

***Mendocino County Russian River Flood Control &
Water Conservation Improvement District***

STAFF REPORT

**Item 6: Mendocino County Inland Water & Power Commission (IWPC) Updates
Monday, November 2, 2026**

The Strategic Plan relevant priorities are:

- **Priority 1: Water Supply Security** (Ensure reliable, resilient, and available sources of water.)
Goal 2: Advance fair and reliable trans basin diversions.
Goal 3: Increase storage capacity.
- **Priority 2: Strategic Partnerships** (Collaborate to achieve aligned goals for mutual benefit)
Goal 3: Collaborate with strategic partners to enhance accountability and transparency.
- **Priority 3: Advocacy and Engagement** (Be an influential voice for our region through outreach, education, funding, regulation, and legislation.)
Goal 1: Improve public awareness and understanding of the importance of water issues.
Goal 2: Pursue State and Federal governmental policy and funding support.
- **Priority 4: Governance and Operational Excellence** (Foster sustainable leadership and management of agency resources.)
Goal 4: Sound and sustainable management of District finances.

Background

The District is one of five members of the Mendocino County Inland Water & Power Commission, a joint powers authority providing a unified voice and effort for continued diversions from the Eel River into the Russian River watershed as well as expanding storage capacity in the Russian River watershed.

Due to increased member agency contributions in Fiscal Year 2026-2027, the District Board has requested regular and thorough updates of IWPC business. The total annual contribution the District approved through its own annual budget process is \$215,000 for the fiscal year, plus periodic staff, legal, Trustee, and consultant support.

Funding for IWPC

At the October 8, 2026 IWPC Regular Meeting, Chair Pauli provided a report on a recent trip to Washington DC. During the Biden administration, a grant of \$15 million toward Eel River restoration efforts and New Eel River Facility development was allocated. However, with the change in Federal administration, the funding was frozen. Chair Pauli described the ongoing efforts by local agencies and representatives to release this funding, sharing that the Department of the Interior is interested in how the funds could be used for increasing storage in the Potter Valley community, though it has concerns with regards to timing of the Potter Valley Project decommissioning. The Commission approved developing a letter of support regarding the funding.

(Continued...)

IWPC Financials

As a reminder, at the May 2026 IWPC Meeting, RRFC proposed conditions for its approval of the IWPC FY 2026-2027 budget with any progress noted in bold brackets to the right:

- **Monthly QuickBooks financial reports [Implemented]**

See **Attachment A** - September 2026 financial statements from the October 8, 2026 IWPC meeting. The \$10,000 reported on line item “Exec. Director (.06 FTE; incl expenses)” accounts for the cost of the recruitment consultant. GM Salomone, a member of the IWPC Finance Ad Hoc, has requested an additional line item be included in the reporting (not a budget amendment) to clarify this expense and provided an example to IWPC Staff.

- **Consultant Tracking [Progress Unknown]**

(reaffirmed scope of work, timelines, financials, etc. provided to Commissioners, as confidential materials where necessary, beginning within 3 months)

GM Salomone recommends the Board direct IWPC Representatives follow up on this item with IWPC Staff and/or Chair prior or during the next IWPC meeting.

- **Mid-year budget review [pending]**

(December or January agenda item)

The IWPC Finance Ad Hoc Committee is overseeing preparation and presentation.

- **Multi-year budget development [Underway]**

(Commission discussion on expectations for timeline and report outs from financial consultant)

At the October 8, 2026 IWPC meeting, IWPC Staff provided an update on early development of the multi-year budget which was further discussed at the Finance & Budget Ad Hoc Committee the following day. At that Committee meeting, a draft structure for developing a multi-year budget format was reviewed and made available for the RRFC Board at this meeting; see **Attachment B**.

Multi-year budgeting provides IWPC with a framework for projecting operating expenses, project costs, and anticipated funding sources over several years. By identifying the timing of expenditures and potential funding gaps, it helps IWPC plan its work and gives member agencies a basis for anticipating future contributions, building reserves, and planning for any necessary adjustments (e.g. rate increases) to their funding sources.

