & Wasps			Rats & Mice		Surveillance			Other		Total hours devoted to zone
	Inspection Hours	Treatment Hours	Service Requests	Fish Requests	Standing Water Reports	Inspection Hours	Treatment Hours	Service Requests	Inspection Hours	Service Requests	WNV Bird	Chickens	Mosquito Pools	Bedbugs	Misc. Requests	
Goleta	35.5	11.5	1		1										1	
Goleta Valley	35.0	8.5	2										34.0		2	
Rancho Embarcadero	3.0	1.5														
Isla Vista	8.0	1.5		1	1											
Hope Ranch	2.5			1												
Hidden Valley																
Santa Barbara area	17.0	3.5		3		3.5		1	1.0	1					1	
Mission Canyon				1												
Montecito				2											1	
Summerland	2.5	1.0														
Carpinteria	6.5	2.5		1									3.5			
Carpinteria Valley	9.5	5.0		2												
Carp Salt Marsh	13.0	4.5														
Camino Real	1.0	0.5														
Storke Ranch	1.0	0.5														
Goleta Sanitary																
City of Goleta	9.5	5.0														
UCSB	18.5	4.5														
Santa Barbara Airport	17.5	13.0														
City of Santa Barbara	0.5	0.5														
SoCalGas																
South County	180.5	63.5	3	11	2	3.5	0.0	1	1.0	1	0.0	0.0	37.5	0	5	286.0
North County				3									6.0			6.0
Pismo Beach	6.00	3.0											4.5			13.5
Oceano Dunes	10.50	5.0											21.0			36.5
San Luis Obispo													15.0			15.0
SLO County	16.5	8.0	0	0	0	0.0	0.0	0	0.0	0	0.0	0.0	40.5	0	0	65.0
Monthly Totals	197.0	71.5	3	14	2	3.5	0.0	1	1.0	1	0.0	0.0	84.0	0	5	357.0
Year to Date	1171.5	372.0	29	52	5	24.0	11.0	6	32.5	7	5.0	91.0	245.5	1	10	

	This Month	Year to Date
Total Inspection Hours	201.5	1228.0
Total Treatment Hours	71.5	383.0
Total Mileage	4,098.0	20554.0

						July 8, 2022
Account	MOU Maximum	FYE22	FYE21	FYE20	MOU Status	
1 Wynmark	\$ 2,079	\$428.57	1283.96	\$966.47	Working on FYE24	
3 Goleta Sanitary District	\$ 6,035	\$3,784.34	3997.96	\$5,174.11	Working on FYE24	
4 Goleta, City of	\$ 10,700	\$2,865.11	3708.19	\$2,802.59	FYE23 complete	
5 Oceano Dunes District	\$ 15,399	\$10,872.23	18153.72	\$14,871.28	CY 22 and 23 complete	
6 Pismo Beach, City of	\$ 6,528	\$3,708.13	5744.45	\$4,024.30	FYE23 complete	
7 Santa Barbara Airport	\$ 62,285	\$44,030.33	43239.03	\$68,547.72	FYE23 complete	
8 Santa Barbara, City of	\$ 6,473	\$1,962.70	5266.24	\$4,591.18	Working on FYE24	
9 SoCalGas	\$ 3,096	\$1,527.55	2277.71	\$2,410.70	FYE23 complete	
10 Cal-Storke, LLC	\$ 2,869	\$584.99	1553.06	\$1,065.26	FYE23 complete	
11 UCSB	\$ 34,435	\$10,676.00	17982.38	\$35,038.62	Working on FYE24	
12 San Luis Obispo, County of	\$ 16,499	\$5,268.29	1777.07	\$10,819.61	Working on FYE24	

	June 3, 2022	Budgeted
FYE 2022	\$133,245.07	\$120,000
FYE 2021	\$104,983.47	\$110,000
FYE 2020	\$ 150,311.84	\$ 105,000
FYE 2019	\$ 109,111.47	\$ 100,000
FYE 2018	\$ 108,081.70	\$ 70,000
FYE 2017	\$ 87,923.06	\$ 105,000
FYE 2016	\$ 58,114.04	\$ 115,000
FYE 2015	\$ 99,346.50	\$ 120,000

Fuel Surcharges

Fuel surcharges have no official guidelines or government oversight. They are needed to protect the service provider against loss in case fuel prices rise during the terms of the contract. A fuel surcharge isn't meant to cover the complete cost of gas. Fuel surcharges are calculated differently according to each business or agency's fuel surcharge policy, i.e., there is no standardized method for determining a fuel surcharge. All fuel surcharges are typically calculated as a percentage of the base fuel rate and are dependent on three variables:

Base fuel rate: a price that determines when the fuel surcharge will be activated. For example, if the base fuel rate is \$1.50 per gallon, and the fuel cost rises above that base fuel rate, the fuel surcharge is then activated and applied to the cost of service. Base fuel rates are arbitrary and set by the service provider.

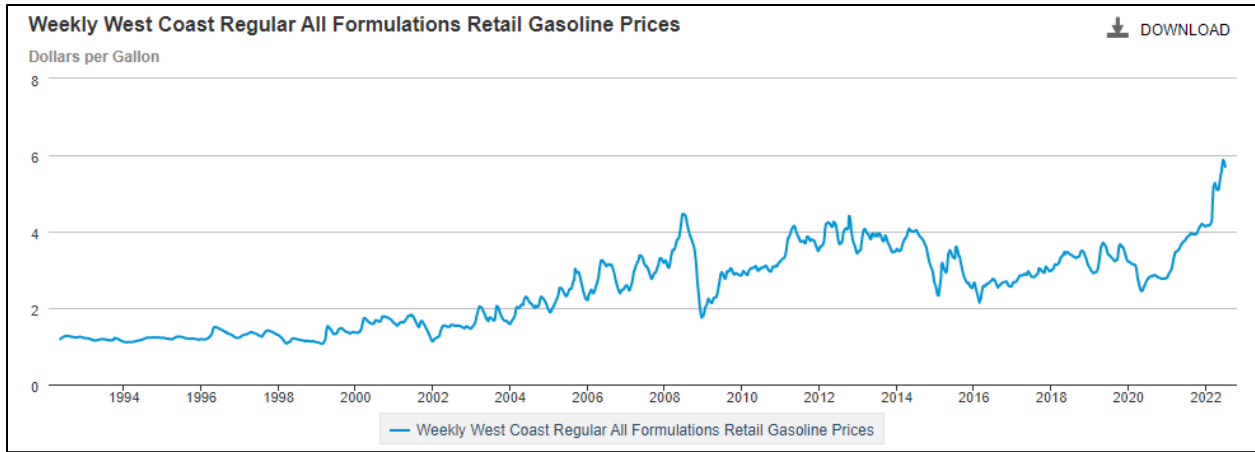
1. Base fuel mileage, which typically is miles per gallon.
2. The source and interval of the average fuel price: this is the only area of a fuel surcharge that is regulated (for diesel fuel). The US Energy Information Administration collects and publishes weekly retail diesel fuel price data.

Here's an example of how a fuel surcharge is typically calculated. Let's say the base fuel price listed in the contract is at \$1.50 per gallon, the base fuel mileage is 6.0 miles per gallon, and the national average price for fuel is \$3.00 per gallon and the distance of the shipment is 1,000 miles:

- The first calculation is taking the current fuel price (\$3.00 per gallon) minus the base fuel price (\$1.50 per gallon). This equals a difference of +\$1.50 per gallon. The second calculation is to divide the difference by the base fuel mileage – or $\$1.50 / 6.0 \text{ mpg} = \0.25 per mile .
- The final calculation will determine the overall fuel surcharge. This is done by multiplying the surcharge per mile times the total miles driven – or $\$0.25 \times 1,000 \text{ miles} = \$250.00 \text{ fuel surcharge}$.

*Modified from: Redwood Logistics, freight shipping broker: <https://www.redwoodlogistics.com/how-are-fuel-surcharges-calculated/>

From U.S. Energy Information Administration:



https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=EMM_EPMPR_PTE_R50_DPG&f=W

Weekly West Coast Regular All Formulations Retail Gasoline Prices (Dollars per Gallon)

Year-Month	Week 1		Week 2		Week 3		Week 4		Week 5	
	End Date	Value	End Date	Value	End Date	Value	End Date	Value	End Date	Value
2021-Jan	01/04	2.807	01/11	2.850	01/18	2.910	01/25	2.934		
2021-Feb	02/01	2.958	02/08	3.001	02/15	3.043	02/22	3.150		
2021-Mar	03/01	3.276	03/08	3.344	03/15	3.432	03/22	3.468	03/29	3.473
2021-Apr	04/05	3.487	04/12	3.507	04/19	3.527	04/26	3.552		
2021-May	05/03	3.598	05/10	3.647	05/17	3.675	05/24	3.698	05/31	3.724
2021-Jun	06/07	3.747	06/14	3.756	06/21	3.764	06/28	3.811		
2021-Jul	07/05	3.842	07/12	3.867	07/19	3.881	07/26	3.883		
2021-Aug	08/02	3.914	08/09	3.936	08/16	3.957	08/23	3.945	08/30	3.935
2021-Sep	09/06	3.934	09/13	3.936	09/20	3.929	09/27	3.919		
2021-Oct	10/04	3.941	10/11	3.968	10/18	4.013	10/25	4.069		
2021-Nov	11/01	4.104	11/08	4.129	11/15	4.169	11/22	4.192	11/29	4.197
2021-Dec	12/06	4.182	12/13	4.161	12/20	4.146	12/27	4.129		
2022-Jan	01/03	4.143	01/10	4.157	01/17	4.161	01/24	4.156	01/31	4.156
2022-Feb	02/07	4.179	02/14	4.190	02/21	4.233	02/28	4.311		
2022-Mar	03/07	4.777	03/14	5.155	03/21	5.222	03/28	5.267		
2022-Apr	04/04	5.218	04/11	5.139	04/18	5.095	04/25	5.083		
2022-May	05/02	5.099	05/09	5.222	05/16	5.364	05/23	5.493	05/30	5.559
2022-Jun	06/06	5.751	06/13	5.868	06/20	5.855	06/27	5.786		
2022-Jul	07/04	5.694								

https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=EMM_EPMPR_PTE_R50_DPG&f=W

From AAA: <https://gasprices.aaa.com/?state=CA>

Santa Barbara-Santa Maria-Lompoc				
	Regular	Mid	Premium	Diesel
Current Avg.	\$6.164	\$6.360	\$6.482	\$6.831
Yesterday Avg.	\$6.189	\$6.383	\$6.509	\$6.848
Week Ago Avg.	\$6.263	\$6.422	\$6.565	\$6.879
Month Ago Avg.	\$6.306	\$6.471	\$6.610	\$6.907
Year Ago Avg.	\$4.267	\$4.420	\$4.533	\$4.240
HIGHEST RECORDED AVERAGE PRICE				
		Price		Date
Regular Unleaded		\$6.364		6/15/22

Options for factoring the high cost of gas into our contract work charges:

1. Add a gas surcharge – requires determining a base fuel rate, determining base fuel mileage for each vehicle, and looking up the source and interval of the avg. fuel price (since gas prices change on a daily basis the surcharge would have to be recalculated for each service visit).
2. Charge for mileage using the current Federal mileage rate* of 62.5¢ and using the distance according to online navigation (e.g. Google maps). For example, distance to Santa Barbara Airport is 17.2 miles so one-way mileage would be \$10.75.

*2022 Federal mileage rate was 58.5 cents per mile and was increased to 62.5 cents per mile on 6/9.

RESOLUTION NO. 22-13

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE MOSQUITO AND VECTOR MANAGEMENT DISTRICT OF SANTA BARBARA COUNTY AUTHORIZING CONTINUATION OF REMOTE TELECONFERENCE MEETINGS OF THE DISTRICT'S LEGISLATIVE BODIES PURSUANT TO GOVERNMENT CODE SECTION 54953(e)

WHEREAS, all meetings of the Board of Trustees, standing committees and other legislative bodies of the Mosquito and Vector Management District of Santa Barbara County are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code sections 54950 – 54963), so that any member of the public may attend, participate, and watch the District's legislative bodies conduct their business; and

WHEREAS, Government Code section 54953(e) makes provision for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition for conducting meetings using teleconferencing under Government Code Section 54953(e) is that a state of emergency has been declared by the Governor pursuant to Government Code Section 8625; and

WHEREAS, it is further required as a condition for conducting meetings using teleconferencing under Government Code section 54953(e) that (i) state or local officials have imposed or recommended measures to promote social distancing, or (ii) meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, the Board of Trustees adopted Resolution No. 21-07 on October 14, 2021, finding that the requisite conditions existed for the legislative bodies of the Mosquito and Vector Management District of Santa Barbara County to conduct remote teleconference meetings without compliance with Government Code section 54953(b)(3); and

WHEREAS, the Board of Trustees has adopted subsequent resolutions finding that the requisite conditions existed for the legislative bodies of the District to continue conducting remote teleconference meetings without compliance with Government Code section 54953(b)(3); and

WHEREAS, as a condition of further extending the use of the provisions found in Government Code section 54953(e), the Board of Trustees must find that (i) it has reconsidered the circumstances of the state of emergency, and (ii) any of the following circumstances exist:

- The state of emergency continues to directly impact the ability of the members to meet safely in person.
- State or local officials continue to impose or recommend measures to promote social distancing; and

WHEREAS, the state of emergency that was declared by Governor Newsom on March 4, 2020 due to COVID-19 remains active and in effect as of the date of this Resolution; and

WHEREAS, local officials continue to impose or recommend measures to promote social distancing, as set forth in the document issued on September 28, 2021 by the Santa Barbara County Health Department entitled "Health Officials AB 361 Social Distance Recommendation," which document remains in effect as of the date of this Resolution; and

WHEREAS, the Board of Trustees desires to set forth herein its findings that the legislative bodies of the District may continue to conduct their meetings without compliance with Government Code section 54953(b)(3), as authorized by Government Code section 54953(e).

NOW, THEREFORE, THE BOARD OF TRUSTEES OF THE MOSQUITO AND VECTOR MANAGEMENT DISTRICT OF SANTA BARBARA COUNTY DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Findings. The Board of Trustees hereby finds that (i) it has reconsidered the circumstances of the state of emergency declared by Governor Newsom on March 4, 2020 and has determined that such state of emergency remains active, (ii) local officials continue to impose or recommend measures to promote social distancing, and (iii) the legislative bodies of the District are authorized to continue conducting meetings using teleconferencing under Government Code section 54953(e).

Section 3. Remote Teleconference Meetings. The General Manager and legislative bodies of the District are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, continuing to conduct open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

Section 4. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall expire thirty (30) days thereafter, unless, on or before that date and every thirty (30) days thereafter, the Board of Trustees adopts a subsequent resolution setting forth the findings required by Government Code section 54953(e)(3) to extend the time during which the legislative bodies of the District may continue to teleconference without compliance with Government Code section 54953(b)(3).

PASSED AND ADOPTED by the Board of Trustees of MOSQUITO AND VECTOR MANAGEMENT DISTRICT OF SANTA BARBARA COUNTY, this 14th day of July, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Teri Jory
Board President

Robert Williams
Board Secretary

RESOLUTION NO. 22-14

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE MOSQUITO AND VECTOR MANAGEMENT DISTRICT OF SANTA BARBARA COUNTY APPROVING THE ENGINEER'S REPORT, AND ORDERING THE CONTINUATION OF ASSESSMENTS FOR FISCAL YEAR 2022-23 FOR SERVICE ZONES NO. 1 AND NO. 2 MOSQUITO AND DISEASE CONTROL ASSESSMENTS

WHEREAS: In the reorganization of the Mosquito and Vector Management District of Santa Barbara County ("District") and the Carpinteria Mosquito Abatement District (CMAD), it was ordered by the Santa Barbara County Local Agency Formation Commission and Board of Supervisors that CMAD be dissolved and its territory be annexed to this District, that this District then create two separate zones for purposes of levying assessments consisting of the territory of CMAD and of this District before the reorganization, respectively, and that the assessments of the said two prior districts continue in the reorganized district; and

WHEREAS: By Resolution 96-01, which is incorporated herein by this reference, this District adopted a vector surveillance and control project for a zone of benefit encompassing the entire territory of the District as it then existed; and

WHEREAS: By Resolution 96-01, which is incorporated herein by this reference, the Board of Trustees of CMAD adopted an assessment scheme for annual levy of an assessment to pay for the cost of vector surveillance and control within the District's Service Zone No. 2; and

WHEREAS: Said CMAD Resolution 96-01 established an assessment of \$7.91 per benefit unit for the 1996-1997 fiscal year, as defined in the Staff Report on the Need for Implementing the Service Charge Assessment Funding Mechanism Based on Land Use (the "Staff Report"), which is on file at the office of the District, established a maximum assessment of \$16.00 per benefit unit and further established a schedule of assessments for various land uses within the District for the 1996-1997 fiscal year; and

WHEREAS: Said CMAD Resolution 96-01 provides for an annual evaluation of the amount of the assessment per benefit unit and the schedule of assessments by land use derived therefrom, not to exceed \$16.00 per benefit unit; and

WHEREAS: By Resolution 99-03 this District created Service Zone No. 1, consisting of the territory of this District prior to reorganization, and Service Zone No. 2, consisting of the territory of CMAD prior to its dissolution, and adopted the assessments levied by resolutions of the prior districts; and

WHEREAS: By Resolution 04-04 this District extended Service Zone No. 1 by adding territory,

including the area of the City of Santa Barbara, not previously a part of Service Zone No. 1 and certain unincorporated areas of south Santa Barbara County, to Service Zone No. 1, thereby making property in the extension area subject to the annual levy of said assessment, and this Assessment was authorized by an assessment ballot proceeding conducted in 2004 and approved by 65.1% of the weighted ballots returned by property owners; and

WHEREAS, the District is authorized, pursuant to the authority provided in Health and Safety Code Section 2082 and Article XIID of the California Constitution, to levy assessments for mosquito, vector and disease control projects and services; and

WHEREAS, the purpose of Service Zone No. 1 and Service Zone No. 2 Assessments is to provide vector surveillance, prevention, abatement, and control services in properties in the District to ensure protection of property owners and residents from vector annoyance and vector-borne diseases; and

WHEREAS, such vector surveillance and control projects and services provide tangible public health benefits, reduced nuisance benefits and other special benefits to the public and properties with the areas of service; and

NOW, THEREFORE, BE IT RESOLVED by the Mosquito and Vector Management District of Santa Barbara County that:

SECTION 1. The above recitals are true and correct.

SECTION 2. SCI Consulting Group, the Engineer of Work, prepared an Engineer's Report in accordance with Article XIID of the California Constitution and Section 2082, et seq., of the Health and Safety Code for the Assessment (the "Report"). The Report has been made, filed with the secretary of the board and duly considered by the Board and are hereby deemed sufficient and preliminarily approved. The Report shall stand as the Engineer's Report for all subsequent proceedings under and pursuant to the foregoing resolution.

SECTION 3. This Board adopted Resolution No. 22-09 for Service Zone No. 1 to continue to levy and collect Assessments, including a cost of living increase for fiscal year 2022-23.

SECTION 4. This Board adopted Resolution No. 22-10 for Service Zone No. 2 to continue to levy and collect Assessments, including a cost of living increase for fiscal year 2022-23.

SECTION 5. The public interest, convenience and necessity require that the levy be made.

SECTION 6. The Engineer's Report for the Assessment together with the proposed assessment roll for fiscal year 2022-23 is hereby confirmed and approved.

SECTION 7. That based on the oral and documentary evidence, including the Engineer's Report offered and received at the public hearing, the Board expressly finds and determines that: (a) each of the several lots and parcels of land subject to the Assessment will be specially benefited by the services to be financed by the assessment proceeds in at least the amount of the assessment apportioned against such lots and parcels of land, respectively; and (b) that there is substantial evidence to support, and the weight of the evidence preponderates in favor of, said finding and determination as to special benefit to property from the mosquito vector and disease control services to be financed with assessment proceeds.

SECTION 8. That the assessment is levied without regard to property valuation.

SECTION 9. That assessments for fiscal year 2022-23 shall be levied at the rate of twelve dollars and one cent (\$12.01) per single family equivalent benefit unit in Service Zone No. 1 and twelve dollars and one cent (\$12.01) per single family equivalent benefit unit in Service Zone No. 2 as specified in the Engineer's Report for fiscal year 2022-23 with estimated total annual assessment revenues as set forth in the Engineer's Report; and

SECTION 10. That the mosquito and disease control services to be financed with assessment proceeds described in the Engineer's Report are hereby ordered.

SECTION 11. No later than August 10th following such adoption, the Board shall file a certified copy of the diagram and assessment and a certified copy of this resolution with the Auditor of the County of Santa Barbara ("County Auditor"). Upon such filing, the County Auditor shall enter on the County assessment roll opposite each lot or parcel of land the amount of assessment thereupon as shown in the assessment. The assessments shall be collected at the same time and in the same manner as County taxes are collected and all the laws providing for collection and enforcement shall apply to the collection and enforcement of the assessments. After collection by the County, the net amount of the assessments, after deduction of any compensation due the County for collection, shall be paid to the Mosquito and Disease Control Assessment.

SECTION 12. All revenues from Assessments shall be deposited in a separate fund established under the distinctive designation of the Mosquito and Vector Management District of Santa Barbara County Service Zone No. 1 and Mosquito and Vector Management District of Santa Barbara County Service Zone No. 2, accordingly.

SECTION 13. The Assessment, as it applies to any parcel, may be corrected, cancelled or a refund granted as appropriate, by order of the Board of Trustees of the District. Any such corrections, cancellations or refunds shall be limited to the current fiscal year.

SECTION 14. The Board of Trustees of the Mosquito and Vector Management District of Santa Barbara County hereby certifies that the assessments to be placed on the fiscal year 2022-23 property tax bills meet the requirements of Proposition 218 that added Article XIII D to the California Constitution.

The foregoing Resolution was PASSED and ADOPTED by the Board of Trustees of the Mosquito and Vector Management District of Santa Barbara County at a regular meeting thereof held on July 14, 2022.

AYES:

NOES:

ABSTAINED:

ABSENT:

President, Board of Trustees

Mosquito and Vector Management District of Santa Barbara County

Attest

Secretary to the Board of Trustees

FY 2022-23

MOSQUITO & VECTOR MANAGEMENT DISTRICT OF SANTA BARBARA COUNTY

Service Zone No. 1 and Service Zone No. 2 Assessment
July 2022

Engineer's Report



Engineer of Work:

SCI Consulting Group
Public Finance Consulting Services

4745 Mangels Boulevard
Fairfield, California 94534
707.430.4300
www.sci-cg.com

Pursuant to the Government Code,
Health and Safety Code and Article XIID
of the California Constitution

Mosquito and Vector Management District of Santa Barbara County

Board of Trustees

Teri Jory, President

Adam Lambert, Vice-President

Robert Williams, Secretary

Charles Blair, Member

Craig Geyer, Member

Cathy Schlottmann, Member

Joe Franken, Member

General Manager

Brian Cabrera

Operations Manager

Brian Cabrera

District Legal Counsel

Howell Moore & Gough LLP

Engineer of Work

SCI Consulting Group

Lead Assessment Engineer, John Bliss, M.Eng., P.E.

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Introduction

Assessment Background

Since the early 1990's, the Mosquito and Vector Management District of Santa Barbara County ("District") has been responsible for Enhanced Vector Control Services for the City of Goleta, the City of Santa Barbara Municipal Airport, and most of the unincorporated territory of the Goleta Valley including the communities of Hope Ranch, and Isla Vista, which are all included in Service Zone No. 1 (Goleta area) & Service Zone No. 2 (Carpinteria area), including the City of Carpinteria and the Carpinteria Valley.

In order to allow property owners to ultimately decide whether the District should extend its Service Zone No. 1 to include the unincorporated areas of Montecito, Mission Canyon, Summerland, Hidden Valley, and the Goleta and Carpinteria Foothills in southern Santa Barbara County as well as to the non-serviced portions of the City of Santa Barbara, the Board, on January 29, 2004, authorized the initiation of proceedings for a benefit assessment. This new area is referred to as the "Service Zone No. 1 Extension 1" or the "Extension Areas." The "Extension Areas" were narrowly drawn to include sections of Santa Barbara County not previously within the District boundaries. The Extension Areas included only properties that, upon approval of the assessment, may request and receive direct service, that are located within the scope of the vector surveillance area, that are located within flying or traveling distance of mosquitoes from potential vector sources monitored by the District, and that will benefit from a reduction in the amount of mosquitoes and vectors reaching and impacting the property and its residents as a result of the vector surveillance and control. The Assessment Diagram included in this report shows the boundaries of the Extension Areas.¹

¹ . Note that the assessment area boundaries have been drawn narrowly to include lands and property in the more populated areas of the County that previously did not receive mosquito control and vector-borne disease prevention services. Other lands in Santa Barbara County that mainly are in the northern and western portions of the County were not included because these excluded areas have a very low population and consequently would receive lower benefit to property from mosquito and disease prevention services.

Assessment Process

In February through April of 2004, the District conducted an assessment ballot proceeding pursuant to the requirements of Article XIID of the California Constitution ("The Taxpayer's Right to Vote on Taxes Act") and the Government Code to provide funding for mosquito control services in the Extension Areas. During this ballot proceeding, owners of property in the District were provided with a notice and ballot for the proposed special assessment. A 45-day period was provided for balloting and a public hearing was conducted on April 12, 2004.

To allow for tabulation of ballots, a continuation of the public hearing was held on May 13, 2004, at which it was determined that 65.1% of the weighted ballots returned were in support of the assessment. Since the assessment ballots submitted in opposition to the proposed assessments did not exceed the assessment ballots submitted in favor of the assessments (with each ballot weighted by the proportional financial obligation of the property for which ballot was submitted), the District gained the authority to approve the levy of the assessments for fiscal year 2004-05 and to continue to levy them in future years. The Board took action, by Resolution No. 04-05, on May 13, 2004, to approve the levy of the assessments. The "Extension Areas" are now part of Service Zone 1. Service Zone 1 and Service Zone 2 are herewith referred to collectively as the "Service Areas" or the "Service Zones."

