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COUNTY OF MENDOCINO
BOARD OF SUPERVISORS
501 Low Gap Road • Room 1010
Ukiah, California 95482

Date: July 7, 2022

From: Mendocino County Supervisor Dan Gjerde

To: Mendocino County Board of Supervisors

RE: **What is the County of Mendocino's role in water and helping water districts?
Board Water Item, July 12, 2022**

For your consideration:

- 1) In the last 12 months the Board set aside an astounding \$2.2 million in General Fund monies to assist the water districts. Of this, \$1.2 million remains unallocated and available for the Board to allocate to assist water districts, considerably more money than the Board understood to be available at the June 21 meeting. With all these dollars still available, I see no compelling reason at this time to redirect additional General Fund dollars to assist the water districts or redirect to the topic of water. (For details, see the attached email by Acting Deputy CEO Sara Pierce.)
- 2) In the last 12 months County staff, County consultants and the Board's Drought Ad Hoc of Supervisors McGourty and Haschak worked successfully with water districts and our state legislators to secure more than \$24 million for water projects. That success should be acknowledged and celebrated. In fact, we should attempt to replicate it while the State can offer grants for water projects. To that point, the State's FY2022-23 budget includes a surplus of nearly \$100 billion and provides one-time grants for public works projects. California is unlikely to have a significant surplus the following year, however. It is my judgement that in the next 12 months the Board would be wise to direct most of the available \$1.2 million to assist water districts while State dollars remain available. Assistance should be offered, that is, as soon as the Board adopts foundational principles and parameters for support from the County. (Recommended goals and principles are included on page two of this memo.)
- 3) What is the role of the County? What is the role of the water districts and their customers? The Water Funding Ad Hoc of Supervisor Mulheren and myself was tasked with identifying possible funding sources. But this was before the Board understood \$1.2 million remains available and before the Board defined the circumstances under which the County of Mendocino might offer financial assistance to water districts. At this moment, I believe the next step for the Board is to clarify the role of the County of Mendocino in the realm of water, and then we will have parameters for allocating the available \$1.2 million to assist water district water projects.

The following is a draft proposal attempting to outline the role of the County of Mendocino in the field of water and a proposal for the County's work with water districts. It provides draft goals, draft definitions of assistance, and a draft of the partnerships to be offered by the County with water districts.

Proposed goals for County of Mendocino's role in water and helping water districts:

- a) Primary goal is to "assist" with the delivery of safe drinking water to residents; and
- b) Secondary goal is to "assist" with the delivery of water to commercial and agricultural customers.

Proposed assistance provided by County of Mendocino:

- a) To assist with preparing project design and grant applications; and
- b) To assist in seeking approval of permits for water projects and water rights.

Proposed partnership provided by County of Mendocino:

- a) The County's foundational principle is that the sale of water is to be the typical source of funding for water projects, with limited financial assistance from the County a possible exception to the rule, if the County has funding available for this purpose; and
- b) In fairness to County taxpayers who already pay the prevailing rate for water, water districts seeking assistance from the County of Mendocino shall demonstrate their customers are paying rates approximate to the average price in California to be eligible for possible assistance from the County.

County Incurred Drought Expenses

Sara Pierce

Tue 6/28/2022 12:46 PM

To: Darcie Antle <antled@mendocinocounty.org>

Cc: Howard Dashiell <dashielh@mendocinocounty.org>

Good Afternoon Board of Supervisors,

One of your colleagues requested the following information regarding drought related expenses which have been incurred this fiscal year and funding streams identified to cover these expenses.

Non Grant Funding Streams

- General Fund allocated at Mid-Year - \$500,000
- PG&E Disaster Settlement Fund - \$810,305*
- PG&E Disaster Settlement Fund - \$960,000* for grant Matching
 - As of today no expenses have been applied to the \$960,000
 - During budget hearings, staff was directed to set aside \$250,000 of the \$960,000 for Water Agency/Water Funding

Expense

Total contracts/obligations applied to the funding as of today. Please note this is not the total expenses, but is contracted/obligation amounts. If the contracts are not fully spent, the funding would revert back to PG&E funds to be spent as identified.

- LACO - Grant Writing Contract/Technical Assistance - \$50,000
- Engineer Solution Services - Grant Writing Contract - \$25,000
- Larry Walker Associates - Grant Writing Contract - \$25,000
- GEI Consultants Contract - Review Standalone Water Agency - \$306,808
- RGS (Josh Metz) Contract - \$75,000
- Mendocino County Resource Conservation District - Drought Support- \$25,000
- City of Ukiah – Water hauled to Fort Bragg - \$6,839
- Rental of Forklift for Bottled Water - \$103
- Contractors for Hauling of Water - \$282,896
 - Part of this we are anticipating will be able to be reimbursed by the DWR Grant, but as of today we have not yet been reimbursed for anything from this grant
- Set aside for water projects/agency - \$250,000

Total Funding - \$2,270,305

Total Contracts/Obligations - \$1,046,646

Remaining PG&E Funds - \$1,223,659*

*As a note, during the allocation of PG&E Funding, the Board noted it intended to pay back to the PG&E funds stream any expenses related to drought.

As an additional note - It is also the County's intention to file for CDAA to cover drought related expenses once the emergency has ended. If the County is awarded the CDAA, it would cover 75% of expenses incurred that are not paid by a grant.

Lastly, I would like to clarify the remaining amount noted above. Previously I had noted during the Board meeting only \$960,000 was remaining as part of the grant matching. I had overlooked a pending reclass that was misapplied that affected the balance.

Please feel free to call with any questions you may have

Regards,

Sara Pierce

Acting Deputy CEO

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