



## OJAI VALLEY SANITARY DISTRICT

A Public Agency

1072 Tico Road, Ojai, California 93023

(805) 646-5548 • FAX (805) 640-0842

www.ojaisan.org

### NOTICE OF SPECIAL MEETING

**NOTICE IS HEREBY GIVEN** that the Ojai Valley Sanitary District Board of Directors will hold a special meeting at **6:00 p.m. on Monday April 29, 2013** at the District Office located at 1072 Tico Road, Ojai, California.

If you require special accommodations for attendance at or participation in this meeting, please notify our office 24 hours in advance at (805) 646-5549. (Govt. Code Section 54954.1 and 54954.2(a)).

The Ojai Valley Sanitary District Board of Directors encourages all interested parties to speak on any issue or subject matter subject to the District's jurisdiction. It is the desire of the Board that its business be conducted in an orderly and efficient manner.

#### **PUBLIC INPUT:**

**All comments from the public are to be addressed to the Board of Directors, not to District Staff, Consultants or District Legal Counsel.**

#### **Items Not On The Agenda:**

All speakers are requested to fill out a **Speaker Card (Green)** and submit it to the Clerk of the Board. All speakers are requested to present their information to the Board as concisely as possible with a three (3) minute time limit. This time limit may be modified by the Board Chairperson if necessary. If a member of the **public does not wish to speak** but wishes the Board to have benefit of their position on an issue, **they can present a Comment Card (Peach)** which will be acknowledged by the Chairperson. No response will be given or action taken unless an emergency exists as defined in subdivision (b) of the Government Code 54954.2. Items requiring action will be referred to staff or placed on a subsequent agenda.

#### **Items On The Agenda:**

All speakers are requested to fill out a **Speaker's Card (Green)** and submit it to the Clerk of the Board before the item is taken up for consideration. All speakers are requested to present their information to the Board as concisely as possible with a three (3) minute time limit. Allowing an individual to speak more than three minutes is at the discretion of the Chairperson of the Board. Speakers are encouraged to refrain from restating previous testimony. If a member of the **public does not wish to speak** but wishes the Board to have benefit of their position on an issue, they can present a **Comment Card (Peach)** which will be acknowledged by the Chairperson.

### AGENDA

The agenda is posted at the District Office no later than 24 hours preceding this Board meeting, and contains all items on which Board action will be allowed pursuant to Government Code Section 54956. Action will be taken on unanticipated items only when an emergency (as defined in Section 54956.5) exists or as otherwise allowed under Section 54954.2(b). All Board meetings are tape recorded in their entirety (excluding authorized closed sessions).

The business to be transacted is as follows:

1. **Call to Order**
2. **Roll Call**
3. **Pledge of Allegiance**
4. **Additions or amendments to the Agenda (Special Meeting None Permitted)**
5. **Public Concerns** (items not on the agenda - three minute limit).  

This is an opportunity for members of the public to speak on items not on the agenda.
6. **Board Concerns** (Items not on the agenda - three-minute limit)

**ACTION ITEM:**

7. **Final Budget for Fiscal Years 2013/14 & 2014/15 – Adoption**
  - a. Adopt the Final Budget for Fiscal Years 2013-2014 & 2014-2015 as presented; and
  - b. Authorize staff to implement the decisions embodied in the Final Budget for Fiscal Years 2013-2014 & 2014-2015; and
  - c. Authorize a transfer in the amount of \$400,000 from the Equipment Replacement Reserve to the Contingency Reserve during Fiscal Year 2013-2014; and
  - d. Authorize a transfer in the amount of \$100,000 from the Contingency Reserve to the Collection System Replacement Reserve during Fiscal Year 2013-2014; and
  - e. Authorize a transfer in the amount of \$100,000 from the Contingency Reserve to the Collection System Replacement Reserve during Fiscal Year 2014-2015; and
  - f. Direct staff to continue managing the Capital Improvement Plan by initiating, and presenting to the Board for funding authorization, individual projects as appropriate.

**INFORMATION ITEMS**

8. **Discussion** (items not on the agenda - three-minute limit)
  - a. Public - (Public is requested to present completed speaker's card to Clerk of the Board)
  - b. Board Members
  - c. General Manager
  
9. **Adjournment**

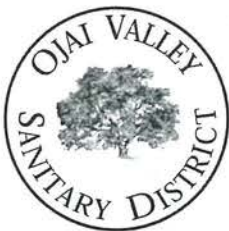
A staff report providing more detailed information is available for most agenda items, and may be reviewed in the District office during regular business hours (Monday through Friday from 8 a.m. to 5 p.m.). Copies of individual reports may be requested from the Clerk of the Board (646-5548).

