



OJAI VALLEY SANITARY DISTRICT

A Public Agency

1072 Tico Road, Ojai, California 93023

(805) 646-5548 • FAX (805) 640-0842

www.ojaisan.org

NOTICE TO THE OJAI VALLEY SANITARY DISTRICT BOARD OF DIRECTORS AND GENERAL PUBLIC

SPECIAL MEETING AGENDA- NOTICE ADDENDUM

The Ojai Valley Sanitary District Board of Directors will hold a Special Meeting **Thursday January 7, 2021 at 5:00 pm, via Webex conference.**

IN RESPONSE TO THE DECLARED STATE AND LOCAL EMERGENCIES DUE TO THE NOVEL CORONAVIRUS, AND IN ACCORDANCE WITH THE CALIFORNIA GOVERNOR'S RECENT ORDER TO LIMIT INDOOR OPERATIONS AS A PRECAUTIONARY MEASURE TO HELP SLOW THE SPREAD OF COVID-19, THE OVSD HEADQUARTERS FACILITY ON TICO ROAD IS CLOSED TO THE PUBLIC. TO FIND OUT HOW YOU MAY ELECTRONICALLY ATTEND THE BOARD MEETING AND PROVIDE PUBLIC COMMENT PLEASE REFER TO PAGE 2 OF THIS AGENDA

When it's time, join your Webex meeting here.

[Join meeting](#)

More ways to join:

Join from the meeting link

<https://ojaisan.webex.com/ojaisan/j.php?MTID=m35c1ac995118f84015fdb4debba4ce5d>

Join by meeting number

Meeting number (access code): 146 607 6576

Meeting password: Dwe4Due3vm4

Tap to join from a mobile device (attendees only)

[1-844-992-4726](tel:1-844-992-4726).,1466076576## United States Toll Free

[+1-408-418-9388](tel:+1-408-418-9388).,1466076576## United States Toll

Join by phone

1-844-992-4726 United States Toll Free

+1-408-418-9388 United States Toll

[Global call-in numbers](#) | [Toll-free calling restrictions](#)

Join from a video system or application

Dial [1466076576@ojaisan.webex.com](tel:1466076576)

You can also dial 173.243.2.68 and enter your meeting number.

Join using Microsoft Lync or Microsoft Skype for Business

Dial [1466076576.ojaisan@lync.webex.com](tel:1466076576)

Need help? Go to <https://help.webex.com>



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NOTICE OF SPECIAL MEETING

NOTICE IS HEREBY GIVEN that the Ojai Valley Sanitary District Board of Directors will hold a special meeting at **5:00 p.m. on Thursday January 7, 2021, via Webex conference**, at the District Office located at 1072 Tico Road, Ojai, California.

PUBLIC INPUT:

Members of the public who wish to submit public comments may do so in advance via e-mail no later than 5:00 p.m. on the day of the meeting. Public comment e-mails should be sent to alison.young@ojaisan.org

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**
5. **Public Concerns**
6. **[BOARD STUDY SESSION- OJAI VALLEY SANITARY DISTRICT RATES AND FEES](#)**

CLOSED SESSION:

7. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**

Significant exposure to litigation pursuant to Government Code section 54956.9, paragraphs (d)(2) and (e)(5) involving two cases.

8. **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**

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:



Alison Young – Clerk of The Board

Amended Agenda
January 5, 2021 @ 4:30 p.m.
Date & Time Posted At
District Office



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January 7, 2021

Board of Directors
Ojai Valley Sanitary District
Ojai, CA 93023

SEWER SERVICE RATE DISCUSSION

For decades, dating back to the early 1920's, sanitary districts throughout the State have provided service using an equivalent residential unit, or "ERU" type billing structure. Still today, the majority of the State is still served by special districts such as Los Angeles County Sanitation, Orange County Sanitation and San Diego County Sanitation and are still using a ERU type system. There are several other acronyms such as capacity unit (CU), dwelling unit (DU) and equivalent dwelling unit (EDU) which all are used interchangeably.

OVSD, and formally the City of Ojai and the other three formative districts instituted a "equivalent residential unit" or "ERU" system upon formation in the early 1960's. The ERU system remains in place today.

OVSD and the majority of sanitary districts that serve 2/3s of sewer customers statewide use a ERU type system for billing.

Over time there have been advances in technology, advances in reduced water use fixtures and advances in collection and treatment. With all these advances, there are still limited methods for billing given the privacy of water usage records and the limitation on metering sewage flow since individual sewage meters are impractical and inaccurate.