Coordination with IWPC legal counsel and consultants is underway to draft numbers for both the preliminary annual and multi-year budgets to be presented at the February 2027 IWPC meeting. The final versions will be considered for approval at the March 2027 IWPC meeting.

Projections in a multi-year budget will be updated as project scopes, schedules, and funding opportunities become clearer and will inform the annual budget process without committing member agencies to specific future contribution levels.

(Continued...)

- **Executive Director recruitment [UNDERWAY]**

The job posting remains live and available (link: <https://cpshr.us/recruitment/2658/>.) Resumes are being accepted on an ongoing basis until the position is filled with the first review scheduled in October. This role presents a unique opportunity to make a significant regional impact at a pivotal moment as IWPC advances multiple high-profile initiatives with expanded resources and strong professional support. The most recent IWPC staff report dated October 8, 2026 is **Attachment C**.

The following were also noted as a slightly less critical priority level but progress expected:

- **Reserve building [Progress Unknown]**

by IWPC or by member agencies with commitment to IWPC

GM Salomone recommends waiting for the IWPC Executive Director to be in place before moving forward on this issue.

- **Financial audits [Underway]**

(explore legal requirements and best practices)

At its October 8, 2026 meeting, the Commission approved the staff recommendation to engage Pehling & Pehling CPA to conduct the Fiscal Year 2025-26 audit. The IWPC October 8, 2026 Staff Report is **Attachment D**.

- **Contribution credit policy or agreement [early discussions]**

(member agency contributions linked to benefits from projects)

At its October 8, 2026 meeting, the Commission received a member agency support staff level presentation of principles for an “Amended and Restated Joint Exercise of Powers Agreement” for Commission feedback. A lengthy discussion was held regarding how to structure future member agency contributions in relation to benefits. The discussion expanded to water allocations linked to financial contributions, which is not currently proposed in the draft document. Member agency support staff met to discuss and refine the presentation for the November Commission meeting. A draft document will be presented to the Commission in December 2026 for review prior to being issued to member agencies for consideration of approval.

District Member Contribution to IWPC

The District has contributed \$84,000 toward the \$215,000 committed in its annual budget. As noted above, the District Board set conditions for its approval of the IWPC fiscal year 2026-2027 budget and progress reports were provided in this staff report. The Board is being asked to consider a second installment of \$44,000 to IWPC toward its annual contribution.

Possible Reimbursement or Credit for District Legal Counsel work for IWPC

At the October 5, 2026 Board meeting, the question of receiving credit for the District’s legal counsel time working on the updated Joint Powers Agency Agreement for IWPC was brought up. Staff and legal counsel are not recommending pursuing any compensation reimbursement or credit from IWPC at this time. The Board may provide alternative direction to Staff and Legal Counsel on this item.

(Continued...)

Updates on IWPC's Three Priority Projects:

- **Future of the Trans Basin Diversion**

Eel River Project Authority (ERPA) Executive Director David Manning provided updates including an upcoming ERPA Board meeting, design progress for the New Eel Russian Facility (NERF), etc. More information can be found on the District's website: <https://rrfc.specialdistrict.org/future-of-the-eel-river-to-russian-river-trans-basin-diversion-potter-valley-project>

- **Expanding Storage Capacity at Lake Mendocino**

The IWPC October 8, 2026 Ad Hoc Committee Staff Report is **Attachment E**. The IWPC Ad Hoc Committee has been developing a series of presentations given at the IWPC meetings which are/will be posted on the RRFC website: <https://rrfc.specialdistrict.org/increasing-storage-capacity-at-lake-mendocino>

- **Potter Valley Water Supply Reliability Study**

In July 2026, RRFC Staff confirmed with Sonoma Water that the agreement was fully executed therefore RRFC's term has met to allocate its portion of the payment. In September 2026, IWPC Staff confirmed no invoice has been received by IWPC from Sonoma Water and no further information has been received by RRFC.

