



OJAI VALLEY SANITARY DISTRICT

A Public Agency

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MEETING OF THE FINANCE COMMITTEE

Date & Time:
April 3, 2015
Friday, 11:00 a.m.

Members:

Location:
OVSD Board Room

Peter M. Kaiser
William C. Murphy
John R. (Randy) Burg, Chairman

A G E N D A

1. Public Comment - (Items not on the agenda - 3 minute limit)

FOR DISCUSSION & RECOMMENDATION

2. Quarterly Review of District's Investments
3. Rate Study Results

FOR DISCUSSION & REVIEW

4. Costs Related to Private Sewer Lateral Program
5. General Discussion
 - a. Audience
 - b. Committee Members
 - c. General Manager

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. Copies of individual reports may be requested from Brenda Krout (805-646-5548).

ATTEST TO POSTING:

Brenda Krout – Clerk of the Board


March 31, 2015 @ 11:30 a.m.
Date & Time Posted At District Office

ITEM #2

Memorandum

Ojai Valley Sanitary District

March 31, 2015

To: Finance Committee – Bill Murphy, Peter Kaiser & Randy Burg
From: Jeff Palmer – General Manager 
Subject: Quarterly Review of District's Investments

The District contracts with Sage Advisory Services, Inc. (through Morgan Stanley) to manage the District's investments.

The regular monthly reports from Morgan Stanley and Sage detailing the investment activity in the District's portfolio had not been received at the time of this writing. Select sheets from these reports summarizing the District's net returns will be available at your meeting, along with the Performance Report provided by the District's financial advisor, Howard Smith.

Mr. Smith will be in attendance at your meeting, to review the investment information and to respond to your questions and/or concerns.


If you have any questions or need additional information please call me at 646-5548.

ITEM #3

Memorandum

Ojai Valley Sanitary District

March 31, 2015

To: Finance Committee – Bill Murphy, Peter Kaiser & Randy Burg
From: Jeff Palmer – General Manager 
Subject: Rate Study Results

At their October 27, 2014 meeting, the Board awarded a contract to Raftelis Financial Consultants, Inc. to conduct a rate study. The scope of work for this study included a detailed analysis of not just rates, but connection fees, fixed costs vs. variable costs, single dwelling unit definition to all units, flow based filling and pay-as-you-go vs bond utilization for upcoming major projects such as I&I control and nutrient TMDL reduction. Raftelis has completed the scope of work and is in the process of producing a final report. I have had several discussions with Raftelis staff regarding their final conclusions.

As we ramp up the implementation of the unpermitted connection & the private sewer lateral ordinances, continue with the TMDL related treatment plant improvements and collection system improvements connected with I&I control and embark on other regulatory programs, there will be a drag on the District's reserves and operational funds over the next 10 years.

