

ERNIE WIPF
CHAIR

JULIE BAWCOM
VICE-CHAIR

THERESA MCNERLIN
DIRECTOR

DARWIN DICK
DIRECTOR

CANDACE HORSLEY
DIRECTOR

UKIAH VALLEY SANITATION DISTRICT REGULAR MEETING

WEDNESDAY March 9, 2022 AT 6:00PM

LOCATION: TELECONFERENCE VIA ZOOM

Call in number: 1-669-900-6833

Meeting ID: 812 1591 6406

Zoom Link: <https://us02web.zoom.us/j/81215916406>

*The Ukiah Valley Sanitation District Board meeting will be conducted pursuant to AB 361. The Board welcomes participation in the Board meetings. If you are joining the meeting via Zoom and wish to make a comment on an item, press the "raise a hand" button. If you are joining the meeting by phone, press *9 to indicate a desire to make a comment. The chair will call you by name or phone number when it is your turn to comment. Speakers will be limited to 3 minutes. If you choose not to observe the meeting via Zoom and wish to make a comment on a specific agenda item, please submit your comment via email to the Board Secretary at aa@uvsd.org at least one hour before the meeting. All public comments submitted to the Board Secretary will be read verbatim for up to 3 minutes.*

In compliance with the Americans with Disabilities Act, if you are a disabled person and you need disability-related modifications or accommodation to participate in this meeting, then please contact Chelsea Teague, Board Secretary at 707-462-4429. Requests must be made as early as possible, and at least one-full business day before the start of the meeting. The times indicated for agenda items are estimated and the Board reserves the right to address items either earlier or later than scheduled.

- 1. CALL TO ORDER**
- 2. APPROVAL OF THE AGENDA**
- 3. PUBLIC EXPRESSION OF NON-AGENDIZED ITEMS**
- 4. APPROVAL OF BOARD MEETING MINUTES**
 - February 9, 2022 Regular Meeting
- 5. CONSENT CALENDAR**
 - Resolution 2021-02.6 Making Findings and Determinations Under AB 361 for Continued Virtual Meetings
 - Check Register for February 2022
 - LAIF Statement for February 2022
 - Unaudited Monthly Financial Statements

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6. OLD BUSINESS

- A. DISCUSSION AND POSSIBLE ACTION RE: Amend Policy 4060 to reflect Board action at the February 2022 Regular Board Meeting to disband the Finance and Governance Committees

Recommended Action: Approve amended Policy 4060

7. NEW BUSINESS

- A. DISCUSSION AND POSSIBLE ACTION RE: Review the current drought conditions and evaluate alternatives for calculating upcoming sewer rates, such as: 1) adopting one month water usage (January 2022) for the upcoming rate evaluation for one year only; 2) changing the methodology to consider lack of rainfall each year; or 3) using last year's methodology

Recommended Action: Discuss and take possible action on alternatives

- B. DISCUSSION AND POSSIBLE ACTION RE: Third Amendment to Master Service Agreement (MSA) regarding the Annual Rate Change provision between Willow County Water District (WCWD) and Ukiah Valley Sanitation District (UVSD) for 2022 for the amount of \$11,920.95 per month

Recommended Action: Approve and direct Chair Wipf to execute the Third Amendment to the Master Service Agreement

- C. DISCUSSION AND POSSIBLE ACTION RE: Consider a contract not-to-exceed \$6,000 with Victor Sanchez for sewage fee recalculations

Recommended Action: Approve contract with Victor Sanchez in an amount not-to-exceed \$6,000 in a form approved by Counsel

- D. DISCUSSION AND POSSIBLE ACTION RE: Update and discussion regarding meetings with City of Ukiah and Mendocino County LAFCO regarding Out of Area Service Agreement requests

Recommended Action: Discuss and provide direction to staff

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8. ANNOUNCEMENTS/OTHER BUSINESS/MATTERS FROM STAFF

- a) General Manager Report of Ongoing District Activities
- b) Staff Report
- c) Report on JPA
- d) Directors' Reports
- e) Letters Received or Sent
- f) Announce Regular Meeting - April 13, 2022

9. ADJOURNMENT

UVSD Regular Board Meeting February 09 2022, via teleconference

1. CALL TO ORDER by Chair Wipf at 6:03pm. Roll call by Chelsea Teague – all present.

2. APPROVAL OF THE AGENDA

Motion to approve the agenda by Director Bawcom, seconded by Director Dick. Roll call vote: Ayes – 5 Nays – 0. Motion carries.

3. PUBLIC EXPRESSION OF NON-AGENDIZED ITEMS

No public comment.

4. CLOSED SESSION

A. PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Title: District Counsel (Government Code § 54957())

Report out – No action taken.

B. CONFERENCE WITH LEGAL COUNSEL ANTICIPATED LITIGATION (Government Code §54956.9)

Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9: 1 case

Report out – No action taken.

5. APPROVAL OF BOARD MEETING MINUTES

No public comment. Motion to approve Board Meeting Minutes by Vice-Chair Horsley, seconded by Director Bawcom. Roll call vote: Ayes – 5 Nays – 0. Motion carries.

