

TRIUNFO SANITATION DISTRICT

Minutes of the regular meeting of January 24, 2011
Oak Park Library, 899 N Kanan Road, Oak Park, CA

1. Roll call (4 present). Chair Paule called the meeting to order at 5:24 p.m.
Steven Iceland
Michael McReynolds
Janna Orkney (absent)
Michael Paule
James Wall
2. Pledge of Allegiance – Led by Chair Paule.
3. Amendments to the Agenda – Chair Paule asked that Item 10 be moved to immediately before Item 9. It was moved by Director Iceland, seconded by Director Wall, and duly carried by the Board, with Director Orkney absent, that the Board approve the agenda as amended.
4. Approval of Minutes – It was moved by Director Iceland, seconded by Director Wall, and duly carried by the Board, with Director Orkney absent, that the Board approve the December 16, 2010, meeting minutes.

Director McReynolds noted that a correction was needed to the minutes of December 20, 2010, Item 10, as the Board also discussed a requirement for a right-of-way easement for the Mainline Extension and Reimbursement Agreements policy. It was moved by Director McReynolds, seconded by Director Iceland, and duly carried by the Board, with Director Orkney absent, that the Board adopt the December 20, 2010, meeting minutes as amended.

5. Public Comments – None.

BOARD OF DIRECTORS REORGANIZATION – (Item 6 only)

6. Calendar Year 2011 Officers – It was duly carried by the Board, with Director Orkney absent to:
 - a. Elect Michael Paule as Chair of the Board of Directors;
 - b. Elect Janna Orkney as Vice Chair of the Board of Directors;
 - c. Appoint Director Iceland and Chair Paule to serve on the Finance Committee;
 - d. Appoint Directors McReynolds and Orkney to serve on the Website Redesign Committee;
 - e. Appoint Director Wall to review Triunfo Sanitation District (TSD) invoices; and
 - f. Place on the next agenda an item to consider forming a Facilities Committee.

CONSENT ITEMS – (Items 7 through 8)

7. Mainline Extension Agreement and Resolution with Mr. and Mrs. Virender Jain, Bell Canyon, California – It was moved by Director Iceland, seconded by Director Wall, and duly carried by the Board, with Director Orkney absent, to approve the

Item 4-1

Mainline Extension and Wastewater Collection and Treatment Services Agreement between Triunfo Sanitation District and Virender Jain and Nidhi Gulecha, and adopt Resolution No. T11-001A Approving a Mainline Extension Agreement with Virender Jain and Nidhi Gulecha to allow the Jains to extend the wastewater collection system in Bell Canyon.

8. National Award for Excellence in Financial Reporting – It was moved by Director Iceland, seconded by Director Wall, and duly carried by the Board, with Director Orkney absent, to receive and file the FY 2009 Certificate of Achievement for Excellence in Financial Reporting from Government Finance Officers Association.

ACTION ITEMS – (Item 10)

10. FY 2010 Comprehensive Annual Financial Report (CAFR) – Vickie Dragan, Director of Finance and Administration, presented the staff report. She introduced Linda Hurley from Macias, Gini & O'Connell LLP, who continued the presentation. Chair Paule noted that a correction was needed on Page 56 under Sanitation Fees which should reflect the 2010 rate as \$ 41.86 rather than \$44.00. Directors posed questions regarding revenues and expenditures, including the increase in management administrative expenses. Doug Anders, Principal Analyst, responded that he would follow-up.

It was moved by Director Wall, seconded by Director Iceland, and duly carried by the Board, with Director Orkney absent, to receive and file the Fiscal Year 2010 Comprehensive Annual Financial Report.

REPORTS – (Item 9 only)

9. Oak Canyon Update

- a. Project Update & PowerPoint Presentation – Matt Grieger, Water/Waster Division Manager, provided a PowerPoint Presentation.

Keli Kaye, 5805 Oak Bend Lane, inquired regarding four items listed on Page 18 of the presentation that indicated they were not budgeted for Fiscal Year 2011. Mr. Grieger responded that the reason those items were indicating they were not budgeted was so that the Board could decide whether to move forward to budget them in this fiscal year or the following. Chair Paule added that staff would submit a formal request for a budget adjustment.