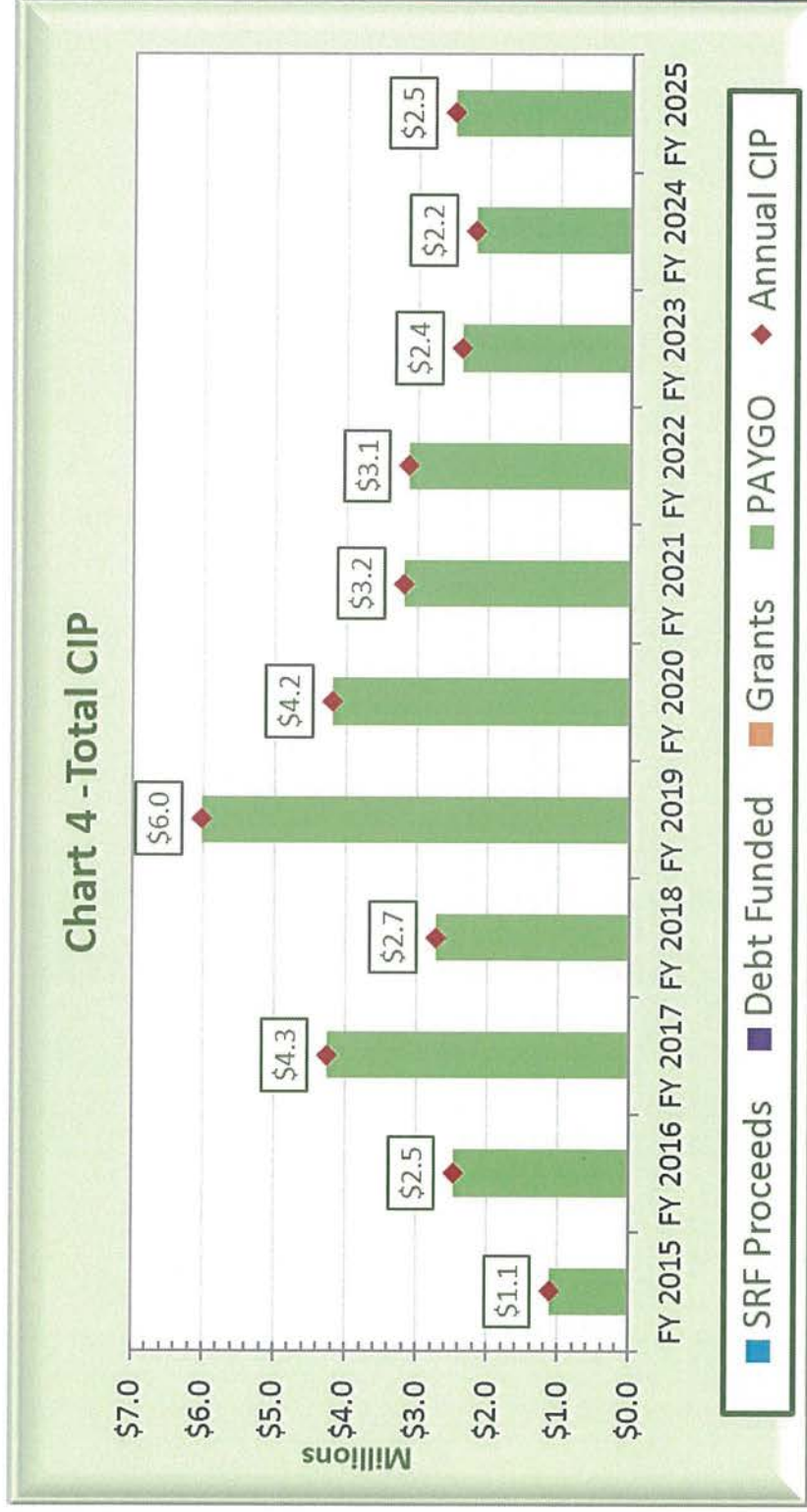
The attached slides (from Raftelis' report) show the effect and impact of the above examples on the District's reserves.

The next step is to discuss these impacts and the revenue approach to be pursued: i.e. pay-as-you-go, issue debt and/or rate increases.

All of these issues will be discussed in more detail at your meeting.

If you have any questions or need additional information please call me at 646-5548.

