



***WATER, WATER EVERYWHERE, but...***  
***MENDOCINO COUNTY WATER DISTRICTS REPORT***

*May 4, 2006*

***Summary***

As part of its obligation to conduct periodic reviews of County Special Districts, the Grand Jury performed an oversight of Water Districts as they impact water resources within the County, focusing primarily on those water agencies and special districts in Ukiah Valley and Potter Valley, their available water supply, their plans, and their ability to respond to emergencies and major water shortfalls.

***Background***

The area of Ukiah Valley and Potter Valley contains a high proportion of the Mendocino County population. Water agencies and special districts in the Ukiah and Potter Valleys originated in distinctly separate communities responding to various water events such as floods or droughts, local and neighborhood interests, needs and demands. Over decades, as the population increased, boundaries and interests have grown together and have overlapped. Continued urbanization has placed increased demand on a relatively fixed water supply; the issue has been further complicated by the advent of environmental interests, concerns, and habitat requirements.

Almost no rainfall occurs in Mendocino County from May through October. In addition, at 10 to 15 year intervals, the County, including the Ukiah and Potter Valley area, experiences extreme droughts lasting two to four years.

The source of water within the Ukiah and Potter Valley area is the Eel River Diversion, created by the Van Arsdale Dam and the Scott Dam (Lake Pillsbury), Coyote Dam (Lake Mendocino), the Russian River and its tributaries, as well as numerous ground water wells. Hydrologists have determined that geologically, the Ukiah Valley ground water aquifer is considered undeveloped and a potential water source, while Potter Valley is a fractured aquifer which is most likely not a water source.

The Eel River Diversion has supplied the Ukiah and Potter Valley area with summer water for nearly 100 years. However, a decrease in water imports from the Eel River Diversion is a distinct possibility. There are three reasons for this: the age and physical condition of the Eel River Tunnel; the Federal Energy Regulatory Commission (FERC) has issued a decision regarding water supply, though this is currently under appeal; and other possible environmental determinations.

Primary water storage for the Ukiah and Potter Valley area is Coyote Dam; other sources include agricultural ponds, various smaller dams and reservoirs, and storage

tanks. The availability of stored water is not only essential but critical in drought conditions.

No one entity in Mendocino County has overall responsibility and authority for the development of water resource management plans and policy. The Board of Supervisors is required by law to develop these plans and policies but does not have the authority to implement or enforce them. The entities involved in Mendocino County water policy are: the Board of Supervisors, Mendocino County Water Agency, Mendocino County Inland Water and Power Commission, Russian River Flood Control and Water Conservation District, the City of Ukiah, and all the other individual County Water Districts.

### **Methods**

The Grand Jury conducted interviews with officials of Mendocino County and the City of Ukiah, as well as representatives of some of the water agencies/special districts. The Jury reviewed numerous documents, hydrological studies, and reports concerning water, focusing primarily within Ukiah Valley and Potter Valley.

### **Findings**

1. There are some 20 agencies, including Special Districts, involved with water resources within the entire County.
2. The Ukiah Valley and Potter Valley (UV/PV) area alone has nine Mendocino County water agencies and/or special districts. They are:

City of Ukiah	Calpella County Water District
Mendocino County Water Agency (MCWA)	(CWD)
Mendocino County Inland Water and Power Commission (IWPC)	Millview CWD
Russian River Flood Control and Water Conservation District (RRFCWCD)	Potter Valley Irrigation District (PVID)
	Redwood Valley CWD
	Willow CWD

In addition there are a number of private water companies; the largest is the Rogina Water Company.

3. In accordance with the Mendocino County Water Agency Act, the Board of Supervisors (BOS) acts as the Board of Directors for MCWA, and to the extent that the BOS may deem expedient or economical, MCWA is charged “to control flood and storm waters and other waters within the District [County] and the flood waters of streams outside the District, which flow into the District; to conserve such waters by storage in surface reservoirs, to divert and transport such waters for beneficial uses within the District; to release such waters from surface reservoirs to replenish and augment the supply of waters in natural underground reservoirs and otherwise to reduce the waste of water and to protect life and property from floods within the District; and to do any and every lawful act necessary to be done that sufficient water may be available for any present or future beneficial use or uses of the lands or inhabitants within the district...” (California Water Code, §54-3.q)

4. MCWA operates with a full-time equivalent staff of 2.8 persons.
5. The City of Ukiah, RRFCWCD, PVID and Redwood Valley CWD comprise the Joint Powers Agency (JPA) that makes up IWPC.
6. RRFCWCD does not physically provide water directly to any individual user.
7. RRFCWCD wholesales water to water providers and agriculturists for beneficial use within the Ukiah Valley, but not Potter Valley.
8. Current water agencies/special districts in the UV/PV area originated as a result of an unplanned and uncoordinated history of water events, local and distinctly separate community and neighborhood interests, needs and demands.
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.
10. State law and codes that mandate the organization and structure of water agencies/special districts are involved and complex.
11. Water districts are largely autonomous and governed by elected boards of directors serving a specific defined geographical area and population.
12. Unification or consolidation of water districts, a complex process, requires that all parties or districts concerned must approve such action.
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.
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 non-compliance.
15. RRFCWCD is currently operating under a Cease and Desist Order from WRCB over questions about water usage measurement.
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.
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.
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.

19. The majority of UV/PV area water districts have adequate emergency and water management plans for responding to local emergencies, such as power outages, local and system-wide contamination, and/or distribution interruptions.
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.
21. New contracts for water from RRFCWCD require agencies and individuals using its water to develop water conservation programs. To date, this requirement has not been enforced by RRFCWCD.
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.
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.
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.
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.
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.
27. In the past, nearly \$300,000 in ACE's annual appropriations for the Study have been lost due to local entities' inability to furnish the required matching funds.
28. In fiscal year 2006-2006, 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.
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.
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.
31. State, Federal, and local laws deal with environmental issues, water supply, water quality, and water rights, utilization and distribution.