Prior to the assessment ballot proceeding, neither the District, nor any other public agency, provided mosquito control and vector-borne disease protection and prevention services in the populated areas in Santa Barbara County that were outside of the District's jurisdictional boundaries (the "Extension Areas.") In other words, the "baseline" level of services in Santa Barbara County (in the areas that were outside the District's boundaries) was essentially zero.

Engineer's Report and Continuation of Assessments

This Engineer's Report ("Report") was prepared by SCI Consulting Group to describe the vector control services to be funded by the proposed 2022-23 assessment, to establish the estimated costs for the continued mosquito, vector, disease surveillance and control services, supplies, equipment, facilities and related costs, determine the special benefits and general benefits received by property within the Service Zones from the services by the District, and to apportion the assessments to lots and parcels within the District's Service Areas based on the estimated special benefit each parcel receives from the services funded by the benefit assessment. If the Board approves this Engineer's Report and the continuation of assessments it establishes for fiscal year 2022-23, the assessments will be submitted to the County Auditor for inclusion on the property tax rolls for fiscal year 2022-23. The assessments for Service Zone 1 may be continued in future years and may be increased in future years by an annual adjustment tied to the Consumer Price Index for the Los Angeles-Riverside-Orange County Area, with a maximum annual assessment rate not to exceed \$20.00 per benefit unit, as established by Resolution 96-01 by the District Board of Trustees of the Goleta Valley Vector Control District in May, 1996. The assessment for Service Zone 2 is not subject to a CPI limitation. However, the maximum assessment rate may not exceed \$16.00 per benefit unit, as established by Resolution 96-01 by the District Board of Trustees of the Carpinteria Mosquito Abatement District in June, 1996. The procedures for continuation of the assessments in future years commence with the creation of a budget for the upcoming fiscal year's costs and services, an updated assessment roll listing all parcels and their proposed assessments for the upcoming fiscal year and the preparation of an updated Engineer's Report. After these documents are prepared and submitted, they could be reviewed and preliminarily approved by the District Board of Trustees at a public meeting. At this meeting, the Board could also call for the publication in a local newspaper of the intent to continue the assessment and set the date for a noticed public hearing. At the annual public hearing, members of the public may provide input to the Board prior to the Board's decision on continuing the services and assessments for the next fiscal year.

District Overview

Previously known as the Santa Barbara Coastal Vector Control District, in 2006 the District adopted its new name of "Mosquito and Vector Management District of Santa Barbara County" ("District") and shall be referred to as such throughout the remainder of this Report.

As used within this Report, the following terms are defined:

"Vector" means any animal capable of transmitting the causative agent of human disease or capable of producing human discomfort or injury, including, but not limited to,

mosquitoes, flies, mites, ticks, other arthropods, and small mammals and other vertebrates (Health and Safety Code Section 2002(k)).

“Vector Control” shall mean any system of public improvements or services that is intended to provide for the surveillance, prevention, abatement, and control of vectors as defined in subdivision (k) of Section 2002 of the Health and Safety Code and a pest as defined in Section 5006 of the Food and Agricultural Code (Government Code Section 53750(l)).

Services are primarily funded by Ad Valorem property taxes and a benefit assessment paid by the property owners in the Service Zones. The District provides basic services including public information service and basic disease surveillance service throughout the District, and it provides Enhanced Vector Control Service in the Service Zones.

The following is an outline of the primary services that are provided to property within the Service Zone boundaries:

- Mosquito control
- Rodent inspections and source reduction
- Bee Inspections
- Enhanced Disease Surveillance
- Door-to door mosquito inspections
- Mosquitofish for backyard fish ponds
- Public education outreach

The District is controlled by the Mosquito Abatement and Vector Control District Law of the State of California (the “Act”). Following are excerpts from the Mosquito Abatement and Vector Control District Law of 2002, codified in the Health and Safety Code, Section 2000, et. seq. which serve to summarize the State Legislature’s findings and intent with regard to mosquito abatement and other vector control services:

2001. (a) The Legislature finds and declares all of the following:

- (1) California's climate and topography support a wide diversity of biological organisms.*
 - (2) Most of these organisms are beneficial, but some are vectors of human disease pathogens or directly cause other human diseases such as hypersensitivity, envenomization, and secondary infections.*
 - (3) Some of these diseases, such as mosquitoborne viral encephalitis, can be fatal, especially in children and older individuals.*
 - (4) California's connections to the wider national and international economies increase the transport of vectors and pathogens.*
 - (5) Invasions of the United States by vectors such as the Asian tiger mosquito and by pathogens such as the West Nile virus underscore the vulnerability of humans to uncontrolled vectors and pathogens.*
- (b) The Legislature further finds and declares:*
- (1) Individual protection against the vectorborne diseases is only partially effective.*

(2) Adequate protection of human health against vectorborne diseases is best achieved by organized public programs.

(3) The protection of Californians and their communities against the discomforts and economic effects of vectorborne diseases is an essential public service that is vital to public health, safety, and welfare.

(4) Since 1915, mosquito abatement and vector control districts have protected Californians and their communities against the threats of vectorborne diseases.

(c) In enacting this chapter, it is the intent of the Legislature to create and continue a broad statutory authority for a class of special districts with the power to conduct effective programs for the surveillance, prevention, abatement, and control of mosquitoes and other vectors.

(d) It is also the intent of the Legislature that mosquito abatement and vector control districts cooperate with other public agencies to protect the public health, safety, and welfare. Further, the Legislature encourages local communities and local officials to adapt the powers and procedures provided by this chapter to meet the diversity of their own local circumstances and responsibilities.

Further, the Health and Safety Code, Section 2082 specifically authorizes the creation of benefit assessments for vector control, as follows:

(a) A district may levy special benefit assessments consistent with the requirements of Article XIID of the California Constitution to finance vector control projects and programs.

Legal Analysis

Proposition 218

The Service Zone 1 Extension 1 assessment was formed consistent with Proposition 218, The Right to Vote on Taxes Act, which was approved by the voters of California on November 6, 1996, and is now Article XIIC and XIID of the California Constitution. Proposition 218 provides for benefit assessments to be levied to fund the cost of providing services, improvements, as well as maintenance and operation expenses to a public improvement which benefits the assessed property.

(The Service Zone 1 and Service Zone 2 assessments were formed prior to the passage of Proposition 218. Proposition 218 provides for benefit assessments to be levied to fund the cost of providing services, improvements, as well as maintenance and operation expenses to a public improvement which benefits the assessed property.) Although these assessments are consistent with Proposition 218, the California judiciary has generally referred to pre-Proposition 218 assessments as “grandfathered assessments” and held them to a lower standard than post Proposition 218 assessments.)

Proposition 218 describes a number of important requirements, including a property-owner balloting, for the formation and continuation of assessments, and these requirements are satisfied by the process used to establish this assessment. When Proposition 218 was initially approved in 1996, it allowed for certain types of assessments to be “grandfathered” in, and these were exempted from the property-owner balloting requirement.

Beginning July 1, 1997, all existing, new, or increased assessments shall comply with this article. Notwithstanding the foregoing, the following assessments existing on the effective date of this article shall be exempt from the procedures and approval process set forth in Section 4:

(a) Any assessment imposed exclusively to finance the capital costs or maintenance and operation expenses for sidewalks, streets, sewers, water, flood control, drainage systems or vector control.

Vector control was specifically “grandfathered in,” underscoring the fact that the drafters of Proposition 218 and the voters who approved it were satisfied that funding for vector control is an appropriate use of benefit assessments, and therefore confers special benefit to property.

Silicon Valley Taxpayers Association, Inc. v Santa Clara County Open Space Authority

In July of 2008, the California Supreme Court issued its ruling on the Silicon Valley Taxpayers Association, Inc. v. Santa Clara County Open Space Authority (“SVTA vs. SCCOSA”). This ruling is the most significant court case in further legally clarifying the substantive assessment requirements of Proposition 218. Several of the most important elements of the ruling included further emphasis that:

- Benefit assessments are for special benefits to property, not general benefits²
- The services and/or improvements funded by assessments must be clearly defined
- Special benefits are directly received by and provide a direct advantage to property in the assessment district

This Engineer’s Report, and the process used to establish this assessment are consistent with the SVTA vs. SCCOSA decision.

² Article XIII D, § 2, subdivision (d) of the California Constitution states defines “district” as “an area determined by an agency to contain all parcels which will receive a special benefit from the proposed public improvement or property-related service.”

Dahms v. Downtown Pomona Property

On June 8, 2009, the 4th Court of Appeal amended its original opinion upholding a benefit assessment for property in the downtown area of the City of Pomona. On July 22, 2009, the California Supreme Court denied review. On this date, Dahms became good law and binding precedent for assessments. In Dahms the Court upheld an assessment that was 100% special benefit (i.e. 0% general benefit) on the rationale that the services and improvements funded by the assessments were directly provided to property in the assessment district. The Court also upheld discounts and exemptions from the assessment for certain properties.

Bonander v. Town of Tiburon

On December 31, 2009, the 1st District Court of Appeal overturned a benefit assessment approved by property owners to pay for placing overhead utility lines underground in an area of the Town of Tiburon. The Court invalidated the assessments on the grounds that the assessments had been apportioned to assessed property based on in part on relative costs within sub-areas of the assessment district instead of proportional special benefits.

Beutz v. County of Riverside

On May 26, 2010 the 4th District Court of Appeals issued a decision on the Steven Beutz v. County of Riverside (“Beutz”) appeal. This decision overturned an assessment for park maintenance in Wildomar, California, primarily because the general benefits associated with improvements and services was not explicitly calculated, quantified and separated from the special benefits.

Golden Hill Neighborhood Association v. City of San Diego

On September 22, 2011, the San Diego Court of Appeal issued a decision on the Golden Hill Neighborhood Association v. City of San Diego appeal. This decision overturned an assessment for street and landscaping maintenance in the Greater Golden Hill neighborhood of San Diego, California. The court described two primary reasons for its decision. First, like in *Beutz*, the court found the general benefits associated with services were not explicitly calculated, quantified and separated from the special benefits. Second, the court found that the City had failed to record the basis for the assessment on its own parcels.

Compliance with Current Law

This Engineer's Report is consistent with the requirements of Article XIIC and XIID of the California Constitution and with the *SVTA* decision because the Services to be funded are clearly defined; the Services are available to and will be directly provided to all benefiting property in the Assessment District; and the Services provide a direct advantage to property in the Assessment District that would not be received in absence of the Assessments.

This Engineer's Report is consistent with *Beutz, Dahms* and *Greater Golden Hill* because the Services will directly benefit property in the Assessment District and the general benefits have been explicitly calculated and quantified and excluded from the assessments. Moreover, while *Dahms* could be used as the basis for a finding of 0% general benefits, this Engineer's Report establishes a more conservative measure of general benefits.

The Engineer's Report is consistent with *Bonander* because the Assessments have been apportioned based on the overall cost of the Services and proportional special benefit to each property. Finally, the Assessments are consistent with *Beutz* because the general benefits have been explicitly calculated and quantified and excluded from the Assessments.

General Description of the District and Services

About the District

The Mosquito and Vector Management District of Santa Barbara County (“District”) is an independent special district (not part of the County or any city) that protects the usefulness, utility, desirability and livability of property and the inhabitants of property within its jurisdictional area by controlling and monitoring disease-carrying insects and other vectors such as mosquitoes and stinging insects, and inspections and source reductions of rodents such as roof rats. In addition, the District regularly tests for diseases carried by these vectors and educates the public about how to protect themselves from such diseases.

The Santa Barbara Coastal Vector Control District was originally formed in 1959 as the Goleta Valley Mosquito Abatement District, initially encompassing about 15 square miles. In 1998 the name of the District was changed to “Santa Barbara Coastal Vector Control District.” In 1999, the District annexed the territory of the Carpinteria Mosquito Abatement District, which was dissolved. The District then created two special benefit zones. Service Zone No. 1 included the existing territory of the Santa Barbara Coastal Vector Control District and Service Zone No. 2 included the territory of the dissolved Carpinteria Mosquito Abatement District. In 2004, the District conducted a Proposition 218 compliant mailed ballot proceeding to annex the Service Zone No. 1 Extension Area into the Assessment District. In 2006, the District again changed its name to “Mosquito and Vector Management District of Santa Barbara County” to more accurately describe itself as a county-wide agency and to reflect the entire territory of the District.

Both districts had adopted special benefit assessments in 1996 to provide additional funding for vector control services because of the dramatic decreases in moneys available from property taxes and state subventions in prior years. These benefit assessments were carried over to land in the respective zones.

In addition to its mosquito abatement and vector control services, the District provides education programs on vectors and disease prevention at school and civic group meetings. The District maintains a website and distributes printed material and brochures that describe what property owners and residents can do to keep their homes and property free of rats, mosquitoes, and other pests.

Summary of Services

The purpose of the District is to provide vector surveillance, prevention, abatement, and control services to properties in the District to ensure protection of property owners and residents from vector annoyance and vector-borne diseases, such as St. Louis Encephalitis, Western Equine Encephalitis, West Nile Virus, Malaria, Lyme Disease, Hanta Virus Pulmonary Syndrome, and Sylvatic Plague. (A vector, as defined by the Act, is any animal capable of transmitting the causative agent of human disease or capable of producing human discomfort or injury). To fulfill this purpose, the Board may take any and all necessary or proper steps for the control of mosquitoes, flies, or other vectors, and inspection and source reduction of rodents, either in the District or in territory that is located outside of the District from which mosquitoes, flies, rodents, or other vectors and vector-borne disease may enter the District.

Specifically, the assessments provide funding for projects and programs for the surveillance, prevention, abatement, and control of vectors for the benefit of the lands in the Service Zones. Such mosquito abatement and vector control projects and programs include, but are not limited to, source reduction, larvicide and adulticide applications, disease monitoring, public education, reporting, accountability, research and interagency cooperative activities, as well as capital costs, maintenance and operation expenses (collectively "Services"). The cost of these services also includes capital costs comprised of equipment, capital improvements and facilities necessary and incidental to vector control programs. Currently, the District provides basic surveillance service and public information service in all areas of the District, as well as Enhanced Vector Control Service in the Service Zones.

Following are the Services, and resulting level of service, for properties in the Service Zones of the Assessment District. These Services are over and above the baseline level of service in place prior to the assessment. In Service Zone 1 and Service Zone 2, the baseline level of service was the level of service funded by the ad valorem property taxes, prior to the adoption of the assessments in 1996. In the Extension Areas, the baseline level of service was effectively zero, because no services were provided prior to the annexation to the Assessment District in 2004. The formula below describes the relationship between the final level of service, the previous baseline level of service, and the enhanced level of service funded by the assessment.

Final Level of Service	=	Baseline Level of Service	+	Enhanced Level of Service
-----------------------------------	---	--------------------------------------	---	--------------------------------------

In this case, the baseline level of service is nil, and the final level of service is precisely the enhanced level of service funded by the assessment.

The Services are further defined as follows:

- Response to mosquito problems as well as other pestiferous or disease carrying organisms in properties in the Assessment District, including responding to service call requests by property owners in the Assessment District.
- Control of mosquito larvae in catch basins, ditches, drain lines, vaults, wastewater treatment plants, under buildings, residences, horse troughs, freshwater marshes, salt marshes, creeks and other sources on all assessed properties in the Assessment District.
- Monitoring of Hanta Virus-bearing rodents, and other harmful vectors, such as Wood Rats, Deer Mice, Harvest mice, and Meadow Voles, through property inspection, harborage and home entry point identification, advice for exclusion and recommendations for removal of attractants at properties in the Assessment District, as well as public education,.
- Survey and data analysis of mosquito larvae populations to assess public health risks and allocate control efforts.
- Monitoring of mosquito populations in the Assessment District using various generally accepted scientific methods.
- Testing and monitoring for diseases carried and transmitted by mosquitoes and other arthropods in the Assessment District, such as Encephalitis, Malaria, Dog Heartworm, and West Nile Virus.
- Deployment of sentinel chicken flocks, collection of mosquito pools for virus testing, and blood analytical studies for State and local agencies.
- Testing of new insecticide materials and investigation of their efficacy.
- Survey and identification of arthropod-borne diseases such as Lyme disease, Hanta Virus and plague found in parks, trails, and other locations frequented by the public in the Assessment District.
- Inspections and advice for property owners who have reported bee swarm behavior or the presence of hives, in addition to providing contact information to private bee keepers for live removal of nuisance bees.
- Monitoring and/or control of other nuisance and potentially hazardous organisms and vectors in properties in the Assessment District, as directed by policy established by the Board of Trustees. (Only vectors found outside of structures will be monitored and controlled.)
- Education of property owners and residents about the risks of diseases carried by insects and small mammals and how to better protect themselves and their pets.
- Monitoring of new and emerging vectors such as the Asian Tiger Mosquito at entry points in the Assessment District.
- Testing for and control of new and emerging pathogens in the Assessment District.

Introduction to Surveillance and Monitoring

Mosquitoes and other vectors most often are produced in areas of standing water including catch basins, vaults, wastewater treatment plants, water under buildings, horse troughs, pools, ponds, gutters, flood control devices, freshwater and saltwater marshes and wetlands as well as organic waste and debris.

The District performs surveillance of adult mosquitoes and surveillance of other vectors on properties in the Assessment District in order to discover new sites of larval development, allocation of control efforts, level of public health risk, population densities, and species composition. The District primarily uses New Jersey light traps, Reiter Gravid traps and Carbon Dioxide traps for this surveillance. Through these efforts, the District has successfully identified and controlled new strains of vector-borne disease. For example, through the disease surveillance efforts carried out by the District, a new strain of Hantavirus was detected in the Isla Vista area, appropriately called the “Isla Vista” strain. In another case, the District analyzed several swarms of Honey Bees found in outdoor trash containers located in a Goleta apartment complex. The District’s genetic confirmation found that the Honey Bees were “Africanized.” As a result, the State officially declared the majority of Santa Barbara County to be “colonized.”

Additionally, the District monitors vector-borne diseases in efforts to prevent human cases. Three pathogenic mosquito-borne Encephalitis viruses occur in California: Western Equine Encephalitis, St. Louis Encephalitis and West Nile virus. All three are carried in birds and can be transferred to horses or humans through the bite of an infected mosquito. There is neither specific cure nor vaccine for these diseases so the District regularly monitors flocks of sentinel chickens for viruses. Malaria, Lyme Disease, and small mammal-borne diseases such as Plague, Hanta Virus and Arena Virus are also monitored.

Larval Mosquito Surveillance Program

The District will identify any medically important arthropod submitted by property owners, businesses or residents in the Service Zone Areas. Laboratory staff will provide information on its biology, public health significance and control.

All mosquito production sites located in the Service Zones will be added to a detailed catalog mapping, tracking and monitoring system of sources and placed on a schedule to be checked regularly and treated as needed.

Property owners, businesses or residents can call the District when experiencing problems with mosquitoes on their property. A mosquito control technician will thereafter survey and treat the source, as appropriate.

Adult Mosquito Surveillance Program

Laboratory personnel will monitor populations to assess the level of public health risk and effectiveness of control measures.

Mosquito traps will be deployed on properties in the Service Zones as deemed appropriate by the District staff. Traps will be collected and their contents identified and counted. This information is maintained in a computerized database and used to track long-term trends in mosquito density.

West Nile Virus Surveillance Program

The District maintains flocks of sentinel chickens to detect the presence of West Nile Virus and other Encephalitis viruses.

The District collects adult mosquitoes from properties in the Service Zones and submits them to various laboratories to test for West Nile and other Encephalitis viruses. Laboratory staff will collect mosquitoes from the Service Zones using specialized traps for this purpose. Mosquitoes must be collected alive, anesthetized, identified, and shipped on dry ice the same day.

The District participates in a statewide program to collect and test dead wild birds for West Nile Virus. Dead birds are picked up from properties in the Service Zones within 24 hours, packaged and sent to the State Health Department for testing.

Introduction to Treatment and Control

Strategically, the District addresses vectors through a comprehensive approach, which is based upon effective prevention of vectors. The District controls mosquitoes through a program of integrated vector management (IVM). This program focuses on controlling mosquitoes in their larval stage, and preventing problems before the mosquito pupae hatch and have the ability to transmit diseases. Larval control has many benefits:

1. **Less toxic:** Often, mosquitofish and other environmentally safe approaches can be used. When needed, the bacterial agents or pesticides used to control the larval stage are much less toxic to the environment than those used in the past and are highly specific to mosquitoes.
2. **Less pesticides:** The bacterial agents or pesticides are applied to a smaller area than would be required for treatment of adult mosquitoes.
3. **Less disease:** Targeting immature mosquitoes kills them before they are capable of transmitting disease.

The end result is a program that protects public health, is more cost effective than other methods, and has low impact on the environment. The District used biorational materials such as VectoBac (*Bacillus thuringiensis israelensis*), and VectoLex (*B. sphaericus*). Also used is the product Altosid (methoprene) which is an insect growth regulator. These materials have been shown to have minimal effects on non-target species and are regulated by the US EPA and the California Department of Pesticide Regulation. They are approved for use in aquatic habitats.

Larval Mosquito Control Program

Many different water sources exist on properties within the District, such as marshes, creeks, ponds, storm drain systems, and poorly maintained pools. Mosquitoes utilize these sources in their life cycle. Certain mosquitoes are of great concern in that they are capable of transmitting viral diseases, such as West Nile and encephalitis, to humans and horses.

Water sources found to be producing mosquitoes on properties in the Service Zones will be addressed using integrated vector management procedures involving appropriate physical, biological and chemical control. These inspection and control measures will be repeated on a routine schedule to manage the insect population.

The Mosquito and Vector Management District of Santa Barbara County will monitor pesticide resistance levels and determine the efficacy of available larvicides for local mosquito populations.

Mosquito fish are used to control immature mosquitoes on properties in various bodies of water, both large and small. For backyard sources such as ponds and pools, residents may obtain the fish at the District office.

The District will directly bill publicly owned or government owned parcels those costs which are deemed to result from inspection and control procedures performed by the District to manage mosquito production.

Adult Mosquito Control Program

In the event of virus recoveries or human cases of diseases transmitted by mosquitoes or other vectors in major metropolitan areas in the Service Zones, the District may institute widespread application of adulticide materials. In addition, an expanded and intensified larvicide program may be instituted to interrupt the transmission cycle and reduce the adult populations of vector species.

The Mosquito and Vector Management District of Santa Barbara County will monitor pesticide resistance levels and determine the efficacy of available adulticides for the suppression of local mosquito populations.

Any additional descriptions and plans for the services will be filed with the General Manager of the Mosquito and Vector Management District of Santa Barbara County, and are incorporated herein by reference.

Estimate of Cost

The estimated costs and revenues for the District for Fiscal Year 2022-23 are depicted on the following page.

Figure 1 – Summary Cost Estimate, FY 2022-23

MOSQUITO AND VECTOR MANAGEMENT DISTRICT OF SANTA BARBARA COUNTY Service Zone No. 1 and Service Zone No. 2 Assessments Estimate of Cost Fiscal Year 2022-23			
Beginning Fund Balance			\$1,194,877
Zone 2 Revenue			
Property Tax Revenue			\$159,240
Estimated Interest on Fund Balance			\$3,000
Intergovernmental Revenue			\$5,475
Subtotal			\$167,715
Zone 1 Revenue			
Property Tax Revenue			\$371,560
Estimated Interest on Fund Balance			\$7,000
Intergovernmental Revenue			\$12,775
Contract Revenue			\$104,159
Subtotal			\$495,494
Total Operating Revenue from General Fund			\$663,209
Vector Control Services and Related Expenditures			
Operations:			
Salaries & Employee Benefits			\$930,000
Communications			\$6,800
Insurance			\$20,000
Maintenance: Equipment, IT, Structures			\$34,230
Office & Household Expense			\$9,200
Utilities			\$4,800
Professional, Special Service & Administrative Costs			\$85,000
Subtotal - Operations			\$1,090,030
Services and Supplies:			
Clothing, Training, Education			\$12,900
Memberships			\$18,000
Travel & Fuel			\$22,000
Supplies			\$9,000
Pesticides			\$82,000
Subtotal - Services & Supplies			\$143,900
Fixed Assets - Equipment ¹			\$85,000
Subtotal - Vector Control Services and Related Expenditures			\$1,318,930
Incidental Costs			
County Collection and Levy Administration			\$64,686
Allowance for Contingencies ²			\$5,000
Subtotal - Incidental Costs			\$69,686
Total Vector Control Services and Incidental Expenses			\$1,388,616
Total Benefit of Improvements			\$1,388,616
SFE Units			58,714.50
Benefit Received per Single Family Equivalent Unit			\$23.65
Less: Beginning Fund Balance			(\$1,194,877)
Less: District Contribution to/(from) Reserves			(\$20,246)
Total Vector Control Services and Incidental Expenses			\$705,161
(Net Amount to be Assessed)			
Budget Allocation to Property			
Zone	Total SFE Units	Assessment per SFE ³	Total Assessment
1	53,116.75	\$12.01	\$637,932
2	5,597.75	\$12.01	\$67,229
Total Assessment			\$705,161

Notes

1. This amount is estimated for the future purchase of a truck.
2. This allowance is to account for any uncollectible assessments.
3. Assessment rates per SFE shown do not include \$1.00 County collection fee per parcel.

Method of Assessment

This section of the Report explains the benefits to be derived from the Services provided for property by the District, and the methodology used to apportion the total assessment to properties within the Service Zone No. 1 and Service Zone No. 2.

Service Zone No. 1 and Service Zone No. 2 consist of all Assessor Parcels within the boundaries of the Service Zones, as defined by the assessment diagram at Appendix A hereof. The assessments allow the District to continue providing its enhanced mosquito abatement, disease control and other Enhanced Vector Control Services throughout the Service Zones.