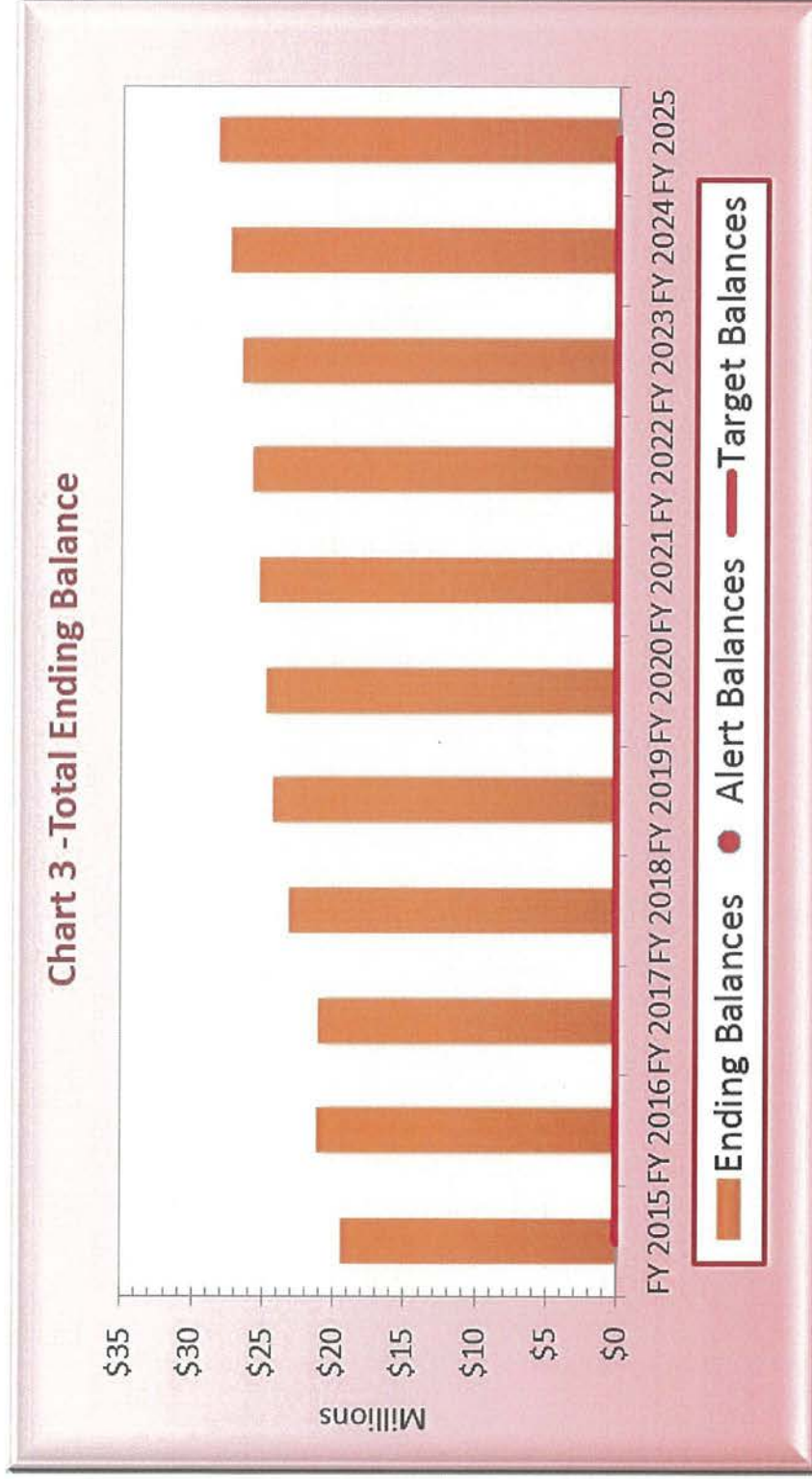
CIP - PROPOSED



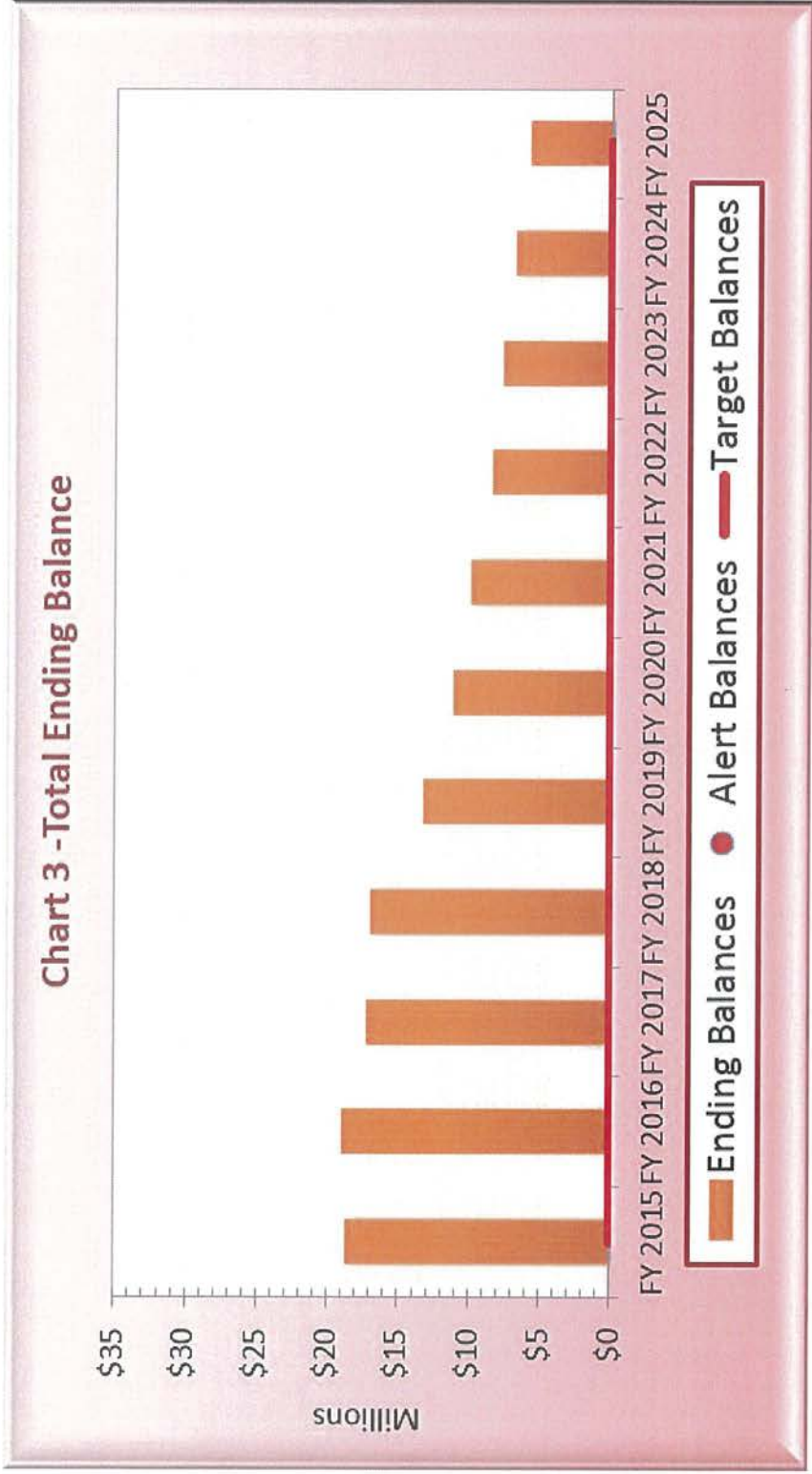
* Includes I&I (\$10.6 M) and TMDL (\$5.85 M) Projects.



ENDING BALANCES - SCHEDULED



ENDING BALANCES – PROPOSED (NO ADJUSTMENTS)



* Includes I&I (\$10.6 M) and TMDL (\$5.85 M) Projects




ITEM #4

Memorandum

Ojai Valley Sanitary District

March 31, 2015

To: Finance Committee – Bill Murphy, Peter Kaiser & Randy Burg
From: Jeff Palmer – General Manager 
Subject: Costs Related to Private Sewer Lateral Program

Staff has been working with the Ordinance Committee and District Legal Counsel developing a Private Sewer Lateral Ordinance (PSL) to address damaged and failing laterals which are contributing to the I&I problems in the District's sewer system.

There are costs associated with the implementation of the PSL. Primarily these costs are staffing related; however, most likely there will be computer related impacts too.

These costs and their impact to the District's operational costs will be discussed at your meeting.

If you have any questions or need additional information please call me at 646-5548.