ATTEST TO POSTING:

  
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Brenda Krout – Clerk of The Board

**April 24, 2013 @ 3:30 p.m.**  
Date & Time Posted At District Office





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April 24, 2013

Board of Directors  
Ojai Valley Sanitary District  
Ojai, CA 93023

### FINAL BUDGET FISCAL YEARS 2013-14 & 2014-15 – ADOPTION

We have prepared the Final Budget in compliance with the Board of Director's direction from the April 22, 2013 Board Meeting where the Preliminary Budget was reviewed. The Final Budget Fiscal Years 2013-14 & 2014-15 document is included on a separate disk for your reference.

The Final Budget was developed with the following:

- A net increase in rates with some offsetting reserve reallocation
- Enhanced Collection System Investment
- Increase in Contingency Reserve
- Funding for Algae TMDL/Nutrient studies and projects
- 2.2% increase in wages matching the CPI increase
- No increase in employee benefits
- anticipated 9.0% increase in health insurance costs

#### Income

Sewer service charges comprise the vast majority of the District's income; however, interest, fees and property tax also make up the income stream. The final budget includes a couple of changes to the total income including an increase in the monthly sewer service rate over the next two years.

Staff has lowered the projected/anticipated interest rate the District will receive on our investments due to economic factors; and during our 3-year Commercial Account review (and in conjunction with our Customer Service Database and County Tax roll review) we have reduced the number of Capacity Units that will be billed.

ITEM 7-1

### O&M

The final O&M budget has been reduced from FY 2012-13 based on actual operational needs.

### Reserves

A couple of changes are included in this two-year budget. The balance of the Equipment Replacement Reserve has slowly risen over the past few years. This is due to efficient purchases and purchasing equipment through other reserves or O&M where possible. Staff is proposing to reallocate \$400,000 from the Equipment Replacement Reserve to the Contingency & Stabilization Reserve. In addition, Staff is focusing on building the Contingency & Stabilization Reserve where possible and feasible. This "Rainy Day" fund is typically used for rate stabilization and unfunded emergencies. A reserve balance equivalent to 50 percent of the O&M budget would be an appropriate amount. It will take several years and prudent budgeting to meet this goal; however, small focused steps will help achieve some enhanced savings.

Staff also proposes that a supplemental contribution to the Collection System Replacement Reserve in the amount of \$100,000 each of the two fiscal years be transferred from the Contingency Reserve.

Staff has also reviewed the 2003 and 2007 bond fund reserves. A re-allocation of these reserves to continue to meet bond payment requirements, while reducing the customer charges, is included in this budget.

### CIP

The first 5 years of the CIP represent the highest priority and most immediate project needs. The aging collection system, dating back to the 1920's is showing signs of age, settlement, corrosion and decay. Staff will continue to watch the most concerning areas, however, a steady and improved re-investment is necessary. The Treatment Plant, built in 1997 is in very good shape, however improvements to the instrumentation and treatment system is required to meet the Algae TMDL nutrient goals.

Staff recommends the Board approve the Final Budget and implement the decisions embodied in this Budget which includes:

- 4.7 Percent Increase in monthly Sewer Service Charge in 2013-14 & 2014-15
- Transfer of \$112,177 from Contingency Reserve to General Fund for 2013-14
- Transfer of \$106,576 from General Fund to Contingency Reserve for 2014-15
- Transfers from Equipment Reserve to General Fund For Information Technology Replacements - \$201,758 in 2013-14 & \$200,291 in 2014-15
- Reduced customer charges related to 2003 & 2007 Bond Issues
- Allocated transfers to the Reserve funds during both fiscal years

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If you have any questions about the budget prior to the Board Meeting please call me at 646-5548.

RECOMMENDATION:

It is recommended the Board:

- a. Adopt the Final Budget for Fiscal Years 2013-2014 & 2014-2015 as presented; and
- b. Authorize staff to implement the decisions embodied in the Final Budget for Fiscal Years 2013-2014 & 2014-2015; and
- c. Authorize a transfer in the amount of \$400,000 from the Equipment Replacement Reserve to the Contingency Reserve during Fiscal Year 2013-2014; and
- d. Authorize a transfer in the amount of \$100,000 from the Contingency Reserve to the Collection System Replacement Reserve during Fiscal Year 2013-2014; and
- e. Authorize a transfer in the amount of \$100,000 from the Contingency Reserve to the Collection System Replacement Reserve during Fiscal Year 2014-2015; and
- f. Direct staff to continue managing the Capital Improvement Plan by initiating, and presenting to the Board for funding authorization, individual projects as appropriate.



Jeff Palmer  
General Manager

Enc. Final Budget Fiscal Years 2013-2014 & 2014-2015

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