The method used for apportioning the assessment is based upon the proportional special benefits to be derived by the properties in the Service Zones over and above general benefits conferred on real property or to the public at large. Special benefit is calculated for each parcel in the Service Zones.

1. Identification of total benefit to the properties derived from the Services
2. Calculation of the proportion of these benefits that are special vs. general
3. Determination of the relative special benefit within different areas within the Service Zones
4. Determination of the relative special benefit per property type and property characteristic
5. Calculation of the specific assessment for each individual parcel based upon special vs. general benefit; location, property type and property characteristics

Discussion of Benefit

In summary, the assessments can only be levied based on the special benefit to property. This special benefit is received by property over and above any general benefits from the Services. With reference to the engineering requirements for property related assessments, under Proposition 218, an Engineer must determine and prepare a report evaluating the amount of special and general benefit received by property within the Service Zones as a result of the improvements or services provided by a local agency. The special benefit is to be determined in relation to the total cost to that local entity of providing the service and/or improvements.

Proposition 218 as described in Article XIII D of the California Constitution has confirmed that assessments must be based on the special benefit to property:

"No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel."

The below benefit factors, when applied to property in the Service Zones, confer special benefits to property and ultimately improve the safety, utility, functionality and usability of property in the Service Zones. These are special benefits to property in the Service Zones in much the same way that storm drainage, sewer service, water service, sidewalks and paved streets enhance the utility and functionality of each parcel of property served by these improvements, providing them with more utility of use and making them safer and more usable for occupants.

It should also be noted that Proposition 218 includes a requirement that existing assessments in effect upon its effective date were required to be confirmed by either a majority vote of registered voters in the assessment area, or by weighted majority property owner approval using the new ballot proceeding requirements. However, certain assessments were excluded from these voter approval requirements. Of note is that in California Constitution Article XIID Section 5(a) this special exemption was granted to assessments for sidewalks, streets, sewers, water, flood control, drainage systems and vector control. The Howard Jarvis Taxpayers Association explained this exemption in their Statement of Drafter's Intent:

"This is the "traditional purposes" exception. These existing assessments do not need property owner approval to continue. However, future assessments for these traditional purposes are covered."³

Therefore, the drafters of Proposition 218 acknowledged that vector control assessments were a "traditional" and therefore acknowledged and accepted use.

Since all assessments existing before or after Proposition 218 must be based on special benefit to property, the drafters of Proposition 218 impliedly found that vector control services confer special benefit on property. Moreover, the statement of drafter's intent also acknowledges that any new or increased vector control assessments after the effective date of Proposition 218 would need to comply with the voter approval requirements it established. This is as an acknowledgement that additional assessments for such "traditional" purposes would be established after Proposition 218 was in effect. Therefore, the drafters of Proposition 218 clearly recognized vector assessments as a "traditional" use of assessments, acknowledged that new vector assessments may be formed after Proposition 218 and impliedly were satisfied that vector control services confer special benefit to properties.

³ Howard Jarvis Taxpayers Association, "Statement of Drafter's Intent", January 1997.

The Legislature also made a specific determination after Proposition 218 was enacted that vector control services constitute a proper subject for special assessment. Health and Safety Code section 2082, which was signed into law in 2002, provides that a district may levy special assessments consistent with the requirements of Article XIID of the California Constitution to finance vector control projects and programs. The intent of the Legislature to allow and authorize benefit assessments for vector control services after Proposition 218 is shown in the Assembly and Senate analysis of the Mosquito Abatement and Vector Control District Law where it states that the law:

Allows special benefit assessments to finance vector control projects and programs, consistent with Proposition 218.⁴

Therefore the State Legislature agreed that vector control services are a valuable and important public service that can be funded by benefit assessments. To be funded by assessments, vector control services must confer special benefit to property.

Mosquito Control Is a Special Benefit to Properties

As described below, this Engineer's Report concludes that mosquito control is a special benefit that provides direct advantages to property in the Service Zones. For example, the assessment provides for 1) surveillance throughout the Service Zones to measure and track the levels and sources of mosquitoes impacting property in the area and the people who live and work on the property, 2) mosquito and mosquito source control, treatment and abatement throughout the Service Zones such that all property in the area benefits from a comparable reduction of mosquito levels, 3) monitoring throughout the Service Zones to evaluate the effectiveness of District treatment and control and to ensure that all properties are receiving the equivalent level of mosquito reduction benefits, and 4) the properties in the Service Zones to be eligible for service requests which result in District staff directly visiting, inspecting and treating property. Moreover, the Services funded by the Assessments reduce the level of mosquitoes and vectors arriving at and negatively impacting properties within the Service Zones.

The following section, Benefit Factors, describes how the Services specially benefit properties in the Service Zones. These benefits are particular and distinct from its effect on property in general or the public at large.

⁴ Senate Bill 1588, Mosquito Abatement and Vector Control District Law, Legislative bill analysis

Benefit Factors

In order to allocate the assessments, the Engineer identified the types of special benefit arising from the services and that would be provided to property within the Service Zones. These types of special benefit are as follows:

Increased safety of property in the Service Zones.

The Assessments provide funding for year-round, proactive Services to control and abate mosquitoes and other vectors that otherwise would occupy properties throughout the Service Zones. Mosquitoes and other vectors are transmitters of diseases, so the reduction of mosquito populations makes property in the Service Zones safer for use and enjoyment. In absence of the assessments, these Services would not be provided, so the Services funded by the assessments make properties in the Service Zones safer, which is a distinct special benefit to property in the Service Zones.⁵ This is not a general benefit to property in the Service Zones or the public at large because the Services are tangible mosquito and disease control services that will be provided directly to the properties in the Service Zones and the Services are over and above what otherwise would be provided by the District or any other agency.

This finding was confirmed in 2003 by the State Legislature:

“Mosquitoes and other vectors, including but not limited to, ticks, Africanized honey bees, rats, fleas, and flies, continue to be a source of human suffering, illness, death, and a public nuisance in California and around the world. Adequately funded mosquito and vector control, monitoring and public awareness programs are the best way to prevent outbreaks of West Nile Virus and other diseases borne by mosquitoes and other vectors.”⁶

Also, the Legislature, in Health and Safety Code Section 2001, finds that:

“The protection of Californians and their communities against the discomforts and economic effects of vectorborne diseases is an essential public service that is vital to public health, safety, and welfare.”

Reductions in the risk of new diseases and infections on property in the Service Zones.

Mosquitoes have proven to be a major contributor to the spread of new diseases such as West Nile Virus, among others. A highly mobile population combined with migratory bird patterns can introduce new mosquito-borne diseases into previously unexposed areas.

⁵ . By reducing the risk of disease and increasing the safety of property, the proposed Services will materially increase the usefulness and desirability of certain properties in the Service Zones.

⁶ Assembly Concurrent Resolution 52, chaptered April 1, 2003

“Vector-borne diseases (including a number that are mosquito-borne) are a major public health problem internationally. In the United States, dengue and malaria are frequently brought back from tropical and subtropical countries by travelers or migrant laborers, and autochthonous transmission of malaria and dengue occasionally occurs. In 1998, 90 confirmed cases of dengue and 1,611 cases of malaria were reported in the USA and dengue transmission has occurred in Texas.”⁷

“During 2004, 40 states and the District of Columbia (DC) have reported 2,313 cases of human WNV illness to CDC through ArboNET. Of these, 737 (32%) cases were reported in California, 390 (17%) in Arizona, and 276 (12%) in Colorado. A total of 1,339 (59%) of the 2,282 cases for which such data were available occurred in males; the median age of patients was 52 years (range: 1 month--99 years). Date of illness onset ranged from April 23 to November 4; a total of 79 cases were fatal.”⁸ (According to the Centers for Disease Control and Prevention on January 19, 2004, a total of 2,470 human cases and 88 human fatalities from WNV have been confirmed).

The Services funded by the assessments help prevent, on a year-round basis, the presence of vector-borne diseases on property in the Service Zones. This is another tangible and direct special benefit to property in the Service Zones that would not be received in the absence of the assessments.

Reduced mosquito and vector populations on property and as a result, enhanced desirability, utility, usability and functionality of property in the Service Zones.

The assessments provide new and enhanced services for the control and abatement of nuisance and disease-carrying mosquitoes. These Services materially reduce the number of vectors on properties throughout the Service Zones. The lower mosquito and vector populations on property in the Service Zones is a direct advantage to property that serve to increase the desirability and “usability” of property. Clearly, properties are more desirable and usable in areas with lower mosquito populations and with a reduced risk of vector-borne disease. This is a special benefit to residential, commercial, agricultural, industrial and other types of properties because all such properties directly benefit from reduced mosquito and vector populations and properties with lower vector populations are more usable, functional and desirable.

⁷ Rose, Robert. (2001). Pesticides and Public Health: Integrated Methods of Mosquito Management. Emerging Infectious Diseases. Vol. 7(1); 17-23.

⁸ Center for Disease Control. (2004). West Nile Virus Activity --- United States, November 9--16, 2004. Morbidity and Mortality Weekly Report. 53(45); 1071-1072.

Excessive mosquitoes and other vectors in the area can materially diminish the utility and usability of property. For example, prior to the commencement of mosquito control and abatement services, properties in many areas in the State were considered to be nearly uninhabitable during the times of year when the mosquito populations were high.⁹ The prevention or reduction of such diminished utility and usability of property caused by mosquitoes is a clear and direct advantage and special benefit to property in the Service Zones.

The State Legislature made the following finding on this issue:

“Excess numbers of mosquitoes and other vectors spread diseases of humans, livestock, and wildlife, reduce enjoyment of outdoor living spaces, both public and private, reduce property values, hinder outdoor work, reduce livestock productivity; and mosquitoes and other vectors can disperse or be transported long distances from their sources and are, therefore, a health risk and a public nuisance; and professional mosquito and vector control based on scientific research has made great advances in reducing mosquito and vector populations and the diseases they transmit.”¹⁰

Protection of economic activity on property in the Service Zones.

As recently demonstrated by the SARS outbreak in China and outbreaks of Avian Flu, outbreaks of pathogens can materially and negatively impact economic activity in the affected area. Such outbreaks and other public health threats can have a drastic negative effect on tourism, business and residential activities in the affected area. The assessments help to prevent the likelihood of such outbreaks in the Service Zones.

Mosquitoes hinder, annoy and harm residents, guests, visitors, farm workers, and employees. A vector-borne disease outbreak and other related public health threats would have a drastic negative effect on agricultural, business and residential activities in the Service Zones.

The economic impact of diseases is well documented. According to a study prepared for the Centers for Disease Control and Prevention, economic losses due to the transmission of West Nile Virus in Louisiana was estimated to cost over \$20 million over approximately one year:

The estimated cost of the Louisiana epidemic was \$20.1 million from June 2002 to February 2003, including a \$10.9 million cost of illness (\$4.4 million medical and \$6.5

⁹ Prior to the commencement of modern mosquito control services, areas in the State of California such as the San Mateo Peninsula, Napa County and areas in Marin and Sonoma Counties had such high mosquito populations that they were considered to be nearly unlivable during certain times of the year and were largely used for part-time vacation cottages that were occupied primarily during the months when the natural mosquito populations were lower.

¹⁰ Assembly Concurrent Resolution 52, chaptered April 1, 2003

million nonmedical costs) and a \$9.2 million cost of public health response. These data indicate a substantial short-term cost of the WNV disease epidemic in Louisiana. ¹¹

Moreover, a study conducted in 1996-97 of La Crosse Encephalitis (LACE), a human illness caused by a mosquito-transmitted virus, found a lifetime cost per human case at \$48,000 to \$3,000,000 and found that the disease significantly impacted life spans of those who were infected. Following is a quote from the study which references the importance and value of active vector control services of the type that would be funded by the assessments:

The socioeconomic burden resulting from LACE is substantial, which highlights the importance of the illness in western North Carolina, as well as the need for active surveillance, reporting, and prevention programs for the infection. ¹²

The Services funded by the assessments help to prevent the likelihood of such outbreaks on property in the Service Zones and reduce the harm to economic activity on property caused by existing mosquito populations. This is another direct advantage in the Service Zones that would not be received in absence of the assessments.

Protection of the Service Zones' agriculture, tourism, and business industries.

The agriculture, tourism and business industries in the Service Zones benefit from reduced levels of harmful or nuisance mosquitoes and other vectors. Conversely, any outbreaks of emerging vectorborne pathogens such as West Nile Virus could also materially negatively affect these industries. Diseases transmitted by mosquitoes and other vectors can adversely impact business and recreational functions.

A study prepared for the United States Department of Agriculture in 2003 found that over 1,400 horses died from West Nile Virus in Colorado and Nebraska and that these fatal disease cases created over \$1.2 million in costs and lost revenues. In addition, horse owners in these two states spent over \$2.75 million to vaccinate their horses for this disease. The study states that "Clearly, WNV has had a marked impact on the Colorado and Nebraska equine industry." ¹³

¹¹ Zohrabian A, Meltzer MI, Ratard R, Billah K, Molinari NA, Roy K, et al. West Nile Virus economic impact, Louisiana, 2002. Emerging Infectious Disease, 2004 Oct. Available from <http://www.cdc.gov/ncidod/EID/vol10no10/03-0925.htm>

¹² Utz, J. Todd, Apperson, Charles S., Maccormack, J. Newton, Salyers, Martha, Dietz, E. Jacquelin, Mcpherson, J. Todd, Economic And Social Impacts Of La Crosse Encephalitis In Western North Carolina, Am J Trop Med Hyg 2003 69: 509-518

¹³ S. Geiser, A. Seitzinger, P. Salazar, J. Traub-Dargatz, P. Morley, M. Salman, D. Wilmot, D. Steffen, W. Cunningham, Economic Impact of West Nile Virus on the Colorado and Nebraska Equine Industries: 2002, April 2003, Available from http://www.aphis.usda.gov/vs/ceah/cnahs/nahms/equine/wnv2002_CO_NB.pdf

*Pesticides for mosquito control impart economic benefits to agriculture in general. Anecdotal reports from farmers and ranchers indicate that cattle, if left unprotected, can be exsanguinated by mosquitoes, especially in Florida and other southeast coastal areas. Dairy cattle produce less milk when bitten frequently by mosquitoes*¹⁴

The assessments serve to protect the businesses and industries in the Service Zones. This is a direct advantage and special benefit to property in the Service Zones.

Reduced risk of nuisance and liability on property in the Service Zones.

In addition to health related factors, uncontrolled mosquito and vector populations create a nuisance for residents, employees, customers, tourists, farm workers and guests in the Service Zones. Properties in the Service Zones benefit from the reduced nuisance factor that is created by the Services. Agricultural and rangeland properties also benefit from the reduced nuisance factor and harm to horses, livestock and employees from lower mosquito and vector populations.

Agricultural, range, golf course, cemetery, open space and other such lands in the Service Zones contain large areas of mosquito and vector habitat and are therefore a significant source of mosquito and vector populations. In addition, residential and business properties in the Service Zones can also contain significant sources.¹⁵ It is conceivable that sources of mosquitoes could be held liable for the transmission of diseases or other harm. For example, in August 2004, the City of Los Angeles approved new fines of up to \$1,000 per day for property owners who don't remove standing water sources of mosquitoes on their property.

The Services provided by the District reduce the mosquito and vector related nuisance and health liability to properties in the Service Zones. The reduction of that risk of liability constitutes a special benefit to property in the Service Zones and this special benefit would not be received in absence of the Services funded by the assessments.

¹⁴ . Jennings, Allen. (2001). USDA Letter to EPA on Fenthion IRED. United States Department of Agriculture, Office of Pest Management Policy. March 8, 2001.

¹⁵ . Sources of mosquitoes on residential, business, agricultural, range and other types of properties include removable sources such as containers that hold standing water.

Improved marketability of property.

As described previously, the Services specially benefit properties in the Service Zones by making them more useable, livable and functional. The Services also make properties in the Service Zones more desirable, and more desirable properties also benefit from improved marketability. This is another tangible special benefit to certain property in the Service Zones which will not be enjoyed in absence of the Services.¹⁶

Benefit Finding

In summary, the special benefits described in this Report and provision of Services in the Service Zones directly benefit and protect the real properties in the Service Zones in excess of the proposed assessments for these properties. Therefore, the assessment engineer finds that the cumulative special benefits to property from the Services are reasonably equal to or greater than the proposed Fiscal Year 2022-23 assessment rate per benefit unit for Service Zone 1 and Service Zone 2.

General vs. Special Benefit

Article XIII C of the California Constitution requires any local agency proposing to increase or impose a benefit assessment to “separate the general benefits from the special benefits conferred on a parcel.” The rationale for separating special and general benefits is to ensure that property owners subject to the benefit assessment are not paying for general benefits. The assessment can fund the special benefits to property in the assessment area but cannot fund any general benefits. Accordingly, a separate estimate of the special and general benefit is given in this section.

In other words:

$$\text{Total Benefit} = \text{General Benefit} + \text{Special Benefit}$$

¹⁶ . If one were to compare two hypothetical properties with similar characteristics, the property with lower mosquito infestation and reduced risk of vector-borne disease will clearly be more desirable, marketable and usable.

There is no widely-accepted or statutory formula for general benefit from vector control services. General benefits are benefits from improvements or services that are not special in nature, are not “particular and distinct” and are not “over and above” benefits received by other properties. General benefits are conferred to properties located “in the district,”¹⁷ but outside the narrowly-drawn Assessment District and to “the public at large.” SVTA vs. SCCOSA provides some clarification by indicating that general benefits provide “an indirect, derivative advantage” and are not necessarily proximate to the improvements and services funded by the assessments.

A formula to estimate the general benefit is listed below:

General Benefit	=	Benefit to Real Property Outside the Assessment District	+	Benefit to Real Property Inside the Assessment District that is Indirect and Derivative	+	Benefit to the Public at Large
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Special benefit, on the other hand, is defined in the state constitution as “a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large.” The SVTA v. SCCOSA decision indicates that a special benefit is conferred to a property if it “receives a direct advantage from the improvement (e.g., proximity to a park).” In this assessment, the overwhelming proportion of the benefits conferred to property is special, since the advantages from the mosquito and disease protection funded by the Assessments are directly received by the properties in the Assessment District and are only minimally received by property outside the Assessment District or the public at large. For example, property owners within the Assessment District may request service calls to treat for mosquitoes or other vectors on their property.

¹⁷ SVTA vs. SCCOSA explains as follows:

OSA observes that Proposition 218’s definition of “special benefit” presents a paradox when considered with its definition of “district.” Section 2, subdivision (i) defines a “special benefit” as “a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large.” (Art. XIII D, § 2, subd. (i), italics added.) Section 2, subdivision (d) defines “district” as “an area determined by an agency to contain all parcels which will receive a special benefit from a proposed public improvement or property-related service.” (Art. XIII D, § 2, subd. (d), italics added.) In a well-drawn district — limited to only parcels receiving special benefits from the improvement — every parcel within that district receives a shared special benefit. Under section 2, subdivision (i), these benefits can be construed as being general benefits since they are not “particular and distinct” and are not “over and above” the benefits received by other properties “located in the district.”

We do not believe that the voters intended to invalidate an assessment district that is narrowly drawn to include only properties directly benefiting from an improvement. Indeed, the ballot materials reflect otherwise. Thus, if an assessment district is narrowly drawn, the fact that a benefit is conferred throughout the district does not make it general rather than special.

Hence, arguably, some of the Services benefit the public at large and properties outside the Service Zones. In this report, the general benefit is conservatively estimated and described, and then budgeted so that it is funded by sources other than the assessment.

In the 2009 Dahms case, the court upheld an assessment that was 100% special benefit on the rationale that the services funded by the assessments were directly provided to property in the assessment district. Similar to the assessments in Pomona that were validated by Dahms, the Assessments described in this Engineer's Report fund mosquito, vector and disease control services directly provided to property in the assessment area. Moreover, as noted in this Report, the Services directly reduce mosquito and vector populations on all property in the assessment area. Therefore, Dahms establishes a basis for minimal or zero general benefits from the Assessments. However, in this report, the general benefit is more conservatively estimated and described, and then budgeted so that it is funded by sources other than the assessment.

Calculating General Benefit

The assessment is levied on property in the District that previously received no mosquito and vector control service from any government agency. Consistent with *footnote 8* of SVTA v. SCCOSA, and for the reasons described above, the District has determined that all parcels in the Service Zones receive a shared direct advantage and special benefit from the Services. The Services directly and particularly serve and benefit each parcel, and are not a mere indirect, derivative advantage. As explained above, Proposition 218 relies on the concept of "over and above" in distinguishing special benefits from general benefits. As applied to an assessment proceeding concurrent with the annexation of new territory and extension of services to that territory, this concept means that the baseline general benefits are zero and that all vector control services, which provide direct advantage to property in the Service Zones, are over and above the zero baseline and therefore are special.

Nevertheless, the Services may provide a degree of general benefit, in addition to the predominant special benefit. This section provides a conservative measure of the general benefits from the Assessments.

Benefit to Property Outside the District

Properties within the Assessment District receive almost all of the special benefits from the Services because the Services funded by the Assessments are provided directly to protect property within the Assessment District from mosquitoes and vector-borne disease. However, properties adjacent to, but just outside of, the boundaries may receive some benefit from the Services in the form of reduced mosquito populations on property outside the Service Zones. Since this benefit is conferred to properties outside the district boundaries, it contributes to the overall general benefit calculation and will not be funded by the assessment.

A measure of this general benefit is the proportion of Services that affect properties outside of the Service Zones. Each year, the District provides some of its Services in areas near the boundaries of the Service Zones. By abating mosquito populations near the borders of the Service Zones, the Services may provide benefits in the form of reduced mosquito populations and reduced risk of disease transmission to properties outside the Service Zones. If mosquitoes were not controlled inside the Service Zones, more of them would fly from the Service Zones. Therefore control of mosquitoes within the Service Zones provides some benefit to properties outside the Service Zones but within the normal flight range of vectors, in the form of reduced mosquito populations and reduced vector-borne disease transmission. Since mosquitoes are the predominant vector that are controlled and mosquitoes most easily travel from their source location to properties in the area, typical mosquito destination ranges will be used to measure the extent that the Services will create reduced vector populations on property outside the Unprotected Areas. This is a measure of the general benefits to property outside the Service Zones because this is a benefit from the Services that is not specially conferred upon property in the assessment area.

The mosquito potential outside the Service Zones is based on studies of mosquito dispersion concentrations. Mosquitoes can travel up to two miles, on average, so this destination range is used. Based on studies of mosquito destinations, relative to parcels in the Service Zones, average concentration of mosquitoes from the Service Zones on properties within two miles of the Service Zones is calculated to be 6%.¹⁸ This relative vector population reduction factor within the destination range is combined with the number of parcels outside the Service Zones and within the destination range to measure this general benefit and is calculated as follows:

<p><u>Criteria:</u></p> <p>MOSQUITOES MAY FLY UP TO 2 MILES FROM THEIR BREEDING SOURCE.</p> <p>1,136 PARCELS WITHIN 2 MILES OF, BUT OUTSIDE OF THE ASSESSMENT DISTRICT, MAY RECEIVE SOME MOSQUITO AND DISEASE PROTECTION BENEFIT</p> <p>6 % PORTION OF RELATIVE BENEFIT THAT IS RECEIVED</p> <p>53,387 ASSESSABLE PARCELS IN THE ASSESSMENT DISTRICT</p>

¹⁸ Tietze, Noor S., Stephenson, Mike F., Sidhom, Nader T. and Binding, Paul L., "Mark-Recapture of *Culex Erythrothorax* in Santa Cruz County, California", Journal of the American Mosquito Control Association, 19(2):134-138, 2003.

Therefore, for the overall benefits provided by the Services to the Service Zones, it is determined that 0.13% of the benefits are received by the parcels within two miles of the Service Zones boundaries. Recognizing that this calculation is an approximation, this benefit will be rounded up to 1.0 %.

Benefit to Property Inside the District that is Indirect and Derivative

The “indirect and derivative” benefit to property within the Assessment District is particularly difficult to calculate. As explained above, all benefit within the Assessment District is special because the mosquito and disease control services in the Service Zones provide direct service and protection that is clearly “over and above” and “particular and distinct” when compared with the lack of such protection under current conditions. Further, the properties are within the Assessment District boundaries and this Engineer’s Report demonstrates the direct benefits received by individual properties from mosquito and disease control services.

In determining the Assessment District area, the District was careful to limit it to an area of parcels that will directly receive the Services. All parcels directly benefit from the surveillance, monitoring and treatment that is provided on an equivalent basis throughout the Service Zones in order to maintain the same improved level of protection against mosquitoes and reduced mosquito populations throughout the area. The surveillance and monitoring sites are spread on a balanced basis throughout the area. Mosquito control and treatment are provided as needed throughout the area based on the surveillance and monitoring results. The shared special benefit - reduced mosquito levels and reduced presence of vector-borne diseases – are received on an equivalent basis by all parcels in the Service Zones. Furthermore, all parcels in the Assessment District directly benefit from the ability to request service from the District and to have a District field technician promptly respond directly to the parcel and address the owner’s or resident’s service need.

The SVTA vs. SCCOSA decision indicates that the fact that a benefit is conferred throughout the assessment district area does not make the benefit general rather than special, so long as the assessment district is narrowly drawn and limited to the parcels directly receiving shared special benefits from the service. This concept is particularly applicable in situations involving a landowner-approved assessment-funded extension of a local government service to benefit lands previously not receiving that particular service. The District therefore concludes that, other than the small general benefit to properties outside the Assessment District (discussed above) and to the public at large (discussed below), all of the benefits of the Services to the parcels within the Assessment District are special benefits, and it is not possible or appropriate to separate any general benefits from the benefits conferred on parcels in the Service Zones.

Benefit To The Public At Large

With the type and scope of Services to be provided to the Assessment Area, it is very difficult to calculate and quantify the scope of the general benefit conferred on the public at large. Because the Services directly serve and benefit all of the property in the Assessment Area, any general benefit conferred on the public at large would be small. Nevertheless, there is some indirect general benefit to the public at large.

