



OJAI VALLEY SANITARY DISTRICT

A Public Agency

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MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS OJAI VALLEY SANITARY DISTRICT

The Regular Meeting of the Ojai Valley Sanitary District Board of Directors was held at the District Office, 1072 Tico Road on March 28, 2016. The meeting was called to order by Chairman Curtis at 6:00 p.m. and roll call taken as follows:

- DIRECTORS PRESENT:** William M. Stone
Peter M. Kaiser
William C. Murphy
Russ Baggerly
John R. (Randy) Burg
Stan Greene
John R. (Jack) Curtis
- DIRECTORS ABSENT:** None
- STAFF PRESENT:** Jeff Palmer, General Manager
Brenda Krout, Clerk of the Board
Ronald E. Sheets, Operations Superintendent
- OTHERS PRESENT:** Mark Zirbel, District Legal Counsel

3. **Pledge of Allegiance**

Chairman Curtis led the pledge of allegiance.

4. **Additions or amendments to the Agenda**

None

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.

None

6. **Board Concerns** (Items not on the agenda - three-minute limit)

Director Baggerly referenced a recent article in the newspaper about the City of Ventura experiencing high levels of H2S in their wastewater system due to low flows caused by water conservation related to the drought. Director Baggerly requested Mr. Palmer to provide an update on any District H2S problems and if District staff is up to date on their confined space training. Mr. Palmer responded stating that the District does not normally experience H2S problems but there are sensors in place to monitor the H2S levels throughout the system. Mr. Palmer explained that monitors are placed in wet wells, manholes, etc. prior and during the crew being in these spaces. The drought generated lower flows have caused some changes in the chemistry of the flow we are receiving. Mr. Palmer stated that both the Treatment Plant and Collection System crews are fully trained on confined space entry. The District has a regimented procedure in place that involves entry with a harness connected to a tri-pod; each employee is fitted with their own individual harness. Training on this procedure is conducted annually.

PUBLIC HEARINGS:

None

CONSENT ITEMS: - All consent items are considered in a single motion and voted on without discussion. Any item removed from the consent list at the request of a Board member or the public will be considered immediately following approval of the remaining consent items.

ACTION

Upon motion of Director Murphy, seconded by Director Baggerly and passed by unanimous roll call vote, Item Nos. 7, 8 & 9 on the consent calendar were approved as submitted.

7. **Approval of Minutes** – Regular Meeting February 22, 2016 (a recording of each meeting is retained at the District Office for a minimum of 4 years)

8. **Deferred Payment of Capacity Charges Agreements**

a. Approve the Agreement Affecting Real Property as listed below:

- 022-0-151-120 Daniel & Elia Diaz

b. Authorize the Chairman to sign the approved Agreement; and

c. Direct staff to record the Agreement with the County of Ventura Recorder's Office.

9. **Approval of Checks**

Approve the checks for payment as submitted.

ACTION ITEMS:

10. **Bond Refunding – 2003 Series & 2007 Series – Resolution No. 2016-03**

Mr. Palmer explained that interest rates on bonds are the lowest they have been in a long time, making this a good time to refinance the District's existing debt issues. The proposed refinancing would maintain the term of each of the District's two existing debt issues but would lower the interest rate resulting in an overall savings to the District of approximately \$990,000 over the life of the bonds.

Jeff Land and Rick Brandis from the municipal bond underwriting firm, Brandis Tallman LLC were present to discuss the proposed refinancing; explaining that following the adoption of the presented resolution the refinancing process would begin with the bonds probably being sold in May. Mr. Land and Mr. Brandis responded to questions from the Board.

ACTION

Upon motion of Director Kaiser, seconded by Director Burg and passed by unanimous roll call vote Resolution No. 2016-03 of the Board of the Ojai Valley Sanitary District (the "District") Authorizing The Issuance of Not To Exceed \$9,800,000 Principal Amount of Wastewater Revenue Refunding Bonds, Series 2016, Authorizing and Directing Execution of An Indenture of Trust, Continuing Disclosure Agreement, Escrow Instructions and A Purchase Contract, Authorizing The Sale of Bonds, Approving An Official Statement and Providing Other Matters Properly Relating Thereto was adopted.