6. CONSENT CALENDAR

Board discussion. No public comment. Motion to pull the Year-to-Date Budget to Actual Financial Report by Vice-Chair Horsley, seconded by Director Dick. Roll call vote: Ayes – 5 Nays – 0. Motion carries. Board discussion continued. Motion to accept the Year-to-Date Budget to Actual Financial Report and the remaining items on the consent calendar by Director Bawcom, seconded by Vice-Chair Horsley. Roll call vote: Ayes – 5 Nays – 0. Motion carries.

7. OLD BUSINESS

None.

8. NEW BUSINESS

A. DISCUSSION AND POSSIBLE ACTION RE: APPOINT VICE CHAIR TO FILL VACANCY

Recommended Action: Nominate and appoint a Vice Chair of the Board for the 2022

Board discussion. Vice-Chair Horsley vacated her position as Vice-Chair. Director Dick nominated Director Bawcom as Vice-Chair of the Board for the 2022 calendar year, seconded by Director McNerlin. Roll call vote: Ayes – 5 Nays – 0. Motion carries.

B. DISCUSSION AND POSSIBLE ACTION RE: DISCUSSION TO DISBAND THE FINANCE COMMITTEE AND CREATE AND APPOINT MEMBERS TO AN AD HOC COMMITTEE ON THE BUDGET

Recommended Action: Discuss and take action on whether to disband the Finance Committee, create an Ad Hoc Committee for the Budget, and Appoint Members to the Ad Hoc Committee

Board discussion. Chair Wipf nominated Director Horsley and Vice-Chair Bawcom to the Budget Ad Hoc Committee, seconded by Director Horsley. Roll call vote: Ayes – 5 Nays – 0. Motion carries. Motion to disband the Finance Committee and remove the Finance Committee from the District’s policies by Vice-Chair Bawcom, seconded by Director Dick. Roll call vote: Ayes – 5 Nays – 0. Motion carries.

C. DISCUSSION AND POSSIBLE ACTION RE: DISCUSSION TO DISBAND THE GOVERNANCE COMMITTEE

Recommended Action: Discuss and take action on whether to disband the Governance Committee

Board discussion. Motion to disband the Governance Committee by Vice-Chair Bawcom, seconded by Director Dick. No public comment. Roll call vote: Ayes – 5 Nays – 0. Motion carries.

D. DISCUSSION AND POSSIBLE ACTION RE: DIRECTION TO STAFF ON HOW TO PROCEED REGARDING DISCUSSIONS WITH CITY ON WHETHER JAIL IS A CITY OR DISTRICT CUSTOMER

Board discussion. Motion to table this item until the next Regular Meeting by Vice-Chair Bawcom, seconded by Director Horsley. Roll call vote: Ayes – 4 Nays – 1 (Director McNerlin). Motion carries.

8. ANNOUNCEMENTS/OTHER BUSINESS/MATTERS FROM STAFF

- a) Wing-See Fox gave a report regarding connection fees, ESSU calculations, the 2022 sewer bill recalculations, and LAFCo meetings.
- b) None.
- c) Director McNerlin gave a report regarding URRWA’s February meeting in which discussion were had about the current water shortage and the Potter Valley Project.

Director McNerlin also stated that URRWA would like to move forward with consolidation efforts.

- d) None.
- e) None attached.
- f) Next Regular Meeting – March 9, 2022.

9. ADJOURNMENT - Meeting adjourned at 7:59p.m.

RESOLUTION 2021-02.6

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE UKIAH VALLEY SANITATION DISTRICT MAKING FINDINGS AND DETERMINATIONS UNDER AB 361 FOR CONTINUED VIRTUAL MEETINGS

WHEREAS, the Board of Directors of the Ukiah Valley Sanitation District (the “Board”) is committed to preserving and nurturing public access to and participation in meetings of the Board; and

WHEREAS, the Ralph M. Brown Act (Gov. Code § 54950 *et seq.*) generally requires local agencies meeting via teleconference, including through other virtual or electronic means, to provide public access at each location in which members of the legislative body are teleconferencing; and

WHEREAS, the Legislature recently enacted Assembly Bill 361, Chapter 165, Statutes of 2021 (“AB 361”), which amended Government Code section 54953 to allow local agencies to meet fully virtually during a proclaimed state of emergency if state or local officials have imposed or recommended measures to promote social distancing; and

WHEREAS, the Governor issued a proclamation declaring a state of emergency on March 4, 2020 due to the COVID-19 pandemic, pursuant to section 8625 of the California Emergency Services Act, and this proclaimed state of emergency currently remains in effect; and

WHEREAS, starting in March 2020, in response to the spread of COVID-19 in the State of California, the Governor issued a number of executive orders aimed at containing the COVID-19 virus; and

WHEREAS, among other things, these orders waived certain requirements of the Brown Act to allow legislative bodies to meet virtually; and

WHEREAS, pursuant to the Governor’s executive orders, the Board has been holding virtual meetings during the pandemic in the interest of protecting the health and safety of the public, staff, and Board members; and

WHEREAS, the Governor’s Executive Order N-29-20 related to the suspension of certain provisions of the Brown Act expired on September 30, 2021; and

WHEREAS, AB 361, effective as of October 1, 2021 allows legislative bodies to meet virtually provided there is a state of emergency, and either (1) state or local officials have imposed or recommended measures to promote social distancing; or (2)

the legislative body determines by majority vote that meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, the Board has considered the circumstances of the state of emergency; and

WHEREAS, state or local officials continue to recommend measures to promote social distancing; and

WHEREAS, on September 29, 2021, the Mendocino County Health Officer issued a Health Recommendation urging public bodies in Mendocino County to continue meeting remotely through online meetings to lower the risk of COVID-19 transmission; and

WHEREAS, the continuation of virtual meetings will allow for full participation by members of the public until the present state of emergency has ended; and

WHEREAS, the Board desires to continue to hold virtual meetings pursuant to AB 361 and Government Code section 54953(e).