The public at large uses the public highways and other regional facilities, and when traveling in and through the Assessment Area they will benefit from the Services. A fair and appropriate measure of the general benefit to the public at large therefore is the amount of area of highways and other regional facilities within the Assessment Area relative to the overall land area. An analysis of maps of the Assessment Area shows that approximately 3.0% of the land area in the Assessment Area is covered by highways and other regional facilities. This 3.0% therefore is a fair and appropriate measure of the general benefit to the public at large within the Assessment Area

Summary of General Benefits

Using a sum of the measures of general benefit for the public at large and land outside the Assessment Area, we find that approximately 4.0% of the benefits conferred by the Mosquito and Disease Control Assessment may be general in nature and should be funded by sources other than the assessment.

General Benefit Calculation	
1.0%	(Outside the Assessment District)
+ 0.0%	(Property within the Assessment District)
+ 3.0%	(Public at Large)
= 4.0%	(Total General Benefit)

The estimated cost of the Services for Fiscal Year 2022-23 is \$1,388,616. Of this total amount, the existing District must contribute at least \$55,545, or 4% of the total budget from sources other than the Service Zone No. 1 and Service Zone No. 2 Assessment. The District contribution from other sources is \$683,455, or approximately 49.2% of the total budget, which more than offsets any general benefits from the Service Zone No. 1 and Service Zone No. 2 Assessment Services.

Zones of Benefit

The boundaries of the Service Zones have been carefully drawn to include the properties in Santa Barbara County that did not receive mosquito and disease control services prior to the assessment and that materially benefit from the Services. Such parcels are in areas with a material population of people, pets and livestock on the property. The current and future population of property is a conduit of benefit to property because people, pets and livestock are ultimately affected by mosquitoes and vector-borne diseases and the special benefit factors of desirability, utility, usability, livability and marketability are ultimately determined by the population and usage potential of property.

Certain other properties in the northern and western portion of the County were excluded from the Service Zones because these properties are generally in more remote and mountainous areas and they support a very low population. In other words, the boundaries of the Service Zones have been narrowly drawn to include only properties that specially benefit from the mosquito control services, and previously did receive services from the District.

The SVTA vs. SCCOSA decision indicates:

In a well-drawn district — limited to only parcels receiving special benefits from the improvement — every parcel within that district receives a shared special benefit. Under section 2, subdivision (i), these benefits can be construed as being general benefits since they are not “particular and distinct” and are not “over and above” the benefits received by other properties “located in the district.”

We do not believe that the voters intended to invalidate an assessment district that is narrowly drawn to include only properties directly benefitting from an improvement. Indeed, the ballot materials reflect otherwise. Thus, if an assessment district is narrowly drawn, the fact that a benefit is conferred throughout the district does not make it general rather than special. In that circumstance, the characterization of a benefit may depend on whether the parcel receives a direct advantage from the improvement (e.g., proximity to park) or receives an indirect, derivative advantage resulting from the overall public benefits of the improvement (e.g., general enhancement of the district’s property values).

In the assessment, the advantage that each parcel receives from the mosquito control services is direct, and the boundaries are narrowly drawn to include only parcels that benefit from the assessment. Therefore, the even spread of assessment throughout the narrowly drawn district is indeed consistent with the OSA decision.

The District's mosquito, vector, and disease control programs, projects and services are funded by Service Zone No. 1 and Service Zone No. 2. Service Zone No. 1 includes the original service area of the Mosquito and Vector Management District of Santa Barbara County, including the City of Goleta, the City of Santa Barbara Municipal Airport, and most of the unincorporated territory of the Goleta Valley, including the communities of Hope Ranch and Isla Vista. Service Zone No. 2 contains the territory of the dissolved Carpinteria Mosquito Abatement District, including the City of Carpinteria and the Carpinteria Valley. In addition, Service Zone No. 1 also includes the Extension Areas that were annexed into the District in 2004, including the unincorporated areas of Montecito, Mission Canyon, Summerland, Hidden Valley, and the Goleta and Carpinteria Foothills in southern Santa Barbara County, as well as the previously non-serviced portions of the City of Santa Barbara.

Method of Assessment

As previously discussed, the assessments fund comprehensive, year-round mosquito control and disease surveillance and control Services that clearly confer special benefits to properties in the Service Zones. These benefits can partially be measured by the property owners, guests, employees, tenants, pets and animals who enjoy a more habitable, safer and more desirable place to live, work or visit. As noted, these benefits ultimately flow to the underlying property.

Therefore, the apportionment of benefit is partially based on people who potentially live on, work at, or otherwise use the property. This methodology of determining benefit to property through the extent of use by people is a commonly used method of apportionment of benefits from assessments.

Moreover, assessments have a long history of use in California and are in large part based on the principle that any benefits from a service or improvement funded by assessments that is enjoyed by tenants and other non-property owners ultimately is conferred to the underlying property.¹⁹

¹⁹ For example, in *Federal Construction Co. v. Ensign* (1922) 59 Cal.App. 200 at 211, the appellate court determined that a sewer system specially benefited property even though the direct benefit was to the people who used the sewers: "Practically every inhabitant of a city either is the owner of the land on which he resides or on which he pursues his vocation, or he is the tenant of the owner, or is the agent or servant of such owner or of such tenant. And since it is the inhabitants who make by far the greater use of a city's sewer system, it is to them, as lot owners or as tenants, or as the servants or agents of such lot owners or tenants, that the advantages of actual use will redound. But this advantage of use means that, in the final analysis, it is the lot owners themselves who will be especially benefited in a financial sense."

With regard to benefits and source locations, the assessment engineer determined that since mosquitoes readily fly from their breeding locations to all properties in their flight range and since mosquitoes are actually attracted to properties occupied by people or animals, the benefits from mosquito control extend beyond the source locations to all properties that would be a “destination” for mosquitoes and other vectors. In other words, the control and abatement of mosquito and vector populations ultimately confers benefits to all properties that are a destination of mosquitoes and vectors, rather than just those that are sources of mosquitoes.

Although some primary mosquito sources may be located outside of residential areas, residential properties can and do generate their own, often significant, populations of mosquitoes and vector organisms. For example, storm water catch basins in residential areas in the Service Zones are a common source of mosquitoes. Since the typical flight range for a female mosquito, on average, is 2 miles, most homes in the Service Zones are within the flight zone of many mosquito sources. Moreover, there are many other common residential sources of mosquitoes, such as miscellaneous backyard containers, neglected swimming pools, leaking water pipes and tree holes. Clearly, there is a potential for mosquito sources on virtually all property. More importantly, all properties in the Service Zones are within the destination range of mosquitoes and most properties are actually within the destination range of multiple mosquito source locations.

Because the Services are provided throughout the Service Zones with the same level of control objective, mosquitoes can rapidly and readily fly from their breeding locations to other properties over a large area, and there are current or potential breeding sources throughout the Service Zones, the Assessment Engineer determined that all similar properties in the Service Zones have generally equivalent mosquito “destination” potential and, therefore, receive equivalent levels of benefit.

In the process of determining the appropriate method of assessment, the Engineer considered various alternatives. For example, a fixed assessment amount per parcel for all residential improved property was considered but was determined to be inappropriate because agricultural lands, commercial property and other property also receive benefits from the assessments. Likewise, an assessment exclusively for agricultural land was considered but deemed inappropriate because other types of property, such as residential and commercial, also receive the special benefit factors described previously.

A fixed or flat assessment was deemed to be inappropriate because larger residential, commercial and industrial properties receive a higher degree of benefit than other similarly used properties that are significantly smaller. (For two properties used for commercial purposes, there is clearly a higher benefit provided to a property that covers several acres in comparison to a smaller commercial property that is on a 0.25 acre site. The larger property generally has a larger coverage area and higher usage by employees, customers, tourists and guests that benefit from reduced mosquito and vector populations, as well as the reduced threat from diseases carried by mosquitoes and other vectors. This benefit ultimately flows to the property.) Larger commercial, industrial and apartment parcels, therefore, receive an increased benefit from the assessments.

In conclusion, the Assessment Engineer determined that the appropriate method of assessment apportionment should be based on the type and use of property, the relative size of the property, its relative population and usage potential and its destination potential for mosquitoes. This method is further described below.

The method and formulas for calculating and allocating annual assessments to property in the Service Zones was established by the Resolution 96-01 by the District Board of Trustees of the Goleta Valley Vector Control District in May, 1996 and by Resolution 96-01 by the District Board of Trustees of the Carpinteria Mosquito Abatement District in June, 1996, and is described in detail in a report entitled “Staff Report on the Need for Implementing the Benefit Assessment Funding Mechanism Based on Land Use” approved May 14, 1996 on file in the office of the District. The method and formulas are summarized below.

Assessment Apportionment

The special benefits derived from the Mosquito and Disease Control Assessment are conferred on property and are not based on a specific property owner’s occupancy of property or the property owner’s demographic status, such as age or number of dependents. However, it is ultimately people who do or could use the property and who enjoy the special benefits described above. The opportunity to use and enjoy property within the Service Zones without the excessive nuisance, diminished “livability” or the potential health hazards brought by mosquitoes and the diseases they carry is a special benefit to properties in the Service Zones. This benefit can be in part measured by the number of people who potentially live on, work at, visit or otherwise use the property, because people ultimately determine the value of the benefits by choosing to live, work and/or recreate in the area, and by choosing to purchase property in the area.²⁰

²⁰ Benefits conferred upon property are related to the average number of people who could potentially live on, work at or otherwise could use a property, not how the property is currently used by the present owner.

In order to apportion the cost of the Services to property, each property in the Service Zones is assigned a relative special benefit factor. This process involves determining the relative benefit received by each property in relation to a single family home, or, in other words, on the basis of Single Family Equivalents (SFE). This SFE methodology is commonly used to distribute assessments in proportion to estimated special benefit. For the purposes of this Engineer's Report, all properties are designated a SFE value, which is each property's relative benefit in relation to a "benchmark" parcel in the Service Zones. The "benchmark" property is the single family detached dwelling on a parcel of less than one acre. This benchmark parcel is assigned one Single Family Equivalent benefit unit or one SFE.

The special benefit conferred upon a specific parcel is derived as a sum function of the applicable special benefit type (such as improved safety, i.e., disease risk reduction, on a parcel for a mosquito assessment), and the parcel-specific attributes (such as the number of residents living on the parcel for a mosquito assessment) which supports that special benefit. Calculated special benefit increases accordingly with an increase in the product of special benefit type and supportive parcel-specific attribute.

The calculation of the special benefit per property is summarized in the following equation:

$$\text{Special Benefit (per parcel)} = \sum f(\text{Special Benefits, Property Specific Attributes}^1)_{(\text{per parcel})}$$

1. Such as use, property type, and size.

Residential Properties

Single family homes, condominiums, and mobile homes on mobile home pads are assigned the basic unit of benefit for vector control services. This category is described as individual homes. The benefit unit for these categories of land use is 1.0.

Multi-Family Properties

Multi-Family properties consist of more than one family thus increasing the benefit received for that individual property. The amount of benefit received increases for Multi-Family properties with a large number of family units. Specifically, this category is segmented into two functions: Multi-Family properties ranging from 2-4 units and Multi-family properties with 5 or more units.

For Multi-family residences up to 4 units, the benefit unit assigned is 1.25.

For Multi-family residences with 5 or more units, the benefit unit assigned is 1.5.

Commercial Properties

All commercial properties experience increased benefit from vector control services due to the higher numbers of people using the property on a transient basis, including employees and the public. This property includes uses such as department stores, service stations, restaurants, and professional buildings. This category receives significantly higher benefit because it is continuously utilized at intense levels and is therefore assigned 1.75 benefit units.

Institutional, Industrial, and Recreational

These properties experience the greatest increased benefit from vector control services due to continual transient use by high numbers of employees, customers and recreationalists. The uses associated with these properties also include the use of transportation of goods and people from outside of the area and includes increased benefits from mosquito and other vector control. This category includes such categories as manufacturing, warehousing, open storage, recreation areas, auditoriums, stadiums, golf courses, and colleges. The benefit unit assigned to this category is 2.0.

Vacant and Agriculture Properties

Vacant properties consist of undeveloped parcels in all land use categories. These parcels are unoccupied and therefore receive a more limited benefit. Farm parcels are similar to undeveloped parcels in that they are generally unoccupied. The amount of benefit is limited to a lesser degree. The benefit unit assigned to this category is 0.75.

Exempt Government Properties

Government parcels are exempt from the special assessment since they were not included in the original assessment schematic prior to Proposition 218. In lieu of the assessment, the District provides services under contract with these parcels, and the parcels are in turn billed directly by the District for abatement costs, according to the provisions of the California State Health and Safety Code.

Other Properties

All properties that are specially benefited are assessed. Miscellaneous, small and other parcels such as roads, right-of-way parcels, and common areas typically do not generate significant numbers of employees, residents, customers or guests and have limited economic value. These miscellaneous parcels receive minimal benefit from the Services and are assessed an SFE benefit factor of 0.

Duration of Assessment

It is proposed that the Assessment be levied for fiscal year 2022-23 and continued every year thereafter, so long as mosquitoes remain in existence and the Mosquito and Vector Management District of Santa Barbara County requires funding from the Assessment for its Services in the Service Zones. As noted previously, the Assessment can continue to be levied annually after the Mosquito and Vector Management District of Santa Barbara County Board of Trustees approves an annually updated Engineer's Report, budget for the Assessment, Services to be provided, and other specifics of the Assessment. In addition, the District Board of Trustees must hold an annual public hearing to continue the Assessment.

Appeals and Interpretation

Any property owner who feels that the assessment levied on the subject property is in error as a result of incorrect information being used to apply the foregoing method of assessment, may file a written appeal with the General Manager of the Mosquito and Vector Management District of Santa Barbara County or his or her designee. Any such appeal is limited to correction of an assessment during the then current Fiscal Year or, if before July 1, the upcoming fiscal year. Upon the filing of any such appeal, the General Manager or his or her designee will promptly review the appeal and any information provided by the property owner. If the General Manager or his or her designee finds that the assessment should be modified, the appropriate changes shall be made to the assessment roll. If any such changes are approved after the assessment roll has been filed with the County of Santa Barbara for collection, the General Manager or his or her designee is authorized to refund to the property owner the amount of any approved reduction. Any dispute over the decision of the General Manager, or his or her designee, shall be referred to the Board. The decision of the Board shall be final.

Assessment

Whereas, the Board contracted with the undersigned Engineer of Work to prepare and file a report presenting an estimate of costs of Services, a diagram for an assessment district and an assessment of the estimated costs of Services, and the special and general benefits conferred thereby, upon all assessable parcels within the Service Zone No. 1 and Service Zone No. 2;

Now, therefore, the undersigned in accordance with the provisions of Article XIID of the California Constitution, the Government Code and the Health and Safety Code and the order of the Board of said Mosquito and Vector Management District of Santa Barbara County, hereby make the following determination of a continued assessment to cover the portion of the estimated cost of the Services, and the costs and expenses incidental thereto to be paid by the Service Zone No. 1 and Service Zone No. 2.

The District has evaluated and estimated the costs of providing the Services to the Service Zones. The estimated costs are summarized in Figure 1 and detailed in Figure 2, below.

The amount to be paid for the services and improvements and the expenses incidental thereto, to be paid by the Mosquito and Vector Management District of Santa Barbara County for the fiscal year 2022-23 is generally as follows:

Figure 2 – Summary Cost Estimate, FY 2022-23

Vector & Disease Control Services	\$1,318,930
Administrative Costs	\$69,686
TOTAL BUDGET	<u>\$1,388,616</u>
Less:	
General Fund Contribution	(\$663,209)
District Contribution from Reserves	(\$20,246)
Net Amount To Assessments	<u><u>\$705,161</u></u>

An Assessment Diagram is hereto attached and made a part hereof showing the exterior boundaries of the Service Zones. The distinctive number of each parcel or lot of land in the Service Zones is its Assessor Parcel Number appearing on the Assessment Roll.

I do hereby determine and apportion the net amount of the cost and expenses of the Services, including the costs and expenses incidental thereto, upon the parcels and lots of land within the Service Zones, in accordance with the special benefits to be received by each parcel or lot, from the Services, and more particularly set forth in this Engineer's Report.

The assessment determination is made upon the parcels or lots of land within the Service Zones in proportion to the special benefits to be received by the parcels or lots of land, from the Services.

The District may finance the cost of acquiring or constructing capital facilities over time and pledge a portion of assessment revenues received in any fiscal year towards the repayment of the principal amount of such borrowed funds together with interest over the repayment period.

The assessment for Service Zone 1 is subject to an annual adjustment tied to the Consumer Price Index (CPI) for the Los Angeles-Riverside-Orange County Area as of March of each succeeding year (the "CPI"), with a maximum annual rate not to exceed \$20.00 per benefit unit. Any CPI increase not levied in any given year shall be cumulatively reserved as the "Unused CPI" and shall be used to increase the maximum authorized assessment rate in future years. The maximum authorized assessment rate is equal to the maximum assessment rate in the first fiscal year the assessment was levied adjusted annually by the minimum of the change in the CPI plus any Unused CPI as described above.

The assessment rate for Service Zone 1 for Fiscal Year 2021-22 was \$11.07 per single family equivalent benefit unit. The annual change in the CPI from March 2021 to March 2022 was 8.50%. The calculated maximum authorized assessment rate for Fiscal Year 2022-23 is \$12.01 per single family equivalent benefit unit. The estimate of cost and budget in this Engineer's Report justifies assessment of the maximum authorized assessment rate and hence, proposes assessments for fiscal year 2022-23 at the rate of \$12.01 per single family equivalent benefit unit.

The assessment for Service Zone 2 is not subject to a CPI limitation. However, the maximum assessment rate may not exceed \$16.00 per benefit unit. The estimate of cost and budget in this Engineer's Report also proposes assessments for Service Zone 2 for fiscal year 2022-23 at the rate of \$12.01 per single family equivalent benefit unit, which is less than the maximum authorized assessment rate.

Following Board preliminary approval of the Engineer's Report and the assessments it establishes for fiscal year 2022-23, the assessments may continue to be levied annually and may be adjusted by the maximum rates allowed by Resolution 96-01 adopted by the District Board of Trustees of the Goleta Valley Vector Control District in May, 1996 and by Resolution 96-01 adopted by the District Board of Trustees of the Carpinteria Mosquito Abatement District in June, 1996, without any additional assessment ballot proceeding.

Each parcel or lot of land is described in the Assessment Roll by reference to its parcel number as shown on the Assessor's Maps of the County of Santa Barbara for the fiscal year 2022-23. For a more particular description of the property, reference is hereby made to the deeds and maps on file and of record in the office of the County Recorder of the County of Santa Barbara.

I hereby place opposite the Assessor Parcel Number for each parcel or lot within the Assessment Roll, the proposed amount of the assessment for the fiscal year 2022-23 for each parcel or lot of land within the said Service Zone No.1 and Service Zone No. 2.

Dated: May 12, 2022



Engineer of Work

A handwritten signature in black ink that reads "John W. Bliss".

By John W. Bliss, License No. C52091

Appendices

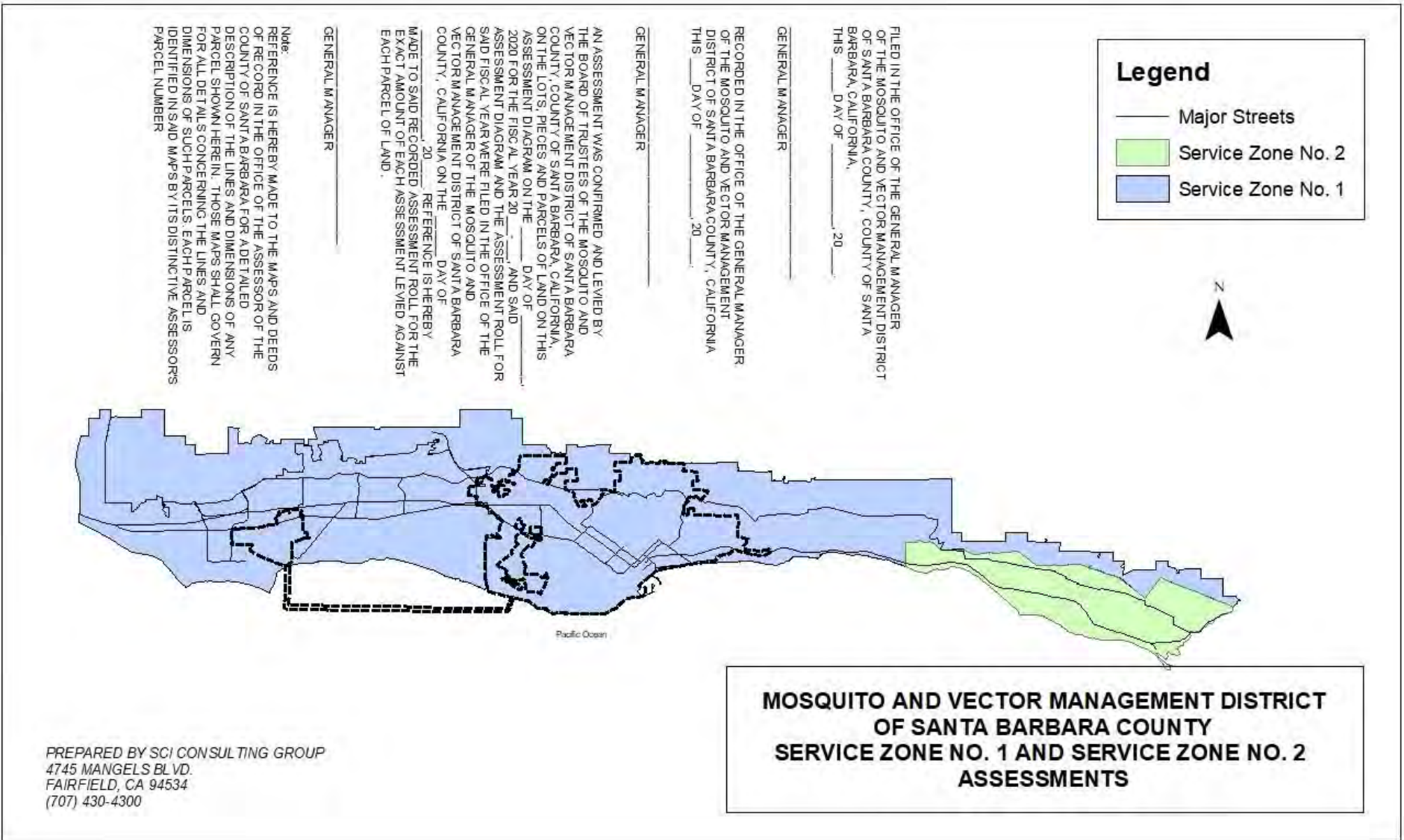
Appendix A – Assessment Diagram

Appendix B – Assessment Roll

Appendix A – Assessment Diagram

The Mosquito and Vector Management District of Santa Barbara County Assessment areas include all properties within Service Zone No. 1 and Service Zone No. 2.

The boundaries of Service Zone No. 1 and Service Zone No. 2 are displayed on the following Assessment Diagram.



Appendix B – Assessment Roll, FY 2022-23

Reference is hereby made to the Assessment Roll in and for the Assessment District on file in the office of the General Manager of the District, as the Assessment Roll is too voluminous to be bound with this Engineer's Report.

STAFF REPORT

DATE: July 14, 2022

TO: The Board of Trustees

FROM: Brian Cabrera, General Manager

SUBJECT: Public Hearing and Resolution Approving Engineer's Report, and Ordering the Continuation of Assessments for Fiscal Year 2022-23 for the Mosquito and Vector Management District of Santa Barbara County, Service Zone No. 1 and Service Zone No. 2 Mosquito and Disease Control Assessments

RECOMMENDATION

It is recommended that the Board hold a public hearing, consider all public comments, and subsequently approve Resolution 22-14 that would approve the Engineer's Report, and order the continuation of assessments for fiscal year 2022-23 as the final step in levying the assessments, at the increased rate of \$12.01 per SFE for the Service Zone No. 1 and Service Zone No. 2 Assessments

RESULT OF RECOMMENDED ACTION

The Board will order the levy of the assessments for fiscal year 2022-23, and will cause those levies to be submitted by SCI Consulting Group to the County Auditor to be included on the 2022-23 property tax bills.

BACKGROUND

Since the early 1990's, the Mosquito and Vector Management District of Santa Barbara County ("District") has been responsible for Enhanced Vector Control Services for the City of Goleta, the City of Santa Barbara Municipal Airport, and most of the unincorporated territory of the Goleta Valley including the communities of Hope Ranch and Isla Vista, which are all included in Service Zone No. 1 (Goleta area) & Service Zone No. 2 (Carpinteria area), including the City of Carpinteria and the Carpinteria Valley.

In order to allow property owners to ultimately decide whether the District should extend its Service Zone No. 1 to include the unincorporated areas of Montecito, Mission Canyon, Summerland, Hidden Valley, and the Goleta and Carpinteria Foothills in southern Santa Barbara County as well as to the non-serviced portions of the City of Santa Barbara, the Board, on January 29, 2004, authorized the initiation of proceedings for a benefit assessment. This new area is referred to as the "Service Zone No. 1 Extension 1" or the "Extension Areas."

