

Hello Community Member

As you may have heard the Mendocino County Board of Supervisors is having a public debate about adding a sales tax measure to the November 2022 Ballot. I'd like to start off by giving a little background about why we are having this conversation. There were multiple groups looking at proposing a sales tax to solve problems in the particular areas of water and Fire Resources. This was brought to the attention of County Counsel and he recommended that we have the discussion in an open forum. Unfortunately out of the conversation on May 17th there seemed to be some assumptions and I hope that I am bringing forward an idea that can put some of those concerns to the side. Supervisor Haschak thought we needed to bring back specifics which I did at last weeks Board Meeting. It is true that the Potter Valley Project and that ag resource is an imminent water resource concern, its been known for some decades that its likely time to raise Coyote Dam in a way that Mendocino County can retain more of that water resource but I believe there are other water resource projects throughout the County include the need for improvements to the water system and storage in Mendocino, storage and desalination in Fort Bragg, storage and needed studies in the North County especially in Laytonville and Covelo, storage capacity and groundwater studies in Willits. There is truly a water resource need throughout the County, especially as we go in to year three of the drought. We know that we lack housing in Mendocino County, we can't add additional housing without water. We know that since the devastating fires of 2017 Mendocino County has not had a year where wildfire didn't impact our County in some capacity. Our local fire departments are generally first on scene to a myriad of hazard types and provide year round protection to life, property and the environment. If there is a fire in Brooktrails we have Hopland and Redwood Valley Fire there, our Coast fire districts respond throughout the County. Our fire districts are severely underfunded and face ever growing mandates. In short as far as Fire Resources are concerned BBQ's and Bake Sales aren't going to cut it.

The following is a rough draft for conversation. I have been asked by the Board to do outreach to stakeholders in our Cities and Districts. I met with the Fire Districts Board on June 15th, they adapted my original plan to the one I've outlined below. I am proud of the work that these departments did to negotiate and communicate their needs from our very smallest departments to our largest. The attached spread sheet provides some estimates for potential annual funding to each fire district.

This proposal is for a 3/8 Sales Tax to replace the sunset portion of Measure B and provide critical funding for fire services and water resiliency projects.

It is a proposed Countywide general sales tax measure with an accompanying resolution passed by the Board of Supervisors for oversight, distribution, and accountability measures.

The following could be key elements of the policy resolution.

Distribution: The 3/8 sales tax revenue would be distributed 60% for Fire Services and 40% for Water Resiliency Projects.

Based on an estimated \$7,000,000 annual revenue

Method for the Distribution of Fire Protection Funds (Modeled after the 172 State Distribution for Fire) \$4,200,000

Funds for fire shall be distributed annually to all Fire agencies providing fire services in Mendocino County. Distribution shall be divided among agencies using the following formula: 40% of the funds for Fire Services shall be distributed equally as a base to each agency and 60% of the funds shall be distributed to each agency based on Prop 172 per capita distribution. This accounting shall be displayed within the County budget in a special line item that clearly articulates the income and expenses on an annual basis.

Method for the Distribution of Water Resiliency Funds

Based on an estimated \$2,800,000 annual revenue

A Water Technical Advisory Group (WTAG) shall be formed for the oversight of funds budgeted by the Board of Supervisors for water resiliency projects including planning and the development of capital improvement projects and a plan of proposed expenditures, strategically looking at least 5 years out at a time. This work plan should include projects from every area of the County on an annual basis. The WTAG shall be comprised of eight representatives, one from each of the four incorporated cities, one from the County of Mendocino, and two representatives from community services districts with latent water powers inland and on the coast, and one tribal member. Each of the organizations represented shall select its representative, and the representatives shall serve at the will and pleasure of the organization(s) they represent. Specific to the selection of representatives from the community services districts with latent water powers, representatives shall be nominated and selected by a majority vote process to serve a four-year term. Prior to the annual release of funds for water resiliency projects, WTAG approved expenditures shall be submitted for

review and approval by the County of Mendocino Board of Supervisors annually at a public meeting.

Accountability Resolution

While the revenue received by the County from Measure __ Sales Tax is unrestricted general fund revenue, by this resolution, the County intends to use these revenues for fire services and water resiliency projects. The Measure __Sales Tax revenue would be distributed 60% for Fire Services and 40% for Water Resiliency Projects.