Recommendations:

- Review the draft IWPC multi-year budget format proposed and provide feedback;
- and
- Direct IWPC Representatives follow up on this item either with IWPC Staff and/or Chair or during the next IWPC meeting;
- and
- Provide direction to IWPC Representatives, Staff, and/or Legal Counsel on any IWPC related topic;
- and
- Move to approve a payment of \$44,000 to IWPC toward the District's annual contribution.

Attachments:

- **Attachment A:** October 8, 2026 IWPC Financial Reports
- **Attachment B:** DRAFT IWPC Multi-Year Budget Draft format
- **Attachment C:** IWPC Staff Report on the Executive Director Recruitment
- **Attachment D:** IWPC Staff Report on the Proposed Auditor
- **Attachment E:** IWPC Staff Report on the Coyote Valley Dam General Investigation Study

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Prepared and submitted to the Board of Trustees by: Elizabeth Salomone, General Manager

IWPC Financial Accounts

October 2026

Savings Bank: IWPC account \$ 948* As of 10/4/2026

Mendocino County Auditor's Office \$79,184 Balance, April 2026

After September 2026 bills are paid, we will have \$284,601 in the PVP account and \$21,712 in the Operations account.

*PayPal payments —	
GSuite	\$ 25.20
<u>Zoom</u>	<u>\$ 16.99</u>
Total	\$ 42.19

Agency Payments invoiced June 2026

\$125,000 for PVID and RVCWD

\$215,000 for RRFC, City of Ukiah and Mendocino County Water Agency

Agency Payments

City of Ukiah—\$53,750 Aug;

County Water Agency—Pd \$215,000 July

PVID— Pd \$125,000 July

RRFCD—Pd \$84,000 June;

RVCWD

MENDOCINO COUNTY INLAND WATER AND POWER COMMISSION**Billing Statement**

September 2026

1. Staff Charges:

<u>Date</u>	<u>Description</u>	<u>Hrs @ \$35/hr</u>	<u>Amount</u>
9/10	Meetings IWPC, mins.	4.00	\$ 140
9/11	Accounting & meeting follow-up	12.00	\$ 420
September	Website maint. & updates	6.00	\$ 210
September	Exec. Dir; Audit; Misc, 6 meetings	15.00	\$ 525
September	Public requests/media/PR	7.00	\$ 245
Oct. 10	Agenda pkt, Co. forms, spreadsheet	10.00	<u>\$ 350</u>
	Subtotal		\$1,890

2. Miscellaneous:

Downey Brand for August 2026	\$21,330.00
Tom Johnson for September 2026	\$ 7,817.50
Eric Nagy for August 2026	\$ 7,036.18
CPS HR Consulting (Exec. Dir recruitment)	<u>\$10,000.00</u>
Subtotal	\$46,183.68

TOTAL	\$48,073.68
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IWPC BUDGET TO ACTUAL SUMMARY
FY 2026-27
As of 9/30/2026

Budget Category	IWPC Expenses Month Ended 9/30/2026	IWPC Expenses Year to Date Total	IWPC Expenses FY 26-27 Budget	YTD Variance \$ Under/(Over) Budget	YTD Variance % of Budget Used
Operations					
Staff / Consultants	23,560	55,805	\$ 395,000	\$ 339,195	14.1%
Basic Operations	-	371	7,000	6,629	5.3%
Operations Subtotal	23,560	56,176	402,000	345,824	14.0%
Projects / Studies					
New Eel Russian Facility (NERF)	13,288	41,538	180,000	138,463	23.1%
Lake Mendocino Increased Storage Capacity	10,181	30,328	500,000	469,672	6.1%
Potter Valley Storage	1,045	1,310	418,000	416,690	0.3%
Projects Subtotal	24,514	73,175	1,098,000	1,024,825	6.7%
TOTALS	\$ 48,074	\$ 129,351	\$ 1,500,000	\$ 1,370,649	8.6%

