

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

STAFF REPORT

Agenda Item 8: Potter Valley Water Supply Reliability Study

July 7, 2025

The Strategic Plan relevant priorities are **Security** by potentially increasing (regional) storage capacity, **Collaboration** by working with partners toward regional water security, and **Advocacy** through encouraging State and Federal governmental policy and funding support for the region.

- RRFC is a member of the Mendocino County Inland Water & Power Commission (IWPC,) a coalition working to safeguard regional water supply.
- The five IWPC member agencies financially contribute to IWPC in support of projects that benefit the Commission’s constituency.
- Improved water reliability in Potter Valley can contribute to the overall health of the IWPC constituency.

Background

On December 23, 2021, the California Department of Water Resources (DWR) awarded Sonoma Water \$2,086,172 for the Russian River Watershed Water Supply Resiliency Project (Project). Under the Project, Sonoma Water completed a Water Supply Reliability Study (Study) to analyze and develop concepts and strategies to improve water supply reliability in Potter Valley and along the Russian River in light of the decommissioning of the Potter Valley Hydroelectric Project and removal of Scott Dam.

Jacobs Engineering Group Inc. (Consultant) was engaged for the purpose of conducting hydrogeologic investigations and assisting Sonoma Water with developing model scenarios to evaluate water supply reliability and inform the Study. Pursuant to the grant program guidelines, certain costs were not eligible for reimbursement under the grant program rules. There are Sonoma Water staff costs not covered by grant funding for work on the Study that exclusively benefitted the Potter Valley area.

A Cooperative Agreement to Provide Funding for Overhead Services for Water Supply Reliability Study (Agreement) between Sonoma Water and Mendocino County Inland Water & Power Commission (IWPC) was drafted in November 2024 laying out terms for Sonoma Water to undertake the work and IWPC to pay Sonoma Water staff costs not covered by the funding. To RRFC’s knowledge, this draft Agreement was never considered for approval at an IWPC meeting and has not yet been executed.

However, in the IWPC October 10, 2024 Regular Meeting minutes, it is recorded under the item “Continued discussion of funding ongoing PVP negotiations between MCIWPC, FERC and PG&E” that “Funds will be required for the Jacobs consultant regarding continued work on water supply and storage alternatives in Potter Valley. Some of the costs may be covered by grants but also may need IWPC participation. [City of Ukiah Attorney Phil] Williams will come to the next meeting to discuss.” No further discussions were recorded in the minutes.

The Potter Valley Water Supply Reliability Study work commenced and on November 14, 2024, Potter Valley Irrigation District hosted a presentation by Jacobs Engineering on the Potter Valley Water Reliability Study and a final written report is being finalized. A video of the presentation meeting can be found at this link: <https://mendoiwpc.com/iwpc-pvp-updates/>

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In the presentation, an evaluation summary on seven potential actions was provided.

These actions included:

1. Improving irrigation delivery system efficiency
2. On-farm demand management
3. In-valley ponds
4. Tributary storage
5. East Fork Russian River dam
6. Groundwater supply
7. Lake Mendocino pump-back system

Criteria explored for each project included in the Study cost and evaluation process included yield, cost, timing, reliability, flexibility, environmental, feasibility, energy, permitting/legal, social, jurisdiction, public acceptance, and phasing potential. Solutions combining several of the actions were also presented.

Jacobs Engineering noted in the presentation that next steps included preparing final simulations with water management alternatives, refining cost estimates, completing the evaluation process, and preparing the study report. Jacobs also recommended a next phase to include further refinement and field verification of promising alternatives, move from conceptual to feasibility level analysis, and update costs estimates. In addition to benefits that the proposed actions offer within Potter Valley, actions could be further evaluated for downstream benefits to water users and the environment, though this was not specifically discussed in the presentation.

Discussion

At the June 23, 2025 IWPC Meeting, Chair Pauli presented a cost summary worksheet provided by Sonoma Water for work completed through June 9, 2025 in the amount of \$67,280.82 (see **attached**: IWPC Study OH cost Summary Totals.) Chair Pauli noted that these costs were not included in the recently approved IWPC Fiscal Year 2025-2026 Budget and opened a discussion regarding payment, noting the possibility of a payment plan to Sonoma Water. IWPC member agencies were asked to update their governing bodies and return with feedback.

How Much Has RRFC Already Contributed?

