

DOWN THE DRAIN

A Report on the Ukiah Valley Sanitation District

May 24, 2007

Summary

Usually no one is very concerned about where wastewater goes when we flush our toilets, wash our clothes, and do our dishes. It is only when rates go up, new ordinances are enacted, or when sewer pipes break that our attention is drawn to "now what?!" With the improvement and expansion of the City of Ukiah Waste Water Treatment Plant many issues have come to light. The obvious will be the rate increase, but that is just the beginning. Ukiah Valley residents will be expanding their vocabulary, learning words like tertiary (treated waste water), infiltration (rainwater in the sewer system), exfiltration (sewage in the ground water) and what is an Equivalent Single Sewer Unit (ESSU).

Background

The 2006-2007 Grand Jury chose to investigate the structure and operation of the Ukiah Valley Sanitation District (UVSD).

The UVSD was formed on July 6, 1954 by the Mendocino County Board of Supervisor's action, in anticipation of area growth. Because of the growth of the City over the years there are areas within the city limits that are served by the district. This has resulted in a complicated system. The UVSD owns the pipes and laterals, which bring sewage from homes outside the city limits to the processing plant which is owned by the City. The City owns the pipes where the City and district do not overlap.

Major problems include rainwater infiltrating the system, and exfiltration of sewage leaking into the ground water. In the summer months, the Waste Water Treatment Plant processes three million gallons a day; in the winter, the plant processes 21 million gallons a day. Much of this increase is due to the aging condition of the laterals and mains of the sewer system. Many of the pipes are 100 years old and some of the vaults located at the manholes leak.

In 1995 a decision was made jointly by the City and the UVSD to:

- undertake upgrading and rehabilitation of the current Waste Water Treatment Plant;
- develop plans to provide increased capacity to meet the projected needs of the valley for the next 20 years.

The collective efforts to achieve these goals are referred to as the Wastewater Treatment Plant Improvements Project (Project). Ten years later, in 2005, a contract was signed for this Project.

DOWN THE DRAIN
A Report on the Ukiah Valley Sanitation District
May 24, 2007

Methods

The Grand Jury interviewed City and County officials, City employees, and a Special Districts expert. They examined City and UVSD documents, relevant agreements, and the Project contract.

Findings

1. UVSD is organized as a Special District.

Response (Ukiah Valley Sanitation District):

The Ukiah Valley Sanitation District agrees with this Finding.

2. The UVSD Board of Directors (BOD) is appointed annually by the presiding officers of the Board of Supervisors (BOS) and the Ukiah City Council (UCC). It consists of two members of the BOS and a UCC member who are appointed annually.

Response (Ukiah Valley Sanitation District):

The Ukiah Valley Sanitation District agrees with this Finding.

3. The UVSD is represented in legal affairs by the City of Ukiah Attorney and County Counsel.

Response (Ukiah Valley Sanitation District):

The Ukiah Valley Sanitation District disagrees with this Finding. The County Counsel represents the UVSD in legal affairs.

4. Operation and management of all UVSD assets and operations are performed by the City of Ukiah, including the new Project.

Response (Ukiah Valley Sanitation District):

The Ukiah Valley Sanitation District agrees with this Finding.

5. There have been no UVSD external audits conducted.

Response (Ukiah Valley Sanitation District):

The Ukiah Valley Sanitation District agrees with this Finding. It is true that external audits have not been routinely conducted on an annual basis. The last complete financial audit of the UVSD was done for the year fiscal years 1997 and 1998. The UVSD is presently in the process of a finance audit for the five-year period ending June 30, 2005. Said audit report was completion on August 15, 2007, and presented to the UVSD Board of Directors on August 23, 2007.

6. The UVSD has no independent staff. City employees provide all staffing functions for the UVSD.

DOWN THE DRAIN
A Report on the Ukiah Valley Sanitation District
May 24, 2007

Response (Ukiah Valley Sanitation District):

The Ukiah Valley Sanitation District disagrees with this Finding. The Clerk of the Board has traditionally provided agenda, minute and records management services to the UVSD. As stated under Finding No. 3, the County Counsel provides representation in legal affairs. Since September 2006, a Deputy County Executive Officer has been assigned to serve in the role as an interim Executive Officer to the UVSD. In addition, a staff service agreement has been developed and approved for the reimbursement of County departments providing staff services to the UVSD.

7. The Grand Jury heard testimony from several sources that city staff has not presented vital information in a timely manner to the UVSD.

Response (Ukiah Valley Sanitation District):

The Ukiah Valley Sanitation District neither agrees nor disagrees with this Finding as the District has no direct knowledge of the testimony. Regardless, the Board shares a concern with the Grand Jury regarding timeliness of information presentation by the City of Ukiah.

8. The UVSD Waste Water Treatment Plant is faced with the necessity to process 21 million gallons of wastewater in the winter months as compared to 3 million gallons in the summer.

Response (Ukiah Valley Sanitation District):

The Ukiah Valley Sanitation District agrees with this Finding.

9. The 2005 Project includes \$33 million for the upgrade (Upgrade Project), \$24 million for new construction (Capacity Project), and \$12 million for financing costs for a projected total cost of \$69 million.

Response (Ukiah Valley Sanitation District):

The Ukiah Valley Sanitation District agrees with this Finding.

10. Sewer use is measured in ESSUs. These are based on the average discharge of a single-family residence.

Response (Ukiah Valley Sanitation District):

The Ukiah Valley Sanitation District agrees with this Finding.

11. The Upgrading Project costs are shared between the City and UVSD on the basis of the relative ESSUs. The contractor is paid on the basis of the percentage of completion of the upgrading work.

Response (Ukiah Valley Sanitation District):

The Ukiah Valley Sanitation District agrees with this Finding.