In a perfect world, the amount of water from each home or business, the amount of pollutants, the time of day those pollutants and water are discharged and the distance from the treatment plant could be calculated for each parcel for billing purposes. Publicly available data is also limited in that County Assessor's files for each unit do not provide details on garbage disposals, separate sinks and showers, dual sinks, bar sinks, laundry sinks and other related plumbing fixtures that affect sewage flow.

Given the limitation of determining occupancy, privacy of water use, difficulties in metering and pollutant load limitations, Special Districts are left with an ERU based system for billing.

In any District, there are "economies of scale" for collection and treatment. Each area of our District could not afford to have separate collection and treatment systems nor afford

to make the required capital expenditures for major projects. Therefore, there is an element of group funding or “we are in this together” in the operation and funding of our District.

However, there is a growing discussion to look at some level of proportionality in sewer rates. All homes and all users are not identical. There are also laws that are regulating setting of utility rates and taxation. From Proposition 13 in the 1970's, to more recent Proposition 218 and Proposition 26, rate payors can only be charged for the cost of providing the service, in this case sewage collection and treatment. All of these regulations were citizen driven initiatives. They were not laws passed by the state legislature, but citizen efforts primarily driven to reverse and curtail some taxation and fee issues. Limiting of property taxes and limiting diverting of water/sewer fees to fund other City functions were the driving force. Just this week a judge ordered the City of Oxnard to repay \$34 million dollars from their general fund back to their utility funds because it was ruled to be illegally diverted and not related to provided utility service.

The net result of these initiatives and some related litigation is that fees must be related to the service provided and proportional in some way. Given that an exact fee cannot be determined for each house in a perfect world, some level of proportionality must be used with a shared cost component.

OVSD has been reviewing the regulations, litigation, advances in technology and other District's fee structures to understand and have a dialogue about a balanced and equitable rate structure.

OVSD has some units connected to our system that are literally RV's in individual spaces at some of our 16 mobile home parks consisting of units that are under 300 square feet up to large estates over 10,000 square feet. We have hotels that have rooms that are not occupied every day, restaurants that are not open every day or for every meal, schools that are under used and closed for the summer, churches that are not open every day and homes that serve as vacation homes and are vacant portions of the year. We have some home-bound individuals, and we have homes where the residents leave each day and work out of the valley. We also have many units that are overcrowded, given the high cost of housing and socio-economic factors. Some units are ½ mile from the treatment plant and some are over 12 miles away. There is a wide-spread of unit size, distance, occupancy, use, flow and pollutant load in our system. To calculate an average of all of our rate payers misrepresents the diversity of the parcels we serve.

While OVSD has been reviewing this issue, many districts state wide are also looking at the unique nature and challenges of their own districts. CASA has put together a state-wide effort to understand and collect information of the types of billing systems.

The CASA effort, along with OVSD's focused effort to look at fees, proportionality, sizing, distance and strength of flow were put on hold due to COVID issues. During 2020, the CASA effort did not advance due to significant upheaval in both the residential, but primarily the commercial markets that changed the flow and loading of businesses significantly.

Given the COVID impacts to various properties, OVSD is still looking to work forward on three areas:

1. ADU unit capacity charge study and revisions
2. Sewer service charge proportionality related to unit size and distance from the Treatment Plant
3. Capacity charge proportionality for non-ADU units.

Some special districts that use an ERU billing structure have implemented a hybrid component to their ERU fixed rates. This includes a ratio or reduction for multi family units. A rate of say .8 ERU for apartments and condos may also be included in a ERU fixed rate structure. This would mean that an apartment or condo would pay 80% of the monthly sewer service fee as compared to a residential home.

The issue with implementing a hybrid system is there is not enough data, statewide or locally, to show consistently that an apartment generates 80% of the sewage that a house generates. As you compare a large apartment to a small house to a mobile home, to user occupancy, to days of the year the house is occupied it is common for each unit type to have a range of sewage discharge amount. The ranges of each types of units overlap so a standard ratio is not always consistent. As such, these modified ratios represent averages or typical values, but are not exact.

Staff is preparing a PowerPoint presentation for discussion of all of these topics. Staff will make recommendations for further work on resolution of ADU connection fees and present some ideas for consideration and further study on hybrid fixed rates for OVSD as well as a more complex proportional rate structure.

RECOMMENDATION:

It is recommended the Board receive staff's presentation and discussion regarding the District's Sewer Service Rate structure.

Jeff Palmer
General Manager