NOW THEREFORE, the Board of Directors of the Ukiah Valley Sanitation District, County of Mendocino, State of California does hereby resolve as follows:

1. The above recitals are true and correct.
2. Consistent with the provisions of Government Code Section 54953(e), the Board finds and determines that (1) a state of emergency related to COVID-19 is currently in effect; and (2) state and local officials have recommended measures to promote social distancing in connection with COVID-19. Based on such facts, findings and determinations, the Board authorizes staff to conduct remote teleconference meetings of the Board under the provisions of Government Code Section 54953(e).
3. This Resolution shall take effect immediately.

PASSED AND ADOPTED by the Board of Directors of the Ukiah Valley Sanitation District, County of Mendocino, State of California, this 9th day of March, 2022 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Ernie Wipf, Board Chair

ATTEST:

Chelsea Teague
Board Secretary

APPROVED AS TO FORM:

Joanna Gin
General Counsel



**Public Health Department
of Mendocino County**

Healthy People, Healthy Communities

Andy Coren, MD, County Health Officer



Recommendation Regarding Continued Remote Public Meetings of Governmental Bodies

September 29, 2021

In light of the continued state of emergency related to COVID-19, as the County Health Officer, I recommend that public bodies continue to meet remotely to the extent possible.

This recommendation is made due to the continued threat of COVID-19 to this community with the ongoing surge in cases and deaths experienced since the Labor Day holiday, the current county vaccination rate, and a concern for continued risk during the upcoming holidays. Additionally, I make this recommendation based on the unique characteristics of public governmental meetings (such as the increased mixing associated with bringing people together from across the community, the need to enable those who are immunocompromised or unvaccinated to be able to safely continue to fully participate in such governmental meetings, and the challenges with fully ascertaining and ensuring compliance with vaccination and other safety recommendations at such meetings), and the continued increased safety protection that physical/social distancing provides as one means by which to reduce the risk of COVID-19 transmission.

Therefore, I strongly recommend teleconferencing through online meetings as this type of meeting presents the lowest risk of transmission of SARS-CoV-2, and allows for the participation of the community, local agency staff, presenters, and local agency governing bodies in a safe environment, with no risk of contagion.

I will continue to evaluate this recommendation on an ongoing basis, paying particular attention to the pandemic stage of our community. I will communicate when there is no longer such a recommendation with respect to meetings for public bodies.

A handwritten signature in blue ink, appearing to read "Howard A. Coren, MD".

Dr. Howard A. Coren, M.D.,
Mendocino County Health Officer

Dated: September 29, 2021

**Ukiah Valley Sanitation District
Check Detail
February 2022**

Type	Num	Date	Name	Account	Paid Amount	Original Amount
Bill Pmt -Check	2039	02/01/2022	City of Ukiah	1001 - UVSD Checking		-213,030.20
Bill	022022	02/01/2022		6300 - Operating Expense Allocation	-213,030.20	213,030.20
TOTAL					-213,030.20	213,030.20
Bill Pmt -Check	2040	02/10/2022	Best Best & Krieger LLP	1001 - UVSD Checking		-1,431.00
Bill	926477	01/31/2022		5601 - General Counsel	-1,431.00	1,431.00
TOTAL					-1,431.00	1,431.00
Bill Pmt -Check	2041	02/10/2022	Clifton Larson Allen, LLP	1001 - UVSD Checking		-3,100.00
Bill	3141868	01/31/2022		5307 - Financial Review/Monthly Report	-3,100.00	3,100.00
TOTAL					-3,100.00	3,100.00
Bill Pmt -Check	2042	02/10/2022	El Dorado Printing	1001 - UVSD Checking		-914.24
Bill	H54205	01/21/2022		5207 - Reproduction (prints & copies)	-914.24	914.24
TOTAL					-914.24	914.24
Bill Pmt -Check	2043	02/10/2022	Mark DeMeulenaere	1001 - UVSD Checking		-1,050.00
Bill	012022	01/31/2022		5305 - Financial & Managerial Support	-1,050.00	1,050.00
TOTAL					-1,050.00	1,050.00
Bill Pmt -Check	2044	02/10/2022	RespecTech, Inc.	1001 - UVSD Checking		-232.91
Bill	44279	01/17/2022		5206 - Supplies	-183.33	183.33
Bill	44403	02/03/2022		5206 - Supplies	-49.58	49.58
TOTAL					-232.91	232.91
Bill Pmt -Check	2045	02/10/2022	Rick Sands	1001 - UVSD Checking		-148.75
Bill	01312022	01/31/2022		5401 - Engineer Services	-148.75	148.75
TOTAL					-148.75	148.75
Bill Pmt -Check	2046	02/10/2022	Tri-Cities	1001 - UVSD Checking		-91.15
Bill	220100577101	01/31/2022		5201 - Telephone & DSL	-91.15	91.15
TOTAL					-91.15	91.15
Bill Pmt -Check	2047	02/10/2022	Upper Russian River Water Agency	1001 - UVSD Checking		-600.00
Bill	375	01/01/2022		5800 - JPA Dues	-600.00	600.00
TOTAL					-600.00	600.00
Bill Pmt -Check	2048	02/10/2022	Urban Futures, Inc.	1001 - UVSD Checking		-5,125.00
Bill	0122-002	01/31/2022		5101 - Management - UFI	-5,125.00	5,125.00
TOTAL					-5,125.00	5,125.00
Bill Pmt -Check	2049	02/10/2022	Willow Water District	1001 - UVSD Checking		-12,116.17
Bill	524	01/31/2022		5102 - MSA - Willow	-11,346.00	11,346.00
				5209 - Information Technology-All	-199.95	199.95
Bill	522	02/01/2022		5203 - Office Rent	-425.00	425.00
				5204 - Office Utilities	-145.22	145.22
TOTAL					-12,116.17	12,116.17

