

ERNIE WIPF  
CHAIR

CANDACE HORSLEY  
VICE-CHAIR

THERESA MCNERLIN  
DIRECTOR

DARWIN DICK  
DIRECTOR

BRADLEY BEST  
DIRECTOR

UKIAH VALLEY SANITATION DISTRICT REGULAR MEETING  
**WEDNESDAY February 8, 2023 AT 6:00PM**

LOCATION:

DISTRICT'S MEETING ROOM - 151 LAWS AVE., UKIAH, CA 95482

AND

THE PUBLIC MAY ALSO VIEW VIA ZOOM

Call in number: 1-669-900-6833

Meeting ID: 867-7644-0779

Zoom Link: <https://us02web.zoom.us/j/86776440779>

*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 [cteague@uvsd.org](mailto:cteague@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**
  - January 11, 2023 Annual Meeting
  - January 25, 2023 Special Meeting
- 5. CONSENT CALENDAR**
  - Check Register for January 2023
  - LAIF Statement for January 2023
  - Unaudited Monthly Financial Statements

ERNIE WIPF  
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CANDACE HORSLEY  
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**6. OLD BUSINESS**

- A. DISCUSSION AND POSSIBLE ACTION RE: Appointment of a New Member to the Budget Ad Hoc Committee

Recommended Action: 1) Appoint a new member to the Budget Ad Hoc Committee with approval of the Board

**7. NEW BUSINESS**

- A. DISCUSSION AND POSSIBLE ACTION RE: District's continued participation in the URRWA JPA in light of plans for the City of Ukiah and the water districts to consolidate.

Recommended Action: Discuss and provide direction to staff regarding whether or not the District should continue participating in the URRWA JPA in light of plans for the City of Ukiah and the water districts to consolidate.

- B. DISCUSSION AND POSSIBLE ACTION RE: Adoption of a Reserve Policy

Recommended Action: Discuss and possibly adopt Reserve Policy

**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 - March 8, 2023

**9. ADJOURNMENT**

**Ukiah Valley Sanitation District  
Check Detail  
January 2023**

Type	Num	Date	Name	Account	Paid Amount	Original Amount
Check	2187	01/18/2023	Matthew Adams	1001 - UVSD Checking		-13.53
				4001 - Residential Fees	-13.53	13.53
TOTAL					-13.53	13.53
Check	2188	01/18/2023	Ted Myer	1001 - UVSD Checking		-9.67
				4001 - Residential Fees	-9.67	9.67
TOTAL					-9.67	9.67
Check	2189	01/18/2023	Molly Berg	1001 - UVSD Checking		-97.58
				4001 - Residential Fees	-97.58	97.58
TOTAL					-97.58	97.58
Check	2190	01/18/2023	Joshua Miller	1001 - UVSD Checking		-100.00
				4001 - Residential Fees	-100.00	100.00
TOTAL					-100.00	100.00
Check	2191	01/18/2023	Robin Moerman	1001 - UVSD Checking		-13.53
				4001 - Residential Fees	-13.53	13.53
TOTAL					-13.53	13.53
Check	2192	01/18/2023	Adrianna Lopez	1001 - UVSD Checking		-36.09
				4001 - Residential Fees	-36.09	36.09
TOTAL					-36.09	36.09
Check	2193	01/18/2023	Kristin Reynolds	1001 - UVSD Checking		-6.60
				4001 - Residential Fees	-6.60	6.60
TOTAL					-6.60	6.60
Check	2194	01/18/2023	Mark Andrew Chilver Jr	1001 - UVSD Checking		-46.53
				4001 - Residential Fees	-46.53	46.53
TOTAL					-46.53	46.53
Check	2195	01/18/2023	Cindi Schiessi	1001 - UVSD Checking		-11.54
				4001 - Residential Fees	-11.54	11.54
TOTAL					-11.54	11.54
Check	2196	01/18/2023	Miguel Alvarez	1001 - UVSD Checking		-46.06
				4001 - Residential Fees	-46.06	46.06
TOTAL					-46.06	46.06
Check	2197	01/18/2023	Kim Davis	1001 - UVSD Checking		-81.03
				4001 - Residential Fees	-81.03	81.03
TOTAL					-81.03	81.03
Check	2198	01/18/2023	Frank Baroni	1001 - UVSD Checking		-72.10
				4001 - Residential Fees	-72.10	72.10
TOTAL					-72.10	72.10
Check	2199	01/18/2023	Patty McMillen	1001 - UVSD Checking		-117.82
				4001 - Residential Fees	-117.82	117.82
TOTAL					-117.82	117.82