A. Accounting. In each fiscal year commencing with the 2022- 2023 fiscal year, for purposes of accounting for the use of these revenues, the County Auditor-Treasurer-Tax Collector shall place the Measure __ Sales Tax revenue in separate designated accounts for Fire Services and Water Resiliency Projects within its budget and financial statements so that its use can be reviewed, audited and accounted for by the Board of Supervisors, Fire Districts, Water Resource Services and the public. These are to be tracked as additional funds and the existing funds should be maintained at their current level.

B. Review. Every year after the Effective Date of this Resolution, the Measure __ revenues and expenditures will be reviewed by Board of Supervisors and will be available to review by the public through the County's budget document and website.

C. Accounts. All Measure __ Sales Tax revenues and all interest on said revenues shall be credited to the designated funds or accounts and shall be designated for use in accordance with this resolution by the Auditor-Treasurer-Tax-Collector.

Ballot Question:

Shall Ordinance No. _____ be adopted to impose as a general tax and additional transaction (sales) and use tax of three-eighth percent within the County of Mendocino to fund essential County services, including Fire Service and Water Resources? Such tax increase is estimated to raise \$7,000,000 annually at a rate of .375%. The duration of the tax will continue unless or until the tax is repealed by majority vote in a municipal election.

The content of this letter and my original proposal to the Board has changed slightly due to fire department feedback. I've been able to gather more community feedback and hear concerns.

Accountability:

Regarding this being a general sales tax I agree and understand that we are holding accountable future Board of Supervisors in perpetuity to follow the will of the voters. I believe that with the member make up of the Water Technical Advisory Group and by combining Fire Services and Water Resources there will be for accountability. 22 Fire Agencies, over 20 Water Districts and the four incorporated Cities will be watching closely how this money is spent. The addition of the Auditor-Treasurer-Tax-Collector role in providing an accounting for the funds and their distribution also adds a level of accountability through that independently elected office.

Equity:

Thanks to the suggestion of Supervisor Haschak the Board Resolution will include a Tribal member representative. It's imperative that we include our tribal partners in discussions that include our shared water resources. The four incorporated cities are our population centers and they will each be bringing a representative to the table to make sure that our water resources provide safe drinking water for the health and safety of all of our residents and neighborhoods within the cities. The Coastal and Inland Water Districts will also help insure equity of water resources coastal and inland along with the four incorporated cities with two being coastal and two being inland.

What will it fund:

Using the spreadsheet provided the estimated fire funding I've asked each Fire District to come up with identified uses for that annual funding. These needs may change overtime but I am certain each department will have different needs and has opportunities to share with their constituents how this annual funding can be resourced to better service their areas.

Regarding Water a recent draft by GEI Consultants identified many water needs throughout our County, they include but are not limited to;

Goal A: Water Resilience

Long-term planning

Effective Groundwater Management

Long-term investment in water reliability

Technical/Scientific Assistance to water systems for underserved communities

Goal B: Comply with Regulatory Mandates

Participation in the Ukiah Valley Basin Groundwater Sustainability Agency

Comply with Countywide Stormwater (MS4) Permit

Prepare for and respond to drought

Goal C: Coordination, Cooperation and Advocacy

Create a communication forum for water interests and include all water stakeholders

Advocate County water interests with State and Federal Legislators and Agencies

Support voluntary interconnections and consolidations to improve water security

Establish Mutual Aid Agreements among water agencies

Maintain and develop a clearinghouse for water data affecting the County

Goal D: Outreach and education

Conduct public outreach campaigns aligned with priority goals

Develop communication tools such as a web-based portal of information and social media

Lead and support water and drought education throughout the County

Goal E: Funding and Financing

Advocate, lead and prioritize studies and projects to position for grants

Lead and coordinate grant applications and grant management

Last year grants brought in \$23 million in water resources County wide, this system works to leverage State and Federal dollars

Areas of water resources that responded to the survey:

Coastal Basin; Pudding Creek, Wages Creek, Navarro watershed, Noyo River, North Fork Gualala

River, Big River, Gualala River, Jug Handle Creek, Jack Peters Creek, Surfwood Estates

Countywide

Russian River Basin

Eel River Basin

"Other" including Eel River and Countywide, North Coast Region and Statewide

Some comments from respondents and potential projects:

- Fort Bragg was impacted by the recent drought and could not serve the needs of the coastal area, including the Town of Mendocino as it had in the past. Fort Bragg had to cover its own water deficit and benefited from its visionary investment in desalination that helped to manage its own water shortage locally

- During this recent drought, the City of Ukiah came to the aid of coastal area where a number of local businesses relied upon hauled water and at least 35 wells within the Town of Mendocino were reported going dry due to extreme drought conditions

- Survey respondents commented that the area should have never found itself in the position described above and that it is critical that we prevent these circumstances from reoccurring. Knowing that climate change will undoubtedly put our water systems at greater risk, it is clear that we are not currently prepared to address both the short- and long- term challenges faced by our water systems. Constituents are concerned that the Mendocino County agriculture provides significant tax revenue and is at risk if Russian River water supplies are curtailed.
- Climate resiliency: Lead in creating climate resiliency and safe and affordable water for drinking, farms , fire fighting and fish.
- Conservation: Reinforce water conservation and on-site rainwater harvest in greywater systems
- Education: Educate all beneficial users on better solutions for water management
- Fisheries: Protect fisheries which are on life support in some parts of the County and improve habitat and ethical harvesting to support the Blue Economy on the Coast
- Infrastructure: Invest in infrastructure water security
 - Connectivity: Identify, prioritize, and invest in infrastructure to create better connectivity among small water systems to help with water reliability (e.g. Town of Covelo, small systems) Create a centralized water distribution system of intertie interior with City of Ukiah
 - Emergency distribution: Create a distribution for firefighting
 - Recycled Water: Expand recycled water beyond Ukiah
- Potter Valley Project (PVP) Support: Support the Potter Valley Project (PVP) for the benefit of local, agriculture, the County and the General Fund. The PVP is the largest opportunity for future of the county's water supply. It is paramount to the main mission and goal.
- Planning: Create a long-term comprehensive water use and land use planning to meet County's projected demands.
- Prioritize Water Security: Restore the dignity of communities by prioritizing water security - is is our obligation.
- Technical assistance: Develop the capability to provide technical assistance and conduct scientific studies; understand soil moisture and how we can better manage agricultural water resources through efficiency and technology
- Water Quality Actions: develop ordinances, monitor, report and collaborate with enforcement (State Board) to reduce illegal surface diversions and groundwater extraction/pumping impacts that otherwise result in environmental, water quality, and water supply impacts

- Monitoring: Prioritize tests for contaminants (such as arsenic in Round Valley) and monitor for constant ants that may be present in the increasing numbers of unregulated cannabis farms within the valley and watershed
- Enforcement: Collaborate with the State Water Resources Control Board on water quality enforcement
- Drought: Allocate resources for drought response
- Bring back recreation to Lake Mendocino, we lose an estimated \$16million per year in Sales Tax Revenue by not having the lake fully open to recreation
- Planning & Technical Assistance; Leverage Fort Bragg template on small-scale desalination (Noyo River) and implement at Township of Mendocino, increase agricultural efficiency, explained SGMA beyond UVGSBA to other "at risk" basins, Potter Valley (two basin solutions)/Eel River Diversion/Scotts Dam Removal, Improve coastal water supply (system from Cleone to Albion), Obtain more storage (e.g., Raise Coyote Dam; On-site Residential), Create interview between systems, Water conversation/Drought Preparedness
- Include Native American Tribes Stakeholders; include having representatives at higher/tech level, engage tribes in development of capacities of each of tribes
- We lack a consistent and proactive outreach and education approach to drought conditions, conservation, the interdependence of our shared water resource, safe drinking water
- Funding options outlined in the draft GEI report based on stakeholder assessment; State and Federal agencies, unite in a multi-jurisdictional approach, potential Grant Programs AB 200/Human Right to Water grants, Coastal Commission Resiliency grants, DAC Water Quality grants, DWR Multi-Benefit grant
- Propose a Ballot Measure

As you can see there are many water resource needs throughout our County. My strategic approach to this ballot measure will ensure that fire and water receive resources so that they can deliver the service that our residents have been calling for. Again this is a proposal for a majority vote 50%+1 vote for the 3/8 sunseting portion of the Measure B funds, this will not raise taxes that our voters are already paying but reallocate those funds to fire and water resources. The attached Resolution and Plan will compel this Board and future Boards to spend the monies as the voters have willed with fire and water resources throughout the County including the four incorporated cities will add additional accountability to this measure.