- b. Financing Update and Discussion of Financing Options – Doug Anders, Principal Analyst, and Vickie Dragan, Director of Finance and Administration, reported that Bartle Wells received approval from Bank of America for a \$7.75 million loan for financing the Conifer Tank Replacement Project with a loan term of 20 years at a fixed rate of 4.68 percent. Mr. Anders noted that the loan would come with the contingency that the Board pay off the \$1.7 million debt and designate a reserve fund in the amount of \$600,000. He recommended that the documents, resolution, and agreement for the loan be brought back at the next Board meeting for approval.

4-2

Mark Lawler, District Manager, recommended having Raftelis Financial Consultants update the potable water rate study. He noted that all other documents would need to be executed in a timely manner with Calleguas, Rancho Simi Parks and Recreation, homeowner association agreements, and cell tower agreements.

Mr. Anders noted that the Raftelis update would be a focused effort to refresh the potable water rate study and provide a roadmap of where the rates should be to keep up with operations and cost of supply, and also solidify how the District would deal with the new debt.

It was the consensus of the Board to direct staff to move forward with the loan from Bank of America and that staff bring back an updated project timeline schedule.

ACTION ITEMS – (Items 11 through 13)

11. Public Hearing Ordinance No. TSD-70 – Prescribing Fees and Charges for Reclaimed Water - Chair Paule called to order and opened the Public Hearing at 6:48 p.m. Doug Anders, Principal Analyst, presented the staff report. Director Wall inquired whether the water rates for the Lake Sherwood portion were comparable to Oak Park. Mr. Anders responded that the potable water supplied to Lake Sherwood was supplied by the County of Ventura and that he was not aware of the exact rate that the County was charging. Director Wall inquired whether the customers from Lake Sherwood were paying more than 90 percent of the potable water rate and whether the 90 percent rate was based on the District's ordinance. Mr. Anders responded that he believed that the ordinance was based on the District's potable water rate rather than Lake Sherwood's rate. He researched the rate on the Internet during the meeting.

The Clerk of the Board received no written communications. There was no Public Comment. Chair Paule closed the Public Hearing at 7:33 p.m.

Chair Paule tabled the item to later during the meeting to allow staff to conduct research on Lake Sherwood's potable water rates.

12. District Potable Water Rates – Doug Anders, Principal Analyst, presented the staff report. Chair Paule asked that Raftelis look into different levels of water use and the impact it would have on water rates and revenue due to the fact that this was a wet year and due to water conservation efforts.

Director Iceland asked that Raftelis consider that in paying back the loan that the District would be borrowing from one of the business segments, and at the same time the District would also be paying towards the new loan for 20 years at a cost of \$600,000 per year.

Chair Paule asked that Raftelis consider that the District would be borrowing from wastewater reserves and not only paying it back within 20 years but in some lesser

amount of time. He also asked that Raffelis consider this as an additional debt service over and above the \$600,000 and include this as part of the rate study as well for a five or ten year period.

11. Public Hearing Ordinance No. TSD-70 – Prescribing Fees and Charges for Reclaimed Water – The Board returned discussion of this item. It was the consensus of the Board to continue this item to February 14, 2011 in order that staff may research the potable water rates for Lake Sherwood.
12. District Potable Water Rates – The Board returned discussion of this item. It was moved by Director McReynolds, seconded by Director Wall, to ask Raffelis Financial Consultants to update the potable water rate study as suggested by staff with the additional items discussed, provide a quote to update the other enterprises, and bring the updated study to the February 28, 2011 Board meeting.
13. Reclaimed Water System Revenue and Expense History – Doug Anders, Principal Analyst, presented the staff report. Chair Paule asked that this item be brought back at the next meeting, including information regarding the Joint Powers Authority projects.
14. District Manager’s Duties – Mark Lawler, District Manager stated that he was directed by the Ventura Regional Sanitation District’s Board of Directors to give presentations to their respective City Councils. He noted that most City Council meetings were held on Monday evenings; therefore, Doug Anders would continue to serve as the Acting District Manager. Mr. Lawler noted that he would still be available for specific items. No formal action taken.