- Balloting Conducted: February to April, 2004
- Ballot Results: 65.1% of the weighted returned ballots were in support of the proposed assessment
- Board Approval of 1st Year Assessment Levies (Extension Areas): May 13, 2004
- Service Zone 1 Fiscal Year 1996 Approved Rate: \$6.17 per single family equivalent benefit unit (SFE)
- Service Zone 1 Fiscal Year 2004-05 Approved Rate (Extension Areas): \$6.17 per single family equivalent benefit unit (SFE)
- Service Zone 1 Fiscal Year 2021-22 Approved Rate: \$11.07 per single family equivalent benefit unit (SFE)

- Service Zone 1 Annual CPI: In each subsequent year, the maximum assessment rate increases by the annual change in the Consumer Price Index, not to exceed \$20.00 per single family equivalent benefit unit (SFE)
- Service Zone 2 Rate Established in 1996: \$7.91 per single family equivalent benefit unit (SFE)
- Service Zone 2 Fiscal Year 2021-22 Approved Rate: \$11.07 per single family equivalent benefit unit (SFE)
- Service Zone 2 Annual CPI: The maximum assessment rate is not to exceed \$16.00 per single family equivalent benefit unit (SFE)

SCI Consulting Group prepared the Engineer's Report that includes the special and general benefits from the assessments, the proposed budget for the assessments for fiscal year 2022-23, the updated proposed assessments for each parcel in the District, and the proposed assessments per single family equivalent benefit unit for the fiscal year. At the May 18, 2022 Board meeting, the Board reviewed the Engineer's Report and adopted resolutions to declare its intention to continue the assessments, preliminarily approve the Engineer's Report, and provide for notice of the annual public hearing for Service Zone 1 and Service Zone 2.

Each year, in order to continue to levy the assessments for the coming fiscal year, the Board conducts a noticed public hearing and receives public input on the proposed assessments and the services that they would fund. After hearing the public testimony, the Board may take final action on setting the assessment rates, establishing the services and improvements to be funded and ordering the levy of the continued assessments for fiscal year 2022-23.

PROPOSED RATE AND CPI HISTORY

The assessments can be levied annually and can be increased by an amount equal to the change in the Los Angeles-Riverside-Orange County Consumer Price Index. (Note: Unused CPI increases may be cumulatively reserved to increase the maximum rate in future years.) The following table summarizes the CPI history and the rates assessed, as well as the proposed rates for the upcoming fiscal year:

Fiscal Year	LA Area CPI	CPI Increase	Zone 1 Rate/SFE	Zone 2 Rate/SFE	Annual Assessment Revenues
FY 04-05	1.75%	0.00%	\$6.17	\$7.91	\$355,230
FY 05-06	4.02%	0.00%	\$6.17	\$7.91	\$356,046
FY 06-07	4.67%	4.70%	\$6.46	\$7.91	\$372,663
FY 07-08	3.84%	3.25%	\$6.67	\$7.91	\$383,707
FY 08-09	3.28%	3.30%	\$6.89	\$7.91	\$396,355
FY 09-10	-1.00%	15.97%	\$7.99	\$7.99	\$454,286
FY 10-11	1.86%	1.88%	\$8.14	\$8.14	\$462,979
FY 11-12	3.00%	5.41%	\$8.58	\$8.58	\$487,599
FY 12-13	2.02%	3.96%	\$8.92	\$8.92	\$508,730
FY 13-14	1.29%	1.35%	\$9.04	\$9.04	\$517,350
FY 14-15	1.04%	1.00%	\$9.13	\$9.13	\$523,560
FY 15-16	0.51%	0.55%	\$9.18	\$9.18	\$528,646
FY 16-17	1.69%	5.77%	\$9.71	\$9.71	\$561,391
FY 17-18	2.68%	2.68%	\$9.97	\$9.97	\$579,000
FY 18-19	3.78%	3.78%	\$10.35	\$10.35	\$602,898
FY 19-20	2.71%	2.71%	\$10.63	\$10.63	\$620,085
FY 20-21	1.94%	1.88%	\$10.83	\$10.83	\$633,929
FY 21-22	2.19%	2.19%	\$11.07	\$11.07	\$648,425
FY 22-23	8.50%	8.50%	\$12.01	\$12.01	\$705,161

Note: Difference in the actual and applied CPI rate is due to truncating of the calculated maximum assessment rate.

PROPOSED FY 2022-23 BUDGET, SERVICES & IMPROVEMENTS

Summary of revenue and total cost	FY 2021-22	FY 2022-23
Revenue (all sources)	\$1,303,075	\$1,368,370
Costs:		
Services	\$1,250,193	\$1,318,930
Incidentals	\$73,128	\$69,686

Services to be performed by the Mosquito and Vector Management District this fiscal year include:

- Mosquito control
- Rodent inspections and source reduction
- Bee Inspections
- Enhanced Disease Surveillance
- Door-to door mosquito inspections
- Mosquitofish for backyard fish ponds
- Public education outreach

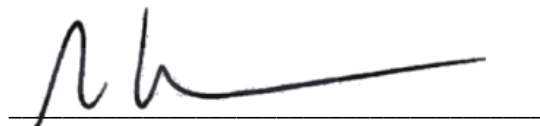
THE ONGOING COVID-19 PANDEMIC AND PRESENCE OF AEDES AEGYPTI IN SANTA BARBARA COUNTY

Although the COVID-19 pandemic has moved into its third year, the District continues to fulfill its mission of working to protect the public from vectors of public health importance.

Invasive yellow fever mosquitoes, *Aedes aegypti*, were still present in the two neighborhoods where they were found in the fall of 2020. Continued trapping and inspections resulted in some detections but the mosquitoes did not seem to spread to new areas and the number of mosquitoes caught did not significantly increase over the previous year. Nevertheless, we anticipate this invasive species will continue to spread locally and may show up in locations much further away from where they were first found.

The presence of a non-native mosquito species capable of vectoring highly pathogenic viruses highlights the importance of the District's services and the extra special benefit they provide to our local communities. The District will continue to expend additional resources on items such as informational brochures, traps, and, possibly, a seasonal aide, to manage the spread of these mosquitoes. These additional items may contribute to higher budget costs to the District in Fiscal Year 2022-23 and possibly beyond.

Respectfully submitted,



Brian Cabrera
General Manager



Moss, Levy & Hartzheim LLP

Certified Public Accountants

July 5, 2022

To the Board of Directors
Mosquito and Vector Management District of Santa Barbara County
PO Box 1389
Summerland, CA 93067

We are pleased to confirm our understanding of the services we are to provide Mosquito and Vector Management District of Santa Barbara County for the fiscal year ended June 30, 2022.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities, the major fund, the aggregate remaining fund information, and the disclosures, which collectively comprise the basic financial statements of Mosquito and Vector Management District of Santa Barbara County as of and for the fiscal year ended June 30, 2022. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Mosquito and Vector Management District of Santa Barbara County's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Mosquito and Vector Management District of Santa Barbara County's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis
- 2) Budgetary Comparison Schedules
- 3) Schedule of Changes in OPEB Liability
- 4) Schedule of OPEB Contributions
- 5) Proportionate Share of Net Pension Liability
- 6) Schedule of Pension Contributions

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

The objectives also include reporting on internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of your accounting records of Mosquito and Vector Management District of Santa Barbara County and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

Our audit of financial statements does not relieve you of your responsibilities.

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Mosquito and Vector Management District of Santa Barbara County's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit

will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Other Services

We will also assist in preparing the financial statements and related notes of Mosquito and Vector Management District of Santa Barbara County in conformity with accounting principles generally accepted in the United States of America based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities. In addition, we will prepare the Special Districts Financial Transactions Report of Mosquito and Vector Management District of Santa Barbara County.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with accounting principles generally accepted in the United States of America, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS and *Government Auditing Standards*.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, or contracts or grant agreements that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with accounting principles generally accepted in the United States of America (GAAP). You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to Mosquito and Vector Management District of Santa Barbara County; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Moss, Levy & Hartzheim LLP and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for the purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Moss, Levy & Hartzheim LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Travis Hole is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We expect to begin our audit on approximately August 1, 2022, and to issue our reports no later than December 30, 2022.

Our fee for services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$11,200. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Reporting

We will issue a written report upon completion of our audit of Mosquito and Vector Management District of Santa Barbara County's financial statements. Our report will be addressed to management of Mosquito and Vector Management District of Santa Barbara County. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will state (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The report will also state that the report is not suitable for any other purpose. If during our audit we become aware that Mosquito and Vector Management District of Santa Barbara County is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

We appreciate the opportunity to be of service to Mosquito and Vector Management District of Santa Barbara County and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Very truly yours,

Moss, Levy & Hartzheim LLP

Moss, Levy & Hartzheim LLP

RESPONSE:

This letter correctly sets forth the understanding of Mosquito and Vector Management District of Santa Barbara County.

Management signature: _____

Title: _____

Date: _____

Governance signature: _____

Title: _____

Date: _____

TCS Total Compensation Systems, Inc.

April 8, 2021

Brian Cabrera
General Manager
Mosquito & Vector Management District of Santa Barbara County
2450 Lillie Avenue
Summerland, CA 93067

Dear Brian,

This is in response to your request for guidance regarding an Employer Contribution Target Amount (ECTA) for your OPEB plan. The following is calculated as of July 1, 2020 and is based on the results of our GASB 75 Valuation report dated February 11, 2022.

The ECTA is calculated to reduce the plan's current \$121,371 Net OPEB Liability (NOL) to \$0 over the specified timeframe by amortizing (i.e. paying off) the NOL while continuing to fund the annual Service Cost. The ECTA should be recalculated every one or two years as demographic experience, changes in assumptions, and actual investment return cause the NOL and Service Cost to deviate from expectations.

Amortization Basis	20 years % of Payroll
1) Annual Service Cost	\$19,434
2) Amortization of \$121,371 NOL	\$8,281
1 + 2) Annual Employer Contribution Target Amount (ECTA)	\$27,715

Keep in mind that the ECTA includes both contributions made to the trust as well as any pay-as-you-go benefit payments that are made from outside of trust assets.

ECTA is an informal term used by Total Compensation Systems to help public agencies set a funding target for their OPEB plan. We do not consider this to be an Actuarially Determined Contribution (ADC) as defined under GASB 75. Our interpretation is that an ADC under GASB 75 only applies when the contribution is formally adopted by a governing board, and that the plan's actuary should not label any amount as an ADC without a formally adopted funding policy.

Please let me know if you have any questions about the above or about retiree benefits, in general.

Sincerely,



Will Kane, FSA, EA, MAAA
Consulting Actuary
Total Compensation Systems, Inc.
5655 Lindero Canyon Road, Suite 223
Westlake Village, CA 91362
(805) 496-1700
wkane@totcomp.com

**Mosquito & Vector Management District of Santa
Barbara County
Actuarial Study of
Retiree Health Liabilities Under GASB 74/75
Roll-forward Valuation
Valuation Date: June 30, 2020
Measurement Date: June 30, 2021
For Fiscal Year-End: June 30, 2022**

*Prepared by:
Total Compensation Systems, Inc.*

Date: June 21, 2022

DRAFT

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**Mosquito & Vector Management District of Santa Barbara County
Actuarial Study of Retiree Health Liabilities**

PART I: EXECUTIVE SUMMARY

A. Introduction

This report was produced by Total Compensation Systems, Inc. for Mosquito & Vector Management District of Santa Barbara County to determine the liabilities associated with its current retiree health program as of a June 30, 2021 measurement date and to provide the necessary information to determine accounting entries for the fiscal year ending June 30, 2022. This report may not be suitable for other purposes such as determining employer contributions or assessing the potential impact of changes in plan design.

Different users of this report will likely be interested in different sections of information contained within. We anticipate that the following portions may be of most interest depending on the reader:

- A high level comparison of key results from the current year to the prior year is shown on this page.
- The values we anticipate will be disclosed in the June 30, 2022 year-end financials are shown on pages 2 and 3.
- Additional accounting information is shown on page 12 and Appendices C and D.
- Description and details of measured valuation liabilities can be found beginning on page 10.
- Guidance regarding the next actuarial valuation for the June 30, 2022 measurement date is provided on page 13.

B. Key Results

MVMD of Santa Barbara County uses an Actuarial Measurement Date that is 12 months prior to its Fiscal Year-End. This means that these actuarial results measured as of June 30, 2021 will be used on a look back basis for the June 30, 2022 Fiscal Year-End.

Key Results	Current Year	Prior Year
	<i>June 30, 2021 Measurement Date for June 30, 2022 Fiscal Year-End</i>	<i>June 30, 2020 Measurement Date for June 30, 2021 Fiscal Year-End</i>
Total OPEB Liability (TOL)	\$615,272	\$564,600
Fiduciary Net Position (FNP)	\$542,149	\$443,229
Net OPEB Liability (NOL)	\$73,123	\$121,371
Service Cost (for year following)	\$20,973	\$19,434
Estimated Pay-as-you-go Cost (for year following)	\$12,830	\$19,935
GASB 75 OPEB Expense (for year ending)	\$13,505	(\$233,968)

Refer to results section beginning on page 10 or the glossary on page 27 for descriptions of the above items.

Key Assumptions	Current Year	Prior Year
	<i>June 30, 2021 Measurement Date for June 30, 2022 Fiscal Year-End</i>	<i>June 30, 2020 Measurement Date for June 30, 2021 Fiscal Year-End</i>
Valuation Interest Rate	5.75%	6.00%
Expected Rate of Return on Assets	5.75%	6.00%
Long-Term Medical Trend Rate	4.00%	4.00%
Projected Payroll Growth	2.75%	2.75%

Total Compensation Systems, Inc.

C. Summary of GASB 75 Accounting Results

1. Changes in Net OPEB Liability

The following table shows the reconciliation of the June 30, 2020 Net OPEB Liability (NOL) in the prior valuation to the June 30, 2021 NOL. A more detailed version of this table can be found on page 12.

	<i>TOL</i>	<i>FNP</i>	<i>NOL</i>
Balance at June 30, 2020 Measurement Date	\$564,600	\$443,229	\$121,371
Service Cost	\$19,434	\$0	\$19,434
Interest on TOL / Return on FNP	\$33,861	\$64,431	(\$30,570)
Employer Contributions	\$0	\$54,888	(\$54,888)
Benefit Payments	(\$20,233)	(\$20,233)	\$0
Administrative Expenses	\$0	(\$166)	\$166
Experience (Gains)/Losses	\$298	\$0	\$298
Changes in Assumptions	\$17,312	\$0	\$17,312
Other	\$0	\$0	\$0
Net Change	\$50,672	\$98,920	(\$48,248)
Actual Balance at June 30, 2021 Measurement Date	\$615,272	\$542,149	\$73,123

2. Deferred Inflows and Outflows

Changes in the NOL arising from certain sources are recognized on a deferred basis. The following tables show the balance of each deferral item as of the measurement date and the scheduled future recognition. A reconciliation of these balances can be found on page 12 while the complete deferral history is shown beginning on page 24.

Balances at June 30, 2022 Fiscal Year-End	<i>Deferred Outflows</i>	<i>Deferred Inflows</i>
Differences between expected and actual experience	\$6,047	(\$29,109)
Changes in assumptions	\$15,409	(\$20,288)
Differences between projected and actual return on assets	\$842	(\$33,051)
Total	\$22,298	(\$82,448)

To be recognized fiscal year ending June 30:	<i>Deferred Outflows</i>	<i>Deferred Inflows</i>
2023	\$3,569	(\$15,897)
2024	\$2,727	(\$15,896)
2025	\$2,727	(\$14,776)
2026	\$2,727	(\$14,318)
2027	\$2,727	(\$6,959)
Thereafter	\$7,821	(\$14,602)
Total	\$22,298	(\$82,448)

Total Compensation Systems, Inc.

3. OPEB Expense

Under GASB 74 and 75, OPEB expense includes service cost, interest cost, administrative expenses, and change in TOL due to plan changes, adjusted for deferred inflows and outflows. OPEB expense can also be derived as change in net position, adjusted for employer contributions, which can be found on page 12.

To be recognized fiscal year ending June 30, 2022	<i>Expense Component</i>
Service Cost	\$19,434
Interest Cost	\$33,861
Expected Return on Assets	(\$27,628)
Administrative Expenses	\$166
Recognition of Experience (Gain)/Loss Deferrals	(\$3,277)
Recognition of Assumption Change Deferrals	(\$955)
Recognition of Investment (Gain)/Loss Deferrals	(\$8,096)
Employee Contributions	\$0
Changes in Benefit Terms	\$0
Net OPEB Expense for fiscal year ending June 30, 2022	\$13,505

4. Adjustments

The above OPEB expense includes all deferred inflows and outflows except any contributions after the measurement date. Contributions from July 1, 2021 to June 30, 2022 minus prior contributions after the measurement date should also be reflected in OPEB expense. June 30, 2022 deferred outflows should include contributions from July 1, 2021 to June 30, 2022.

5. Trend and Interest Rate Sensitivities

The following presents what the Net OPEB Liability would be if it were calculated using a discount rate assumption or a healthcare trend rate assumption one percent higher or lower than the current assumption.

Net OPEB Liability at June 30, 2021 Measurement Date	<i>Discount Rate</i>	<i>Healthcare Trend Rate</i>
1% Decrease in Assumption	\$146,999	(\$12,122)
Current Assumption	\$73,123	\$73,123
1% Increase in Assumption	\$8,825	\$178,480

Total Compensation Systems, Inc.

D. Description of Retiree Benefits

Following is a description of the current retiree benefit plan:

	<u>All Employees*</u>
Benefit types provided	Medical, dental and vision
Duration of Benefits	Lifetime**
Required Service	5 years
Minimum Age	50
Dependent Coverage	Yes
District Contribution %	100%
District Cap	\$2,228.92 per month***

*Employees hired after 7/1/2018 are subject to a \$1,300 District Cap and 10 year service requirement

**Only PEMHCA minimum employer contribution (\$143/month in 2021) is provided after Medicare age

***Increased based on the Los Angeles/Riverside/Orange County area All Urban CPI for March each year

E. Summary of Valuation Data

Because this is a roll-forward valuation, this report is based on census data previously provided to us as of March, 2021 for the June 30, 2020 full valuation. Distributions of participants by age and service can be found on page 18. For non-lifetime benefits, the active count below excludes employees for whom it was not possible to receive retiree benefits (e.g. employees who were already older than the maximum age to which benefits are payable or who will not accrue the required service prior to reaching the maximum age).

	Valuation Year	
	<i>June 30, 2020 Valuation Date</i>	
	<i>June 30, 2021 Measurement Date</i>	
Active Employees eligible for future benefits		
Count		6
Average Age		47.3
Average Years of Service		12.8
Retirees currently receiving benefits		
Count		2
Average Age		64.5

We were not provided with information about any terminated, vested employees.

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F. Certification

The actuarial information in this report is intended solely to assist MVMD of Santa Barbara County in complying with Governmental Accounting Standards Board Accounting Statement 74 and 75 and, unless otherwise stated, fully and fairly discloses actuarial information required for compliance. Nothing in this report should be construed as an accounting opinion, accounting advice or legal advice. TCS recommends that third parties retain their own actuary or other qualified professionals when reviewing this report. TCS's work is prepared solely for the use and benefit of MVMD of Santa Barbara County. Release of this report may be subject to provisions of the Agreement between MVMD of Santa Barbara County and TCS. No third party recipient of this report product should rely on the report for any purpose other than accounting compliance. Any other use of this report is unauthorized without first consulting with TCS.

This report is for fiscal year July 1, 2021 to June 30, 2022, using a measurement date of June 30, 2021. The calculations in this report have been made based on our understanding of plan provisions and actual practice at the time we were provided the required information. We relied on information provided by MVMD of Santa Barbara County. Much or all of this information was unaudited at the time of our evaluation. We reviewed the information provided for reasonableness, but this review should not be viewed as fulfilling any audit requirements. We relied on the following materials to complete this study:

- We used paper reports and digital files containing participant demographic data from the District personnel records.
- We used relevant sections of collective bargaining agreements provided by the District.

All costs, liabilities, and other estimates are based on actuarial assumptions and methods that comply with all applicable Actuarial Standards of Practice (ASOPs). Each assumption is deemed to be reasonable by itself, taking into account plan experience and reasonable future expectations and in combination represent our estimate of anticipated experience of the Plan.

This report contains estimates of the Plan's financial condition and future results only as of a single date. Future results can vary dramatically and the accuracy of estimates contained in this report depends on the actuarial assumptions used. This valuation cannot predict the Plan's future condition nor guarantee its future financial soundness. Actuarial valuations do not affect the ultimate cost of Plan benefits, only the timing of Plan contributions. While the valuation is based on individually reasonable assumptions, other assumption sets may also be reasonable and valuation results based on those assumptions would be different. Determining results using alternative assumptions (except for the alternate discount and trend rates shown in this report) is outside the scope of our engagement.

Future actuarial measurements may differ significantly from those presented in this report due to factors such as, but not limited to, the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the measurement methodology (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. We were not asked to perform analyses to estimate the potential range of such future measurements.

The signing actuary is independent of MVMD of Santa Barbara County and any plan sponsor. TCS does not intend to benefit from and assumes no duty or liability to other parties who receive this report. TCS is not aware of any relationship that would impair the objectivity of the opinion.

On the basis of the foregoing, I hereby certify that, to the best of my knowledge and belief, this report is complete and has been prepared in accordance with generally accepted actuarial principles and practices and all

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applicable Actuarial Standards of Practice. My experience and continuing education are consistent with the requirements described for actuaries under the Qualification Standards of the American Academy of Actuaries.

Respectfully submitted,

Geoffrey L. Kischuk
Actuary
Total Compensation Systems, Inc.
(805) 496-1700

PART II: LIABILITIES AND COSTS FOR RETIREE BENEFITS

A. Introduction.

We calculated the actuarial present value of projected benefit payments (APVPBP) separately for each participant. We determined eligibility for retiree benefits based on information supplied by MVMD of Santa Barbara County. We then selected assumptions that, based on plan provisions and our training and experience, represent our best prediction of future plan experience. For each participant, we applied the appropriate assumption factors based on the participant's age, sex, length of service, and employee classification.

The actuarial assumptions used for this study are summarized beginning on page 14.

B. Liability for Retiree Benefits.

For each participant, we projected future premium costs using an assumed trend rate (see Appendix C). To the extent MVMD of Santa Barbara County uses contribution caps, the influence of the trend factor is further reduced. We multiplied each year's benefit payments by the probability that benefits will be paid; i.e. based on the probability that the participant is living, has not terminated employment, has retired and remains eligible. The probability that benefit will be paid is zero if the participant is not eligible. The participant is not eligible if s/he has not met minimum service, minimum age or, if applicable, maximum age requirements.

The product of each year's benefit payments and the probability the benefit will be paid equals the expected cost for that year. We multiplied the above expected cost figures by the probability that the retiree would elect coverage. A retiree may not elect to be covered if retiree health coverage is available less expensively from another source (e.g. Medicare risk contract) or the retiree is covered under a spouse's plan. Finally, we discounted the expected cost for each year to the measurement date June 30, 2021 at 5.75% interest.

For any *current retirees*, the approach used was similar. The major difference is that the probability of payment for current retirees depends only on mortality and age restrictions (i.e. for retired employees the probability of being retired and of not being terminated are always both 100%).

The value generated from the process described above is called the actuarial present value of projected benefit payments (APVPBP). We added APVPBP for each participant to get the total APVPBP for all participants which is the estimated present value of all future retiree health benefits for all **current** participants. The APVPBP is the amount on June 30, 2021 that, if all actuarial assumptions are exactly right, would be sufficient to expense all promised benefits until the last participant dies or reaches the maximum eligibility age. However, for most actuarial and accounting purposes, the APVPBP is not used directly but is instead apportioned over the lifetime of each participant as described in the following sections.

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C. Actuarial Accrual

Accounting principles provide that the cost of retiree benefits should be “accrued” over employees' working lifetime. For this reason, the Governmental Accounting Standards Board (GASB) issued in June of 2015 Accounting Standards 74 and 75 for retiree health benefits. These standards apply to all public employers that pay any part of the cost of retiree health benefits for current or future retirees (including early retirees), whether they pay directly or indirectly (via an “implicit rate subsidy”).

To actuarially accrue retiree health benefits requires determining the amount to expense each year so that the liability accumulated at retirement is, on average, sufficient (with interest) to cover all retiree health expenditures without the need for additional expenses. There are many different ways to determine the annual accrual amount. The calculation method used is called an “actuarial cost method” and uses the APVPBP to develop expense and liability figures. Furthermore, the APVPBP should be accrued over the working lifetime of employees.

In order to accrue the APVPBP over the working lifetime of employees, actuarial cost methods apportion the APVPBP into two parts: the portions attributable to service rendered prior to the measurement date (the past service liability or Total OPEB Liability (TOL) under GASB 74 and 75) and to service after the measurement date but prior to retirement (the future service liability or present value of future service costs). Of the future service liability, the portion attributable to the single year immediately following the measurement date is known as the normal cost or Service Cost under GASB 74 and 75.

The service cost can be thought of as the value of the benefit earned each year if benefits are accrued during the working lifetime of employees. The actuarial cost method mandated by GASB 75 is the “entry age actuarial cost method”. Under the entry age actuarial cost method, the actuary determines the service cost as the annual amount needing to be expensed from hire until retirement to fully accrue the cost of retiree health benefits. Under GASB 75, the service cost is calculated to be a level percentage of each employee’s projected pay.

D. Actuarial Assumptions

The APVPBP and service cost are determined using several key assumptions:

- The current **cost of retiree health benefits** (often varying by age, Medicare status and/or dependent coverage). The higher the current cost of retiree benefits, the higher the service cost.
- The **“trend” rate** at which retiree health benefits are expected to increase over time. A higher trend rate increases the service cost. A “cap” on District contributions can reduce trend to zero once the cap is reached thereby dramatically reducing service costs.
- **Mortality rates** varying by age and sex (and sometimes retirement or disability status). If employees die prior to retirement, past contributions are available to fund benefits for employees who live to retirement. After retirement, death results in benefit termination or reduction. Although higher mortality rates reduce service costs, the mortality assumption is not likely to vary from employer to employer.
- **Employment termination rates** have the same effect as mortality inasmuch as higher termination rates reduce service costs. Employment termination can vary considerably between public agencies.
- The **service requirement** reflects years of service required to earn full or partial retiree benefits. While a longer service requirement reduces costs, cost reductions are not usually substantial unless the service period exceeds 20 years of service.