Below is a table outlining RRFC contributions to IWPC for project related costs and minimal organizational expenses. RRFC budgeted amounts **include** RRFC Legal Counsel for these projects.

Fiscal Year	RRFC Budget	RRFC Contributions to IWPC
2025-2026	\$110,000 for Trans Basin Diversion \$100,000 for Coyote Valley Dam \$3,000 IWPC operational expenses	\$0
2024-2025	\$100,000 for Trans Basin Diversion \$0 for Coyote Valley Dam \$3,000 IWPC operational expenses	\$84,000 (\$18,000 for RRFC legal counsel)
2023-2024	\$0 (funded from reserves)	\$60,000 + \$50,000
2022-2023	\$0	\$0
2021-2022	\$0 (funded from reserves)	\$25,000
2020-2021	\$0 (funded from reserves)	\$50,000 + \$50,000
2019-2020	\$0 (funded from reserves)	\$25,000 + \$50,000 + \$2,000
2019-2019	\$0 (funded from reserves)	\$20,000

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IWPC approves a Fiscal Year budget each year, but members are typically not invoiced for committed contributions until the last quarter of each Fiscal Year. Therefore, RRFC's most recent contribution of \$84,000 in May 2025 is allocated to RRFC's 2024-2025 expenses for which RRFC budgeted. However, IWPC budgeted the \$84,000 as revenue in FY 2025-2026 (see **attached** IWPC Budget for FY 2025/26.)

Can RRFC Afford to Contribute?

If IWPC requests the same amount in contributions from RRFC in FY 2025-2026 (for all project costs) and RRFC considers approximately \$40,000 for RRFC IWPC project legal expenses, an additional \$13,600 contribution toward the Potter Valley Water Reliability Study still falls within the \$210,000 budgeted for the Trans Basin Diversion work and the Coyote Valley Dam Modernization. See the breakdown below:

\$110,000 RRFC budgeted for Trans Basin Diversion
<u>+ \$100,000 RRFC budgeted for Coyote Valley Dam Modernization</u>
\$210,000 budgeted by RRFC for IWPC projects, including RRFC legal counsel
<u>- \$ 40,000 allocation for RRFC legal counsel</u>
\$170,000
<u>-\$ 84,000 possible IWPC contribution request in Fiscal Year 2025-2026 *</u>
\$ 86,000
<u>-\$13,600 proposed additional contribution for Potter Valley Water Reliability Study</u>
\$ 72,400 remaining in RRFC budget for IWPC projects

*It should be noted that IWPC project expenses are expected to increase dramatically, based on presentations made by IWPC legal counsel and consultants at the IWPC All Members Joint Meeting on May 29, 2025. (<https://ukiahca.portal.civicclerk.com/event/2298/overview>) It is not known what member contribution amount IWPC will request next, now when that request will be received.

Should RRFC Contribute?

The Project is focused on water reliability for Potter Valley and it is reasonable to ask why paying the costs not covered by grant funding is being considered by IWPC rather than the Potter Valley Irrigation District (PVID.) It should be considered that as a member of IWPC, PVID is contributing toward all IWPC project and operational costs. This includes the Coyote Valley Dam Study which most likely does not directly benefit PVID's constituency. The RRFC Board should consider that IWPC is a coalition working to safeguard regional water supply throughout the IWPC constituency and supporting IWPC member agencies is within the spirit of the Commission.

Future Funding Requests

RRFC maintains an up to date Strategic Plan and annual budgets that inform water sale rates to RRFC customers. In order to sufficiently plan, RRFC requires adequate notice for consideration and financial contributions. RRFC would prefer in the future that IWPC preapprove any proposed service agreement, execute the agreement, include project costs within the annual budget, and issue annual contribution invoices at the beginning of the fiscal year. Additionally, if IWPC contracts for services, RRFC would prefer the Commission be briefed on the work, including the benefits of the work to the IWPC constituency and how the work is promoting the mission of the IWPC membership.

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Recommendation:

- Provide feedback to District representatives to the Mendocino County Inland Water and Power Commission on the Potter Valley Water Supply Reliability Study cost-share payment to Sonoma Water Agency, including preferences for future proposed service agreements and funding requests.