IWPC OPERATIONS BUDGET TO ACTUAL DETAIL
FY 2026-27
As of 9/30/2026

Budget Line Item	IWPC Expenses Month Ended 9/30/2026	IWPC Expenses Year to Date Total	IWPC Expenses FY 26-27 Budget	YTD Variance \$ Under/(Over) Budget	YTD Variance % of Budget Used
STAFF/CONSULTANTS					
Administration (60 hrs/mo x \$35/hr)	1,890	5,443	\$ 25,200	\$ 19,758	21.6%
Exec. Director (0.6 FTE; incl expenses)	10,000	10,000	150,000	140,000	6.7%
MCIWPC General Counsel (Scott Shapiro)	10,290	37,703	71,500	33,798	52.7%
ERPA General Counsel (Scott Shapiro)	1,380	2,054	25,000	22,946	8.2%
Agency Engineer (Tom Johnson)	-	-	46,500	46,500	0.0%
Financial Planning (LWA)	-	606	46,800	46,194	1.3%
Grant writing	-	-	30,000	30,000	0.0%
Subtotals	\$ 23,560	\$ 55,805	\$ 395,000	\$ 339,195	14.1%
BASIC OPERATIONS					
Insurance	-	-	3,500	3,500	0.0%
CA Special District Assoc. (CSDA) membership	-	-	500	500	0.0%
Website	-	-	1,000	1,000	0.0%
Post office fees	-	202	200	(2)	101.0%
Google Suite/Zoom	-	84	510	426	16.5%
Office supplies	-	84	500	416	16.8%
Misc./contingency	-	-	790	790	0.0%
Subtotals	\$ -	\$ 371	\$ 7,000	\$ 6,629	5.3%
TOTALS	\$ 23,560	\$ 56,176	\$ 402,000	\$ 345,824	14.0%

IWPC PROJECTS BUDGET TO ACTUAL DETAIL
FY 2026-27
As of 9/30/2026

Budget Line Item	IWPC Expenses Month Ended 9/30/2026	IWPC Expenses Year to Date Total	IWPC Expenses FY 26-27 Budget	YTD Variance \$ Under/(Over) Budget	YTD Variance % of Budget Used
NEW EEL RUSSIAN FACILITY (NERF)					
Consultants (hired through ERPA/SCWA)	-	-	\$ -	\$ -	0.0%
Legal (Scott Shapiro)	6,000	24,180	50,000	25,820	48.4%
Project Management (Tom Johnson)	7,288	17,358	70,000	52,643	24.8%
Lobbying - State (grants, SWRCB, PUC)	-	-	60,000	60,000	0.0%
Subtotals	13,288	41,538	180,000	138,463	23.1%
LAKE MENDOCINO INCREASED STORAGE CAPACITY					
Legal (Scott Shapiro)	-	-	50,000	50,000	0.0%
Project Management (LWA-Nagy / Tom Johnson)	7,036	7,699	80,000	72,301	9.6%
USACE led General Investigation (feasibility study)	3,145	22,629	250,000	227,371	9.1%
Lobbying - Federal (CVD, USBR, Permitting)	-	-	120,000	120,000	0.0%
Subtotals	10,181	30,328	500,000	469,672	6.1%
POTTER VALLEY STORAGE					
Project Management (Tom Johnson)	265	265	50,000	49,735	0.5%
Legal/Strategy (Scott Shapiro)	780	780	50,000	49,220	1.6%
PV Water Reliability Study by Jacobs	-	-	68,000	68,000	0.0%
(Grant Management reimbursement to SCWA)	-	-	250,000	249,735	0.1%
Consultants for PV Storage Studies (TBD)	-	265	250,000	249,735	0.1%
Subtotals	1,045	1,310	418,000	416,690	0.3%
TOTALS	\$ 24,514	\$ 73,175	\$ 1,098,000	\$ 1,024,825	6.7%