I am happy to answer any questions that you might have. I have been asked to adjust this plan and use a 1/4 cent for this measure. The simple answer is that is not enough money to spread amongst the fire and water agencies. This plan creates a foundation for fire and each fire district will be proposing their use of the allocation to their voters. This is not enough money to fund this very long list of water projects but it is enough to provide seed money to qualify for grants and other funding to accomplish our Countywide Water Goals. The plan works with 3/8 of a cent that is sunseting and I think we should let the voters decide if they want to continue paying that tax and redirect the funds to water and fire resources. Look forward to a conversation about specific changes that can make this plan more effective for our residents.

The Mo You Know

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November 2022 Ballot Measure - Proposed Sales Tax - Fire Agency Allocations

6/15/2022

Proposed 3/8% Fire/EMS & Water Sales Tax - 60% to Fire/EMS Agencies, 40% to Water Agencies

\$7,000,000 projected revenue allocations:
 40% to BASIC allotments shared equally among 22 Fire Agencies
 60% to POPULATION allocations using the Prop 172 distribution formula

60% of projected \$7,000,000 total

2020 Census

Estimated FIRE portion (enter amount) :

\$ 4,200,000

County Population (enter amount) :

91,601

Agency Numbers:

22

(includes 2 cities in JPAs)

Total Basic Allocation (enter percent) :

\$ 1,680,000

40%

Total Population Allocation (calculated) :

\$ 2,520,000

60%

Basic \$ per agency (calculated):

76,364

per capita amount \$ (calculated) :

27.51

	District/Agency Name	JPA	Basic	JPA's	Population ⁽⁸⁾	% Tot Pop	JPA's	Population Distrib	JPA's	total alloc	% total
1	Albion-Little River FPD		76,364		1,447	1.58%		39,811		116,175	2.77%
2	Anderson Valley CSD		76,364		3,189	3.48%		87,744		164,108	3.91%
3	Brooktrails Township CSD		76,364		3,483	3.80%		95,808		172,172	4.10%
4	Comptche CSD		76,364		521	0.57%		14,329		90,692	2.16%
5	Covelo FPD		76,364		2,750	3.00%		75,645		152,009	3.62%
6	Elk CSD		76,364		390	0.43%		10,725		87,089	2.07%
7	Fort Bragg City FD	Fort Bragg	76,364		7,537	8.23%		207,348			
8	Fort Bragg Rural FPD	Fire Authority	76,364	152,727	7,770	8.48%	16.71%	213,754	421,102	573,829	13.66%
9	Hopland/Sanel Valley FPD		76,364		1,965	2.15%		54,054		130,418	3.11%
10	Leggett Valley FPD		76,364		461	0.50%		12,671		89,034	2.12%
11	Little Lake FPD		76,364		9,156	10.00%		251,877		328,240	7.82%
12	Long Valley FPD		76,364		2,574	2.81%		70,812		147,176	3.50%
13	Mendocino FPD		76,364		2,848	3.11%		78,362		154,726	3.68%
14	Piercy FPD		76,364		131	0.14%		3,604		79,967	1.90%
15	Potter Valley CSD		76,364		1,981	2.16%		54,510		130,874	3.12%
16	Redwood Coast FPD		76,364		1,788	1.95%		49,190		125,554	2.99%
17	Redwood Valley-Calpella FD		76,364		7,107	7.76%		195,507		271,870	6.47%
18	South Coast FPD		76,364		1,777	1.94%		48,878		125,242	2.98%
19	Ukiah City FD	Ukiah Valley	76,364		16,499	18.01%		453,905			
20	Ukiah Valley FPD	Fire Authority	76,364	152,727	17,743	19.37%	37.38%	488,109	942,014	1,094,741	26.07%
21	Westport VFC		76,364		278	0.30%		7,636		83,999	2.00%
22	Whale Gulch VFC		76,364		208	0.23%		5,723		82,087	1.95%

Totals:

1,680,000

91,601

100.00%

2,520,000

4,200,000

100%