**Ukiah Valley Sanitation District**  
**Check Detail**  
**January 2023**

Type	Num	Date	Name	Account	Paid Amount	Original Amount
Check	2200	01/18/2023	Daniel Murillo	1001 - UVSD Checking		-16.23
				4001 - Residential Fees	-16.23	16.23
TOTAL					-16.23	16.23
Bill Pmt -Check	2201	01/18/2023	Best Best & Krieger LLP	1001 - UVSD Checking		-2,097.95
Bill	954875	12/31/2022		5601 - General Counsel	-2,097.95	2,097.95
TOTAL					-2,097.95	2,097.95
Bill Pmt -Check	2202	01/18/2023	City of Ukiah	1001 - UVSD Checking		-213,030.20
Bill	012023	01/01/2023		6300 - Operating Expense Allocation	-213,030.20	213,030.20
TOTAL					-213,030.20	213,030.20
Bill Pmt -Check	2203	01/18/2023	Clifton Larson Allen, LLP	1001 - UVSD Checking		-1,000.00
Bill	3522499	12/27/2022		5307 - Financial Review/Monthly Report	-1,000.00	1,000.00
TOTAL					-1,000.00	1,000.00
Bill Pmt -Check	2204	01/18/2023	El Dorado Printing	1001 - UVSD Checking		-1,009.96
Bill	H70815	12/31/2022		5207 - Reproduction (prints & copies)	-1,009.96	1,009.96
TOTAL					-1,009.96	1,009.96
Bill Pmt -Check	2205	01/18/2023	Ghilotti Construction Company	1001 - UVSD Checking		-214,429.25
Bill	6042*01	12/31/2022		550 - District Sewer System Expenses	-214,429.25	214,429.25
TOTAL					-214,429.25	214,429.25
Bill Pmt -Check	2206	01/18/2023	Kyocera	1001 - UVSD Checking		-243.55
Bill	55E1708527	12/31/2022		5207 - Reproduction (prints & copies)	-243.55	243.55
TOTAL					-243.55	243.55
Bill Pmt -Check	2207	01/18/2023	Mark DeMeulenaere	1001 - UVSD Checking		-1,462.50
Bill	122022	12/31/2022		5305 - Financial & Managerial Support	-1,462.50	1,462.50
TOTAL					-1,462.50	1,462.50
Bill Pmt -Check	2208	01/18/2023	RespecTech, Inc.	1001 - UVSD Checking		-178.51
Bill	46836	12/31/2022		5209 - Information Technology-All	-178.51	178.51
TOTAL					-178.51	178.51
Bill Pmt -Check	2209	01/18/2023	Stedman Computer Solutions	1001 - UVSD Checking		-75.00
Bill	1403061	12/31/2022		5209 - Information Technology-All	-75.00	75.00
TOTAL					-75.00	75.00
Bill Pmt -Check	2210	01/18/2023	Tri-Cities	1001 - UVSD Checking		-143.60
Bill	221200577101	12/31/2022		5201 - Telephone & DSL	-143.60	143.60
TOTAL					-143.60	143.60
Bill Pmt -Check	2211	01/18/2023	Upper Russian River Water Agency	1001 - UVSD Checking		-600.00
Bill	439	01/01/2023		5800 - JPA Dues	-600.00	600.00
TOTAL					-600.00	600.00
Bill Pmt -Check	2212	01/18/2023	Urban Futures, Inc.	1001 - UVSD Checking		-5,125.00
Bill	1222-001	12/31/2022		5101 - Management - UFI	-5,125.00	5,125.00
TOTAL					-5,125.00	5,125.00
Bill Pmt -Check	2213	01/18/2023	Willow Water District	1001 - UVSD Checking		-12,915.53