32. RRFCD, ACE, and the Sonoma County Water agency (SCWA) are currently undertaking a Section 7 Consultation with NOAA-Fisheries to evaluate the effects of existing and proposed operation and maintenance activities (SCWA's "Water Supply and Transmission System Project") on the Russian River on listed salmonid species.
33. Agencies outside Mendocino County influencing decisions regarding UV/PV area water resources include:
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| 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)          |  |
34. There is universal agreement that the most efficient, inexpensive and environmentally sensitive method to increase water availability is to reduce demand through conservation.
35. The authority and ability of the Board of Supervisors (BOS) to directly affect water resource policy is limited by statute and the nature of the autonomous organizational character of County Water Districts.
36. There is in existence a Mendocino County Service Area #3 which has jurisdiction over the entire county. The BOS acts as its Board of Directors. Created in the 1950's and last activated in 1991, it has been inactive and non-operational in recent years.
37. The BOS has the authority to allocate monies for water projects within the County.

**Recommendations**

The Grand Jury recommends that:

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)
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)
3. the BOS increase staff and funding for the MCWA and immediately initiate procedures with the State necessary to expand its mission, powers and authority to include co-ordination and administration of all water resource management and feasibility studies within the County. (Findings 3, 4)

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)
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)
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)
7. the Mendocino County Water Agency receive and compile water usage data for informational and planning purposes. (Findings 13-16)
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)
9. the BOS lobby State and Federal agencies to promote solutions to each and all water resource and distribution problems within the County and UV/PV area. (Findings 10-12, 31, 35)

### **Comments**

Historically, instead of using a unified consensual approach, various County Water Districts have been embroiled in continual squabbles and infighting, petty territorial and philosophical conflicts, and competition, typically without accomplishing any meaningful results except to generate extraordinarily high legal costs for all involved.

Strategic planning must be done now rather than waiting until a crisis develops. The process of developing new supplies in the face of ever increasing demand will be difficult and time-consuming, especially if there is a material decrease in imports from the Eel River Diversion. Additionally, the potential impact of a typical multi-year drought, as well as outside restrictions on Russian River water use, requires immediate and serious attention to both short and long range strategies.

The Municipal Service Review of the Ukiah Valley/Russian River Watershed currently being written for the Local Area Formation Commission (LAFCO) may shed more light on the issues of water resources in the UV/PV area.

A properly organized, single entity dealing with UV/PV area water issues can provide the appropriate direction and leadership for smaller independent agencies and special districts to follow in addressing and solving mutual water problems.

There must be a top-down political will to accomplish any multi-agency unification among the various agencies and special districts, with the assistance of LAFCO. The agencies and special districts must be committed to the benefits of unification and consensus. Agencies and special districts should retain their individual water rights

even as they work together. The BOS needs to play a pivotal role in the development of this political will and consensus among the diverse independent water entities within UV/PV. Beyond that, citizen involvement and engagement in development of this political will is equally essential.

Because water development, improvement and infrastructure require large financial resources, a unified entity can better provide the financial leadership needed to negotiate with financial institutions about bond issues, as well as to negotiate with political groups and elected officials concerning revenues.

Outside entities such as several State and Federal agencies, ACE and SCWA require an effective County negotiator. A single unified entity would provide a coherent and knowledgeable negotiating force.

### ***Responses Required***

Mendocino County Board of Supervisors:

(Findings 1-4, 8-12, 17-19, 33, 35-37, All Recommendations)

Mendocino County Water Agency:

(Findings 1-4, 8-12, 18-34, 36, All Recommendations)

Chief Executive Officer, Mendocino County:

(Findings 1-4, 8-12, 17-19, 33, 35-37, All Recommendations)

Ukiah City Council:

(Findings 5, 9, 13-18, 20, 22-31, 33, 34, Recommendations 1, 2, 4-8)

Board of Directors, Inland Water and Power Commission:

(Findings 1, 2, 5, 8, 9, 13, 17, 18, 20, 22-31, 33, 34, Recommendations 5, 6)

Board of Directors, Russian River Flood Control and Water Conservation District:

(Findings 1, 2, 5-18, 21-34, Recommendations 1, 2, 4-8)

Board of Directors, Calpella County Water District:

(Findings 1, 2, 8-14, 16-20, 22, 31, 33, 34, Recommendations 1, 2, 4-8)

Board of Directors, Millview County Water District:

(Findings 1, 2, 8-14, 16-20, 22, 31, 33, 34, Recommendations 1, 2, 4-8)

Board of Directors, Potter Valley Irrigation District:

(Findings 1, 2, 8-14, 16-20, 22, 31, 33, 34, Recommendations 1, 2, 4-8)

Board of Directors, Redwood Valley County Water District:

(Findings 1, 2, 8-14, 16-20, 22, 31, 33, 34, Recommendations 1, 2, 4-8)

Board of Directors, Willow County Water District:

(Findings 1, 2, 8-14, 16-20, 22, 31, 33, 34, Recommendations 1, 2, 4-8)

### ***Resources***

California Water Code, Chapter 45, Mendocino Water Agency - 1996

Ukiah Valley Drinking Water Adequacy Assessment - April 2002

City of Ukiah Water Management Plan - November 2002

Ukiah Valley Area Plan, Draft Environmental Impact Report - July 2005

The Ukiah Valley/Russian River Watershed Municipal Service Review (in progress)