



## OJAI VALLEY SANITARY DISTRICT

A Public Agency

1072 Tico Road, Ojai, California 93023

(805) 646-5548 • FAX (805) 640-0842

[www.ojaisan.org](http://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, 2019** 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 address the Board on any item not on the agenda but under the subject matter jurisdiction of the Ojai Valley Sanitary District.

### **ACTION ITEM:**

6. **Final Budget – Fiscal Years 2019-20 & 2020-21 – Adoption**
  - a. Adopt the presented Final Budget for Fiscal Years 2019-2020 & 2020-2021 that includes a 2 percent increase in the service charge rate;

### **OR**

- b. Adopt the presented Final Budget for Fiscal Years 2019-2020 & 2020-2021 that includes a 2.5 percent increase in the service charge rate;

### **AND**

- c. Authorize staff to implement the decisions embodied in the adopted Final Budget for Fiscal Years 2019-2020 & 2020-2021; and
  - d. 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**

7. **Board Member & General Manager Comment**

a. Board Member Comments

Opportunity for Board Members to briefly comment on matters they deem appropriate to the business of the District. A Board Member may ask a question of staff for clarification, make a brief announcement, or make a brief report on his/her own activities related to the District. A Board Member may also provide a reference to staff or other resources for factual information, or request staff to report back to the Board at a subsequent meeting concerning a matter related to the District business. The Board Member may also direct staff to place a matter of District business on a future Board agenda.

b. General Manager Comments

8. **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:

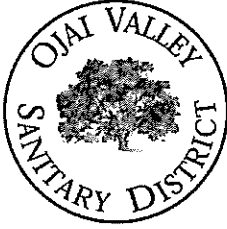


**Brenda Krout – Clerk of the Board**

**April 25, 2019 @ 4:30 p.m.**

**Date & Time Posted At District Office**

**ITEM #6**



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April 25, 2019

Board of Directors  
Ojai Valley Sanitary District  
Ojai, CA 93023

### FINAL BUDGET FISCAL YEARS 2019-2020 & 2020-2021 – ADOPTION

We have prepared the Final Budget in compliance with the Board of Director's direction from the April 24, 2019 Board Meeting where the Preliminary Budget was reviewed. The Board directed that two versions of the Final Budget be prepared, one based on a 2 percent increase in the basic service charge rate and one based on a 2.5 percent increase in the basic service charge rate. Both versions of the Final Budget Fiscal Years 2019-2020 & 2020-2021 are included as separate documents for your reference.

Both versions were developed with the following:

- 2.5% increase in wages matching the CPI increase
- No increase in employee benefits
- Continued Enhanced Collection System Investment
- Funding for Algae TMDL/Nutrient studies and projects

Differences between the two versions of the Final Budget Fiscal Years 2019-2020 & 2020-2021 are:

- One version includes: 2% Increase in Service Charge
- One version includes: 2.5% Increase in Service Charge

#### 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 proposed budget includes a couple of changes to the total income.

First, is an increase in the monthly service charge, by either 2 or 2.5 percent. Second, staff has slightly increased the projected/anticipated interest rate the District will receive on our investments over the next 2 years based on more positive results in the last 12 months and the District's change in investment managers.

### O&M

The proposed O&M budget has been increased slightly from FY 2018-19 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; consequently, a contribution to this Reserve is not included in this two-year budget.

The 2016 Refunding Bond issue refinanced both the 2003 and 2007 bonds into one issue. However, due to the payment distribution requirements of the 2003 Bond (discussed in detail in Sections 3 & 6) repayment of the balance of this issue is accounted for separately until fiscal year 2022-23 when the original bonds were slated to be satisfied. The reserves for the 2007 bond has been re-allocated to be used for 2016 Refunding Bond issue; the 2003 bond reserve continues to be used to reduce the customer charges related to the payment obligation associated with this issue.

### CIP

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 overall is in very good shape. However, it is 20 years old and there are components, motors and controls that are reaching their expected age. In some cases, the original components are still installed but are not supported by manufacturers and spare parts or repairs are difficult to complete. 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:

- 2.5% increase in wages matching the CPI increase
- No increase in employee benefits
- 2 or 2.5% increase in service charge
- Continued Enhanced Collection System Investment
- Funding for Algae TMDL/Nutrient studies and projects
- Reduce customer charges related to 2003 & 2016 Bond Obligations
- Allocated transfers to the Reserve funds during both fiscal years

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:

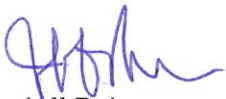
- a. Adopt the presented Final Budget for Fiscal Years 2019-2020 & 2020-2021 that includes a 2 percent increase in the service charge rate;

**OR**

- b. Adopt the presented Final Budget for Fiscal Years 2019-2020 & 2020-2021 that includes a 2.5 percent increase in the service charge rate;

**AND**

- c. Authorize staff to implement the decisions embodied in the adopted Final Budget for Fiscal Years 2019-2020 & 2020-2021; and
- d. 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 2019-2020 & 2020-2021 (attached under separate cover)