



S T A F F R E P O R T

DATE: June 8, 2021
TO: The Honorable Board of Supervisors
FROM: Mendocino County Executive Office
RE: Re-Establishment of Water Agency as Independent Agency with Capacity for Drought Response and Other Critical Workload

Background

The Mendocino County Water Agency (MCWA) is a special district governed by the Board of Supervisors, sitting as the Board of Directors.

The special district was originally established by an act of the State in 1949, to provide a mechanism for local participation in the construction of Coyote Dam on the East Fork of the Russian River. District revenue is generated from a tax that was established in 1971, which does not exceed \$0.06 per \$100 of assessed valuation. The County Department of Public Works administered the district until 1987, when State legislation amended the original act and created the Mendocino County Water Agency.

The MCWA adopted an independent identity between 1987 and 2011. In 2011, the MCWA was again integrated into an existing department. In 2021, with the County facing its third drought in 10 years, it is recommended the Water Agency be re-established as a stand-alone agency.

Funding

Approximately \$170,000 tax revenue
Differing levels of General Fund support; \$45,000 requested in FY 21-22
Grants in varying amounts

Historical Staffing: 4 FTE positions allocated/funded
(Manger, Administrative Assistant, Hydrologist, Water Resources Specialist)

Current Staffing at DOT: 1 FTE position allocated, .5 FTE funded
(.5 Environmental Compliance Specialist)

Proposed Staffing: 5 FTE allocated/funded

- 2 immediately:

(Contract Project Manager assisting with drought response, Environmental Compliance Specialist (.5 FTE existing at DOT, assigned to MCWA priorities)

- Once a work plan has been developed, it is anticipated the Water Agency could have a total of 5 dedicated staff members: (1) General Manager, (1) Administrative Assistant, (2) Water Resources Specialist/ECS, (1) Hydrologist

Current Priority Workload, Exclusive of Drought Response

DOT is prepared to continue as lead for implementation on the current priority tasks, with a transfer to the new stand-alone Water Agency at a later date to be selected by representatives of the new agency. DOT would continue implementation of adopted 2015 Work Plan priorities, including:

1. Work with consultants on formula to fund Ukiah Valley Groundwater Basin Sustainability Agency
2. Grant submission for additional model studies and verification (work with consultants).
3. Roll out of Sustainable Groundwater Management Plan, scheduled for early 2022.
4. Stormwater Program (NPDES Phase II).
5. Implementation of required Quagga Mussel Prevention Plan at Mill Creek Park.

Additional Priority Workload, Inclusive of Drought Response

Currently identified tasks that require additional resources to address the declared drought emergency and re-establish a stand-alone Water Agency include:

1. Heading up a Drought Emergency Task Force, with a first meeting on June 10.
2. Helping with information on Russian River State Water Resources Control Board water curtailments, potentially expected July 1.
3. Convene meetings or discussion opportunities with Water Districts/Companies.
4. Project management for emergency drought response.
5. Development of plans to re-create and fund the Water Agency as a stand-alone agency.

Due to the local drought emergency, there has been urgency to move forward with response. Regional Government Services Authority (RGS) is a public agency with expertise and capacity related to groundwater management and related issues. The County has entered into a \$50,000 agreement with RGS, and is currently working with Josh Metz, a Lead Advisor, as project manager for drought response. The County is also contracting with the Mendocino County Resource Conservation District and LACO Associates for components of drought response, with the partners able to work in coordination.

Projected Costs

21-22 Estimated GF cost of Water Agency

\$45,000 continue non-drought priority tasks 1 – 5 (included in submitted budget)

\$350,000 professional services agreement(s) to continue drought priority tasks 1 - 5

\$395,000 total expense in FY 21-22, likely General Fund

22-23 Estimated Cost of Water Agency

\$688,000 estimated annual cost of staffing

\$120,000 estimated annual cost of operations (copiers, office space, insurance, etc)

\$808,000 estimated annual expense

\$170,000 estimated annual dedicated tax revenue

\$638,000 annual balance to be covered by grants or General Fund

Board direction is needed regarding:

1. Re-establishment of the Water Agency as a stand-alone entity
2. Completion of a work plan for the Water Agency which can assist with identification of priority workload and appropriate staffing resources.
3. Use of contract assistance as interim staffing capacity to assist with public health & safety related drought response and other critical tasks
4. Prioritization of a competitive process to procure contract assistance for these tasks
5. Prioritization of funding to support this effort, with a rough estimate of \$350,000 needed in 21-22 and \$640,000 ongoing in future years.

Enclosures