



OJAI VALLEY SANITARY DISTRICT

A Public Agency

1072 Tico Road, Ojai, California 93023

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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 January 23, 2006. The meeting was called to order by Chairman Curtis at 7:03 p.m., and roll call taken as follows:

DIRECTORS PRESENT: William E. Lotts
Russ Baggerly
Randy Burg
John R. Curtis
Peter M. Kaiser
Stan Greene (arrived at 7:06 p.m.)

DIRECTORS ABSENT: William M. Stone

STAFF PRESENT: John K. Correa, General Manager
Brenda Krout, Clerk of the Board
Ronald E. Sheets, Operations Superintendent

OTHERS PRESENT: Mark A. 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. (The Ojai Valley Sanitary District Board of Directors encourages all interested parties to speak on any issue on this agenda in which they have an interest, or on any 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. All speakers are requested to fill out a Speaker's Card 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 Chairman of the Board. Speakers are encouraged to refrain from restating previous testimony. No response will be given or action taken unless an emergency exists. Items requiring action will be referred to staff or placed on a subsequent agenda.)

Bruce Farber addressed the Board stating he owns property in the Oak View area served by the District. Mr. Farber distributed a letter with pictures of his property attached. Mr. Farber explained that he is planning on adding a workshop with a bathroom onto his existing single family residence. Mr. Farber explained that due to elevation and size of his property the best route for connecting this new bathroom to the sewer is to install a second lateral from the mainline sewer in the street to his property. Mr. Farber noted that staff has informed him that the District's Ordinance No. 2 requires that every lateral connected to the mainline must equal not less than one ERU; consequently, he will be required to pay an additional connection fee.

Mr. Farber requested the Board grant him relief from the Ordinance's requirement, stating that his situation is a 'special circumstance'. Mr. Farber explained that his situation qualifies as a 'special circumstance' because if he is required to connect the new bathroom into the existing lateral serving his property, there will be many plants, trees, and other landscaping components destroyed.

Director Greene arrived at this point in the meeting.

Chairman Curtis turned Mr. Farber's request over to staff, directing staff to research the situation, including polling other agencies for their policies on such situations. Following staff's research and counsel with Mr. Farber, if the situation is not resolved then the issue will be placed on the Board's February agenda where it can be addressed.

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

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 Baggerly, seconded by Director Kaiser and unanimous roll call vote Item Nos. 7-9 on the consent calendar was approved as submitted.

7. **Approval of Minutes** - Special Meeting December 19, 2005 (a tape recording of each meeting is retained at the District Office for a minimum of 4 years)
8. **Acceptance of Easement – Creek Road - AP No. 035-0-100-275**
 - a. Accept easement, as outlined in the Easement Deed from Dan Stuart, trustee of the Dana Stuart Trust, across a parcel of property identified as assessor's parcel number 035-0-100-275; and
 - b. Authorize the waiving of the outlined fees in exchange for the easement to accommodate a portion of the District's trunk line; and
 - c. Direct staff to record this easement with the County of Ventura Recorder.
9. **Approval of Checks and Warrants**

Approve the checks and warrants for payment as submitted.

ACTION ITEM:

10. **Independent Audit Services Contract 2006-01 – Amendment No. 1 To Contract No. 2005-02**

The obligation of funds from FEMA required additional documentation in the audit of fiscal years ending June 30, 2005 and June 30, 2006; consequently, the auditing contract for these years requires amending.

ACTION

Upon motion of Director Kaiser, seconded by Director Greene and passed by unanimous roll call vote the Chairman was authorized to sign Contract No. 2006-01, Amendment No. 1 to Contract No. 2005-02, three-year contract for the annual independent audit for fiscal years ending June 20, 2005, 2006 and 2007 between Poindexter and Company and the Ojai Valley Sanitary District.

11. **Fiscal Year 2004/2005 Annual Independent Financial Audit**

Mr. Correa introduced Mark Poindexter, Poindexter and Company, CPA.

Mr. Poindexter addressed the Board presenting the completed Fiscal Year 2004-2005 audit to the Board. Mr. Poindexter reviewed various components of the audit, noting that based on his audit he was able to render an unqualified opinion on the District financial statements.

Mr. Poindexter noted that separate from the audit, but as a result of his review of the District's accounting functions, he observed some reportable conditions he addressed in a management letter to the Board. The reportable conditions were the result of a lack of segregation of duties in the handling of various aspects of the District's financial transactions. Mr. Poindexter reviewed the areas of concern and reported that staff has already addressed and corrected the majority of these issues as best can be addressed with such a small staff. It was noted that segregation of duties is a common problem in most small agencies with limited staffing.

Shalene Hayman, outside accountant for the District, was in attendance and offered comments during portions of the discussion of the District's financial statements.

ACTION

Upon motion of Director Kaiser, seconded by Director Burg and passed by unanimous roll call vote the independent financial audit report submitted by Mark Poindexter, CPA was accepted as meeting the contract requirements and the payment of any fees due for its preparation was authorized and staff was directed to distribution of copies of the report to the State Controller, County Auditor-Controller and other interested parties.