Attachments:

1. IWPC Study OH cost Summary Totals worksheet provided by Sonoma Water on 6/23/25
2. IWPC Budget for FY 2025/26 DRAFT (approved by IWPC on May 8, 2025)

Links:

- Mendocino County Inland Water & Power Commission (IWPC) <https://mendoiwpc.com/>
- The November 14, 2024 Potter Valley Water Supply Reliability Study Presentation: <https://mendoiwpc.com/iwpc-pvp-updates/>
- IWPC All Member Boards Joint Meeting on May 29, 2025: <https://ukiahca.portal.civicclerk.com/event/2298/overview>

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

**Mendocino County Russian River Flood Control &
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Attachment 1

IWPC Study OH Cost Summary Totals						
Sonoma Water labor through 06/09/25						
Vendor/Consultant/Participant/Employee	Job Class	Work Performed	Hours	Fully-loaded Labor	Grant Reimbursed Labor	IWPC Balance
Task 3 - Water Supply Reliability Studies						
Everson, Athena	Student Intern	Assisted with installation and maintenance pf groundwater-level monitoring equipment in select Potter Valley wells.	6.5	\$ 253.11	\$ 150.65	\$ 102.46
Gylfe, Kent	WA Chief Engineer	Attend project management team meetings.	4.0	\$ 1,738.60	\$ 953.06	\$ 785.54
Maples, Stephen	WA Engineer II	Developed SOW and budget details with consultants. Initiated contracting process. Participated in biweekly meetings with consultants (Jacobs). Attended project management team meetings. Participated in Potter Valley initial site visit with Jacobs and Potter Valley Irrigation District (PVID). Initiated geophysical investigations with Jacobs. Worked with Jacobs and PVID to compile historical data and integrate into preliminary hydrologic model. Reviewed Hydrogeologic Investigations Field Work Plan. Oversaw geophysics field work conducted by consultant (Jacobs). Coordinated with Jacobs and PVID to identify wells for inclusion in the monitoring network. Installed groundwater-level monitoring equipment in select Potter Valley wells. Reviewed preliminary version of Potter Valley Integrated Flow Model. Coordinated with consultants (Jacobs), Potter Valley Irrigation District (PVID), and Mendocino County Inland Water & Power Commission (IWPC) to prepare and facilitate a townhall on the results of the Potter Valley water supply alternatives study. Reviewed draft water supply reliability final report. Coordinated Sonoma Water's staff review of the draft report and communicated findings with the consultant, Jacobs.	504.5	\$ 131,640.03	\$ 72,294.00	\$ 59,346.03
Nishikawa, Tracy	WA Engineer IV	Participated in biweekly meetings with consultants (Jacobs). Reviewed preliminary version of Potter Valley Integrated Flow Model.	5.0	\$ 865.57	\$ 515.22	\$ 350.35
Rodriguez, Alisha	WA Hydrogeologist I - Extra help	Assisted with installation and maintenance pf groundwater-level monitoring equipment in select Potter Valley wells.	7.0	\$ 796.79	\$ 474.28	\$ 322.51
Seymour, Donald	WA Deputy Director of Engineering	Participated in biweekly meetings with the consultant (Jacobs). Attended project management team meetings. Participated in Potter Valley initial site visit with Jacobs and Potter Valley Irrigation District (PVID). Reviewed Hydrogeologic Investigations Field Work Plan. Reviewed draft report summarizing investigation findings.	35.5	\$ 14,107.89	\$ 7,733.96	\$ 6,373.93
Subtotal			562.5	\$ 149,401.99	\$ 82,121.17	\$ 67,280.82
Task 3 - Water Supply Reliability Studies			562.5	\$ 149,401.99	\$ 82,121.17	\$ 67,280.82
Grand Total			562.5	\$ 149,401.99	\$ 82,121.17	\$ 67,280.82

*Mendocino County Russian River Flood Control &
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Attachment 2

IWPC Budget for FY 2025/26 Draft

1. Operations Expense

Staff charges	\$ 11,800
Office supplies	500
Google Suite/Zoom	365
Post office fees	186
Insurance	2,814
CSDA	500
Miscellaneous	600
Website analytics & hosting	<u>800</u>
TOTAL operations expense	\$17,565

2. Project Expense—technical experts and consultants

Potter Valley Project:	\$289,645
General Investigation Coyote Dam:	\$117,148
TOTAL Project expense	\$406,793

3. TOTAL BUDGET

\$424,358

Per Agency

\$84,000 (rounded down)