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- **Retirement rates** determine what proportion of employees retire at each age (assuming employees reach the requisite length of service). Retirement rates often vary by employee classification and implicitly reflect the minimum retirement age required for eligibility. Retirement rates also depend on the amount of pension benefits available. Higher retirement rates increase service costs but, except for differences in minimum retirement age, retirement rates tend to be consistent between public agencies for each employee type.
- **Participation rates** indicate what proportion of retirees are expected to elect retiree health benefits if a significant retiree contribution is required. Higher participation rates increase costs.
- The **discount rate** estimates investment earnings for assets earmarked to cover retiree health benefit liabilities. The discount rate depends on the nature of underlying assets for funded plans. The rate used for a funded plan is the **real** rate of return expected for plan assets plus the long term inflation assumption. For an unfunded plan, the discount rate is based on an index of 20 year General Obligation municipal bonds rated AA or higher. For partially funded plans, the discount rate is a blend of the funded and unfunded rates.

E. Total OPEB Liability

The assumptions listed above are not exhaustive, but are the most common assumptions used in actuarial cost calculations. If all actuarial assumptions are exactly met and an employer expensed the service cost every year for all past and current employees and retirees, a sizeable liability would have accumulated (after adding interest and subtracting retiree benefit costs). The liability that would have accumulated is called the Total OPEB Liability (TOL). The excess of TOL over the value of plan assets is called the Net OPEB Liability (NOL). Under GASB 74 and 75, in order for assets to count toward offsetting the TOL, the assets have to be held in an irrevocable trust that is safe from creditors and can only be used to provide OPEB benefits to eligible participants.

Changes in the TOL can arise in several ways - e.g., as a result of plan changes or changes in actuarial assumptions. Change in the TOL can also arise from actuarial gains and losses. Actuarial gains and losses result from differences between actuarial assumptions and actual plan experience. GASB 75 allows certain changes in the TOL to be deferred (i.e. deferred inflows and outflows of resources).

Under GASB 74 and 75, a portion of actuarial gains and losses can be deferred as follows:

- Investment gains and losses are deferred five years.
- Experience gains and losses are deferred over the Expected Average Remaining Service Lives (EARSL) of plan participants. In calculating the EARSL, terminated employees (primarily retirees) are considered to have a working lifetime of zero. This often makes the EARSL quite short.
- Liability changes resulting from changes in economic and demographic assumptions are also deferred based on the EARSL.
- Liability changes resulting from plan changes, for example, cannot be deferred.

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F. Valuation Results

This section details the measured values of the concepts described on the previous pages. Because this is a roll-forward valuation, the results shown in this section do not match the overall results as of the measurement date.

1. Actuarial Present Value of Projected Benefit Payments (APVPBP)

Actuarial Present Value of Projected Benefit Payments as of June 30, 2020 Valuation Date

	<u>Total</u>
Active: Pre-65 Benefit	\$445,569
Post-65 Benefit	\$91,730
Subtotal	<u>\$537,299</u>
Retiree: Pre-65 Benefit	\$14,374
Post-65 Benefit	\$194,545
Subtotal	<u>\$208,919</u>
Grand Total	<u>\$746,218</u>
Subtotal Pre-65 Benefit	\$459,943
Subtotal Post-65 Benefit	<u>\$286,275</u>

2. Service Cost

The service cost represents the value of the benefit earned during a single year of employment. It is the APVPBP spread over the expected working lifetime of the employee and divided into annual segments. We applied an "entry age" actuarial cost method to determine funding rates for active employees. The table below summarizes the calculated service cost.

Service Cost Valuation Year Beginning July 1, 2020

	<u>Total</u>
# of Eligible Employees	6
First Year Service Cost	
Pre-65 Benefit	\$16,920
Post-65 Benefit	\$3,492
Total	<u>\$20,412</u>

Accruing retiree health benefit costs using service costs levels out the cost of retiree health benefits over time and more fairly reflects the value of benefits "earned" each year by employees. While the service cost for each employee is targeted to remain level as a percentage of covered payroll, the service cost as a dollar amount would increase each year based on covered payroll. Additionally, the overall service cost may grow or shrink based on changes in the demographic makeup of the employees from year to year.

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3. Total OPEB Liability and Net OPEB Liability

If actuarial assumptions are borne out by experience, the District will fully accrue retiree benefits by expensing an amount each year that equals the service cost. If no accruals had taken place in the past, there would be a shortfall of many years' accruals, accumulated interest and forfeitures for terminated or deceased employees. This shortfall is called the Total OPEB Liability. We calculated the Total OPEB Liability (TOL) as the APVPBP minus the present value of future service costs. To the extent that benefits are funded through a GASB 74 qualifying trust, the trust's Fiduciary Net Position (FNP) is subtracted to get the NOL. The FNP is the value of assets adjusted for any applicable payables and receivables as shown in the table on page 15.

Total OPEB Liability and Net OPEB Liability as of June 30, 2020 Valuation Date

	<i>Total</i>
Active: Pre-65 Benefit	\$306,559
Active: Post-65 Benefit	\$65,456
Subtotal	\$372,015
Retiree: Pre-65 Benefit	\$14,374
Retiree: Post-65 Benefit	\$194,545
Subtotal	\$208,919
Subtotal: Pre-65 Benefit	\$320,933
Subtotal: Post-65 Benefit	\$260,001
Total OPEB Liability (TOL)	\$580,934
Fiduciary Net Position as of June 30, 2020	\$443,229
Net OPEB Liability (NOL)	\$137,705

4. "Pay As You Go" Projection of Retiree Benefit Payments

We used the actuarial assumptions shown in Appendix C to project the District's ten year retiree benefit outlay. Because these cost estimates reflect average assumptions applied to a relatively small number of participants, estimates for individual years are **certain** to be **inaccurate**. However, these estimates show the size of cash outflow.

The following table shows a projection of annual amounts needed to pay the District's share of retiree health costs.

<i>Year Beginning</i>	
<i>July 1</i>	<i>Total</i>
2020	\$19,935
2021	\$12,830
2022	\$15,093
2023	\$17,306
2024	\$19,476
2025	\$22,609
2026	\$26,036
2027	\$39,914
2028	\$45,859
2029	\$61,554

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G. Additional Reconciliation of GASB 75 Results

The following table shows the reconciliation of the June 30, 2020 Net OPEB Liability (NOL) in the prior valuation to the June 30, 2021 NOL. For some plans, it will provide additional detail and transparency beyond that shown in the table on Page 2.

	<i>TOL</i>	<i>FNP</i>	<i>NOL</i>
Balance at June 30, 2020	\$564,600	\$443,229	\$121,371
Service Cost	\$19,434	\$0	\$19,434
Interest on Total OPEB Liability	\$33,861	\$0	\$33,861
Expected Investment Income	\$0	\$27,628	(\$27,628)
Administrative Expenses	\$0	(\$166)	\$166
Employee Contributions	\$0	\$0	\$0
Employer Contributions to Trust	\$0	\$54,888	(\$54,888)
Employer Contributions as Benefit Payments	\$0	\$0	\$0
Actual Benefit Payments from Trust	(\$20,233)	(\$20,233)	\$0
Actual Benefit Payments from Employer	\$0	\$0	\$0
Expected Minus Actual Benefit Payments**	\$298	\$0	\$298
Expected Balance at June 30, 2021	\$597,960	\$505,346	\$92,614
Experience (Gains)/Losses	\$0	\$0	\$0
Changes in Assumptions	\$17,312	\$0	\$17,312
Changes in Benefit Terms	\$0	\$0	\$0
Investment Gains/(Losses)	\$0	\$36,803	(\$36,803)
Other	\$0	\$0	\$0
Net Change during 2021	\$50,672	\$98,920	(\$48,248)
Actual Balance at June 30, 2021*	\$615,272	\$542,149	\$73,123

* May include a slight rounding error.

** Deferrable as an Experience Gain or Loss.

Changes in the NOL arising from certain sources are recognized on a deferred basis. The deferral history for MVMD of Santa Barbara County is shown beginning on page 24. The following table summarizes the beginning and ending balances for each deferral item. The current year expense reflects the change in deferral balances for the measurement year.

Deferred Inflow/Outflow Balances Fiscal Year Ending June 30, 2022

	<i>Beginning Balance</i>	<i>Change Due to New Deferrals</i>	<i>Change Due to Recognition</i>	<i>Ending Balance</i>
Experience (Gains)/Losses	(\$26,637)	\$298	\$3,277	(\$23,062)
Assumption Changes	(\$23,146)	\$17,312	\$955	(\$4,879)
Investment (Gains)/Losses	(\$3,502)	(\$36,803)	\$8,096	(\$32,209)
Deferred Balances	(\$53,285)	(\$19,193)	\$12,328	(\$60,150)

The following table shows the reconciliation of Net Position (NOL less the balance of any deferred inflows or outflows). When adjusted for contributions, the change in Net Position is equal to the OPEB expense shown previously on page 3.

Preliminary OPEB Expense Fiscal Year Ending June 30, 2022

	<i>Beginning Net Position</i>	<i>Ending Net Position</i>	<i>Change</i>
Net OPEB Liability (NOL)	\$121,371	\$73,123	(\$48,248)
Deferred Balances	(\$53,285)	(\$60,150)	(\$6,865)
Net Position	\$174,656	\$133,273	(\$41,383)
Adjust Out Employer Contributions			\$54,888
OPEB Expense			\$13,505

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H. Procedures for Future Valuations

GASB 74/75 require annual measurements of liability with a full actuarial valuation required every two years. This means that for the measurement date one year following a full actuarial valuation, a streamlined “roll-forward” valuation may be performed in place of a full valuation. The following outlines the key differences between full and roll-forward valuations.

	Full Actuarial Valuation	Roll-Forward Valuation
Collect New Census Data	Yes	No
Reflect Updates to Plan Design	Yes	No
Update Actuarial Assumptions	Yes	Typically Not
Update Valuation Interest Rate	Yes	Yes
Actual Assets as of Measurement Date	Yes	Yes
Timing	4-6 weeks after information is received	1-2 weeks after information is received
Fees	Full	Reduced
Information Needed from Employer	Moderate	Minimal
Required Frequency	At least every two years	Each year, unless a full valuation is performed

The majority of employers use an alternating cycle of a full valuation one year followed by a roll-forward valuation the next year. However, a full valuation may be required or preferred under certain circumstances. Following are examples of actions that could cause the employer to consider a full valuation instead of a roll-forward valuation.

- The employer adds or terminates a group of participants that constitutes a significant part of the covered group.
- The employer considers or implements changes to retiree benefit provisions or eligibility requirements.
- The employer considers or puts in place an early retirement incentive program.
- The employer desires the measured liability to incorporate more recent census data or assumptions.

We anticipate that the next valuation we perform for MVMD of Santa Barbara County will be a full valuation with a measurement date of June 30, 2022 which will be used for the fiscal year ending June 30, 2023.

PART III: ACTUARIAL ASSUMPTIONS AND METHODS

Following is a summary of actuarial assumptions and methods used in this study. The District should carefully review these assumptions and methods to make sure they reflect the District's assessment of its underlying experience. It is important for MVMD of Santa Barbara County to understand that the appropriateness of all selected actuarial assumptions and methods are MVMD of Santa Barbara County's responsibility. Unless otherwise disclosed in this report, TCS believes that all methods and assumptions are within a reasonable range based on the provisions of GASB 74 and 75, applicable actuarial standards of practice, MVMD of Santa Barbara County's actual historical experience, and TCS's judgment based on experience and training.

A. ACTUARIAL METHODS AND ASSUMPTIONS:

ACTUARIAL COST METHOD: GASB 74 and 75 require use of the entry age actuarial cost method.

Entry age is based on the age at hire for eligible employees. The attribution period is determined as the difference between the expected retirement age and the age at hire. The APVPBP and present value of future service costs are determined on a participant by participant basis and then aggregated.

SUBSTANTIVE PLAN: As required under GASB 74 and 75, we based the valuation on the substantive plan. The formulation of the substantive plan was based on a review of written plan documents as well as historical information provided by MVMD of Santa Barbara County regarding practices with respect to employer and employee contributions and other relevant factors.

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B. ECONOMIC ASSUMPTIONS:

Economic assumptions are set under the guidance of Actuarial Standard of Practice 27 (ASOP 27). Among other things, ASOP 27 provides that economic assumptions should reflect a consistent underlying rate of general inflation. For that reason, we show our assumed long-term inflation rate below.

INFLATION: We assumed 2.50% per year used for pension purposes. Actuarial standards require using the same rate for OPEB that is used for pension.

INVESTMENT RETURN / DISCOUNT RATE: We assumed 5.75% per year net of expenses. This is based on assumed long-term return on employer assets.. We used the “Building Block Method”. (See Appendix C, Paragraph 53 for more information). Our assessment of long-term returns for employer assets is based on long-term historical returns for surplus funds invested pursuant to California Government Code Sections 53601 et seq.

TREND: We assumed 4.00% per year. Our long-term trend assumption is based on the conclusion that, while medical trend will continue to be cyclical, the average increase over time cannot continue to outstrip general inflation by a wide margin. Trend increases in excess of general inflation result in dramatic increases in unemployment, the number of uninsured and the number of underinsured. These effects are nearing a tipping point which will inevitably result in fundamental changes in health care finance and/or delivery which will bring increases in health care costs more closely in line with general inflation. We do not believe it is reasonable to project historical trend vs. inflation differences several decades into the future.

PAYROLL INCREASE: We assumed 2.75% per year. Since benefits do not depend on salary (as they do for pensions), this assumption is only used to determine the accrual pattern of the Actuarial Present Value of Projected Benefit Payments.

FIDUCIARY NET POSITION (FNP): The following table shows the beginning and ending FNP numbers that were provided by MVMD of Santa Barbara County.

Fiduciary Net Position as of June 30, 2021

	<u>06/30/2020</u>	<u>06/30/2021</u>
Cash and Equivalents	\$0	\$0
Contributions Receivable	\$0	\$0
Total Investments	\$466,814	\$562,382
Capital Assets	\$0	\$0
Total Assets	\$466,814	\$562,382
Benefits Payable	(\$23,585)	(\$20,233)
Fiduciary Net Position	\$443,229	\$542,149

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C. NON-ECONOMIC ASSUMPTIONS:

Economic assumptions are set under the guidance of Actuarial Standard of Practice 35 (ASOP 35). See Appendix C, Paragraph 52 for more information.

MORTALITY

<i>Participant Type</i>	<i>Mortality Tables</i>
Miscellaneous	2017 CalPERS Mortality for Miscellaneous and Schools Employees

RETIREMENT RATES

<i>Employee Type</i>	<i>Retirement Rate Tables</i>
All Participants	Hired 2013 and after. 2017 CalPERS 2.0%@62 Rates for Miscellaneous Employees Hired 2012 and before. Santa Barbara County Employees' Retirement System retirement rates for Miscellaneous employees

COSTS FOR RETIREE COVERAGE

Actuarial Standard of Practice 6 (ASOP 6) provides that, as a general rule, retiree costs should be based on actual claim costs or age-adjusted premiums. This is true even for many medical plans that are commonly considered to be “community-rated.” However, ASOP 6 contains a provision – specifically section 3.7.7(c) – that allows use of unadjusted premiums in certain circumstances.

It is my opinion that the section 3.7.7(c)(4) exception allows use of unadjusted premium for PEMHCA agencies if certain conditions are met. Following are the criteria we applied to MVMD of Santa Barbara County to determine that it is reasonable to assume that MVMD of Santa Barbara County’s future participation in PEMHCA is likely and that the CalPERS medical program as well as its premium structure are sustainable. (We also have an extensive white paper on this subject that provides a basis for our rationale entirely within the context of ASOP 6. We will make this white paper available upon request.)

- **Plan qualifies as a “pooled health plan.”** ASOP 6 defines a “pooled health plan” as one in which premiums are based at least in part on the claims experience of groups other than the one being valued.” Since CalPERS rates are the same for all employers in each region, rates are clearly based on the experience of many groups.
- **Rates not based to any extent on the agency’s claim experience.** As mentioned above, rates are the same for all participating employers regardless of claim experience or size.
- **Rates not based to any extent on the agency’s demographics.** As mentioned above, rates are the same for all participating employers regardless of demographics.
- **No refunds or charges based on the agency’s claim experience or demographics.** The terms of operation of the CalPERS program are set by statute and there is no provision for any refunds and charges that vary from employer to employer for any reason. The only charges are uniform administrative charges.
- **Plan in existence 20 or more years.** Enabling legislation to allow “contracting agencies” to participate in the CalPERS program was passed in 1967. The CalPERS medical plan has been successfully operating for almost 50 years. As far back as we can obtain records, the rating structure has been consistent, with the only difference having been a move to regional rating which is unrelated to age-adjusted rating.
- **No recent large increases or decreases in the number of participating plans or enrollment.** The CalPERS medical plan has shown remarkably stable enrollment. In the past 10 years, there has been small growth in the number of employers in most years – with the maximum being a little over 2% and

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a very small decrease in one year. Average year over year growth in the number of employers over the last 10 years has been about 0.75% per year. Groups have been consistently leaving the CalPERS medical plan while other groups have been joining with no disruption to its stability.

- **Agency is not expecting to leave plan in foreseeable future.** The District does not plan to leave CalPERS at present.
- **No indication the plan will be discontinued.** We are unaware of anything that would cause the CalPERS medical plan to cease or to significantly change its operation in a way that would affect this determination.
- **The agency does not represent a large part of the pool.** The District is in the CalPERS Other Southern California region. Based on the information we have, the District constitutes no more than 0.02% of the Other Southern California pool. In our opinion, this is not enough for the District to have a measurable effect on the rates or viability of the Other Southern California pool.

Retiree liabilities are based on actual retiree costs. Liabilities for active participants are based on the first year costs shown below. Subsequent years' costs are based on first year costs adjusted for trend and limited by any District contribution caps.

<i>Participant Type</i>	<i>Future Retirees Pre-65</i>	<i>Future Retirees Post-65</i>
All Participants	Hired 2013 and after. \$15,600 Hired 2012 and before. \$19,381	\$1,650

PARTICIPATION RATES

<i>Employee Type</i>	<i><65 Non-Medicare Participation %</i>	<i>65+ Medicare Participation %</i>
Miscellaneous	100%	100%

TURNOVER

<i>Employee Type</i>	<i>Turnover Rate Tables</i>
Miscellaneous	Santa Barbara County Employees' Retirement System turnover rates for Miscellaneous employees

SPOUSE PREVALENCE

To the extent not provided and when needed to calculate benefit liabilities, 80% of retirees assumed to be married at retirement. After retirement, the percentage married is adjusted to reflect mortality.

SPOUSE AGES

To the extent spouse dates of birth are not provided and when needed to calculate benefit liabilities, female spouse assumed to be three years younger than male.

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PART IV: APPENDICES

APPENDIX A: DEMOGRAPHIC DATA BY AGE

ELIGIBLE ACTIVE EMPLOYEES BY AGE AND SERVICE

	<i>Total</i>	<i>Under 5 Years of Service</i>	<i>5 – 9 Years of Service</i>	<i>10 – 14 Years of Service</i>	<i>15 – 19 Years of Service</i>	<i>20 – 24 Years of Service</i>	<i>25 – 29 Years of Service</i>	<i>30 – 34 Years of Service</i>	<i>Over 34 Years of Service</i>
Under 25	0								
25 – 29	0								
30 – 34	0								
35 – 39	1			1					
40 – 44	2				2				
45 – 49	1			1					
50 – 54	0								
55 – 59	2	1			1				
60 – 64	0								
65 and older	0								
Total	6	1	0	2	3	0	0	0	0

ELIGIBLE RETIREES BY AGE AND EMPLOYEE CLASS

<i>Age</i>	<i>Total</i>
Under 50	0
50 – 54	0
55 – 59	0
60 – 64	2
65 – 69	0
70 – 74	0
75 – 79	0
80 – 84	0
85 – 89	0
90 and older	0
Total	2

APPENDIX B: ADMINISTRATIVE BEST PRACTICES

It is outside the scope of this report to make specific recommendations of actions MVMD of Santa Barbara County should take to manage the liability created by the current retiree health program. The following items are intended only to allow the District to get more information from this and future studies. Because we have not conducted a comprehensive administrative audit of MVMD of Santa Barbara County's practices, it is possible that MVMD of Santa Barbara County is already complying with some or all of these suggestions.

- We suggest that MVMD of Santa Barbara County maintain an inventory of all benefits and services provided to retirees – whether contractually or not and whether retiree-paid or not. For each, MVMD of Santa Barbara County should determine whether the benefit is material and subject to GASB 74 and/or 75.
- Under GASB 75, it is important to isolate the cost of retiree health benefits. MVMD of Santa Barbara County should have all premiums, claims and expenses for retirees separated from active employee premiums, claims, expenses, etc. To the extent any retiree benefits are made available to retirees over the age of 65 – *even on a retiree-pay-all basis* – all premiums, claims and expenses for post-65 retiree coverage should be segregated from those for pre-65 coverage. Furthermore, MVMD of Santa Barbara County should arrange for the rates or prices of all retiree benefits to be set on what is expected to be a self-sustaining basis.
- MVMD of Santa Barbara County should establish a way of designating employees as eligible or ineligible for future OPEB benefits. Ineligible employees can include those in ineligible job classes; those hired after a designated date restricting eligibility; those who, due to their age at hire cannot qualify for District-paid OPEB benefits; employees who exceed the termination age for OPEB benefits, etc.
- Several assumptions were made in estimating costs and liabilities under MVMD of Santa Barbara County's retiree health program. Further studies may be desired to validate any assumptions where there is any doubt that the assumption is appropriate. (See Part III of this report for a summary of assumptions.) For example, MVMD of Santa Barbara County should maintain a retiree database that includes – in addition to date of birth, gender and employee classification – retirement date and (if applicable) dependent date of birth, relationship and gender. It will also be helpful for MVMD of Santa Barbara County to maintain employment termination information – namely, the number of OPEB-eligible employees in each employee class that terminate employment each year for reasons other than death, disability or retirement.

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APPENDIX C: GASB 74/75 ACCOUNTING ENTRIES AND DISCLOSURES

This report does not necessarily include the entire accounting values. As mentioned earlier, there are certain deferred items that are employer-specific. The District should consult with its auditor if there are any questions about what, if any, adjustments may be appropriate.

GASB 74/75 include a large number of items that should be included in the Note Disclosures and Required Supplementary Information (RSI) Schedules. Many of these items are outside the scope of the actuarial valuation. However, following is information to assist the District in complying with GASB 74/75 disclosure requirements:

Paragraph 50: **Information about the OPEB Plan**

Most of the information about the OPEB plan should be supplied by MVMD of Santa Barbara County. Following is information to help fulfill Paragraph 50 reporting requirements.

50.c: Following is a table of plan participants

	Number of Participants
Inactive Employees Currently Receiving Benefit Payments	2
Inactive Employees Entitled to But Not Yet Receiving Benefit Payments*	0
Participating Active Employees	6
Total Number of participants	8

*We were not provided with information about any terminated, vested employees

Paragraph 51: **Significant Assumptions and Other Inputs**

Shown in Part III.

Paragraph 52: **Information Related to Assumptions and Other Inputs**

The following information is intended to assist MVMD of Santa Barbara County in complying with the requirements of Paragraph 52.

52.b: Mortality Assumptions Following are the tables the mortality assumptions are based upon. Inasmuch as these tables are based on appropriate populations, and that these tables are used for pension purposes, we believe these tables to be the most appropriate for the valuation.

Mortality Table	2017 CalPERS Mortality for Miscellaneous and Schools Employees
Disclosure	The mortality assumptions are based on the 2017 CalPERS Mortality for Miscellaneous and Schools Employees table created by CalPERS. CalPERS periodically studies mortality for participating agencies and establishes mortality tables that are modified versions of commonly used tables. This table incorporates mortality projection as deemed appropriate based on CalPERS analysis.

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Mortality Table	2017 CalPERS Retiree Mortality for Miscellaneous and Schools Employees
Disclosure	The mortality assumptions are based on the 2017 CalPERS Retiree Mortality for Miscellaneous and Schools Employees table created by CalPERS. CalPERS periodically studies mortality for participating agencies and establishes mortality tables that are modified versions of commonly used tables. This table incorporates mortality projection as deemed appropriate based on CalPERS analysis.

52.c: Experience Studies Following are the tables the retirement and turnover assumptions are based upon. Inasmuch as these tables are based on appropriate populations, and that these tables are used for pension purposes, we believe these tables to be the most appropriate for the valuation.

Retirement Tables

Retirement Table	2017 CalPERS 2.0%@62 Rates for Miscellaneous Employees
Disclosure	The retirement assumptions are based on the 2017 CalPERS 2.0%@62 Rates for Miscellaneous Employees table created by CalPERS. CalPERS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.

Retirement Table	Santa Barbara County Employees' Retirement System retirement rates for Miscellaneous employees
Disclosure	The retirement assumptions are based on the Santa Barbara County Employees' Retirement System (SBERS) retirement rates for Miscellaneous employees table created SBERS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.

Turnover Tables

Turnover Table	Santa Barbara County Employees' Retirement System turnover rates for Miscellaneous employees
Disclosure	The turnover assumptions are based on the Santa Barbara County Employees' Retirement System turnover rates for Miscellaneous employees table created by SBERS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.

For other assumptions, we use actual plan provisions and plan data.

52.d: The alternative measurement method was not used in this valuation.

52.e: NOL using alternative trend assumptions The following table shows the Net OPEB Liability with a healthcare cost trend rate 1% higher and 1% lower than assumed in the valuation.

	Trend 1% Lower	Valuation Trend	Trend 1% Higher
Net OPEB Liability	(\$12,122)	\$73,123	\$178,480

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Paragraph 53: **Discount Rate**

The following information is intended to assist MVMD of Santa Barbara County to comply with Paragraph 53 requirements.

53.a: A discount rate of 5.75% was used in the valuation. The interest rate used in the prior valuation was 6.00%.

53.b: We assumed that all contributions are from the employer.

