

November 27, 2006

REC'D DEC 06 2006

Judge of the Mendocino County Superior Court
Mendocino County Courthouse
100 S. School Street
Ukiah, CA 95482

Honorable Judge:

The City of Ukiah is in receipt of the Grand Jury Report for 2005-2006 entitled, "WATER, WATER EVERYWHERE, but ... MENDOCINO COUNTY WATER DISTRICTS REPORT" dated May 4, 2006. The following information is the City's response to the findings and recommendations contained in the report.

Findings

5. The City of Ukiah, RRFCWCD, PVID and Redwood Valley CWD comprise the Joint Powers Agency (JPA) that makes up IWPC. **Agree with the finding. It should be noted that the Mendocino County Water Agency was a founding member of the MCIWPC and that the MCWA has been invited to once join the IWPC.**

9. Continual growth and development, together with increased population demands, have resulted in some overlap of interests, influence and competition between various UV/PV area water districts. **Agree partially with the finding. There is an overlap of interests in that each district is responsible for securing and providing adequate water resources to its customers. Development pressure and the need to secure adequate water resources has at times been a source of tension. However, while each district may pursue its own interests, the City has been involved with various cooperative efforts to share emergency water, investigate new water sources and respond to outside threats to current water rights.**

13. Except for the City of Ukiah, accurate measurement and/or metering of water usage (industrial, agricultural, and residential) within most water districts varies widely. Currently, it is not possible to know exactly how much water is actually being used in the UV/PV area because of the multiple systems of accountability in use, as well as a degree of undocumented use. **Disagree with the findings. As a customer of the RRFCWCD, we are aware that they require their customers to accurately meter their water use. The individual districts are best suited to comment on this finding.**

14. The amount of water used by many water purveyors is known and available from those required to file Statement of Use with State Water Resource Control Board (WRCB). Reporting has been haphazard, with no current consequence for noncompliance. **The City lacks sufficient information to agree or disagree with this statement. The City of Ukiah is in compliance with all SWRCB reporting requirements.**
15. RRFCWCD is currently operating under a Cease and Desist Order from WRCB over questions about water usage measurement. **The City is not able to comment on the status of this issue. The RRFCWCD is the appropriate agency to comment on this finding.**
16. Users with riparian rights, those whose property is immediately contiguous to a water source, are required to file a Statement of Use with WRCB. The requirement to report is currently not enforced, and many do not file. Currently, there is no requirement to report usage locally. **Disagree partially with the finding. SWRCB recommends that users with riparian rights report usage; it is not required. The City of Ukiah has no direct knowledge regarding the reporting status by riparian rights users.**
17. Projections of population growth and development within the County and specifically the UV/PV area indicate that continued availability of adequate water resources will be problematic. **Agree with the finding. This underscores the importance of cooperative efforts to secure adequate water availability to serve current and future needs.**
18. Increased demand for potable water within UV/PV area would require developing new water sources, conservation of existing sources, and the construction of new treatment, storage or supply facilities. Construction of these facilities could have significant environmental effects. **Agree with the finding.**
20. Except for the City of Ukiah, the plans of most UV/PV area water districts for responding to earthquakes and multi-year droughts are marginal to non-existent. **The City lacks specific information needed to agree or disagree. The individual districts are best suited to comment on this finding. However, according to the DWR, any water supplier that provides water to 3,000 or more customers, or that provides over 3,000 acre-feet annually should adopt and implement an Urban Water Management Plan (UWMP). Included in the UWMP is a Water Shortage Contingency Plan to determine water allocation during drought or emergency conditions.**
22. While there may be some arrangements between various water districts for water sharing, there is no official comprehensive plan or legal agreement among water districts for sharing water resources. **Disagree partially with the finding. Every water district is restricted in the place of use by that**

specified in their water permit. Before a plan or agreement could be made to share water, each district would require approval from the SWRCB for a change in the place of use. The City of Ukiah, Millview and Willow Water Districts have an agreement in place for sharing water under an emergency intertie system and have submitted applications for change in place of use to the State.

23. The Army Corps of Engineers (ACE) and the Inland Water and Power Commission (IWPC), the local sponsoring agency, are studying methods to improve flood control and increase water storage for the UV/PV area. **Agree with the finding.**
24. The Coyote Valley Dam Feasibility Study will consider various options for increasing water supplies and storage. Raising the water level behind Coyote Dam or raising the dam itself are two of those options. **Agree with the finding.**
25. ACE has completed its initial Reconnaissance Study and is prepared to proceed with the next phase of the Coyote Valley Dam Feasibility Study, which will include California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA) analyses. **Agree with the finding.**
26. The current cost for the complete Coyote Valley Dam Feasibility Study is estimated to be approximately \$6,000,000 and will take five or more years to complete; \$3,000,000 of that cost will consist of local matching funds. **Agree with the finding.**
27. In the past, nearly \$300,000 in ACE's annual appropriations for the Study has been lost due to local entities' inability to furnish the required matching funds. **Disagree with the finding. The City is not aware of any funding being lost due to local timing issues. We were told by the ACE that their allocation was summarily reduced at the Federal level due to other funding priorities.**
28. In fiscal year 2006-2007, the Federal government has appropriated \$100,000 to ACE for the next phase of the Coyote Valley Dam Feasibility Study, anticipating \$100,000 of local matching funds. This appropriation will expire September 30, 2006 if local monies are not forthcoming. **Agree with finding. Each member of IWPC pledged and gave their apportioned share of the match which the ACE is now using.**
29. While Redwood Valley CWD has not committed to the project, three of the four members of IWPC (City of Ukiah, RRFCWCD and PVID) are currently negotiating financial participation relationships and funding availability for the Coyote Valley Dam Feasibility Study, under critical time constraints. Qualification for Federal funds will depend upon successful completion of these negotiations. **Partially disagree with the finding. All four members of the IWPC, including RVCWD, have signed a participation agreement.**

