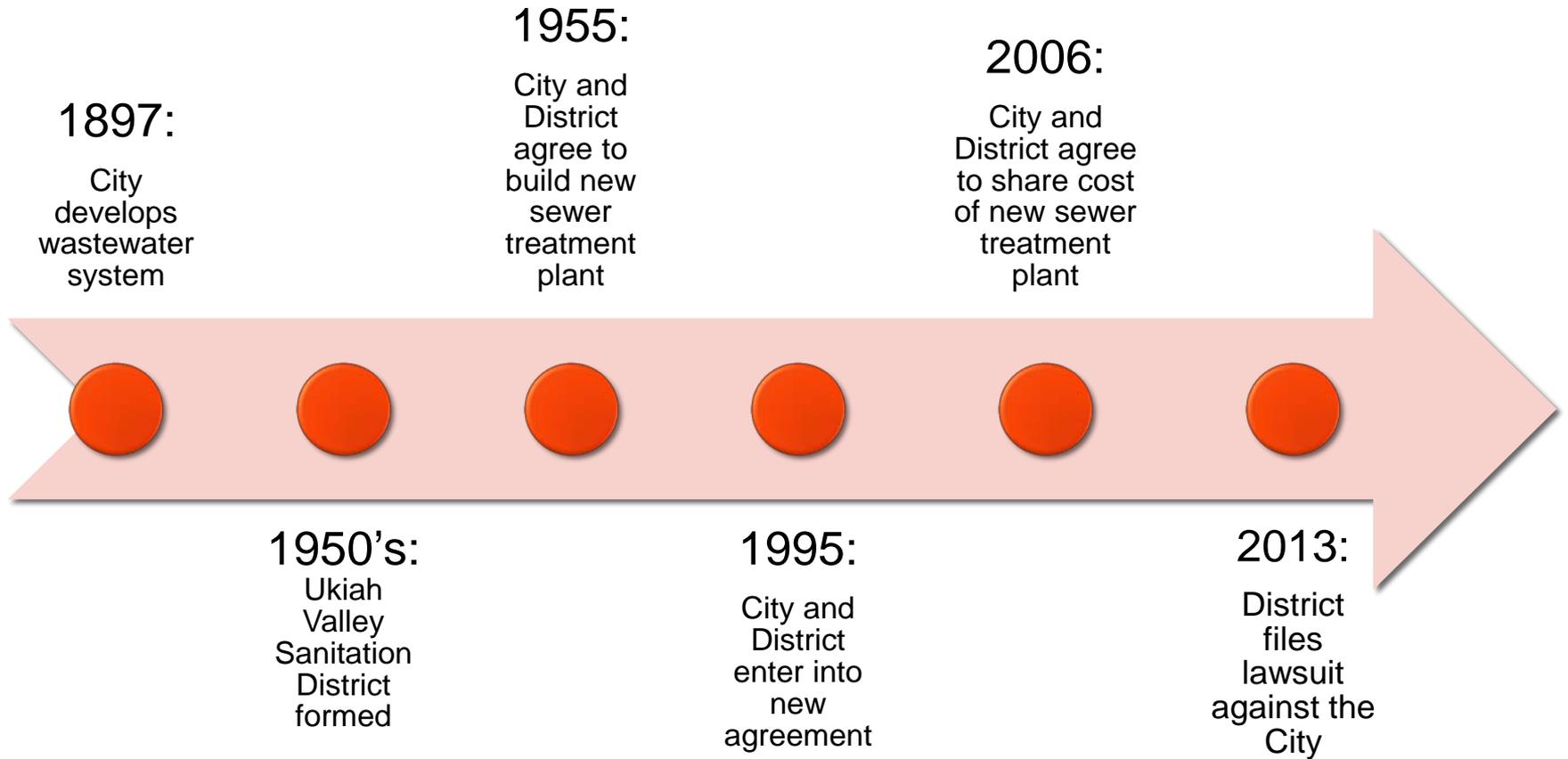


# UVSD vs. CITY OF UKIAH

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# Timeline



# Why are there two government agencies for one sewer treatment plant and collection system?

- One treatment plant serves customers both inside and outside the city limits
- City Council / UVSD Board of Directors