IWPC MULTI-YEAR OPERATIONS BUDGET

FY 2026-27 through FY 2030-31 | Sub-Committee Working Draft

Attachment B, Pg 1 of 3

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Line Item	Annual Change %	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	5-Year Total	Notes / Sub-Committee Discussion
REVENUES								
IWPC Member Contributions – Operations	0.0%	\$ 377,000	\$ -	\$ -	\$ -	\$ -	\$ 377,000	
CDFW Grant (ERPA General Counsel)	0.0%	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ 25,000	
Interest Income	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Other Revenue	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Revenues		\$ 402,000	\$ -	\$ -	\$ -	\$ -	\$ 402,000	
EXPENSES								
Staff / Consultants								
Administration (60 hrs/mo x \$35/hr)	0.0%	\$ 25,200	\$ -	\$ -	\$ -	\$ -	\$ 25,200	
Executive Director (0.6 FTE; incl. expenses)	0.0%	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ 150,000	
MCIWPC General Counsel (Scott Shapiro)	0.0%	\$ 71,500	\$ -	\$ -	\$ -	\$ -	\$ 71,500	
ERPA General Counsel (Scott Shapiro)	0.0%	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ 25,000	Funded by CDFW grant in FY 2026-27
Agency Engineer (Tom Johnson)	0.0%	\$ 46,500	\$ -	\$ -	\$ -	\$ -	\$ 46,500	
Financial Planning (LWA)	0.0%	\$ 46,800	\$ -	\$ -	\$ -	\$ -	\$ 46,800	
Grant Writing	0.0%	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ 30,000	
Subtotal – Staff / Consultants		\$ 395,000	\$ -	\$ -	\$ -	\$ -	\$ 395,000	
Basic Operations								
Insurance	0.0%	\$ 3,500	\$ -	\$ -	\$ -	\$ -	\$ 3,500	
CA Special District Assoc. (CSDA) Membership	0.0%	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ 500	Required for insurance
Website	0.0%	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ 1,000	
Post Office Fees	0.0%	\$ 200	\$ -	\$ -	\$ -	\$ -	\$ 200	
Google Suite / Zoom	0.0%	\$ 510	\$ -	\$ -	\$ -	\$ -	\$ 510	
Office Supplies	0.0%	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ 500	
Misc. / Contingency	0.0%	\$ 790	\$ -	\$ -	\$ -	\$ -	\$ 790	
Subtotal – Basic Operations		\$ 7,000	\$ -	\$ -	\$ -	\$ -	\$ 7,000	
Total Expenses		\$ 402,000	\$ -	\$ -	\$ -	\$ -	\$ 402,000	
SUMMARY & NET CASH FLOW								
Total Revenues		\$ 402,000	\$ -	\$ -	\$ -	\$ -	\$ 402,000	
Total Expenses		\$ 402,000	\$ -	\$ -	\$ -	\$ -	\$ 402,000	
Net Operating Cash Flow – Surplus / (Deficit)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Less: Transfers Out to Capital Budget		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Any operating surplus transferred to the Capital budget
Net Cash Flow After Transfers		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
FUND BALANCE								
Beginning Fund Balance		\$ 95,163	\$ 95,163	\$ 95,163	\$ 95,163	\$ 95,163		
Net Cash Flow After Transfers		\$ -	\$ -	\$ -	\$ -	\$ -		
Ending Fund Balance		\$ 95,163	\$ 95,163	\$ 95,163	\$ 95,163	\$ 95,163		