Savings Bank of Mendocino County
Beginning Balance as of 2/01/2022 \$583,589.62
Ending Balance as of 2/28/2022 \$412,588.10

California State Treasurer
Fiona Ma, CPA



Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

March 01, 2022

[LAIF Home](#)
[PMIA Average Monthly Yields](#)

UKIAH VALLEY SANITATION DISTRICT

[Tran Type Definitions](#)

GENERAL MANAGER
151 LAWS AVENUE, SUITE B
UKIAH, CA 95482

Account Number: 70-23-001

February 2022 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Web Confirm Number	Authorized Caller	Amount
2/10/2022	2/7/2022	RW	1697179	N/A	MARK DEMEULENAERE	-725,000.00

Account Summary

Total Deposit:	0.00	Beginning Balance:	10,060,557.70
Total Withdrawal:	-725,000.00	Ending Balance:	9,335,557.70

UKIAH VALLEY SANITATION DISTRICT

**FINANCIAL STATEMENTS
MONTH ENDED AND FISCAL YEAR TO DATE
JANUARY 31, 2022**

Working Draft For
Discussion Purposes
Only

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Working Draft For
Discussion Purposes
Only

**UKIAH VALLEY SANITATION DISTRICT
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MONTH ENDED AND FISCAL YEAR TO DATE JANUARY 31, 2022**

Basic Financial Statements

Fund Financial Statements

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Selected Notes To The Financial Statements	3

Working Draft For
Discussion Purposes
Only

These accrual basis financial statements have not been subjected to an audit, review, or compilation engagement, and no opinion nor assurance is provided hereon. Substantially all disclosures and RSI required by US generally accepted accounting principles have been omitted. See Selected Information.

**UKIAH VALLEY SANITATION DISTRICT
STATEMENT OF NET POSITION
JANUARY 31, 2022**

ASSETS

Current Assets:

Cash and Investments	\$ 10,797,491
Accounts Receivable	887,080
Interest Receivable	10,000
Restricted Cash	501,972
Due from City of Ukiah	1,000,000
Prepaid Expenses	527
Total Current Assets	<u>13,197,070</u>

Noncurrent Assets:

Capital Assets:

Depreciable, Net	28,531,910
Total Noncurrent Assets	<u>28,531,910</u>
Total Assets	<u>41,728,980</u>

LIABILITIES

Current Liabilities:

Accounts Payable	21,189
Accrued Interest	231,009
Customer Deposits Payable	29,900
Bonds Payable - Due in One Year	1,448,000
Total Current Liabilities	<u>1,730,098</u>

Long-Term Liabilities:

Bonds Payable - Due in More Than One Year	21,462,000
Total Long-Term Liabilities	<u>21,462,000</u>
Total Liabilities	<u>23,192,098</u>

NET POSITION

Net Investment in Capital Assets	5,621,910
Unrestricted	12,914,972
Total Net Position	<u>\$ 18,536,882</u>

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**UKIAH VALLEY SANITATION DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
MONTH ENDED AND FISCAL YEAR TO DATE JANUARY 31, 2022**

	Month Ended January 31, 2022	Fiscal Year to Date January 31, 2022
OPERATING REVENUES		
Charges for Services	\$ 441,409	\$ 3,113,943
Connection Fees	-	496,043
Total Operating Revenues	<u>441,409</u>	<u>3,609,986</u>
OPERATING EXPENSES		
Services and Supplies	24,507	203,272
Operating Expense Allocation - City of Ukiah	213,030	1,491,211
Legal Expense	1,431	19,843
Depreciation and Amortization	65,619	459,291
Total Operating Expenses	<u>304,587</u>	<u>2,173,617</u>
OPERATING INCOME (LOSS)	<u>136,822</u>	<u>1,436,369</u>
NONOPERATING REVENUE (EXPENSES)		
Taxes and Assessments	35,226	37,562
Interest Income	2,500	34,555
Interest and Bond Expense	(46,202)	(326,297)
Total Nonoperating Revenue (Expenses)	<u>(8,476)</u>	<u>(254,180)</u>
CHANGE IN NET POSITION	128,346	1,182,189
Net Position - December 31, 2021 and June 30, 2021	<u>18,408,536</u>	<u>17,354,693</u>
NET POSITION - END OF PERIOD	<u>\$ 18,536,882</u>	<u>\$ 18,536,882</u>

These accrual basis financial statements have not been subjected to an audit, review, or compilation engagement, and no opinion nor assurance is provided hereon. Substantially all disclosures and RSI required by US generally accepted accounting principles have been omitted. See Selected Information.

