



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 August 25, 2008. The meeting was called to order by Chairman Stone at 7:01 p.m., and roll call taken as follows:

DIRECTORS PRESENT: Russ Baggerly
Randy Burg
John R. Curtis
William E. Lotts
William M. Stone
Peter M. Kaiser
Stan Greene (arrived at 7:05 p.m.)

DIRECTORS ABSENT: None

STAFF PRESENT: John K. Correa, 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 Stone led the pledge of allegiance.

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

Mr. Correa requested an item be added to the agenda explaining that Staff was not aware of the need to address this matter until after the publication of the Agenda.

Director Greene arrived at this point in the meeting, 7:05 p.m.

Mr. Correa noted that the item needing the Board's immediate attention is related to the Hazard Mitigation Grant Program (HMGP) that the District has applied for to relocate the sewer out of the Ventura River in the vicinity of Baldwin Road. The HMGP is requiring applicants to submit commitment letters regarding the funding; the deadline for these letters is August 29, 2008.

Mr. Correa explained that in order to add this item to the agenda the Board must recognize, by a two-thirds vote, that this matter qualifies as meeting the 'immediate need' provision of the Brown Act §54954.2(b).

Mr. Zirbel, District Legal Counsel, confirmed that the procedure explained by Mr. Correa was the correct procedure to add an item to the agenda.

ACTION

Upon motion of Director Kaiser, seconded by Director Baggerly and passed by unanimous vote it was determined that processing the commitment letters as required for the Hazard Mitigation Grant Program Application process meets the 'immediate action' provision of the Brown Act §54954.2(b) and that the need for action came to the attention of the District subsequent to the agenda being posted.

It was agreed that this item will be addressed following Item No. 9.

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.)

None

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 Lotts, seconded by Director Curtis and passed by unanimous roll call vote Item Nos. 7 - 8 on the consent calendar were approved as submitted.

7. **Approval of Minutes** - Regular Meeting July 28,, 2008 (a tape recording of each meeting is retained at the District Office for a minimum of 4 years)

8. **Approval of Checks**

Approve the checks for payment as submitted.

ACTION ITEMS:

9. **Changes in Morgan Stanley's Investment Management**

Howard Smith of Morgan Stanley addressed the Board explaining that Morgan Stanley is in the process of some structural changes. Morgan Stanley's custom account management group will be managing only accounts of \$10 million or higher and will be increasing their management fees. Morgan Stanley is now offering to clients, like the District, that have managed accounts of less than \$10 million, account management from independent management firms which have been approved by Morgan Stanley. Mr. Smith emphasized that Morgan Stanley will still be holding the District's funds; the only change will be that the recommendation of where these funds should be invested will be coming from an independent management firm instead of Morgan Stanley's custom account management group. Mr. Smith explained that this transition to an independent firm must occur by the end of September 2008.

Mr. Smith stated that Morgan Stanley is recommending the District allow Sage Advisory Services to be the independent management firm to manage the District's funds. Mr. Smith introduced Jeff Thomas of Sage Advisory Services.

Mr. Thomas addressed the Board reviewing his and Sage Advisory Services background in financial management. Mr. Thomas referenced the Sage booklets that were provided to the Directors with their agenda packets, noting that the booklets provide an overview of the services and experience offered by Sage.

Mr. Smith and Mr. Thomas responded to questions from the Board.

ACTION

Upon motion of Director Baggerly, seconded by Director Kaiser retaining Sage Advisory Services to manage the District's funds held in a custom account at Morgan Stanley was approved and Staff was authorized to proceed with any action necessary to solidify the retention of Sage Advisory Services.

CHAIRMAN STONE ANNOUNCED THAT THE ADDED ITEM, HAZARD MITIGATION GRANT PROGRAM APPLICATION, WOULD BE ADDRESSED NEXT.

9 ½. **Hazard Mitigation Grant Program Application – Ventura River Trunk Sewer Relocation**

Mr. Correa reviewed the proposed project of removing the Ventura River Trunk Sewer located in the Ventura River by the old burn dump in the vicinity of Baldwin Road. Mr. Correa explained that staff has applied for various grants for this project; one of those grants is the Hazard Mitigation Grant Program.

Mr. Correa explained that staff was recently notified that the administrative documents for this application must be submitted by August 29, 2008.

ACTION

Upon motion of Director Baggerly, seconded by Director Kaiser and passed by unanimous roll call vote the Chairman was authorized to sign the commitment letters required for the Hazard Mitigation Grant Program Application for the Ventura River Trunk Sewer Relocation Project.

10. **Resolution No. 2008-15 – Nomination For Alternate Member – LAFCO Independent Special District Member**

The Board discussed LAFCO's request for a nomination for Independent Special District Alternate Member of LAFCO. It was agreed that the Board would not submit a nomination.

11. **California Special Districts Association – Board Elections**

ACTION

Upon motion of Director Kaiser, seconded by Director Baggerly and duly passed James Acosta, Saticoy Sanitary District, was selected as the candidate on the CSDA ballot to vote for to fill Region 5 Seat C on the CSDA Board of Directors and staff was directed to cast the ballot for James Acosta and to return the ballot to the CSDA office prior to the deadline of September 18, 2008.