53.c: We used historic 23 year real rates of return for each asset class along with our assumed long-term inflation assumption to set the discount rate. We offset the expected investment return by investment expenses of 50 basis points.

53.d: The interest assumption does not reflect a municipal bond rate.

53.e: Not applicable.

53.f: Following is the assumed asset allocation and assumed rate of return for each.
CERBT - Strategy 3

Asset Class	Percentage of Portfolio	Assumed Gross Return
All Equities	22.0000	7.5450
All Fixed Income	49.0000	4.2500
Real Estate Investment Trusts	8.0000	7.2500
All Commodities	5.0000	7.5450
Treasury Inflation Protected Securities (TIPS)	16.0000	3.0000

We looked at rolling periods of time for all asset classes in combination to appropriately reflect correlation between asset classes. That means that the average returns for any asset class don't necessarily reflect the averages over time individually, but reflect the return for the asset class for the portfolio average. We used geometric means.

53.g: The following table shows the Net OPEB liability with a discount rate 1% higher and 1% lower than assumed in the valuation.

	Discount Rate 1% Lower	Valuation Discount Rate	Discount Rate 1% Higher
Net OPEB Liability	\$146,999	\$73,123	\$8,825

Paragraph 55: **Changes in the Net OPEB Liability**

Please see reconciliation on pages 2 or 12.

Paragraph 56: **Additional Net OPEB Liability Information**

The following information is intended to assist MVMD of Santa Barbara County to comply with Paragraph 56 requirements.

56.a: The valuation date is June 30, 2020.

The measurement date is June 30, 2021.

56.b: We are not aware of a special funding arrangement.

56.c: The interest assumption changed from 6.00% to 5.75%.

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56.d: There were no changes in benefit terms since the prior measurement date.

56.e: Not applicable

56.f: To be determined by the employer

56.g: To be determined by the employer

56.h: Other than contributions after the measurement, all deferred inflow and outflow balances are shown on page 12 and in Appendix D

56.i: Future recognition of deferred inflows and outflows is shown in Appendix D

Paragraph 57:

Required Supplementary Information

57.a: Please see reconciliation on pages 2 or 12. Please see the notes for Paragraph 244 below for more information.

57.b: These items are provided on pages 2 and 12 for the current valuation, except for covered payroll, which should be determined based on appropriate methods.

57.c: We have not been asked to calculate an actuarially determined contribution amount. We assume the District contributes on an ad hoc basis, but in an amount sufficient to fully fund the obligation over a period not to exceed 23 years.

57.d: We are not aware that there are any statutorily or contractually established contribution requirements.

Paragraph 58:

Actuarially Determined Contributions

We have not been asked to calculate an actuarially determined contribution amount. We assume the District contributes on an ad hoc basis, but in an amount sufficient to fully fund the obligation over a period not to exceed 23 years.

Paragraph 244:

Transition Option

Prior periods were not restated due to the fact that prior valuations were not rerun in accordance with GASB 75. It was determined that the time and expense necessary to rerun prior valuations and to restate prior financial statements was not justified.

APPENDIX D: DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

EXPERIENCE GAINS AND LOSSES

Increase (Decrease) in OPEB Expense Arising from the Recognition of Effects of Experience Gains and Losses (Measurement Periods)

Measurement Period	Experience (Gain)/Loss	Original Recognition Period (Years)	Amounts Recognized in OPEB Expense through 2020	Increase (Decrease) in OPEB Expense Arising from the Recognition of Effects of Experience Gains and Losses (Measurement Periods)								
				2021	Amounts to be Recognized in OPEB Expense after 2021	2022	2023	2024	2025	2026	Thereafter	
2017-18	\$8,635	11.3	\$2,295	\$765	\$5,575	\$765	\$765	\$765	\$765	\$765	\$765	\$1,750
2018-19	\$285	11.3	\$52	\$26	\$207	\$26	\$26	\$26	\$26	\$26	\$26	\$77
2019-20	(\$37,311)	9.1	(\$4,101)	(\$4,101)	(\$29,109)	(\$4,101)	(\$4,101)	(\$4,101)	(\$4,101)	(\$4,101)	(\$4,101)	(\$8,604)
2020-21	\$298	9.1	\$0	\$33	\$265	\$33	\$33	\$33	\$33	\$33	\$33	\$100
Net Increase (Decrease) in OPEB Expense			(\$1,754)	(\$3,277)	(\$23,062)	(\$3,277)	(\$3,277)	(\$3,277)	(\$3,277)	(\$3,277)	(\$3,277)	(\$6,677)

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CHANGES OF ASSUMPTIONS

Increase (Decrease) in OPEB Expense Arising from the Recognition of Effects of Changes of Assumptions (Measurement Periods)											
Measurement Period	Changes of Assumptions	Original Recognition Period (Years)	Amounts Recognized in OPEB Expense through 2020	2021	Amounts to be Recognized in OPEB Expense after 2021	2022	2023	2024	2025	2026	Thereafter
2019-20	(\$26,004)	9.1	(\$2,858)	(\$2,858)	(\$20,288)	(\$2,858)	(\$2,858)	(\$2,858)	(\$2,858)	(\$2,858)	(\$5,998)
2020-21	\$17,312	9.1	\$0	\$1,903	\$15,409	\$1,903	\$1,903	\$1,903	\$1,903	\$1,903	\$5,894
Net Increase (Decrease) in OPEB Expense			(\$2,858)	(\$955)	(\$4,879)	(\$955)	(\$955)	(\$955)	(\$955)	(\$955)	(\$104)

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INVESTMENT GAINS AND LOSSES

Increase (Decrease) in OPEB Expense Arising from the Recognition of Effects of Investment Gains and Losses (Measurement Periods)

Measurement Period	Investment (Gain)/Loss	Original Recognition Period (Years)	Amounts Recognized in OPEB Expense through 2020	2021	Amounts to be Recognized in OPEB Expense after 2021	2022	2023	2024	2025	2026	Thereafter
2017-18	\$4,210	5	\$2,526	\$842	\$842	\$842					
2018-19	(\$5,589)	5	(\$2,236)	(\$1,118)	(\$2,235)	(\$1,118)	(\$1,117)				
2019-20	(\$2,292)	5	(\$459)	(\$459)	(\$1,374)	(\$459)	(\$459)	(\$456)			
2020-21	(\$36,803)	5	\$0	(\$7,361)	(\$29,442)	(\$7,361)	(\$7,361)	(\$7,361)	(\$7,359)		
Net Increase (Decrease) in OPEB Expense			(\$169)	(\$8,096)	(\$32,209)	(\$8,096)	(\$8,937)	(\$7,817)	(\$7,359)	\$0	\$0

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APPENDIX E: GLOSSARY OF RETIREE HEALTH VALUATION TERMS

Note: The following definitions are intended to help a *non-actuary* understand concepts related to retiree health valuations. Therefore, the definitions may not be actuarially accurate.

<u>Actuarial Cost Method:</u>	A mathematical model for allocating OPEB costs by year of service. The only actuarial cost method allowed under GASB 74/75 is the entry age actuarial cost method.
<u>Actuarial Present Value of Projected Benefit Payments:</u>	The projected amount of all OPEB benefits to be paid to current and future retirees discounted back to the valuation or measurement date.
<u>Deferred Inflows/Outflows of Resources:</u>	A portion of certain items that can be deferred to future periods or that weren't reflected in the valuation. The former includes investment gains/losses, actuarial gains/losses, and gains/losses due to changes in actuarial assumptions or methods. The latter includes contributions made to a trust subsequent to the measurement date but before the statement date.
<u>Discount Rate:</u>	Assumed investment return net of all investment expenses. Generally, a higher assumed interest rate leads to lower service costs and total OPEB liability.
<u>Fiduciary Net Position:</u>	Net assets (liability) of a qualifying OPEB "plan" (i.e. qualifying irrevocable trust or equivalent arrangement).
<u>Implicit Rate Subsidy:</u>	The estimated amount by which retiree rates are understated in situations where, for rating purposes, retirees are combined with active employees and the employer is expected, in the long run, to pay the underlying cost of retiree benefits.
<u>Measurement Date:</u>	The date at which assets and liabilities are determined in order to estimate TOL and NOL.
<u>Mortality Rate:</u>	Assumed proportion of people who die each year. Mortality rates always vary by age and often by sex. A mortality table should always be selected that is based on a similar "population" to the one being studied.
<u>Net OPEB Liability (NOL):</u>	The Total OPEB Liability minus the Fiduciary Net Position.
<u>OPEB Benefits:</u>	Other Post Employment Benefits. Generally, medical, dental, prescription drug, life, long-term care or other postemployment benefits that are not pension benefits.
<u>OPEB Expense:</u>	This is the amount employers must recognize as an expense each year. The annual OPEB expense is equal to the Service Cost plus interest on the Total OPEB Liability (TOL) plus change in TOL due to plan changes minus projected investment income; all adjusted to reflect deferred inflows and outflows of resources.
<u>Participation Rate:</u>	The proportion of retirees who elect to receive retiree benefits. A lower participation rate results in lower service cost and a TOL. The participation rate often is related to retiree contributions.

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<u>Pay As You Go Cost:</u>	The projected benefit payments to retirees in a given year as estimated by the actuarial valuation. Actual benefit payments are likely to differ from these estimated amounts. For OPEB plans that do not pre-fund through an irrevocable trust, the Pay As You Go Cost serves as an estimated amount to budget for annual OPEB payments.
<u>Retirement Rate:</u>	The proportion of active employees who retire each year. Retirement rates are usually based on age and/or length of service. (Retirement rates can be used in conjunction with the service requirement to reflect both age and length of service). The more likely employees are to retire early, the higher service costs and actuarial accrued liability will be.
<u>Service Cost:</u>	The annual dollar value of the “earned” portion of retiree health benefits if retiree health benefits are to be fully accrued at retirement.
<u>Service Requirement:</u>	The proportion of retiree benefits payable under the OPEB plan, based on length of service and, sometimes, age. A shorter service requirement increases service costs and TOL.
<u>Total OPEB Liability (TOL):</u>	The amount of the actuarial present value of projected benefit payments attributable to participants’ past service based on the actuarial cost method used.
<u>Trend Rate:</u>	The rate at which the employer’s share of the cost of retiree benefits is expected to increase over time. The trend rate usually varies by type of benefit (e.g. medical, dental, vision, etc.) and may vary over time. A higher trend rate results in higher service costs and TOL.
<u>Turnover Rate:</u>	The rate at which employees cease employment due to reasons other than death, disability or retirement. Turnover rates usually vary based on length of service and may vary by other factors. Higher turnover rates reduce service costs and TOL.
<u>Valuation Date:</u>	The date as of which the OPEB obligation is determined by means of an actuarial valuation. Under GASB 74 and 75, the valuation date does not have to coincide with the statement date, but can’t be more than 30 months prior.

CONSULTING SERVICES AGREEMENT

This Agreement is entered into effective the 9th day of May, 2022 by and between Total Compensation Systems, Inc. ("Consultant"), a California corporation with principal offices located at 5655 Lindero Canyon Road, Suite 223, Westlake Village, California, 91362 and Mosquito & Vector Management District of Santa Barbara County ("Customer").

The following shall govern the provision of consulting services by Consultant to Customer.

1. Consulting Services. Consultant shall provide the consulting services described on Schedule 1 attached hereto.
2. Compensation to Consultant. Customer shall pay Consultant for the consulting services described on Schedule 1 attached hereto the compensation set forth on Schedule 2 attached hereto.
3. Term and Termination. (a) Term. This Agreement shall commence on the date first written above and shall continue in effect until December 31, 2024, or until all consulting services described on Schedule 1 have been performed, whichever occurs first, unless sooner terminated in accordance with the provisions of this Agreement. (b) Termination Without Cause. This agreement may be terminated at any time by either party upon sixty (60) days prior written notice to the other party. (c) Termination With Cause. Either party shall have the right to terminate this Agreement upon the failure of either party to observe any of the covenants and agreements required to be observed by it under this Agreement, and such failure continues for a period of thirty (30) days after written notice thereof. (d) Rights and Obligations after Termination. Termination of this agreement shall not relieve either party of any rights or obligations arising out of the Agreement prior to termination, with the exception that the amount of the final payment that shall be made by Customer shall be based solely upon the percentage of work that was completed by Consultant.
4. Customer Will Provide Information. Customer shall provide Consultant with the information necessary for Consultant to provide the consulting services described on Schedule 1 attached hereto.
5. Authorization to Acquire Information. Customer hereby authorizes Consultant to acquire the necessary information reasonably required by Consultant to provide the consulting services described on Schedule 1 attached hereto from any agency, agencies, source or sources.
6. Customer's Right to Provide Information. Customer represents and warrants to Consultant that it has the right to provide the information that will be given by Customer to Consultant, or which will be acquired by Consultant pursuant to paragraphs 4 and 5 above.
7. Limitation on Services. Customer understands that Customer retains sole authority and responsibility for the operation and design of all Customer's employee benefit plans.
8. Ownership of Systems and Materials. All systems, programs, operating instructions, forms and other documentation prepared by or for Consultant shall be and remain the property of Consultant. All data source documents provided by Customer shall remain the property of Customer.
9. Indemnification. (a) By Customer. Customer hereby agrees to defend and indemnify Consultant and hold Consultant harmless against any claims, injury, costs or damages (including actual attorneys' fees incurred) resulting from Customer's gross negligence or willful misconduct. (b) By Consultant. Consultant hereby agrees to defend and indemnify Customer and hold Customer harmless against any claims, injury, costs or damages (including actual attorneys' fees incurred) resulting from Consultant's gross negligence or willful misconduct.

10. General.

- a. Relationship of the Parties. The relationship between Consultant and Customer established by this Agreement is that of independent contractors. Consultant and Customer shall each conduct its respective business at its own initiative, responsibility, and expense, and shall have no authority to incur any obligations on behalf of the other.
- b. Force Majeure. No party shall have liability for damages or non-performance under this Agreement due to fire, explosion, strikes or labor disputes, water, acts of God, war, civil disturbances, acts of civil or military authorities or the public enemy, transportation, facilities, labor, fuel or energy shortages, or other causes beyond that party's control.
- c. Entire Agreement. This Agreement and the Schedules attached hereto contain the entire agreement between the parties and supersedes all previous agreements and proposals, oral or written, and all negotiations, conversations, or discussions between the parties related to the subject matter of this Agreement. This Agreement shall not be deemed or construed to be modified, amended, rescinded, canceled or waived in whole or in part, except by written amendment signed by both of the parties hereto.

11. Confidentiality. Consultant recognizes that its work will bring it into close contact with confidential information of Customer, including personal information about employees of Customer. Consultant agrees not to disclose anything that is the confidential information of Customer, or that is proprietary to Customer, including its software, its legacy applications, and its databases, to any third party.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as set forth below.

"CONSULTANT"
TOTAL COMPENSATION SYSTEMS, INC.

"CUSTOMER"
MOSQUITO & VECTOR MANAGEMENT
DISTRICT OF SANTA BARBARA COUNTY

Signed: 

Signed: _____

By: Geoffrey L. Kischuk

By: _____

Title: President

Title: _____

Date: May 6, 2022

Date: _____

SCHEDULE 1

For the purposes of this Agreement, "consulting services" shall include the following services provided by Consultant to Customer:

Consulting reports including all actuarial information necessary for Customer to comply with the requirements of current GASB accounting standards 74/75 related to retiree health benefits for two years, including one full valuation and one "roll-forward" valuation. Study results can be split by up to five employee classes. Consultant will provide as many copies of the final reports as Customer shall reasonably request.

Services do not include Consultant's in-person attendance at any meetings. Services also do not include a separate funding valuation unless requested by Customer.

SCHEDULE 2

Customer shall pay Consultant for the retiree health valuation report based on the full valuation a total of \$3,200. One-half, or \$1,600 shall be due within 30 days of the commencement of work by Consultant. One-half, or \$1,600 shall be due within 30 days of the delivery by Consultant to Customer of the draft consulting report for the full valuation (or within 30 days of contract termination, if earlier). Customer shall also pay Consultant for the retiree valuation report based on the “roll-forward” valuation a total of \$1,600 within 30 days of the delivery by Consultant to Customer of the draft consulting report for the “roll-forward” valuation (or within 30 days of contract termination, if earlier)

If Consultant receives a non-refundable deposit from Customer of \$1,440 by July 15, 2022, all amounts shown above shall be reduced by 10%.

TCS Total Compensation Systems, Inc.

May 6, 2022

Brian Cabrera
General Manager
Mosquito & Vector Management District of Santa Barbara County
2450 Lillie Avenue
Summerland, CA 93067

Dear Brian,

This letter is our proposal for GASB 74/75 actuarial valuation services. The proposal includes a full actuarial valuation as of June 30, 2022 as well as an anticipated roll-forward valuation as of June 30, 2023.

Fees and Our 10% Discount

To confidently schedule existing clients, we provide an incentive for clients who make a commitment in advance of the valuation date. To reserve a place in our schedule, please send the signed contract and non-refundable deposit of one-half of the full valuation fee by July 15, 2022. By reserving a spot, Mosquito & Vector Management District of Santa Barbara County is not only guaranteed a valuation slot, but is given priority over every client that didn't reserve one.

We give a 10% discount of the full valuation fee as well as of the subsequent roll-forward valuation fee to those who reserve a spot by July 15, 2022. That means that, to reserve a spot, we must receive the signed contract and a check for \$1,440 – i.e. one-half of 90% of \$3,200 – by July 15, 2022. The following table shows our fees under GASB 74/75:

	<u>Full GASB 74/75</u>	<u>GASB 74/75 w/ 10% Discount</u>
Fee for Full Valuation	\$3,200	\$2,880
Roll-forward Valuation for 2 nd Year	\$1,600	\$1,440

Our fees are generally all-inclusive without additional charges for phone calls, re-work, or additional information. However, because the vast majority of our clients do not require an in-person meeting or a separate funding valuation, we prefer not to bake those costs into our standard fees. We do not charge to present valuation results via telephone or a video call or to provide a recommended funding schedule. In the rare cases where an in-person meeting is necessary, we charge based on travel time (to a maximum of \$4,000). Fees for substantial additional funding work are determined based on the scope of the project.

If you choose *NOT* to reserve a spot, we still hope to work with you on the GASB 74/75 valuation, though it will be at the full fee quoted above.

Second Year Roll-Forward Valuation

As you know, GASB 75 requires a full actuarial valuation at least every two years. Because your last full valuation was performed as of June 30, 2020, you are due for this full valuation as of June 30, 2022. While this proposal does include the subsequent roll-forward valuation that we anticipate performing as of June 30, 2023, we will confirm with you prior to performing that work to ensure circumstances have not changed and that you would still like for us to proceed with the roll-forward valuation.

Timing and Data Requirements

Our records indicate that you will use the results of this June 30, 2022 valuation in your financials for the fiscal year ending June 30, 2023. This means that the valuation process is spread over a longer timeframe since the valuation census data should still be as of June 30, 2022 but asset and audit information will not be available until several months afterwards.

The following timeline shows when the primary data items are expected to be provided.

Data Item	Anticipated Delivery	Responsible Party
Census Data	June-August	Mosquito & Vector Management District of Santa Barbara County
Asset Information	October-February	Mosquito & Vector Management District of Santa Barbara County
Audit Report/CAFR	January-March	Mosquito & Vector Management District of Santa Barbara County
Draft Report	January-May	TCS

Please let us know if you have any questions about the above or generally about retiree health or pension benefits. We would very much appreciate once again having the opportunity to work with Mosquito & Vector Management District of Santa Barbara County.

Sincerely,

Geoffrey L. Kischuk
Actuary
gkischuk@totcomp.com

Will Kane
Actuary
wkane@totcomp.com

Luis Murillo
Actuary
lmurillo@totcomp.com

We request the following information in order to complete your retiree health actuarial valuation:

- **Census Data.** Demographic information as of June 30, 2022 for active employees eligible for future retiree health benefits and retirees currently receiving health benefits. See below for specific data items needed.
- **Medical Premium Rate Summary.** A summary exhibit that shows the full premium rates (even if the employer only pays up to a certain amount) for medical plans available to active employees and pre-Medicare retirees. Not necessary if you participate in CalPERS Medical as those rates are published and applicable broadly.
- **Audit Report / ACFR.** Your audit report for the fiscal year ending June 30, 2022.
- **Description of Benefit Arrangement.** Either your most recent collective bargaining agreements or a summary of the retiree health benefits and eligibility. If the benefit structure has changed since the last actuarial valuation, a brief description of the change is helpful.
- **Asset Statement.** If retiree health benefits are being funded through an irrevocable trust, please provide the annual trust statement for the full fiscal year ending on June 30, 2022.
- **Formal Funding Policy.** If your plan has a Board-approved funding policy to serve as a basis for an Actuarially Determined Contribution under GASB 75, please let us know (this is relatively rare).
- **Other Useful Information.** Every retiree health plan is unique! If there is information not listed above or below that you believe would be helpful, please feel free to provide it.

For Each Active Employee (any active employee who may become eligible for future retiree health benefits)

- Required Information
 - Date of Birth
 - Sex
 - Date of Hire
 - Employee Group (e.g. Police, Fire, Management, Classified, Certificated, Miscellaneous)
 - Full-Time Equivalent Fraction OR Hours Per Week OR Full-Time / Part-Time Indicator
- Other Information (not required but helpful to have)
 - Name
 - Identifier (e.g. Employee ID, SSN, Last 4 SSN)
 - Active Medical Plan Name, Premium Amount, and Coverage Tier (Single, 2-Party, Family)
 - Salary or Rate of Pay (only needed if you will ask us to calculate the plan's covered payroll)

For Each Retiree (any retiree receiving health coverage (even if self-pay) or health payments through employer)

- Required Information
 - Date of Birth
 - Sex
 - Date of Retirement (to the extent available)
 - Date/Age Benefit Ends (needed if differs amongst retirees – e.g. Lifetime for some / Age 65 for others)
 - Employee Group (e.g. Police, Fire, Management, Classified, Certificated, Miscellaneous)
 - Medical Plan Name and Coverage Tier (Single, 2-Party, Family)
 - Medical Premium – Total Amount (even if employer only pays up to a capped amount)
 - Medical Premium – Employer Portion (including employer reimbursement of Retiree Portion, if any)
 - Medical Premium – Retiree Portion
 - Employer Paid Amount for any Non-Medical Health Benefits (Dental, Vision, Life Insurance, Medicare Part B, HRA Contributions, Cash-In-Lieu, etc.)
- Other Information (not required but helpful to have)
 - Name
 - Identifier (e.g. Employee ID, SSN, Last 4 SSN)

July 7, 2022

Mr. Brian Cabrera
General Manager
Mosquito & Vector Management District
Of Santa Barbara County
Summerland, CA

Re: Proposal for Actuarial Services to Value Other Post-Employment Benefits (OPEB) In Compliance with Governmental Accounting Standards Board Statement No. 75 (GASB 75)

Dear Mr. Cabrera:

The Nicolay Consulting Group (NCG) is pleased to propose actuarial services related to the Mosquito & Vector Management District of Santa Barbara County (the "District") Other Post-Employment Benefits (OPEB) Plan.

At NCG, we pride ourselves on providing excellent actuarial services to our clients for a reasonable fee through experience and operational efficiency. NCG will provide the District's GASB 75 disclosures for fiscal years ended June 30, 2022 and June 30, 2023.

Based on the District's requirements, NCG will collect updated census data as of June 30, 2022 and will produce a full valuation for FYE June 30, 2023 and an interim valuation for FYE June 30, 2024.

Our fees for services include highly responsive communications between the District and NCG as well as teleconference meetings with the broader constituents of the District.

Our GASB 75 valuation reports include:

- An executive summary comparing the current and prior valuation results
- An easy to understand narrative describing the sources of changes in cost
- A breakdown of the implicit subsidy mandated by ASOP 6
- OPEB Expense/(Income) for measurement period
- Deferred Outflows and Deferred Inflows
- Schedule of Required Supplementary Information

Please note that we do not include a calculation of the Actuarially Determined Contribution in the GASB 75 reports but can prepare a Funding Valuation report for an additional fee upon request.

Our Team - Nicolay Consulting Group (NCG) includes 5 credentialed actuaries and 10 actuarial analysts, certified benefit specialists, and other administrative support staff. Each of NCG's Actuaries are fully qualified to perform actuarial services and projects. The three Actuaries assigned to this engagement are veterans of the GASB 75 valuation and have experience consulting with clients on OPEB plans.

Sue Simon will be leading the NCG team for the District. Sue is the Vice President and Senior Consulting Actuary leading NCG’s Retiree Healthcare Practice and has more than 31 years of experience consulting with a variety of corporate, not-for-profit and public sector clients on their pension and postretirement welfare plans. Sue graduated from the University of Illinois Urbana-Champaign with a Bachelor’s degree in Actuarial Science and is an Enrolled Actuary, a member of the American Academy of Actuaries, an Associate of the Society of Actuaries and a Fellow of the Conference of Consulting Actuaries.

Earlene Young is an Enrolled Actuary with over 30 years of experience in retirement consulting. She specializes in pension and postretirement welfare plans for Public Sector clients and non-profit organizations. She has reviewed hundreds of valuations during her career and will be the primary reviewer for the City’s valuation. She is an Enrolled Actuary, a member of the American Academy of Actuaries and a Fellow of the Conference of Consulting Actuaries.

Molly is an Enrolled Actuary, a member of the American Academy of Actuaries, an Associate of the Society of Actuaries and a Fellow of the Conference of Consulting Actuaries. She started her actuarial career in 2009 working primarily on the valuation of other postemployment benefits for a variety of public employers. She has worked with NCG on a number of our retiree medical plan clients and is a valuable resource in delivering quality service to our clients.

At NCG, we pride ourselves on delivering excellent actuarial services to our clients for a reasonable fee through experience and operational efficiency. NCG will provide the District’s GASB 75 disclosures for fiscal years ended June 30, 2023 and 2024 at the fixed fee shown below.

