



Mendocino County
Board of Supervisors
Regular Meeting
Drought Ad Hoc Committee Update



August 31, 2021



- Water Supply Replacement Project (WSRP)
- WSRP Cost Model
- Policy Considerations
- Recommendations
- Discussion





- **Project Overview**
 - Long Haul water from City of Ukiah to City of Fort Bragg
 - Treated through City of Fort Bragg
 - Made available for unincorporated hauling
- **Potential State Funding for Health & Human Safety**
 - Domestic Price = *Water* + *Local Haul*
 - Commercial Price = *Water* + *Long Haul* + *Local Haul*
- Designed to be **scalable** to other area if needed



WSRP Cost Model



Cost Items	Estimated Values**
Potential Daily Demand (Gal)	118,500
Water Cost	\$0.03
Haul Cost/Gal	\$0.24
Total Cost*/Gal	\$0.27
Total Cost* /Day	\$31,995
Total Cost*/Month	\$959,850

**Water sold to commercial customers may include long haul costs – which could be returned to the County. Water sold to domestic users may exclude long haul costs and may be reimbursable under State programs.*

***Estimated values. Actual values may vary.*



Policy Considerations



- Department of Water Resources – Drought Relief Grant Program *may* provide grant funds to support hauling water for domestic uses
- State Division of Drinking Water – Urgent Drinking Water Needs Program *may* provide grant relief for domestic use by low-income residents
- ***No current State or Federal drought relief grant programs support commercial use***



Policy Considerations



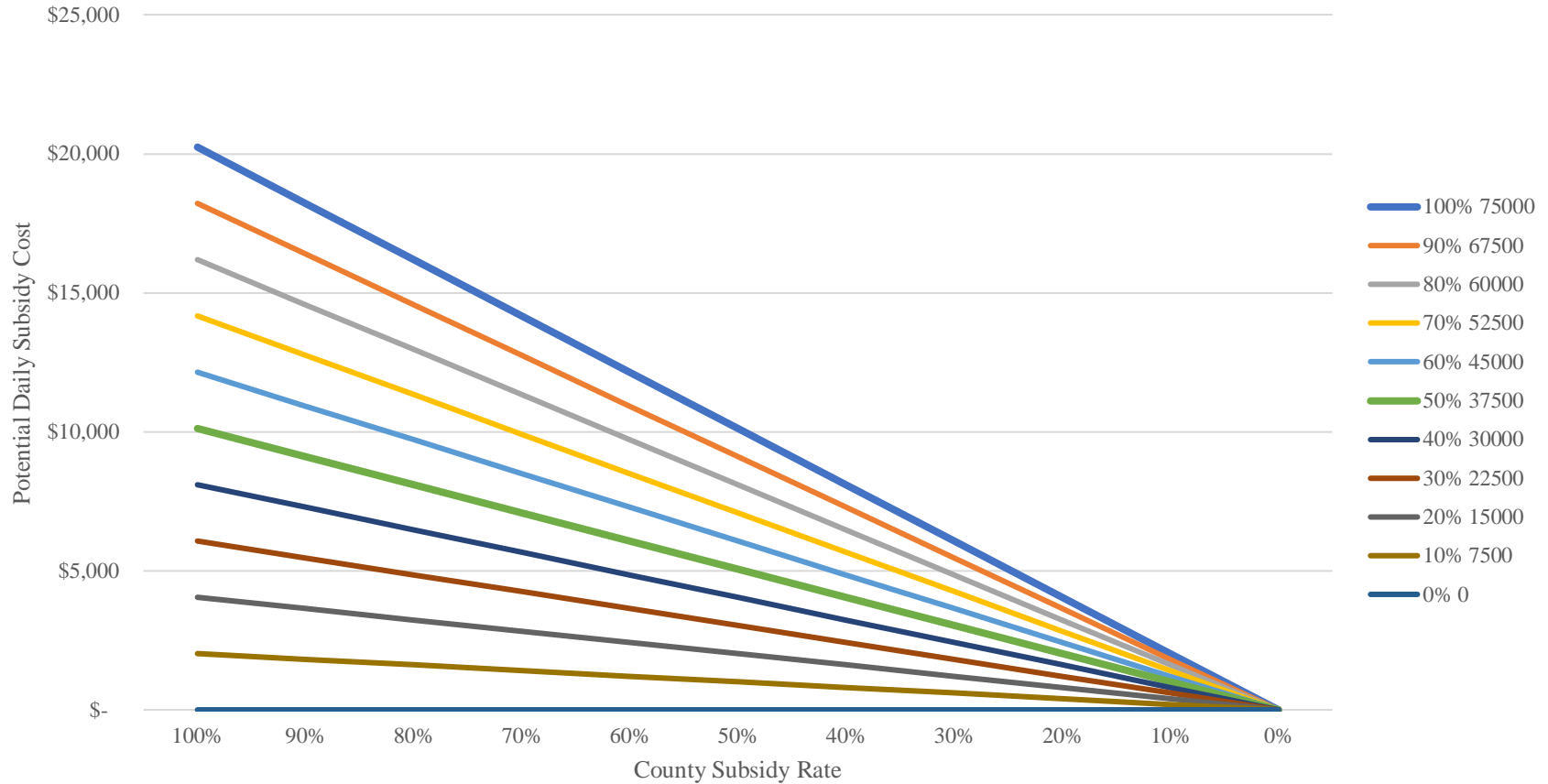
- **Transient Occupancy Tax Yields ~\$5.5M Annually to County General Fund**
 - Coastal TOT ~75% of total or \$4.1M
- **Sept-Oct is high season on the coast**
 - Representing ~20% annual TOT revenue
- **Most businesses have not historically needed to purchase external water**
 - Records indicate ~75,000/gal/day max late season demand in “normal” dry (non-drought) years (Domestic + Commercial)
- **Subsidizing hauling cost to coast could stabilize projected TOT revenues vs. potential shutdown & economic impacts**
 - Actual commercial water demand unknown



