

RESPONSE PROCEDURE TO GRAND JURY REPORTS

The governance of responses to Grand Jury Final Report is contained in Penal Code § 933 and § 933.05. Responses must be submitted within 60 or 90 days. Elected officials must respond within sixty (60) days. Governing bodies (for example: the Board of Supervisors) must respond within ninety (90) days. Please submit all responses in writing and digital format to the Presiding Judge, the Grand jury Foreperson and the CEO's office.

Report Title : *DOWN THE DRAIN*—

Report Date : May 24, 2007

A Report on the Ukiah Valley Sanitation District

Response by : Board of Supervisors

Contact Person: Paul Cayler, Deputy Chief Executive Officer

Findings

- I (we) agree with the findings numbered:
1, 2, 4, 5, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18
- I (we) disagree wholly or partially with the Findings numbered:
3, 6

(Attach a statement specifying any portions of the Findings that are disputed; include an explanation of the reasons therefore.)

Recommendations

- Recommendations numbered:
have been implemented. (Attach a summary describing the implemented actions.)
- Recommendations numbered: 2, 3, 4, 5
have not yet been implemented, but will be implemented in the future.
(Attach a time frame for implementation.)
- Recommendations numbered: 6
require further analysis. (Attach an explanation and the scope and parameters of an analysis or study, and a time frame for the matter to be prepared for discussion by the officer and/or director of the agency or department being investigated or reviewed; including the governing body of the public agency when applicable. This time frame shall not exceed six (6) months from the date of publication of the Grand Jury Report.)
- Recommendations numbered:
will not be implemented because they are not warranted and/or are not reasonable. (Attach an explanation.)

Date: 7/13/2007

Signed: _____

Paul Cayler

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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 with'n 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.

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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 (Board of Supervisors):

The Board of Supervisors agrees with this Finding.

2. The UVSD Board of Directors (BOD) are 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 (Board of Supervisors):

The Board of Supervisors agrees with this Finding.

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

Response (Board of Supervisors):

The Board of Supervisors disagrees with this Finding. 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 (Board of Supervisors):

The Board of Supervisors agrees with this Finding.

5. There have been no UVSD external audits conducted.

Response (Board of Supervisors):

The Board of Supervisors 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 is scheduled for completion on August 15, 2007.

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

Response (Board of Supervisors):

The Board of Supervisors disagrees partially with this Finding. The Mendocino County 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 services 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 (Board of Supervisors):

The Board of Supervisors neither agrees nor disagrees with this Finding as the Board 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 (Board of Supervisors):

The Board of Supervisors 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 (Board of Supervisors):

The Board of Supervisors agrees with this Finding.

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

Response (Board of Supervisors):

The Board of Supervisors agrees with this Finding.

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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 (Board of Supervisors):

The Board of Supervisors agrees with this Finding.

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 (Board of Supervisors):

The Board of Supervisors 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 (Board of Supervisors):

The Board of Supervisors agrees with this Finding.

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

Response (Board of Supervisors):

The Board of Supervisors agrees with this Finding.

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

Response (Board of Supervisors):

The Board of Supervisors 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 (Board of Supervisors):

The Board of Supervisors agrees with this Finding.

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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 (Board of Supervisors):

The Board of Supervisors agrees with this Finding.

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

Response (Board of Supervisors):

The Board of Supervisors disagrees with this Finding to the extent it implies that the Waste Water Treatment Plant is a fully functional facility.

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

Response (Board of Supervisors):

The Board of Supervisors agrees with this Recommendation. The Board understands that the UVSD is working toward contracting for a part-time General Manager. The target start date for the proposed General Manager is October 1, 2007.

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

Response (Board of Supervisors):

The Board of Supervisors agrees with this Recommendation. The Board of Supervisors looks to the proposed contract General Manager to be tasked with tracking information requests in order that they are addressed in a timely manner.

*Follow up
to see that
this happens*

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

Response (Board of Supervisors):

The Board of Supervisors agrees with this Recommendation. The UVSD is presently engaged in an audit of District finances. August 15, 2007 is the completion date for a five-year audit for the period ending June 30, 2005.

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

Response (Board of Supervisors):

The Board of Supervisors agrees with this Recommendation. For clarity purposes, the matter of infiltration and inflow (I/I) is not restricted to "rainwater runoff". This matter has been 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.

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

Response (Board of Supervisors):

The Board of Supervisors' position is that this Recommendation requires further analysis. The Board agrees that research into the feasibility of an investigation will be 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

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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)

Response Requested

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