Fiscal Year End	FYE 2023	FYE 2024
Measurement Date	6/30/22	6/30/23
Type of Valuation	Full	Interim
Valuation Date	6/30/22	6/30/22
GASB 75 Report	\$2,000	\$1,400
Prepare Draft GASB 75 Footnote	Included	Included
Consulting on OPEB Valuation	<u>Included</u>	<u>Included</u>
Total	\$2,000	\$1,400

These fees are based on the assumption that the District will provide clean demographic data digitally, and that our data analysts will only be required to spend a minimal amount of time verifying that the data is complete and accurate. If the District requests assistance to provide

census data, our trained specialists can assist in the collection of data, including opportunities to have CalPERS supply requested items. Our fees are based on regulations published as of the date of this proposal. Additional work required due to new regulations or guidance to existing regulations is considered out-of-scope if it causes substantial effort to comply.

Respectfully submitted,

Nicolay Consulting Group



Sue Simon, ASA, EA, FCA, MAAA
Vice President, Senior Actuary

June 6, 2022



Brian Cabrera
General Manager
Mosquito and Vector Management District

Dear Brian Cabrera:

Actuarial Retirement Consulting (ARC) has prepared the following scope and fees for the Mosquito and Vector Management District (District). We appreciate the opportunity to provide our services and are available to discuss any questions you may have.

GASB 75

Government Accounting Standards Board (GASB) Statement 75 applies to accounting and financial reporting for post-employment benefits other than pensions. Under GASB 75, a full actuarial report is required at least once every two years. Further, annual disclosure reports are prepared to reflect the discount rate, contributions, payroll, and funding levels as of the measurement period. These annual disclosure reports comply with the requirements, under GASB 75, for fiscal year end reporting in the District’s notes to financial statements.

Scope of Work

ARC will prepare a full actuarial valuation report as of June 30, 2022 as well as two disclosure reports for the fiscal years ending June 30, 2023 and June 30, 2024.

The full actuarial valuation will include the following:

- Summary of plan provisions and census data.
- Postemployment benefit liabilities including the Present Value of Projected Benefits, Total OPEB Liability, and the Actuarially Determined Contribution.
- Reconciliation of Total OPEB Liability with the prior actuarial report.
- Sensitivity of the Net OPEB Liability with a +/-1% change in discount rate and trend rate.
- Projected explicit and implicit benefit payments.
- Disclosure of actuarial assumptions and certification.

The annual fiscal year end disclosure reports will include the following:

- Summary of plan provisions and census data.
- Determination of changes in the Total OPEB Liability.
- Sensitivity of the Net OPEB Liability with a +/-1% change in discount rate and trend rate.
- OPEB Expense and deferred outflows/inflows of resources related to OPEB.
- Disclosure of actuarial assumptions and certification.

Fees

Our flat fees, for the scope of work detailed above, are listed below. All fees are billed upon delivery of a report.

Full Actuarial Valuation as of June 30, 2022:	\$2,000
Disclosure Report for the fiscal year ending June 30, 2023:	\$500
Disclosure Report for the fiscal year ending June 30, 2024:	\$500



Process and Timeline

For a full valuation, ARC will send an Excel spreadsheet containing a checklist of requested data as well as a template for collecting individual participant data, for reference.

For disclosure reports, ARC will send an email of requested data items with the prior year values shown for reference.

Once complete data is received, full actuarial valuations are typically completed within three to four weeks while disclosure reports take approximately one to two weeks. If the District needs a shorter timeline, we will do our best to accommodate.

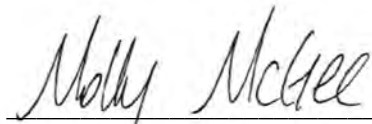
Additional Information

ARC is available, upon request, to provide:

- Certificate of insurance.
- References.
- Review and signature of any District contract for the scope of work.

Please feel free to contact us with any questions about this proposal.

Sincerely,
Molly



Molly McGee, ASA, EA, FCA, MAAA
Actuary
Actuarial Retirement Consulting, LLC

June 6, 2022

Date

Brian Cabrera
General Manager
Mosquito and Vector Management District

Date





SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

Simple Solutions

2022 HEALTH BENEFITS PROGRAM
MEDICAL BENEFITS & ANCILLARY COVERAGES



VOYA FINANCIAL BASIC LIFE AND AD&D – RATES GUARANTEED UNTIL JULY 1, 2023

For Groups with 10(+) Employee lives Basic Life and AD&D Benefits			For Groups with less than 10 Employee lives Basic Life and AD&D Benefits		
Eligibility:	All Eligible Employees working at least 20 hrs/wk		Eligibility:	All Eligible Employees working at least 20 hrs/wk	
Life Benefits:	Groups may elect a flat amount of: \$10,000-\$100,000 in \$10,000 increments Basic life benefits have to be defined by class of employee; i.e. City manager, confidential employees, etc. or All employees as one class or 1x Annual Salary or 2x Annual Salary		Life Benefits:	Groups may elect a flat amount of: \$10,000-\$100,000 in \$10,000 increments Basic life benefits have to be defined by class of employee; i.e. City manager, confidential employees, etc. or All employees as one class or 1x Annual Salary or 2x Annual Salary	
AD&D Benefits:	Same as Life		AD&D Benefits:	Same as Life	
Guaranteed Issue Amount	\$100,000		Guaranteed Issue Amount	\$100,000	
Benefit Reduction Formula	Age	% of Original Benefit	Benefit Reduction Formula	Age	% of Original Benefit
	65	65%		65	65%
	70	50%		70	50%
Accelerated Death Benefit	50% of Life Benefits if less than 6 Month Life Expectancy		Accelerated Death Benefit	50% of Life Benefits if less than 6 Month Life Expectancy	
Waiver of Premium	Included		Waiver of Premium	Included	
Seat Belt Benefit (AD&D)	Included		Seat Belt Benefit (AD&D)	Included	
Rate per \$1,000	\$0.272 *		Basic Life Rate per \$1,000: Under Age 30	\$0.202 *	
			Basic Life Rate per \$1,000: Age 30-39	\$0.264 *	
			Basic Life Rate per \$1,000: Age 40-49	\$0.368 *	
			Basic Life Rate per \$1,000: Over Age 49	\$0.507 *	
Example Calculation					
Sample for 10+ Employee lives					
1 employee with 100,000 of life insurance					
Volume X rate/1000					
100,000 X 0.272/1000 = \$27.20					

* Rates provided on Ancillary invoice may vary slightly because of rounding.

Entities must contribute a minimum of 75% of the cost for active employees only. See page 30, note 3 for underwriting guideline of entity contribution for active employees.

NOTE: THIS SUMMARY IS FOR INFORMATIONAL PURPOSE ONLY. IT DOES NOT AMEND, EXTEND, OR ALTER THE CURRENT POLICY IN ANY WAY. IN THE EVENT INFORMATION IN THIS SUMMARY DIFFERS FROM THE PLAN DOCUMENT, THE PLAN DOCUMENT WILL PREVAIL.

THIS SUMMARY IS INTENDED TO COMPARE COVERAGE BENEFITS ONLY. THE ACTUAL PLAN CONTRACT SHOULD BE CONSULTED FOR A DETAILED DESCRIPTION OF COVERAGE BENEFITS AND LIMITATIONS.

SDRMA Basic Life and AD&D Summary

- **SDRMA acts as Program Administrator and provides the following services:**
 - Manages underwriting and approval process
 - Present to HR & Benefits teams
 - Program implementation & billing
 - Completes enrollments/changes for agencies
 - Provides Open Enrollment Carrier Documents
 - Employer-Based Benefits Portal
 - Resource for service/carrier questions
- Employee Benefit of \$100,000 will be age rated based on less than 10 employees enrolling. VOYA Basic Life and AD&D is self-administered.
- **Underwriting Approval Required**
 - Underwriting process requires completion of three separate documents (entity enrollment form, census, and VOYA new case information sheet).
 - The review process takes roughly 2 weeks
- **Mosquito & Vector Management of Santa Barbara County Board Approval**
 - Memorandum of Understanding
 - Resolution
 - Underwriting Program Participation Agreement
- **Benefit takes effective 45 days after execution**
 - VOYA will create a detailed Administrative Guidelines document for the district.
- **Enrollment of eligible employees**
 - Employee completes SDRMA enrollment form.
 - SDRMA enters enrollment into Third-Party Administrator's system.
 - VOYA creates agency specific documentation.
 - Employee completes VOYA enrollment form /beneficiary designation. The district to keep the form on file.
- **Claim processing**
 - Agency must submit a claim through VOYA's website
- **Policy Termination/Benefit Reduction Schedule:**
 - Policy Terminates at Retirement or if employee is no longer with the agency.
 - 65% at age 65
 - 50% at age 70

Aflac Life Solutions

INDIVIDUAL TERM LIFE INSURANCE

We've been dedicated to helping provide peace of mind and financial security for more than 60 years.



AFLAC LIFE SOLUTIONS

INDIVIDUAL TERM LIFE INSURANCE

Policy Series A68000



Is your family protected if something happens to you?

If something happens to you, will your family have the funds to pay the bills without your income? Make sure you've done all you can to help protect their way of life by having an Aflac individual term life insurance policy that will help your loved ones through the tough times. Our coverage offers a measure of stability you and your loved ones can count on.

Face Amounts

If you're **age 50 or under**, you may apply for up to **\$500,000** in coverage.¹

If you're **between the ages of 51 and 68**, you may be eligible for up to \$200,000 in life insurance protection.¹

Aflac also offers the option of guaranteed-issue² 10-year, 20-year, or 30-year term life coverage with a face amount of up to **\$50,000**. That means you do not have to complete a medical questionnaire.

Issue Ages

COVERAGE TYPE	ISSUE AGES	COVERAGE TYPE	ISSUE AGES
10-year term life plan	18-68	Spouse 10-year term life rider	18-68
20-year term life plan	18-60	Spouse 20-year term life rider	18-60
30-year term life plan	18-50	Spouse 30-year term life rider	18-50

The facts say you need the protection of the Aflac Individual Term Life insurance plan:

FACT NO. 1

7-in-10

OF ALL HOUSEHOLDS SAID THEY WOULD HAVE TROUBLE COVERING EVERYDAY LIVING EXPENSES AFTER SEVERAL MONTHS IF THE PRIMARY WAGE EARNER DIED.³

FACT NO. 2

APPROXIMATELY **50 MILLION**

HOUSEHOLDS RECOGNIZE THEY NEED MORE LIFE INSURANCE.³

¹Certain face amounts may not be available. Underwriting requirements apply.

²Subject to certain conditions.

³Facts from LIMRA, *2016 Life Insurance Awareness Month*, LIMRA, September 2016.

Aflac herein means American Family Life Assurance Company of Columbus.

Understand the difference Aflac can make in your financial security.

For more than 60 years, Aflac has been dedicated to helping provide individuals and families peace of mind and financial security when they've needed it most. Our term life insurance policies are just another way to help make sure you're well protected.

How we can help

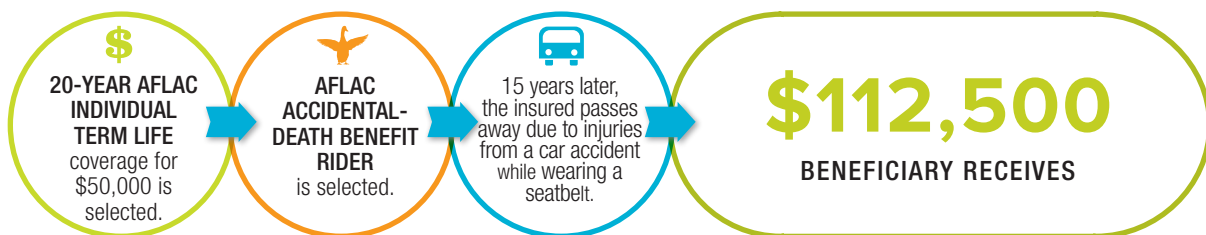
No one likes to think he or she needs life insurance. But when people depend on you, assuring their financial futures with life insurance benefits is simply the right thing to do.

- **Premiums are guaranteed for the selected term option** – You will know how much your coverage will cost from month to month and year to year.
- **Portable** – You can take the plan with you if you change jobs or retire.
- **Payroll deduction** – Your premiums can be deducted from your paycheck.

Why choose Term Life insurance?

- **Higher face amount** – Term life insurance offers the most face amount coverage for the lowest cost.
- **Lower premiums** – Depending on your age and smoking status, term life premiums may be lower than those for whole life insurance policies.
- **Flexible coverage** – Provides protection for a specified time period or term– 10, 20, or 30 years–and is designed for temporary circumstances. Term coverage often is purchased by those who need coverage for a specific time period, such as while they have young children, children in college, or are carrying a large debt load.
- **Policy renewal** – If, at the end of your 20-year or 30-year term, your policy has not lapsed and is still in force, you will have the option to renew your policy on an annual basis.

How it works



The above example is based on a scenario for 20-year term life insurance that includes the following benefit conditions: \$50,000 death benefit, \$50,000 accidental death benefit, and \$12,500 seatbelt benefit.

This is a brief product overview only. Coverage may not be available in all states. Benefits/premium rates may vary based on coverage selected. Optional riders are available at an additional cost. The policy has limitations and exclusions that may affect benefits payable. Refer to the policy for complete details, limitations, and exclusions. The policy prevails if interpretation of this material varies.

HOW MUCH LIFE INSURANCE DO I NEED?

Aflac is here to help you determine the life insurance coverage amount that's right for you.

Our assessment can help you determine how much life insurance you may need to help cover your family's immediate needs, such as funeral expenses, to their long-term need to sustain their current lifestyle.

Life insurance needs worksheet:

IMMEDIATE NEEDS

FINAL EXPENSES

Costs associated with your burial/funeral, uninsured medical costs, estate taxes/probate, etc.

\$ _____

OUTSTANDING DEBT

Mortgage/rent, car loans, credit cards, and other personal debt

+ \$ _____

LONG-TERM NEEDS

You may want to replace your income for the period of time until your children are independent, or the number of years until your spouse retires. If so, take into account the number of years your family may continue to rely on your income.

REPLACEMENT INCOME

Your annual income to be replaced: _____ No. of years to replace income: _____

\$ _____ X _____ = \$ _____

EDUCATION FUND

If you have children (or plan to), life insurance can help with their future education costs

+ \$ _____

AVAILABLE ASSETS

SAVINGS AND INVESTMENTS

Bank accounts (checking/savings), money market, CDs, stocks, bonds, mutual funds, annuities, and social security survivor/child benefit

- \$ _____

RETIREMENT SAVINGS

IRAs, 401(k)s, SEP plans, SIMPLE IRA plans, Keoghs, pensions, and profit sharing plans

- \$ _____

PRESENT AMOUNT OF LIFE INSURANCE

Other group life policies through employer and/or individual life policies

- \$ _____

ESTIMATED AMOUNT OF LIFE INSURANCE NEEDED

= \$ _____

AMOUNT OF AFLAC LIFE INSURANCE ACTUALLY APPLIED FOR:

\$ _____

The amount indicated on the brochure may not match the coverage amount ultimately issued by Aflac.

AFLAC LIFE SOLUTIONS

INDIVIDUAL TERM LIFE INSURANCE

DID YOU KNOW?

Laying a loved one to rest typically costs

\$11,000

or more - making it one of the biggest expenses families face.⁴

WHAT IS COVERED?

<p>ACCELERATED DEATH PAYMENT – PRIMARY INSURED ONLY</p>	<p>Aflac will pay 50 percent of the face amount selected if the named insured is diagnosed with a terminal condition. The payment can help you and your loved ones with the expenses of a terminal condition (such as home nursing care, special equipment, and hospitalization). This benefit will be paid only once. The Accelerated Death Payment will be payable immediately upon receipt of due proof of a terminal condition.</p> <p>Any Accelerated Death Payment will automatically establish a lien against the policy. Aflac shall hold the lien as a debt against the death benefit and policy benefits. Any Accelerated Death payment amount requested will be reduced by the amount of any due and unpaid premiums, and the administrative charge.</p>
<p>CONVERSION</p>	<p>You may convert the policy while it is in force to an individual permanent life policy without evidence of insurability, subject to policy requirements. The conversion privilege in the term policies must be exercised the earlier of the end of the term period, or on or before the policy anniversary date following your 65th birthday. Refer to the exact policy for complete details.</p>

OPTIONAL RIDERS

<p>SPOUSE 10-YEAR, 20-YEAR, OR 30-YEAR TERM LIFE INSURANCE RIDER⁵</p>	<p>Aflac will pay 50 percent of the policy's face amount up to a maximum of \$50,000 for life insurance coverage on the named insured's spouse.</p>
<p>CHILD TERM LIFE INSURANCE RIDER⁵</p>	<p>Aflac will pay 25 percent of the policy's face amount up to a maximum of \$15,000 for life insurance coverage for each insured child up to age 25. To become insured, the child must be at least 14 days old and younger than 18 years old at the time of application. Insurance on each newborn child will become effective on the later of: (1) the date the child attains the age of 14 days, or (2) the date the child is first released from the hospital after birth.</p>
<p>WAIVER OF PREMIUM BENEFIT RIDER⁶ - PRIMARY INSURED ONLY (ISSUE AGES 18–59)</p>	<p>Policy premiums will be waived if you become totally disabled under the terms of the policy. Please refer to the Limitations and Exclusions for more information.</p>
<p>ACCIDENTAL-DEATH BENEFIT RIDER - (PRIMARY INSURED ONLY)</p>	<p>Aflac will pay an additional amount equal to the face amount selected if your death is the result of a covered accident and occurs within 180 days of the covered accident. Also, we will pay an additional 25 percent of the face amount selected if your death is the result of an automobile accident while you were wearing an unaltered, properly fastened seatbelt installed by the manufacturer, and you were not at fault for the accident, according to the police report. Please refer to the Limitations and Exclusions for more information.</p>

⁴This is How Much An Average Funeral Costs. Huffington Post, 10/17/16, https://www.huffingtonpost.com/entry/how-much-does-a-funeral-cost_us_5804c784e4b0f42ad3d264de, Accessed 3/8/18.

⁵Optional riders are not guaranteed-issue. Underwriting requirements apply.

⁶Rider not available if applying for a guaranteed-issue policy.

LIMITATIONS AND EXCLUSIONS

Any death benefit of the policy will not be payable if the named insured commits suicide or if anyone covered by additional riders commits suicide, while sane or insane, within two years from the policy or rider effective date. All premiums paid will be refunded, less any indebtedness.

The following information only applies to the Accelerated Death Payment, Waiver of Premium Benefit Rider, and Accidental-Death Benefit Rider:

The Accelerated Death Payment will not be paid:

- If the named insured or his/her physician resides outside the United States of America or outside the territorial limits of the place where your policy was issued,
- If the owner is required by law to accelerate benefits to meet the claims of creditors, or
- If a government agency requires the owner to apply for benefits to qualify for a government benefit or entitlement.

The Waiver of Premium Benefit Rider will not waive premiums if total disability is:

- Caused or substantially contributed to by any attempt at suicide, or intentionally self-inflicted injury, while sane or insane;
- Caused or substantially contributed to by war or an act of war;
- Caused or substantially contributed to by active participation in a riot, insurrection or terrorist activity;
- Caused or substantially contributed to by committing or attempting to commit a felony;
- Caused or substantially contributed to by voluntary intake or use by any means of any drug, unless prescribed or administered on the advice of a physician; or poison, gas or fumes, unless a direct result of an occupational accident;
- In consequence of the person being intoxicated, as defined by the jurisdiction where the total disability occurred; or
- Caused or substantially contributed to by engaging in an illegal occupation.

The Accidental-Death Benefit Rider will not be payable if the named insured's death is:

- Caused or substantially contributed to by intentionally self-inflicting a bodily injury, or committing or attempting suicide, while sane or insane;
- Caused or substantially contributed to by committing, or attempting to commit a felony (felony is as defined by the law of the jurisdiction in which the activity takes place);
- Caused or substantially contributed to by engaging in an illegal occupation;
- Caused or substantially contributed to by active participation in a riot, insurrection or terrorist activity;
- Caused or substantially contributed to by being exposed to war or any act of war or special hazards incident while actively serving in any of the armed forces, or units auxiliary thereto, including the National Guard or Reserve, or while serving in any civilian non-combatant unit serving in such units;
- Caused or substantially contributed to by operating, riding in, or descending from any aircraft while a pilot, officer, or member of the crew of an aircraft, having any duties aboard an aircraft, or giving or receiving any kind of training or instruction aboard an aircraft;
- Caused or substantially contributed to by having any infirmity, illness, or disease, including a bacterial infection, unless such bacterial infection also occurred in consequence of a covered accident; or an error, mishap, or malpractice during medical or surgical treatment, including diagnosis, for any infirmity, illness, or disease;
- In consequence of the person being intoxicated, as defined by the jurisdiction in which the accident occurred; or
- Caused or substantially contributed to by voluntary intake or use by any means of: any drug, unless prescribed or administered on the advice of a physician; or poison, gas or fumes, unless a direct result of an occupational accident.





aflac.com || **1.800.99.AFLAC** (1.800.992.3522)

Underwritten by:
American Family Life Assurance Company of Columbus
Worldwide Headquarters | 1932 Wynnton Road | Columbus, Georgia 31999



A68275RCA



	Employee 1	Employee 2	Employee 3	Employee 4
Term 30 yr.	X	27.69.	21.23.	X
Term 20 yr	32.12.	18.00	14.22.	56.58
10 yr.	20.95.	12.83.	14.22.	34.52
Whole life.	97.85.	67.85.	57.60.	139.38

Open enrollment planning isn't complete until you have Aflac

Aflac for Mosquito and Vector Management District of Santa Barbara Cnty

Who hasn't been blindsided by an unexpected medical bill? That's why there's Aflac. Aflac can help take care of the expenses health insurance doesn't cover, so you can take care of everything else.

Aflac supplemental insurance

Our product portfolio is as broad as your needs, with individual and group plans that help cover the expected – and unexpected – that's sure to come life's way.



Whole or Term Life: With Aflac's whole life or term life insurance, you can rest easy knowing that your family will have financial security when they need it most.



To learn more, contact your Aflac agent, Valerie Villa at Valerie_Villa@us.aflac.com or 805-285-2627.

Aflac®



RESOLUTION NO. 22-15

A RESOLUTION IN MEMORIAM BY THE MOSQUITO & VECTOR MANAGEMENT DISTRICT OF SANTA BARBARA COUNTY IN APPRECIATION OF AND HONORING CATHY SCHLOTTMANN FOR HER DEDICATED PUBLIC SERVICE TO SPECIAL DISTRICTS, ESPECIALLY AS A TRUSTEE FOR THE MOSQUITO & VECTOR MANAGEMENT DISTRICT OF SANTA BARBARA COUNTY

WHEREAS, the Mosquito & Vector Management District of Santa Barbara County lost a valued member and colleague with the passing of Cathy Schlottmann;

WHEREAS, Cathy Schlottmann served for over 16 years as a Trustee on the Board of the Mosquito & Vector Management District of Santa Barbara County;

WHEREAS, her vast knowledge of fiscal matters, accounting, and employment benefits was a tremendous asset for the District;

WHEREAS, her expertise and insight gained from many years in service to special districts and participating in board meetings were of great value to the District and the Board;

WHEREAS, her dedication, sharp mind, assertiveness and spirited personality made her a key member of the Board and a respected and well-liked colleague.

NOW, THEREFORE, THE MOSQUITO & VECTOR MANAGEMENT DISTRICT OF SANTA BARBARA COUNTY AND ITS BOARD OF TRUSTEES DO HEREBY RESOLVE AS FOLLOWS:

1. Recognize the significant contributions made by Cathy Schlottmann over the course of her years of participation and service to the District, mourns her passing and wishes to honor her memory; and
2. Extends its sincerest condolences to her friends and family, especially her son, Michael Schlottmann.

PASSED AND ADOPTED by the Board of Trustees of the MOSQUITO & VECTOR MANAGEMENT DISTRICT OF SANTA BARBARA COUNTY, this 14th day of July, 2022 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Teri Jory
Board President

Robert Williams
Board Secretary

General Manager's Report for June 2022

1. Four thousand five hundred and seventy-four dollars (\$2,310) were deposited into CERBT on 6/6.
2. DC attended the City of New Orleans Mosquito, Termite and Rodent Control Board webinar, "Eliminating *Aedes aegypti*" on 6/6.
3. BC attended the monthly statewide MVCAC Manager's meeting. 6/7.
4. DC and KS assisted CA Dept. of Public Health biologists with plague surveillance at the Figueroa Campground in the Los Padres National Forest. 6/7.
5. DC, KS, VI and RS assisted CA Dept. of Public Health biologists with plague surveillance at the Upper Oso Campground in the Los Padres National Forest. 6/8.
6. VI and DC attended the Target Specialty Products webinar, "The Best Bed Bug Prevention Practices" on 6/9.
7. VI and BC attended the Environmental Protection Agency webinar "Reducing Pesticides in Water Systems Specific to Tribal Lands". 6/14.
8. BC attended the CalPERS webinar on Year-end reporting requirements. 6/14.
9. RS took the Entomological Society of America Public Health Entomologist certification exam on 6/15.
10. BC attended the CA Dept. of Pesticide Regulation continuing education webinar on Integrated Pest Management in schools. 6/16.
11. BC attended the quarterly Southern California Mosquito District Manager's meeting. 6/17.
12. VI and DC assisted with the aerial treatment of the wetlands at Oceano Dunes State Recreation Area on 6/22.
13. RS, DC and VI attended a webinar sponsored by Vesperis on Mosquito Biology and Management. 6/23.
14. BC attended the CA Dept. of Pesticide Regulation continuing education webinar on structural pest control in schools. 6/23.
15. RS, VI, DC and KS calibrated the larvicide application equipment as strongly recommended by the California Dept. of Public Health. 6/30.

Upcoming:

1. General Manager Cabrera out of the office from July 25 to August 16.