IWPC MULTI-YEAR CAPITAL (PROJECTS / STUDIES) BUDGET

FY 2026-27 through FY 2030-31 | Sub-Committee Working Draft

Attachment B, Pg 2 of 3

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Line Item	Project Status / Phase (Notes)	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	5-Year Total	Notes / Sub-Committee Discussion
REVENUES								
IWPC Member Contributions – Projects		\$ 518,000	\$ -	\$ -	\$ -	\$ -	\$ 518,000	
CDFW Grant		\$ 580,000	\$ -	\$ -	\$ -	\$ -	\$ 580,000	
Other Grants / Outside Funding		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Transfers In from Operations Budget		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Linked to Operations transfers line
Interest / Other Revenue		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Revenues		\$ 1,098,000	\$ -	\$ -	\$ -	\$ -	\$ 1,098,000	
EXPENSES (IWPC SHARE)								
New Eel Russian Facility (NERF)								
Consultants (hired through ERPA/SCWA)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	ERPA consultant costs covered by grant funding
Legal (Scott Shapiro)		\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000	
Project Management (Tom Johnson)		\$ 70,000	\$ -	\$ -	\$ -	\$ -	\$ 70,000	
Lobbying – State (grants, SWRCB, PUC)		\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ 60,000	
Subtotal – NERF		\$ 180,000	\$ -	\$ -	\$ -	\$ -	\$ 180,000	
Lake Mendocino Increased Storage Capacity								
Legal (Scott Shapiro)		\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000	
Project Management (LWA-Nagy / Tom Johnson)		\$ 80,000	\$ -	\$ -	\$ -	\$ -	\$ 80,000	
USACE-led General Investigation (IWPC share)		\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ 250,000	Total GI \$900K; includes \$400K Lytton credit. Federal share shown in memo below
Lobbying – Federal (CVD, USBR, Permitting)		\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ 120,000	
Subtotal – Lake Mendocino		\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ 500,000	
Potter Valley Storage (GW, tributaries, ponds, etc.)								
Project Management (Tom Johnson)		\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000	
Legal / Strategy (Scott Shapiro)		\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000	
PV Water Reliability Study by Jacobs (SCWA reimb.)		\$ 68,000	\$ -	\$ -	\$ -	\$ -	\$ 68,000	Redwood Valley credit for \$13.6K; actual \$67,280 (per CH 10/5)
Consultants for PV Storage Studies (TBD)		\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ 250,000	
Subtotal – Potter Valley Storage		\$ 418,000	\$ -	\$ -	\$ -	\$ -	\$ 418,000	
Future / New Projects (TBD)								
[New Project / Study A]		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
[New Project / Study B]		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Subtotal – Future / New Projects		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Expenses		\$ 1,098,000	\$ -	\$ -	\$ -	\$ -	\$ 1,098,000	
SUMMARY & NET CASH FLOW								
Total Revenues		\$ 1,098,000	\$ -	\$ -	\$ -	\$ -	\$ 1,098,000	
Total Expenses		\$ 1,098,000	\$ -	\$ -	\$ -	\$ -	\$ 1,098,000	
Net Cash Flow – Surplus / (Deficit)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
FUND BALANCE								
Beginning Fund Balance		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Net Cash Flow		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Ending Fund Balance		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
MEMO: OUTSIDE COST SHARE (not IWPC cash)								
Federal Cost Share – USACE General Investigation		\$ 650,000	\$ -	\$ -	\$ -	\$ -	\$ 650,000	
Total Project Cost incl. Outside Cost Share		\$ 1,748,000	\$ -	\$ -	\$ -	\$ -	\$ 1,748,000	