30. Funding for development and construction costs for the potential project coming out of the Coyote Valley Dam Feasibility Study would consist of 75% from the Federal government and 25% local monies. Total costs are estimated to be in excess of \$150 million. **Disagree with the finding. The percentage share and cost of the construction project is dependant on which option the ACE determines is appropriate based on the Feasibility Study results.**

31. State, Federal, and local laws deal with environmental issues, water supply, water quality, and water rights, utilization and distribution. **Agree with the finding.**

33. Agencies outside Mendocino County influencing decisions regarding UV/PV area water resources include:

Sonoma County Water Agency (SCWA)	Army Corps of Engineers (ACE)
California Water Resources Control Board (WRCB)	National Marine Fisheries Services (NOAA-Fisheries)
California Regional Water Quality Control Board (RWQCB)	State and Federal courts
California Department of Health Services (DHS)	

Agree partially with the finding—there are other agencies involved not listed above.

34. There is universal agreement that the most efficient, inexpensive and environmentally sensitive method to increase water availability is to reduce demand through conservation. **Disagree. Conservation does not increase water ‘availability’ it increases the number of individuals that can be served with the same amount of water. It is ironic that the state government “use it or lose it” law, which dictates that the amount of water perfected is determined by the amount used. This actually results in a situation in which conservation reduces the water availability. If conservation is implemented prior to the perfection of a water right for a jurisdiction, the total water right currently available to a community will be lost. In this scenario, there is no room to serve additional water consumers because prior efforts in conservation will have already maximized use. As an alternative, high use and low conservation prior to water right perfection provides for the largest perfected water right (high water availability), and a situation where conservation efforts (after perfection of water right), can significantly increase the number of individuals served.**

Recommendations

1. The BOS take a leadership role in developing long-range comprehensive management plans and strategic policy for dealing with all aspects of water resources (supply, rights, availability, usage, conservation, storage, distribution and infrastructure) countywide and specifically for the UV/PV area. (Findings 3, 10, 35-37)

Response:

A coordinated approach to these various issues including new water supply analysis and storage development could protect our customers and ensure a viable level of water resources in the valley. It should be noted that the BOS has no authority over any other agencies water right and therefore this would be a coordination effort and role. This role can best be fulfilled by the MCWA which should rejoin the MCIWPC and otherwise work with water districts countywide.

2. The BOS establish a Water Resource Policy Council, composed of all water agencies/special districts and official water-related entities within the County and the UV/PV area. The Council should explore interests and concerns in order to develop common long-range plans and strategies to address the issues of adequate guaranteed water availability, usage, conservation and storage within the County. (Findings 3, 10, 35-37)

Response:

We concur with the response from the MCIWPC. Provided the MCWA rejoins the MCIWPC, that agency will be best qualified to provide the recommended functions for the UV/PV area. The MCWA can work with other agencies on an as needed basis.

4. The BOS and the IWPC, perhaps in conjunction with other appropriate entities, arrange necessary financing for the matching funds to add to the ACE's 2005-2006 appropriated monies for the continued development of the Coyote Valley Dam Feasibility Study. (Findings 26-29, 36, 37)

Response:

All four members of the IWPC have signed participation agreements for the Coyote Valley Dam Feasibility Study. The MCWA should rejoin the MCIWPC as the most logical way for the BOS to participate in this and other potential projects.

5. The BOS take all steps necessary to ensure the water rights of any added water capacity be negotiated in favor of the County and UV/PV. (Findings 23, 24, 31)

Response:

We concur with the MCIWPC and the RRFCWCID that the appropriate vehicle for BOS participation in the UV/PV area already exists and that the MCWA should rejoin the MCIWPC. Several projects are already in process by various agencies. The County could assist with future projects and issues that arise with

water agencies outside Mendocino County boundaries. This would give a united voice and strength to our local water issues with outside agencies.

6. The BOS by ordinance or other appropriate authority (activate Mendocino County Service Area #3) require all water purveyors, providers, agencies and special districts, as well as riparian rights users, to install meters and/or measuring devices to track water usage for local reporting. (Findings 13-16)

Response:

The City of Ukiah supports the accurate accounting of water use as a necessary part of water management and conservation. However, we wonder what the need for this provision is at this point in time due to recent State requirements that have been communicated to various water agencies.

7. The Mendocino County Water Agency receive and compile water usage data for informational and planning purposes. (Findings 13-16)

Response:

Water usage data from water agencies is already available upon request. If the Water Agency worked with the water districts to determine what additional information is needed, performed the study and then compiled the information that would be extremely helpful. This would reduce duplication of effort and provide resources for data that may not be available to the smaller agencies.

8. All water agencies/special districts immediately develop and implement conservation programs, with an education component for residential, agricultural and industrial use. Devices such as reduced-flow water fixtures and irrigation equipment and other passive and active approaches, including reclaimed water (treated wastewater) systems, should be investigated and considered. (Findings 3, 18, 31)

Response:

The City of Ukiah has implemented a voluntary water conservation program during summer months for residential and commercial users. Since 1992, low-flush toilets have been required in all new construction in Ukiah. The City of Ukiah has set a goal to develop a Water Recycling Master Plan within the next five to seven years to investigate the economic feasibility of recycled water in the City and Ukiah Valley and to identify potential uses for recycled water to reduce the demand on its drinking water supplies. In 2005 and 2006, the City and Ukiah Valley Sanitation District submitted applications for state and federal grants to conduct a feasibility study and a Water Recycling Master Plan study for a recycled water system.

Sincerely,



Mark Ashiku, Mayor
City of Ukiah