**Ukiah Valley Sanitation District**  
**Check Detail**  
**January 2023**

Type	Num	Date	Name	Account	Paid Amount	Original Amount
Bill	159	12/31/2022		5102 - MSA - Willow	-11,920.95	11,920.95
				5402 - Parcel Quest	-199.95	199.95
Bill	540	01/01/2023		5203 - Office Rent	-463.00	463.00
				5204 - Office Utilities	-331.63	331.63
TOTAL					-12,915.53	12,915.53
Check	2214	01/18/2023	Theresa McNerlin	1001 - UVSD Checking		-50.00
				5407 - Board Stipends	-50.00	50.00
TOTAL					-50.00	50.00
Check	2215	01/18/2023	Ernie Wipf	1001 - UVSD Checking		-75.00
				5407 - Board Stipends	-75.00	75.00
TOTAL					-75.00	75.00
Check	2216	01/18/2023	Julie Bawcom	1001 - UVSD Checking		-75.00
				5407 - Board Stipends	-75.00	75.00
TOTAL					-75.00	75.00
Check	2217	01/18/2023	Candace Horsley	1001 - UVSD Checking		-75.00
				5407 - Board Stipends	-75.00	75.00
TOTAL					-75.00	75.00
Check	2218	01/18/2023	Darwin Dick	1001 - UVSD Checking		-75.00
				5407 - Board Stipends	-75.00	75.00
TOTAL					-75.00	75.00
<b>SBMC Checking Account</b>						
Beginning Balance 1/01/2023					<b>\$1,278,797.16</b>	
Ending Balance 1/31/2023					<b>\$1,153,853.63</b>	

California State Treasurer  
**Fiona Ma, CPA**



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

February 06, 2023

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

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UKIAH VALLEY SANITATION DISTRICT

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

[Tran Type Definitions](#)

**Account Number:** 70-23-001

January 2023 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Web Confirm Number	Authorized Caller	Amount
1/13/2023	1/12/2023	QRD	1721367	N/A	SYSTEM	54,319.24

**Account Summary**

Total Deposit:	54,319.24	Beginning Balance:	11,295,858.17
Total Withdrawal:	0.00	Ending Balance:	11,350,177.41

**UKIAH VALLEY SANITATION DISTRICT**

**FINANCIAL STATEMENTS  
MONTH ENDED AND FISCAL YEAR TO DATE  
OCTOBER 30, 2022**

Working Draft for  
Discussion Purposes  
Only

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Discussion Purposes  
Only



**UKIAH VALLEY SANITATION DISTRICT  
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MONTH ENDED AND FISCAL YEAR TO DATE OCTOBER 30, 2022**

Basic Financial Statements

Fund Financial Statements

Statement of Net Position	1
Statement of Revenues, Expenses, and Changes in Fund Net Position	2
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  
OCTOBER 30, 2022**

**ASSETS**

Current Assets:

Cash and Investments	\$ 10,943,234
Accounts Receivable	945,651
Interest Receivable	30,000
Restricted Cash	501,992
Due from City of Ukiah	1,000,000
Prepaid Expenses	215,075
Total Current Assets	<u>13,635,952</u>

Noncurrent Assets:

Capital Assets:

Depreciable, Net	28,070,126
Total Noncurrent Assets	<u>28,070,126</u>
Total Assets	<u>41,706,078</u>

**LIABILITIES**

Current Liabilities:

Accounts Payable	154,768
Accrued Interest	86,564
Customer Deposits Payable	38,100
Bonds Payable - Due in One Year	1,485,000
Total Current Liabilities	<u>1,764,432</u>

Long-Term Liabilities:

Bonds Payable - Due in More Than One Year	19,977,000
Total Long-Term Liabilities	<u>19,977,000</u>
Total Liabilities	<u>21,741,432</u>

**NET POSITION**

Net Investment in Capital Assets	6,608,126
Unrestricted	13,356,520
Total Net Position	<u>\$ 19,964,646</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  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
MONTH ENDED AND FISCAL YEAR TO DATE OCTOBER 30, 2022**