12. **Collection System Computerized Maintenance Management System FY 2008-09 Purchase Request For New & Replacement Equipment**

Mr. Correa reviewed the need for the annual CMMS preventative maintenance purchases.

Staff responded to questions from the Board about the CMMS system and Collection System field activities.

Director Kaiser requested Mr. Sheets provide to the Board a copy of the MSDS sheet for the material used in Roach Control in the sewer system.

ACTION

Upon motion of Director Baggerly, seconded by Director Kaiser and passed by unanimous roll call vote the purchase of the annual CMMS preventative maintenance purchases as identified was approved and Budget Adjustment No. 2009-04 transferring \$3,341 out of the Equipment Replacement Reserve to fund the purchase of the replacement equipment and \$3,341 out of the Future Purchases Reserve to fund the purchase of the new equipment listed was adopted.

13. **SCADA System FY 2008-09 Purchase Request For Replacement/Update Equipment**

Mr. Correa reviewed the layout and functions of the SCADA system and explained the need to replace and update the equipment associated with this system.

The Board encouraged staff to donate all of the used workstations and servers to any schools within the County that can use them. Mr. Correa agreed that staff will check with the County Superintendent of Schools and with local schools to see if any of them can use the used equipment.

ACTION

Upon motion of Director Baggerly, seconded by Director Kaiser and passed by unanimous roll call vote the purchase of 3 replacement servers for the annual maintenance of the SCADA system was approved and Budget Adjustment No. 2009-05 transferring \$56,529 out of the Equipment Replacement Reserve to fund the purchase of the replacement and updates items listed was adopted.

14. **Mainline Repair Projects – CEQA Designation**

ACTION

Upon motion of Director Baggerly, seconded by Director Curtis and duly passed the repair projects for Shady Lane at Ojai Avenue, Fulton Street north of Ojai Avenue, Vallerio at Maricopa Highway and Pirie Road at Maricopa Highway were found to be Categorically Exempt in accordance with CEQA Section 15301(b) and Staff was directed to file a Notice of Exemption in accordance with CEQA Section 15062.

15. **Contract No. 2008-08 – Manhole Rehabilitation Services Ojai Terrace Tract Ventura Regional Sanitation District**

ACTION

Upon motion of Director Kaiser, seconded by Director Curtis and passed by unanimous roll call vote the Chairman was authorized to sign Contract No. 008-08, Agreement For Manhole Rehabilitation Services Ojai Terrace Housing Tract Between the Ojai Valley Sanitary and Ventura Regional Sanitation District, in an amount not to exceed \$37,762; and Budget Adjustment No. 2009-06 transferring \$37,762 from the Collection System Replacement Reserve to cover this expense was adopted.

16. **Re-Schedule September 2008 Board Meeting**

ACTION

Upon motion of Director Baggerly, seconded by Director Kaiser and duly passed the regular Board of Directors meeting scheduled for September 22, 2008 was cancelled and a Special Meeting for Monday September 29, 2008 at 7:00 p.m. to address regular District business for the month of September was scheduled.

17. **Closed Session: Existing Litigation Government Code §54956.9**

Case Title: Baskin vs. Ojai Valley Sanitary District
Case Nos.: 56-2008-00319323-SC-SC-VTA & 56-2008-00320040-SC-SC-VTA

Chairman Stone announced that the Board would be holding a closed session pursuant to Government Code §54956.9, Existing Litigation Case Title: Baskin vs. Ojai Valley Sanitary District, Case Nos. 56-2008-00319323-SC-SC-VTA & 56-2008-00320040-SC-SC-VTA.

Chairman Stone convened the Board to closed session at 8:12 p.m. Mr. Correa, Mr. Sheets, Mrs. Krout, and District Legal Counsel joined the Board in the closed session.

Chairman Stone reconvened the meeting to opening session at 8:48 p.m. announcing that no action was taken during the closed session.

INFORMATION ITEMS – FOR RECEIPT & FILE

18. **Monthly Investment Report**

Received and filed.

19. **Monthly Financial Reports**

Received and filed.

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

Received and filed.

21. **Committee Reports**

Received and filed.

22. **Oral Reports On Meetings, Seminars, or Conferences Attended**

The Directors (Curtis, Greene, Baggerly, & Lotts) that attended the recent California Association of Sanitation Agencies (CASA) conference reported on the topics covered during the conference. The presence of pharmaceuticals in wastewater, the elimination of mercury from the waste stream and the development of lateral programs to eliminate I& were among the many topics addressed. Improving an organization's visibility in their community through "branding" was an interesting topic also addressed. Branding is the developing of an 'attitude' of the organization. Communication is very important in branding efforts. All agreed that it was a very informative conference.

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

Received and filed.

24. **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 announced that he plans on moving the proposed Lateral Program along in the near future.

25. **Adjournment**

Chairman Stone adjourned the meeting at 9:14 p.m.

William E. Lotts, Secretary

APPROVED:

William M. Stone, Chairman