**UKIAH VALLEY SANITATION DISTRICT
SELECTED NOTES TO THE FINANCIAL STATEMENTS
FISCAL YEAR TO DATE JANUARY 31, 2022**

Ukiah Valley Sanitation District

Selected Information

For the month ended and fiscal year to date January 31, 2022

The accompanying financial statements include the following departures from accounting principles generally accepted in the United States of America:

The financial statements omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America.

The financial statements omit all required supplementary information, such as management discussion and analysis as required by accounting principles generally accepted in the United States of America.

As of the quarter ended September 30, 2021, the District's actual operating expense allocation from the City of Ukiah was less than the budgeted operating expense allocation by \$84,211. The District has omitted this receivable from these financial statements.

The effects of these departures have not been determined.

These accrual basis financial statements have not been subjected to an audit, review, or compilation engagement, and no opinion nor assurance is provided hereon. Substantially all disclosures and RSI required by US generally accepted accounting principles have been omitted. See Selected Information.

Ukiah Valley Sanitation District
151 Laws Avenue
Ukiah, CA 95482

STAFF REPORT
March 9, 2022

To: Board of Directors
From: Wing-See Fox
Meeting Date: March 9, 2022

Item #6A: Amend Policy 4060 to reflect Board action at the February 2022 Regular Board Meeting to disband the Finance and Governance Committees

Background:

At its February 9, 2022 Board meeting, the Board took action to disband the Finance Committee and the Governance Committee. Policy 4060 (Committees of the Board of Directors) needs to be amended to reflect that change.

Discussion:

Policy section 4060.2 identifies the Finance and Governance Committees as standing committees, and Policy sections 4060.5 and 4060.6 describe the roles of those committees respectively. These sections within the Policy have been revised to delete specific references to the Finance and Governance Committees and their roles.

Recommended Action:

1. Approve amended Policy 4060

Attachment:

1. Proposed Amendments to Policy 4060

Respectfully submitted,



WING-SEE FOX
Interim District Manager

Ukiah Valley Sanitation District

DISTRICT POLICY

POLICY TITLE: Committees of the Board of Directors
POLICY NUMBER: 4060

4060.1 The Board Chair shall appoint such ad hoc committees as may be deemed necessary or advisable by the Chair or the Board. The duties of the ad hoc committees shall be outlined at the time of establishment, and the committee shall be considered dissolved when its final report has been made to the Board. Appointments to the ad hoc committee shall be made by the Chair with the approval of the Board at the time the ad hoc committee is established. Each ad hoc committee shall be designated a name to distinguish it from other ad hoc committees and standing committees.

4060.2 ~~The following shall be standing committees of the Board:~~ The Board may establish standing committees by amending this policy.

~~**4060.2.1** Finance Committee~~

~~**4060.2.2** Governance Committee;~~

4060.3 ~~If there are standing committees,~~ The new Board Chair elected in January shall recommend appointments of members to the standing committees for the ensuing year no later than the Board's regular meeting in February. The appointments to the standing committees shall be approved by the Board.

4060.4 The Board's standing committees may be assigned to review District functions, activities, and/or operations pertaining to their designated concerns, ~~as specified below~~. Said assignment shall be made by a majority vote of the Board. Standing committees, irrespective of their composition, have either a continuing subject matter jurisdiction, or a meeting schedule fixed by ordinance, resolution, or formal action of the Board of Directors. Any recommendations resulting from said review should be submitted to the Board via a written or oral report.

4060.4.1 All meetings of standing committees shall conform to all open meeting laws (e.g., "Brown Act") that pertain to regular meetings of the Board of Directors.

~~**4060.5** The Board's standing Finance/Budget Committee shall be concerned with the financial management of the District, including preparation of an annual budget and Capital Improvement expenditures.~~

~~**4060.6** The Board's Governance Committee shall be concerned with the formulation of procedures, policies and ordinances of the District.~~

APPROVED BY THE BOARD AS AMENDED ON ~~FEBRUARY~~ MARCH ~~109,~~ 2021~~2022~~

Ukiah Valley Sanitation District
151 Laws Avenue
Ukiah, CA 95482

STAFF REPORT
March 9, 2022

To: Board of Directors
From: Wing-See Fox
Meeting Date: March 9, 2022

Item #7A: Review the current drought conditions and evaluate alternatives for calculating upcoming sewer rates, such as: 1) adopting one month water usage (January 2022) for the upcoming rate evaluation for one year only 2) changing the methodology to consider lack of rainfall each year, 3) using last year's rates

Background:

The Board would like to consider whether sewer rates for Fiscal Year 2022-23 should be calculated differently due to the abnormally low rainfall this winter and outside irrigation.

Discussion:

According to Section 8.12(B)(1) of Ordinance Numbers 12 and 25:

The purpose of imposing the sewer rates onto properties connected to the public sewer under the jurisdiction of the District is to generate the revenue needed to pay for the costs of providing sewer service. Cost of providing sewer service includes the cost of administration, operation, maintenance, capital improvements, and debt service payments associated with the Combined Sewer System which includes the sewer infrastructures owned by both the District and the City of Ukiah. The Combined Sewer System collects, transports, and treats sewer effluent that is generated from properties connected to the public sewer within the District and the City of Ukiah. Cost of service shall also include, on a temporary basis, the generation of revenue which is needed to offset the shortage in revenue generated from sewer connection fees that are used to make annual debt service payments allocated to the District and associated with the expansion of the Wastewater Treatment Plant.