11. **Manhole Adjustments – Contract No. 2016-06 – Toro Enterprises Inc.**

ACTION

Upon motion of Director Stone, seconded by Director Kaiser and passed by unanimous roll call vote the Chairman was authorized to sign Contract No. 2016-06 Agreement for Manhole Adjustments between Ojai Valley Sanitary and Toro Enterprises Inc., in the amount not to exceed \$39,600.

12. **Independent Audit Services – Contract Expiration**

Mr. Palmer explained that the District's current 3-year contract for audit services with Poindexter and Company (Poindexter) will expire after the completion of the audit for the fiscal year ending June 30, 2016; this is the fourth 3-year contract between the District and Poindexter.

It is time to solicit proposals for a new 3-year contract which will start with the audit of the fiscal year ending June 30, 2017. Mr. Palmer explained that effective January 1, 2013 with the passage of AB 1345 there are restrictions on how many consecutive years an auditor can be retained by an agency. Starting with fiscal year 2013-14 an agency is not allowed to contract with an accounting firm to provide audit services for more than six consecutive years; since this date Poindexter has been contracted with the District for only 3 years; consequently, Poindexter would be eligible to propose on the next 3-year contract.

The options for auditing services were discussed.

ACTION

Upon motion of Director Murphy, seconded by Director Kaiser and duly passed staff was directed to proceed with the competitive bidding process over the next couple of months, issuing a Request For Proposal to accounting firms qualified to perform an annual audit of the District's records as required by law, including the accounting firm of Poindexter and Company, presenting the proposals to the Board at a future meeting to consider awarding a new 3-year contract for auditing services beginning with the audit of the fiscal year ending June 30, 2017.

INFORMATION ITEMS – FOR RECEIPT & FILE

13. **Monthly Financial Reports**
Received and filed.
14. **Monthly Investment Report**
Received and filed.
15. **Staff Reports - Operations, Administration and Management of the District**
Received and filed.
16. **Committee Reports**
Received and filed.
17. **Reports On Meetings, Seminars, or Conferences Attended**
None
18. **Items of Interest/Correspondence/Articles**
None

19. **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)

None

- b. Board Members

Director Murphy reported that he recently participated, through a conference call, as a member of the CASA Nominating Committee to select some individuals to be considered for positions on the CASA Executive Board for next year.

Director Kaiser asked if the District has a testing and/or replacement schedule for UPS systems on the District's servers. Mr. Palmer stated that Jan routinely tests them and there is also a replacement schedule for each of them;

Director Kaiser asked Mark Zirbel about the statement in the minutes of the Executive Committee's recent meeting that his firm is in a transitional period. Mr. Zirbel responded stating that there are changes taking place in the firm; he is starting to work less and will be keeping only a few clients, the District being one of them. Mr. Zirbel stated some other changes are that he is no longer a partner in the firm, new attorneys have joined the firm and Robert Kwong has become a partner.

- c. General Manager

Mr. Palmer updated the Board on various issues including the following:

- The new 2016 Water Truck arrived today; the 1992 water truck was traded in and is now gone.
- The Santa Ana Lift Station rehabilitation project has started; this being a fairly remote location, security cameras are going to be installed for the duration of the project.
- Private Sewer Lateral Inspection Program (PSL) is going well – over 100 inspections performed to date. The overall PSL process is working well and has not been causing hold ups on property escrows. It is estimated that about 20-25% of the lines inspected need some repair work but only about 2-3% are complete failures needing full replacement. Staff has been working well with the property owners helping them through the process, encouraging them to get additional bids in order to get the best price for repair work.

- New Treatment Plant Operator I has been hired, Riley Reed, he will begin work on April 4, 2016. Riley is a local guy who grew up in the Ojai Valley.
- Mr. Palmer has written a lengthy editorial for the local newspaper all about the District, the past 50 years and a look at what the next 50 years might bring. Mr. Palmer meets with the newspaper this Friday to discuss how to get this into the paper; it may be agreeable to the paper to publish it in a 2 or 3 part series.

20. **Adjournment**

Chairman Curtis adjourned the meeting at 7:16 p.m.



John R. Burg, Secretary

APPROVED:



John R. Curtis, Chairman