INFORMATION ITEMS – (Items 15 through 19)

It was moved by Director Iceland, seconded by Director McReynolds, and duly carried by the Board, with Director Orkney absent, to receive and file the Information Items.

15. Investment Report – December 2010
16. Disbursements – December 2010
17. Revenue & Expense Report – December 2010
18. Water Conservation Report – Chair Paule inquired whether a report had been received from the Metropolitan Water District. Mr. Anders responded that he would provide an update at the next meeting.
19. Future Meetings, Seminars and Conferences:
 - Joint Powers Authority meeting February 7, 2011, 5 p.m., Las Virgenes MWD
 - TSD Goal Setting Session February 14, 2011, 5:15 p.m., Oak Park Library
 - TSD Board meeting February 28, 2011, 5:15 p.m., Oak Park Library
 - CASA Washington, D.C. Conference March 14 -16, 2011
 - CASA Spring Conference April 27 – 30, 2011, Sacramento
 - CASA 56th Annual Conference August 10 – 13, 2011, San Diego

NEW BUSINESS – (Item 20 only)20. Discussion

- a. Board Members – Director Iceland reported that he attended the California Association of Sanitation Agencies (CASA) Conference in Palm Desert. He mentioned the discussions regarding risk management and OSHA liabilities. He stated that he enjoyed Mr. Lawler's presentation regarding the Biosolids Drying and Renewable Power Generation Facility.

Director Wall mentioned that he read the Grand Jury Report and inquired regarding the discussion on the possibility of the District merging with another district. Mr. Lawler responded that there was discussion in the past about the possibility of merging with Las Virgenes Municipal Water District; however, they declined any interest. He noted that Calleguas Municipal Water District was not allowed to sell retail water; therefore, this would not be an option. John Mathews, Legal Counsel, stated that he would follow-up.

Director McReynolds mentioned that he met with Mr. Lawler and Mr. Anders to discuss the cost of labor and composting. He suggested that the Board consider this topic in the future.

Chair Paule reported that he attended the CASA Conference. He noted that the conference presentations were available on the CASA web site and he asked the Clerk to print copies to distribute to the Board members. He noted that one topic dealt with phosphorus being a very rare item and that wastewater districts were looking into ways of making it a commodity. He also reported that he and Directors Orkney and McReynolds attended the tour of Calleguas Municipal Water District's Los Posas Basin Aquifer Storage and Recovery. He also reported that he attended the American Water Association's (AWA) Breakfast meeting where there was a discussion regarding some of the challenges in the Los Posas Basin and some of the aquifers, and the possibility of Metropolitan Water District ceasing operations at the Las Posas Basin. He noted that the next breakfast meeting would be held in Thousand Oaks. John Mathews, Legal Counsel, mentioned that he had spoken with Kelli Pistone from AWA regarding the District's membership status and that he would follow-up. Chair Paule also reported that he would be attending the Ventura County Special Districts Association Annual Dinner on February 1 in Camarillo.

- b. District Manager – None.
 - c. Legal Counsel – None.
21. Future Agenda Items – Emergency Disaster Plan Review; Review of OPWS Policies & Procedures Ordinances; Website Redesign (including Board bios and photos)

22. Reports on Outside Meetings/Conferences

23. Closed Session – John Mathews, Legal Counsel, announced that the Board would recess to a Closed Session pursuant to Government Code Section 54956.8. CONFERENCE WITH REAL PROPERTY NEGOTIATORS. Property: Certain common area land associated with Parcel A open space of Tract 4354 Document 9004183, and certain common area land associated with Parcel A open space of Tract 4353 in the Oak Park Community of Ventura County, California. Agency Negotiator: John Mathews, Legal Counsel and Mark Lawler, District Manager. Negotiating Parties: Triunfo Sanitation District and Hillcrest Homeowners Association of Ventura. Under Negotiation: Price and terms.

The Board recessed to a Closed Session at 8:15 p.m. and reconvened into Open Session at 8:45 p.m.

No reportable action.

24. Adjournment – The meeting was adjourned at 8:45 p.m.

Michael Paule, Chair

Josie Guzmán, Clerk of the Board