According to Section 8.12(D)(1) of Ordinance Numbers 12 and 25, "Sewer bills are based on consumption but in no case are sewer bills less than the fixed/minimum service charge that is applied to the sewer bill for the residential customer. The monthly sewer bill for the Residential category is the sum of the fixed/minimum service charge and the water consumption charge for water consumption exceeding 3.4 units of water."

In 2016, the Board amended the definition of "consumption" by ordinance. Any revisions to the definition of "consumption" would require an ordinance. An ordinance would require two Board meetings – it would need to be introduced at one meeting and adopted at a separate regular Board

meeting. If approved, the ordinance would take effect 30 days after adoption. The entire ordinance would need to be published in the paper within 15 days of Board adoption. Alternatively, a summary of the ordinance (rather than the entire ordinance) could be published both at least 5 days before adoption and within 15 days of Board adoption.

Currently, “consumption, as defined in Section 8.12(D)(2) of Ordinance Numbers 12, 25, and 36, means:

a three month average of winter water use as measured and recorded at the water meter serving the same parcel or premise receiving sewer service for the months of January, February, and March. The water meter readings may include portions of the preceding month from January or a portion of the succeeding month from March; it is intended that a three month average is calculated from three consecutive water meter reading periods established by the water purveyors for the stated three months. If the water consumption readings for the three winter months indicate that the premise being served sewer service was vacant during a portion of the three winter months, the District Manager is authorized to average the water consumption for the period the premise appeared to be occupied. The District Manager is also authorized to eliminate from the calculation water readings which are clearly not representative of average monthly water use when compared to water readings for two of the three months.

If there is a change in methodology that affects customer sewer rates, it may affect the District’s ability to meet proportionality requirements under Proposition 218.

Recommended Action:

1. Discuss and take possible action on alternatives.

Respectfully submitted,



WING-SEE FOX
Interim District Manager

Ukiah Valley Sanitation District
151 Laws Avenue
Ukiah, CA 95482

STAFF REPORT
March 9, 2022

To: Board of Directors
From: Wing-See Fox
Meeting Date: March 9, 2022

Item# 7B: Third Amendment to Master Service Agreement (MSA) regarding the Annual Rate Change provision between Willow County Water District (WCWD) and Ukiah Valley Sanitation District (UVSD) for 2022 for the amount of \$11,920.95 per month

Background:

In May 2019, the Board of Directors of UVSD voted to enter into a Master Service Agreement with Willow County Water District to perform the duties of Manager as an agent of the District. In May 2020, UVSD and WCWD agreed to an addendum to the MSA wherein WCWD would perform all the administrative duties including billing and collection for UVSD. One of the results of this arrangement was that the District would no longer have employees. The MSA signed in 2019 had an initial two-year term that annually renews unless a 180-day notice is provided by either party.

Since October 2020, Urban Futures, Inc., assumed the District Manager responsibilities. WCWD continues to provide the administrative duties including billing and collections. The MSA contains a provision for WCWD to annually update the rate it charges for its administrative services.

Discussion:

The monthly charge for administrative services for the year 2021 was in the amount \$11,346.00. The updated 2022 Third Amendment to Master Service Agreement is attached with the new monthly rate of \$11,920.95 for the upcoming year, beginning April 1, 2022. This represents a 5% increase. The major factors contributing to the increase are as follows:

- A small increase in monthly hours for staff needed to perform tasks.
- Normal COLA adjustment to wages and benefits paid by WCWD to its employees.

Recommendation:

Approve and direct Chair Wipf to execute the Third Amendment to the Master Service Agreement.

Attachment:

1. Third Amendment to Master Service Agreement

Respectfully submitted,



WING-SEE FOX
Interim District Manager

THIRD AMENDMENT TO MASTER SERVICE AGREEMENT

This Third Amendment to the Master Service Agreement (“Second Amendment”) is entered into on _____ by and between WILLOW COUNTY WATER DISTRICT (hereinafter referred to as “WILLOW”) whose mailing address is 151 Laws Avenue, Ukiah, California, 95482 and UKIAH VALLEY SANITATION DISTRICT (hereinafter referred to as “UVSD”) whose mailing address is 151 Laws Avenue, Suite B, Ukiah, California, 95482.

Recitals

WHEREAS, WILLOW and UVSD entered into a Master Service Agreement on or around May 13, 2019 for WILLOW to perform the duties of District Manager for UVSD, which was amended by an Addendum and Amendment to Master Service Agreement on May 13, 2020 for WILLOW to perform administrative duties for UVSD, and amended by the Second Amendment to Master Services Agreement on May 17, 2021 to update the scope of work and fees and charges for administrative duties (collectively, the “Agreement”); and

WHEREAS, WILLOW ceased providing District Manager services to UVSD in October 2020 and WILLOW currently provides administrative services, including billing and collections, to UVSD; and

WHEREAS, WILLOW and UVSD desire to amend the terms of the Agreement to modify the payment as expressly provided herein.