	Month Ended October 31, 2022	Fiscal Year to Date October 31, 2022
<b>OPERATING REVENUES</b>		
Charges for Services	\$ 441,119	\$ 1,770,243
Connection Fees	1,278	33,997
Total Operating Revenues	<u>442,397</u>	<u>1,804,240</u>
<b>OPERATING EXPENSES</b>		
Services and Supplies	24,323	130,097
Operating Expense Allocation - City of Ukiah	213,029	852,120
Legal Expense	1,334	4,605
Depreciation and Amortization	66,164	264,656
Total Operating Expenses	<u>304,850</u>	<u>1,251,478</u>
<b>OPERATING INCOME (LOSS)</b>	<u>137,547</u>	<u>552,762</u>
<b>NONOPERATING REVENUE (EXPENSES)</b>		
Taxes and Assessments	-	-
Interest Income	2	42,431
Interest and Bond Expense	(43,281)	(176,083)
Total Nonoperating Revenue (Expenses)	<u>(43,279)</u>	<u>(133,652)</u>
<b>CHANGE IN NET POSITION</b>	94,268	419,110
Net Position - September 30, 2022 and June 30, 2022	<u>19,870,378</u>	<u>19,545,536</u>
<b>NET POSITION - END OF PERIOD</b>	<u>\$ 19,964,646</u>	<u>\$ 19,964,646</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 OCTOBER 30, 2022**

**Ukiah Valley Sanitation District**

Selected Information

For the month ended and fiscal year to date October 30, 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, 2022, the District's actual operating expense allocation from the City of Ukiah was less than the budgeted operating expense allocation by \$152,400. 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  
February 8, 2023

To: Board of Directors  
From: Wing-See Fox  
Meeting Date: February 8, 2023

Item #6A: Appointment of a New Member to the Budget Ad Hoc Committee

**Background:**

Under Policy 4060 (Committees of the Board of Directors), “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” to be approved by the Board. Currently, there are no standing committees. However, there continue to be two ad hoc committees: 1) City of Ukiah and UVSD Ad Hoc Committee (with Chair Wipf and Vice Chair Horsley as appointed members); and 2) Budget Ad Hoc Committee (with Vice Chair Horsley as an appointed member). Director Bawcom was also appointed to the Budget Ad Hoc Committee, and with Director Bawcom having termed off the Board, staff recommends appointing a Board member to fill the Budget Ad Hoc Committee.

**Discussion:**

With Director Bawcom having termed off the Board, a Board member should be appointed to fill the vacancy on the Budget Ad Hoc Committee. At its January 11, 2023 Annual Meeting, the Board decided to wait until a new Board Member was appointed to the Board before making this appointment. Now that Director Best has been appointed to the Board, staff recommends moving forward with the appointment of a Board member to fill the Budget Ad Hoc Committee.

**Recommended Action:**

Appoint a new member to the Budget Ad Hoc Committee with approval of the Board.

Respectfully submitted,



WING-SEE FOX  
Interim District Manager

Ukiah Valley Sanitation District  
151 Laws Avenue  
Ukiah, CA 95482

STAFF REPORT  
February 8, 2023

To: Board of Directors  
From: Wing-See Fox  
Meeting Date: February 8, 2023

Item #7A: District's continued participation in the URRWA JPA in light of plans for the water districts and the City of Ukiah to consolidate

**Background:**

The Upper Russian River Water Agency, Joint Powers Agency ("URRWA"), is an association of five (5) separate and distinct governmental entities which provide water and sewer services to properties located in the Ukiah Valley that was originally formed in December 29, 2014, pursuant to a Joint Powers Agreement ("JPA") in accord with California *Government Code* §6500 et. seq. That agreement was subsequently amended November 12, 2016, September 9, 2020, and October 14, 2020.

The Districts which are currently members of the URRWA are: Calpella County Water District (Calpella); Millview County Water District (Millview); Willow County Water District (Willow); Redwood Valley County Water District (Redwood); and Ukiah Valley Sanitation District ("UVSD"). The Board includes a single Board member from each of the members.