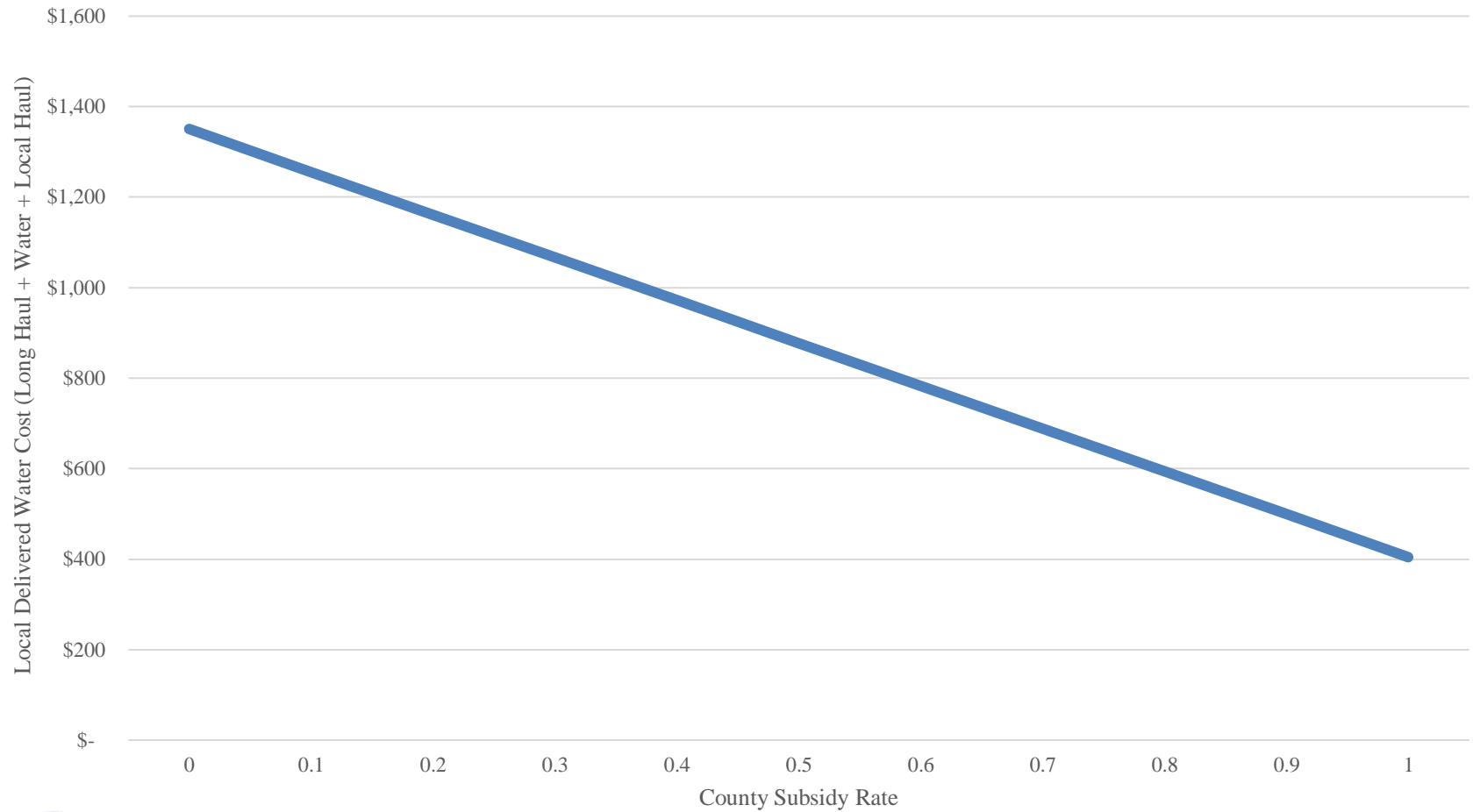
Policy Considerations



Potential Daily Subsidy Cost at Different Commercial Use Rates & Subsidy Scenarios



Policy Considerations



Policy Recommendations



- Consider subsidy for long haul water cost to the coast
- Consider TOT allocation to fund program
- Monitor use pattern and adjust policy going forward



Questions/Discussion



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Drought Hotline

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Report Dry Wells

[mydrywatersupply.water
.ca.gov/report/](http://mydrywatersupply.water.ca.gov/report/)