NOW THEREFORE, in consideration of the foregoing recitals and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties hereby agree as follows:

1. The Parties incorporate the above Recitals and acknowledge that they are true and correct.
2. Exhibit B of the Master Service Agreement shall be replaced with Exhibit B attached hereto and incorporated herein by this reference, commencing April 1, 2022.

Date: _____

Michael Hildreth
President of the Board of Directors
WILLOW COUNTY WATER DISTRICT

Date: _____

Ernie Wipf
Chair of the Board of Directors
UKIAH VALLEY SANITATION DISTRICT

EXHIBIT B
FEES AND CHARGES

UVSD shall pay WILLOW Eleven Thousand Nine Hundred Twenty Dollars and Ninety-Five Cents (\$11,920.95) per month for the services described in Exhibit A, for the duration of the term of the Agreement unless amended in writing by the parties. Such amount shall be included in the regular monthly invoices submitted by WILLOW to UVSD for services rendered as described in paragraphs 3 and 4 of the Agreement.

Ukiah Valley Sanitation District
151 Laws Avenue
Ukiah, CA 95482

STAFF REPORT
March 9, 2022

To: Board of Directors
From: Wing-See Fox
Meeting Date: March 9, 2022

Item #7C: Consider a contract not-to-exceed \$6,000 with Victor Sanchez for sewage fee recalculations

Background:

Under the 2018 Operating Agreement for the Combined Sewer System Serving the Ukiah Valley Sanitation District and the City of Ukiah, the City of Ukiah and the District must pay a certain allocated share of costs of the Combined City/District Sewer System. The City and District must annually create a budget in accordance with Section II.D. of the Operating Agreement. The Agreement specifies that:

...the allocation of such combined budgeted costs shall be adjusted and based on each party's proportionate use of the CWWTP as measured by water consumption and relative strength of sewage discharged to the CWWTP by each party's Customers. Water consumption shall be the average quantity of water used by such customers in the winter months (January, February, and March or some combination thereof) as determined from the records of the water system serving the Customer (e.g., at present, Millview, and Willow County Water Districts, the CITY and Rogina Water Company)...Within one (1) year of the Effective Date, the Parties shall meet and confer in good faith to establish the month or months to be utilized for the water consumption calculation (as it now stands, CITY uses January only and DISTRICT uses average consumption during January through March), the classes of connections, and the numerical factor to be assigned each connection class. The purpose of this provision is to arrive at a fair method to calculate the Parties' respective contribution of discharge for treatment in the CWWTP. If the Parties are unable to arrive at an agreement through this process, either party may initiate arbitration ... to resolve the dispute... As of the Effective Date, the Allocation Methodology shall be deemed as follows: CITY 53%; and, DISTRICT 47%.

Subsequent to the execution of the 2018 Operating Agreement, the City and the District commissioned a Joint Rate Study. Upon completion of the Joint Rate Study, the City adopted new sewer rates and established using an average consumption during January through March for the water consumption calculation as recommended in the Joint Rate Study.

Discussion:

Visions (Victor Sanchez) has been providing services in a cost efficient and timely manner to complete the tasks of data collection, data proofing and fee recalculations for District customers served by the water system of the City of Ukiah or Rogina Water Company. Attached is a proposal from Victor Sanchez to perform the water usage recalculations for Fiscal Year 2022-23.

This expense item has already been approved within the Fiscal Year 2021-22 Budget.

Recommendation:

Approve contract with Victor Sanchez in an amount not-to-exceed \$6,000 in a form approved by Counsel.

Attachment:

1. Proposal from Victor Sanchez

Respectfully submitted,



WING-SEE FOX
Interim District Manager

PROPOSAL FOR SEWAGE FEE RECALCULATIONS*FEBRUARY 3, 2022***Client Information**

Ukiah Valley Sanitation District
151 Laws Ave Ste B
Ukiah, CA 95482
707.462.4429

Proposed by:

Victor Sanchez
311 4TH Ave Unit 404
San Diego, CA 92101
707.972.2120

OVERVIEW

I am proposing a threefold process for recalculating sewage fees for the Ukiah Valley Sanitation District (UVSD) including Data Collection, Data Proofing, and Fee Recalculations.

DATA COLLECTION

The Data Collection process, will be used to transfer all data onto the Preparer's computer. Data will be collected from the one of the three water districts – Rogina – and from the City of Ukiah (overlap area). The Preparer will coordinate with the Office Manager at UVSD for any additional information needed. The following will be included in this phase:

- Transitioning .csv files into Excel.
- Collecting data and sewer fee formula.
- Coordinate with El Dorado team for best output method in order to upload into UVSD's system.

DATA PROOFING

Data will be reviewed to ensure information is correct and there is ample information to provide a recalculated fee. This phase requires coordination with UVSD's Office Manager. This phase will include the following:

- Flag duplicate accounts and consult with the UVSD Office Manager.
- Flag abnormalities in water readings and consult with UVSD Office Manager.
- Flag accounts with '0' readings to verify vacancies with UVSD Office Manager.
- Cross reference the District's "Overlap" customers with City of Ukiah's list (time allowing).

FEE RECALCULATIONS

The Preparer will compile a list of all recalculated sewer fees for UVSD customers. This phase will include the following:

- Use the proofed data to calculate sewer fees for customers based on UVSD's formula.
- Data will be joined into one list for purposes of UVSD.
- Meeting with Office Manager of UVSD and Office Manager of the Willow Water District to discuss quality of final product.
- Final Data will be given in three ways (gallons, units, units with current allowance). This will ensure that bills can be easily recalculated with a new rate is implemented.