IWPC CONSOLIDATED MULTI-YEAR BUDGET – AGENCY-WIDE CASH FLOW

FY 2026-27 through FY 2030-31 | Sub-Committee Working Draft

Attachment B, Pg 3 of 3

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Line Item	Source	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	5-Year Total	Notes / Sub-Committee Discussion
REVENUES								
IWPC Member Contributions – Operations	Ops	\$ 377,000	\$ -	\$ -	\$ -	\$ -	\$ 377,000	
IWPC Member Contributions – Projects	Capital	\$ 518,000	\$ -	\$ -	\$ -	\$ -	\$ 518,000	
CDFW Grant – Operations	Ops	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ 25,000	
CDFW Grant – Projects	Capital	\$ 580,000	\$ -	\$ -	\$ -	\$ -	\$ 580,000	
Other Grants / Outside Funding	Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Interest & Other Revenue	Ops + Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Revenues		\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000	
EXPENSES								
Operations – Staff / Consultants	Ops	\$ 395,000	\$ -	\$ -	\$ -	\$ -	\$ 395,000	
Operations – Basic Operations	Ops	\$ 7,000	\$ -	\$ -	\$ -	\$ -	\$ 7,000	
Projects – New Eel Russian Facility (NERF)	Capital	\$ 180,000	\$ -	\$ -	\$ -	\$ -	\$ 180,000	
Projects – Lake Mendocino Increased Storage	Capital	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ 500,000	
Projects – Potter Valley Storage	Capital	\$ 418,000	\$ -	\$ -	\$ -	\$ -	\$ 418,000	
Projects – Future / New Projects	Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Expenses		\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000	
AGENCY-WIDE NET CASH FLOW								
Total Revenues		\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000	
Total Expenses		\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000	
Net Agency-Wide Cash Flow – Surplus / (Deficit)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
AGENCY-WIDE FUND BALANCE								
Beginning Fund Balance	Ops + Capital	\$ 95,163	\$ 95,163	\$ 95,163	\$ 95,163	\$ 95,163	\$ 95,163	
Net Agency-Wide Cash Flow		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Ending Fund Balance		\$ 95,163	\$ 95,163	\$ 95,163	\$ 95,163	\$ 95,163	\$ 95,163	
Operations Ending Fund Balance	Ops	\$ 95,163	\$ 95,163	\$ 95,163	\$ 95,163	\$ 95,163	\$ 95,163	
Capital Ending Fund Balance	Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Check: Ending Balance vs. Ops + Capital (should be zero)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Minimum Ending Fund Balance (5-Year)		\$ 95,163	Lowest projected ending balance across 5 years					
MEMBER CONTRIBUTION ALLOCATION								
	Cost Share %	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	5-Year Total	Notes / Sub-Committee Discussion
Potter Valley Irrigation District	14.0%	\$ 125,000	\$ -	\$ -	\$ -	\$ -	\$ 125,000	Cost share % based on FY 2026-27 approved member contributions RV has \$13.6K credit (PV Water Reliability Study)
Redwood Valley Water District	14.0%	\$ 125,000	\$ -	\$ -	\$ -	\$ -	\$ 125,000	
Mendocino County	24.0%	\$ 215,000	\$ -	\$ -	\$ -	\$ -	\$ 215,000	
Russian River Flood Control	24.0%	\$ 215,000	\$ -	\$ -	\$ -	\$ -	\$ 215,000	
City of Ukiah	24.0%	\$ 215,000	\$ -	\$ -	\$ -	\$ -	\$ 215,000	
Total Member Contributions	100.0%	\$ 895,000	\$ -	\$ -	\$ -	\$ -	\$ 895,000	
Check: Allocation vs. Member Contributions (should be zero)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

Mendocino County

Inland Water & Power Commission

P.O. Box 1247 • Ukiah, CA 95482

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Staff Report

To: MCIWPC Commissioners
From: Executive Director Recruitment Ad Hoc Committee
Date: October 8, 2026
Re: Agenda Item 5a1: Executive Director Recruitment Ad Hoc Committee

Summary: This is an informational update on the status of the Executive Director recruitment.

Background: The Executive Director Recruitment Ad Hoc Committee selected a recruiter and has worked with the recruiter on a job description and posting. The posting is live and available for viewing at <https://cpshr.us/recruitment/2658/>. The posting is also on LinkedIn and governmentjobs.com. Board Members are encouraged to share the link below with their LinkedIn networks: <https://www.linkedin.com/jobs/view/4458317406/>

Discussion: The Ad Hoc Committee met and received an update from the Recruiter. Some qualified applicants have submitted applications with additional applications expected. Applications are being accepted in the first phase through Friday October 9, 2026, after which the Recruiter will provide a complete candidate report to the Ad Hoc. The Ad Hoc Committee will meet and review the first phase of applications the week of October 26, 2026.

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Staff Report

To: MCIWPC Commissioners
From:
Date: October 8, 2026
Re: Agenda Item 4a: Possible approval of auditor for FY 2025/26

An auditor is required to perform an annual financial statement audit on all special districts under Government Code section 26909. Because the Mendocino County Auditor is no longer performing such audits for IWPC, the agency will need to retain an auditor to perform an annual audit. The objectives of an audit are to express the CPA's opinion as to whether the financial statements of IWPC are fairly presented in all material respects and are in conformity with CA Generally Accepted Auditing Standards and principles.