DOWN THE DRAIN
A Report on the Ukiah Valley Sanitation District
May 24, 2007

12. The costs for the Capacity Project are shared on the basis of a 65% UVSD/35% City ratio as established in the Project Agreement. The costs are paid out on the basis of percent completion.

Response (Ukiah Valley Sanitation District):

The Ukiah Valley Sanitation District agrees with this Finding.

13. The 2005 contract for a new Waste Water Treatment Plant was planned to increase capacity by 2400 ESSUs, and to accommodate winter rainwater flow.

Response (Ukiah Valley Sanitation District):

The Ukiah Valley Sanitation District agrees with this Finding.

14. Funds for construction come from two sources: sewer fees and new connections.

Response (Ukiah Valley Sanitation District):

The Ukiah Valley Sanitation District agrees with this Finding.

15. The contract provides for mutual UVSD and City financial obligation for the next 30 years.

Response (Ukiah Valley Sanitation District):

The Ukiah Valley Sanitation District agrees with this Finding.

16. The cost of the Project is financed by the City of Ukiah, which will be repaid by the City and UVSD ratepayers, and new connections; sewer rates are planned to continue to increase.

Response (Ukiah Valley Sanitation District):

The Ukiah Valley Sanitation District agrees with this Finding.

17. The City Public Utilities Director supervises wastewater sewer operations. The City Public Works Director supervises streets, roads and is responsible for the storm runoff system.

Response (Ukiah Valley Sanitation District):

The Ukiah Valley Sanitation District agrees with this Finding.

18. There is a Waste Water Treatment Plant on the old Masonite property.

Response (Ukiah Valley Sanitation District):

The Ukiah Valley Sanitation District agrees with this Finding.

DOWN THE DRAIN
A Report on the Ukiah Valley Sanitation District
May 24, 2007

Recommendations

The Grand Jury recommends that:

1. the UVSD be reorganized to include elected board members. Terms of office should be staggered. (Findings 2, 4, 6, 7)

Response (Ukiah Valley Sanitation District):

The Recommendation requires further analysis. The District agrees that there should be a formal governance discussion by the UVSD by January 1, 2008.

2. the UVSD consider hiring a general manager to represent its interests. (Findings 2, 4, 6, 7)

Response (Ukiah Valley Sanitation District):

The Recommendation has not yet been implemented, but will be implemented in the future. In fact, the District is pursuing a Request For Proposal to find a part-time General Manager to work as an independent contractor. The target start date for a contract General Manager is October 1, 2007. Unfortunately, there were no proposals submitted by the deadline of August 3, 2007. The Ukiah Valley Sanitation District Board will now need to reevaluate the next steps.

3. the UVSD Board adopts policies and procedures that ensure they receive information in a timely manner. (Findings 4, 6, 7)

Response (Ukiah Valley Sanitation District):

The Recommendation has not yet been implemented, but will be implemented in the future. The UVSD looks to the proposed contract General Manager to be tasked with tracking information requests in order that they are submitted in a timely manner.

4. the UVSD ensure that external financial and performance audits are performed. (Findings 4, 5)

Response (Ukiah Valley Sanitation District):

This recommendation has not yet been implemented, but will be implemented in the future. The UVSD is presently engaged in an audit of District finances. A five-year audit report for the period ending June 30, 2005 was completed on August 15, 2007, and presented to the UVSD Board of Directors on August 23, 2007.

5. the County, UVSD, and the City coordinate their efforts to address rainwater runoff. (Findings 8, 13)

Response (Ukiah Valley Sanitation District):

DOWN THE DRAIN
A Report on the Ukiah Valley Sanitation District
May 24, 2007

The Recommendation has not yet been implemented, but will be implemented in the future. For clarity purposes, the matter of infiltration and inflow (I/I) is not restricted to "rainwater runoff". This matter has been a critical matter for the UVSD due to provisions of a "consent decree" as a result of legal action brought by a citizens lawsuit to limit sanitary sewer overflows by testing and repairing sewer lateral connections. There are significant differences between the City and UVSD requirements and exemptions under the consent decree. The UVSD requirements and exemption give the District generally greater latitude in how it addresses sewer lateral testing and repair. It has been the UVSD's policy direction to move toward a geographic process of addressing the I/I problems of the sewer collection system, rather than a "point-of-sale" methodology. In addition, the District and the City of Ukiah are working toward a joint Sanitary Sewer Management Plan (SSMP), which has the stated goal of ensuring the proper and efficient short-term and long-term management of the sewer system.

6. all participating parties in the UVSD investigate if the Masonite wastewater treatment plant is a viable resource. (Finding 18)

Response (Ukiah Valley Sanitation District):

This recommendation requires further analysis. The District agrees that there should be a formal study and research of this issue completed by January 1, 2008.

Comments

This report can only begin to address some of the wastewater issues that face the Ukiah Valley over the next 20 years. This year's Grand Jury elected to begin addressing questions regarding sewer treatment issues and the organizational structure of the Ukiah Valley Sanitation District.

Other questions regarding infiltration of storm waters into the treatment system, exfiltration of wastewater into the soil, release of effluent (treated water), and the impact of new State requirements will need to be addressed. The matter will be recommended to the 2007/2008 Grand Jury for investigation.

Responses Required

Board of Supervisors
(All Findings; Recommendations 2-6)

Ukiah Valley Sanitation District
(All findings; All Recommendations)

City of Ukiah
(All Findings; Recommendations 2-6)

DOWN THE DRAIN
A Report on the Ukiah Valley Sanitation District
May 24, 2007

Response Requested

Local Agency Formation Commission (LAFCO)
(All Findings; All Recommendations)