**Discussion:**

The URRWA JPA, which is run and staffed by Willow, was formed with the primary goals of working together for the voluntary consolidation of Ukiah Valley's Water Districts, to create a more logical form of governance over the Ukiah Valley's water resources, to provide economies of scale that keep rates affordable, and to ensure a reliable long-term water supply for all land uses.

The Water Districts within URRWA have created an Ad Hoc Committee with the City of Ukiah to discuss consolidating the water districts with the City of Ukiah in order to achieve URRWA's goals as well as to take advantage of significant State funding that is contingent on consolidation efforts.

The current plan is for the City of Ukiah to join the URRWA JPA by July 1, 2023, and to amend the URRWA JPA to be run and staffed by the City, which would ultimately result in the City managing and operating the water systems of the URRWA members. Willow staff would become City employees. Beginning July 1, 2023, URRWA could begin applying for State funding, although transitioning of staff and consolidation is expected to take time.

Ukiah Valley Sanitation District currently contracts with Willow to provide administrative services. UVSD has initiated discussions with Willow and the City to discuss options for continued administrative support. In the meantime, URRWA would like to know if UVSD would like to continue its participation in the JPA.

Staff believes that UVSD should stay in the JPA so that we can continue to be included in the water districts' consolidation discussions with the City and develop a sound plan for continued administrative staffing for UVSD.

**Recommended Action:**

Discuss and provide direction to staff regarding whether or not the District should continue participating in the URRWA JPA in light of plans for the City of Ukiah and the water districts to consolidate.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Wing-See Fox", with a stylized flourish extending to the right.

WING-SEE FOX  
Interim District Manager

Ukiah Valley Sanitation District  
151 Laws Avenue  
Ukiah, CA 95482

STAFF REPORT  
February 8, 2023

To: Board of Directors  
From: Wing-See Fox  
Meeting Date: February 8, 2023

Item #7B: Adoption of a Reserve Policy

**Background:**

Reserves for utilities are cash balances that are maintained in order to comply with contractual obligations (e.g., bond covenants), protect the utility from unexpected financial events, and/or accommodate operational and capital program cash flow needs. Often multiple reserves are maintained, each with a specific function. In addition to the direct benefits of financial stability, adequate reserves are viewed as credit strengths. While the District has not formally adopted reserve policies, it does actively manage its cash levels.

**Discussion:**

The 2020 Joint Sewer Rate Study made recommendations regarding the establishment of an Operating Reserve equal to 50 percent of operating expenses (which it noted is common for smaller utilities) and a Capital Reserve equal to the average annual planned capital spending (which was \$670,000 when averaging the District's planned capital spending from Fiscal Year 2020 through Fiscal Year 2031. In addition, in connection with the District's 2020 Wastewater Revenue Refunding Bonds, Series 2020, a Rate Stabilization Fund was established and funded with \$2 million, which is approximately equal to one year's debt service.

Staff recommends establishing a Reserve Policy in line with the rate consultant's recommendations: 1) Operating Reserve equal to 50% of operating expenses; 2) Rate Stabilization Fund equal to \$2 million; 3) Capital Reserve equal to the average annual planned capital spending as projected in the 2020 Joint Sewer Rate Study (\$670,000). Additionally, staff recommends establishing an Emergency Capital Reserve equal to \$1 million to cover cash flow requirements in the event of catastrophic or local disasters. Draws from any reserves or changes to the target balances would all be subject to Board approval.

**Recommended Action:**

Discuss and possibly adopt a Reserve Policy

**Attachment**

1. Draft Reserve Policy

Respectfully submitted,



WING-SEE FOX  
Interim District Manager



## RESERVE POLICY

### PURPOSE

This policy establishes the level of reserves necessary for maintaining Ukiah Valley Sanitation District's credit worthiness and for adequately providing for:

- Funding infrastructure replacement.
- Economic uncertainties and other financial hardships.
- Loss of significant revenue sources such as connection fees.
- Local disasters or catastrophic events.
- Future debt or capital obligations.
- Cash flow requirements
- Unfunded mandates including costly regulatory requirements.