FEE BREAK DOWN

The following fee for the recalculation of sewer fees on behalf of the Ukiah Valley Sanitation District is based on the required work based on prior calculations. Any work done outside of what is listed in the bid shall be agreed upon in writing (physical or by email) by both parties prior to the commencement of work. That work will be charged at an hourly rate listed below under 'Additional Services.' Payment shall be made out to Victor Sanchez within 30 business days of the completion of work. The following prices are based on a minimum charge for each phase. These will be billed hourly at a rate of \$90.00 per hour. The following bid, however, shall not exceed the amount of \$6,000.00 as requested by UVSD.

DATA COLLECTION	\$450.00
DATA PROOFING	\$1,350.00
FEE RECALCULATIONS	\$2,700.00
*	
TOTAL:	\$6,000,00

ADDITIONAL SERVICES \$90/ hr.

ADDITIONAL SERVICES

No additional services have been discussed prior to drafting this proposal.

UVSD Chair's Signature: _____ Date: _____

Signature: _____ Date: _____

Ukiah Valley Sanitation District
151 Laws Avenue
Ukiah, CA 95482

STAFF REPORT
March 9, 2022

To: Board of Directors
From: Wing-See Fox
Meeting Date: March 9, 2022

Item #7D: Update and discussion regarding meetings with City of Ukiah and Mendocino County LAFCO regarding Out of Area Service Agreement requests

Background:

In 2021, the City of Ukiah and the District formed an Ad Hoc Committee to discuss and resolve various issues between the City and the District. Most recently, the Ad Hoc Committee has been focused on discussing and jointly creating a path towards consolidating sewer services in Ukiah Valley. The Committee has also agreed to prioritize working together to provide sewer connection to properties outside of District and City boundaries through Out of Area Service Agreements. In particular, the City and the District have discussed the Ford Road/Masonite Properties Area.

Applying for Out of Area Service Agreements has been stalled due to the fact that both the District and the City have what Mendocino County LAFCO considers outdated spheres of influence (SOI's). Without updated SOI's, LAFCO has stated that applications for reorganization or Out of Area Service Agreements would not be processed. The City and the District have been working with LAFCO staff to update municipal service reviews and SOI's (rather than using a third-party consultant), but this process has taken quite a bit of time and will not be completed until sometime in the next Fiscal Year. District staff has been meeting twice a month with LAFCO staff, and LAFCO staff has indicated that the District would receive an administrative draft of the municipal services review this month.

Discussion:

While the Ad Hoc Committee continues to meet regarding consolidation of sewer services, the City and the District have agreed to explore a framework for Out of Area Service Agreements for the Ford Road/Masonite Properties Area to present to LAFCO. This framework relies on LAFCO agreeing to allow the City's most recent SOI to apply to this area in order for LAFCO to consider an Out of Area Service Agreement for such area. Concurrently, the City would work with Mendocino County to develop a tax-sharing agreement for this area.

Additionally, the City and the District would submit an agreement (that has yet to be negotiated and executed by both parties) for the District to provide interim sewer services to the Ford Road/Masonite Properties Area. This agreement would stipulate that the District will provide sewer service to the area until such time that LAFCO approves the City's annexation of the area. The District would ensure that the agreement also stipulates that as a condition of the City's annexation of the area, it does not create financial hardships for any of the special districts involved in the area.

The City plans to introduce this framework to the LAFCO Commission at its regular meeting on March 7, 2022.

Recommendation:

Discuss and provide direction to staff.

Respectfully submitted,



WING-SEE FOX
Interim District Manager

Willow County Water District

151 Laws Avenue
Ukiah, California 95482-6655
707-462-2666
FAX 707-462-2687

Ukiah Valley Sanitation District

02/01/2022

151 Laws Ave. Suite B

Ukiah, CA 95482

Dear Ukiah Valley Sanitation District,

This letter is to inform you the rent at above address will increase 9% effective 04/01/2022 from \$425.00 to \$463.00 in accordance with California Assembly Bill 1482 and Mendocino County CPI.

The last rent increase for said office was on 05/01/2012.

All other terms and Condition of the original lease shall remain in effect.

Thank you,



Jared Walker

General Manager

Willow County Water District

From: Chet Koehn <CKoehn@maverickcaps.com>
Sent: Monday, February 14, 2022 9:45 AM
To: aa@uvsd.org
Subject: Maverick Ford Road Plant

Dear Ukiah Valley Sanitation District,

Maverick Enterprises supports the annexation of our 650 Ford Road Ukiah, CA 95482 site for the purpose of connecting to the main sewage line running underneath Ford Road.

The ability to connect to a sewage line is a value we would like to support. This will assist in the expansion plans of our local Wine Capsule production plant located outside the current Ukiah City limits.

Please let me know if you have any questions.

Chet Koehn

Director of Quality and EH&S, USA
Maverick Enterprises, Inc.
751 East Gobbi Street | Ukiah, CA 95482
Direct 707.234.6118 | Fax (707) 463-0188
Mobile (707)-391-1370
Email: ckoehn@maverickcaps.com
Visit our website at: www.maverickcaps.com
Follow us on Twitter: @MaverickCapsule