ACTION

Upon motion of Director Greene, seconded by Director Lotts and duly passed it was agreed that the steps taken by staff to address the lack of segregation of duties was adequate and any outstanding issue identified in the Auditor's management letter is inconsequential.

12. **Annual Investment Policy – Resolution No. 2006-01**

Mr. Correa explained the process the Finance Committee and staff followed in reviewing the District's present Investment Policy and potential changes to the policy. Mr. Correa briefly reviewed the proposals presented to the Finance Committee from various investment management firms. The government codes setting requirements for local agency investment policies were also reviewed.

The Finance Committee members expressed their views on the information they reviewed during their investigation of identifying an appropriate investment policy criterion.

Director Greene presented a motion to keep the District's current Investment Policy with not change. Director Greene's motion failed due to a lack of a second.

ACTION

Upon motion of Director Baggerly, seconded by Director Burg and passed by majority 4 to 2 roll call vote, with Directors Lotts and Curtis voting nay, the revised investment policy as recommended by the Finance Committee, as Resolution No. 2006-01, Resolution of the Board of Directors of the Ojai Valley Sanitary District Stating the Investment Policy For District Funds was adopted, and staff was authorized to work with Morgan Stanley to arrange for the appropriate level of services for them to provide investment managing services for the District.

13. **Appointment of Board Committees & Representatives**

In accordance with the Bylaws adopted by the Board, February 23, 1998, the election of officers of the Board for the ensuing calendar year took place at the December 19, 2005 meeting. The officer's of the Board for calendar year 2006 are as follows:

John R. (Jack) Curtis	Chairman
Stan Greene	Vice-Chairman
John R. Burg	Secretary
William M. Stone	Assistant Secretary

Article XI of the Bylaws establishes the parameters for Board Committees; the Chairperson of the Board appoints Directors to serve on 3 of the 4 standing committees.

Chairman Curtis announced his appointments of individual Directors to serve as the Board's representative to boards, committees and agencies outside the District for calendar year 2006. Chairman Curtis announced that each committee can appoint their own chairperson. Chairman Curtis suggested that a procedure be established for rotation of each Director to serve on all of the committees. It was agreed that such a procedure should be developed.

STANDING COMMITTEES

ORDINANCE/PUBLIC RELATIONS/ NEWSLETTER	RANDY BURG RUSS BAGGERLY PETER KAISER
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PERSONNEL	STAN GREENE WILLIAM E. LOTTS WILLIAM M. STONE
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FINANCE	STAN GREENE RANDY BURG PETER KAISER
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EXECUTIVE	BOARD CHAIRMAN JACK CURTIS BOARD VICE CHAIRMAN STAN GREENE BOARD SECRETARY RANDY BURG
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OTHER COMMITTEES

CEQA Review Committee	RUSS BAGGERLY STAN GREENE WILLIAM E. LOTTS
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BOARD REPRESENTATIVES

VENTURA COUNTY SPECIAL DISTRICTS ASSOCIATION	Alternate	WILLIAM E. LOTTS JACK CURTIS
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CSRMA BOARD REP.	Alternate	RUSS BAGGERLY WILLIAM E. LOTTS
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LAFCO ADVISORY	Alternate	WILLIAM E. LOTTS WILLIAM M. STONE
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AD HOC COMMITTEES

STEELHEAD RESTORATION & RECOVERY PLAN	RUSS BAGGERLY RONALD E. SHEETS JOHN K. CORREA
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SDS FINANCING PROGRAM	PETER KAISER WILLIAM M. STONE STAN GREENE
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AD HOC COMMITTEE

PRIVATE LATERAL INSPECTION PROGRAM	RANDY BURG JACK CURTIS STAN GREENE
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INFORMATION ITEMS – FOR RECEIPT & FILE

14. **Strategic Planning Process**

Staff announced that they are continuing to work on this plan and will deliver a draft to the Board prior to the February 11, 2006 Strategic Planning Session.

15. **Progress Report on Winery Siphon Project**

A verbal report on the progress on the Winery Siphon Project was given by Mr. Sheets.

16. **Monthly Financial Reports**

Received and filed.

17. **Quarterly Investment Report**

Received and filed.

18. **Staff Reports - Operations, Administration and Management of the District**

Received and filed.

Mrs. Krout announced that the District has once again received an award from CSRMA for our excellent safety record; this award was for fiscal year 2004-05.

19. **Committee Reports**

Received and filed.

20. **Items of Interest/Correspondence/Articles**

Received and filed.

21. **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

None

- c. General Manager

Mr. Correa reported that at the recent CASA meeting it was disclosed that an initiative is proposed to be on the ballot in June in Kern County to ban biosolids land application. The affect of this ban was discussed.

Mr. Zirbel reported that the Attorneys' Committee at CASA discussed the case taken by the Supreme Court on considering whether user fees are subject to the provisions of Proposition 218. Mr. Zirbel recommended that the District meet all 218 provisions with the adoption of the next user rate increase. Mr. Zirbel stated he will report back on the Supreme Court's progress on this issue.

22. **Adjournment**

Chairman Curtis adjourned the meeting at 10:38 p.m.

Stan Greene, Vice-Chairman

APPROVED:

John R. Curtis, Chairman