# Isn't there a duplication of services?

## City

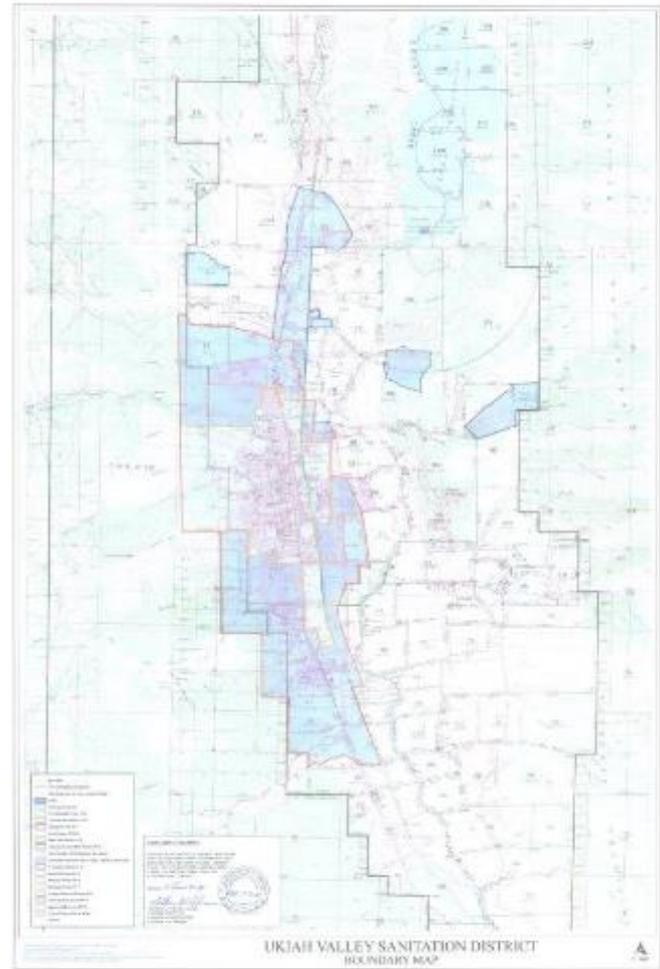
- Sewer Treatment Plant
- Operators
- Maintenance crews
- Equipment
- Billing
- Customer service
- Engineers
- Permitting
- 16 FTEs

## UVSD

- Admin oversight
- 2 Part time staff

# Do all the customers pay the same rates and fees?

- All customers paid the same from 1955 until 2011
- Some District customers live in the city limits (overlap area)



# Why is the UVSD suing the City?

- The District claims that the City breached the various agreements over the last 50 years and owes the District millions of dollars.
- The District is asking that the City turn over operation of the entire wastewater system, including the treatment plant, to the District.
  - Result in duplicity
  - No staff to execute this demand

# What is the cost ratepayers?

- \$2.1 million in legal fees paid to the Law Offices of Duncan James by the District
- \$318K in legal fees paid by the City
- \$7.5 million lost to inability to refinance bonds
- \$55 million in grants and low-interest loans for recycled water project
- \$30 million in additional infrastructure
- Rate increases in both the City and the District

# What is the City asking for?

- Put the attorneys on hold and mediate with Staff and Board/Council members
- Work to resolve issues in an open, transparent manner instead of litigating behind closed doors
- If all attempts fail, the District can resume with suit later
- Litigation should be a last resort

# What are the ratepayer benefits?

- Existing debt can be refinanced saving \$7.5 million
- Both agencies can benefit from \$55 million in grants and low-interest loans for the recycled water project
- Avoid \$30 million in infrastructure
- Millions in legal fees can be avoided
- Eliminate opportunity for creating duplicity