### POLICY

#### Operating Reserve

The Operating Reserve will be established to set aside funds to maintain cash balances sufficient to pay operating expenses as needed and to provide for unanticipated or emergency expenses or inadequate revenue in the form of sewer service charges that could not be reasonably foreseen during the preparation of the budget. The Operating Reserve ensures continuity of service regardless of short-term changes in cash flow or sudden increases in operating costs. The minimum amount of Operating Reserves will equal 50% of operating expenses. At the start of a new fiscal year, the Operating Reserve will be adjusted to equal 50% of budgeted total operating expenses (excluding depreciation) for that year.

#### Capital Reserves

The Capital Projects Reserve will be established to smooth the inherent variability of the capital spending program. This reserve will be drawn down during years of higher-than-average capital spending, and conversely the reserve will be built up during years when capital spending is below average. A key objective for this reserve is to reduce the need for large rate adjustments and help ensure continuous funding for capital replacement and rehabilitation projects. The Capital Projects Reserve will be funded at a target level of \$670,000, which equals the average annual planned capital spending as projected in the City of Ukiah and Ukiah Valley Sanitation District's 2020 Joint Sewer Rate Study. Subject to Board approval, the target level for the Capital Projects Reserve may be adjusted as the Capital Improvement Plan for the Joint Sewer System is adjusted (to remain consistent with the average annual planned capital spending).

The Emergency Capital Reserve will be established to cover cash flow requirements in the event of catastrophic or local disasters. It will be funded at a target level of \$1 million.

### **Rate Stabilization Fund**

In connection with the District's Wastewater Revenue Refunding Bonds, Series 2020, a Rate Stabilization Fund was established and funded with \$2 million, which is approximately equal to one year's debt service. The Rate Stabilization Fund will be maintained at \$2 million until the 2020 Bonds mature or are refinanced.

### **PROCEDURE FOR USING RESERVE FUNDS**

#### **Operating Reserve**

The Operating Reserve can be used to meet cash flow requirements of District operations. Use of the funds will be subject to approval by the Board of Directors.

#### **Capital Reserves**

The Board of Directors will authorize use of the Capital Projects Reserve during the budget process. Funds from the Capital Projects Reserve are also available for unplanned (unbudgeted) capital replacement, subject to Board approval.

Funds in the Emergency Capital Reserve are designated for capital projects that arise due to catastrophic or local disasters. Use of the Emergency Capital Reserve is subject to Board approval.

#### **Rate Stabilization Fund**

The Rate Stabilization Fund will be maintained in accordance with the Ukiah Valley Sanitation District Wastewater Revenue Refunding Bonds, Series 2020, Indenture (dated February 1, 2020).

### **PROCEDURE FOR MONITORING RESERVE LEVELS**

A reserve analysis is submitted to the Board upon the occurrence of the following events:

- Board of Directors' deliberation of the annual budget;
- Board of Directors' deliberation of a service charge rate increase;
- When a major change in conditions threatens the reserve levels established within this policy.

CITY OF UKIAH AND UVSD  
ESSU STATISTICS REPORT

	<b>City Accounts # ESSU Units</b>	<b>UVSD #ESSU Units</b>	<b>Total All Acct. #ESSU Units</b>
<b>YTD 2/1/23</b>	<b>6834.866</b>	<b>5687.31</b>	<b>12522.176</b>
<b>% of Total ESSU's</b>	<b>54.58%</b>	<b>45.42%</b>	<b>100.00%</b>
<b>Percent New Plant ESSU's Used</b>	<b>48.56%</b>	<b>39.57%</b>	<b>42.72%</b>
<b>New Plant ESSU's Used</b>	<b>407.87</b>	<b>617.31</b>	<b>1025.176</b>
<b>New Plant ESSU's Remaining</b>	<b>432.13</b>	<b>942.69</b>	<b>1374.82</b>
<b>New Plant Agreement</b>	<b>35.00%</b>	<b>65.00%</b>	<b>100.00%</b>
<b>New Plant Capacity</b>	<b>840</b>	<b>1560</b>	<b>2400</b>