Staff contacted seven accounting firms that specialize in special districts and local government agencies to perform an audit on the recently concluded 2025/26 fiscal year activities. The range of proposals came in from \$5,000 to \$12,500.

Staff recommends the firm of Zach Pehling which has audited many local special districts and JPA's including the Fort Bragg Fire Protection Authority JPA. The County of Mendocino reported the Pehling firm as one that does many of the audits in our area and we received very positive feedback from the contacted agencies.

The firm will examine transactions approved by the Commission and that the amounts posted to the General Ledger agree with invoices and cancelled checks. They will be coordinating with the County of Mendocino's Auditor/Controllers office to review the monthly reporting for IWPC.

Recommendation: Approve Zach Pehling's firm to complete the FY 2025/26 audit for IWPC not to exceed \$5,000.

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Staff Report

To: MCIWPC Commissioners

From: Coyote Valley Dam Ad Hoc Committee

Date: October 08, 2026

Re: Agenda Item #6a: Update on the USACE Feasibility Study for Coyote Valley Dam

Background

The Coyote Valley Dam General Investigation (GI) Study was initiated in partnership with the Lytton Rancheria of California to evaluate alternatives to modernize and expand the storage capacity of Coyote Valley Dam. The Study was initiated in March 2025 and paused by the U.S. Army Corps of Engineers (USACE) in October 2025, due to a lack of federal funding. Funding was received in FY24 to initiate the study. No funding was received in FY25 or FY26 for the Study. The FY27 President's Budget also did not include funding to continue the Study.

Over the past several months, IWPC has evaluated potential pathways for continuing to advance the Coyote Valley Dam raise and identified a need for additional federal policy and advocacy support. At its September meeting, IWPC announced the selection of Julie Minerva of Carpi & Clay to provide federal advocacy support and authorized Chair Janet Pauli to execute a contract within the amount authorized in the current fiscal year budget. The federal advocacy effort is intended to strengthen IWPC's engagement with USACE and other federal decision-makers and support continued advancement of additional water supply storage at Coyote Valley Dam.

Federal Advocacy Support

Julie Minerva has more than 20 years of federal government relations and infrastructure advocacy experience. Her work includes representing water districts, flood control agencies, local governments, ports, and other infrastructure interests before Congress and federal agencies, including USACE, Bureau of Reclamation, and the Office of Management

and Budget (OMB). She has experience advancing water supply, dam, levee, environmental restoration, and other infrastructure projects and currently serves as Chair of the National Waterways Conference. Julie will work with the Ad Hoc Committee and project team to support federal policy engagement, strengthen relationships with key decision-makers, and help identify opportunities to continue advancing the Coyote Valley Dam Study and future project implementation.

Near-Term Federal Engagement

Over the next several months, IWPC will focus on building the relationships and coordination needed to support continued advancement of the Coyote Valley Dam Study. This will include introducing Julie to existing Study partners, supporting and expanding outreach to USACE leadership, and advocating for FY27 funding for the Study. These efforts will also lay the groundwork for an early 2027 Washington, D.C. visit to meet directly with federal decision-makers.

FY27 Funding Opportunity

IWPC continues to monitor the FY27 appropriations process as a potential opportunity to secure additional federal funding for the Coyote Valley Dam Study. If funding is provided, IWPC's near-term federal engagement will focus on positioning the project to efficiently restart the Study and maintain momentum toward completion.

Next Steps

The Ad Hoc Committee, project team, and Julie will begin implementing the federal engagement strategy by:

- Coordinating with IWPC's existing partners and aligning federal messaging;
- Scheduling meetings with USACE leadership;
- Continuing to monitor and support the FY27 appropriations process and preparing for potential reinitiation of the Study; and
- Developing priorities, briefing materials, and a meeting strategy for an early 2027 Washington, D.C. visit.

IWPC will continue to receive updates from the Ad Hoc Committee as federal funding, policy, and engagement opportunities develop.