

IDENTIFICATION AND ASSESSMENT OF IMPLICATIONS AND ALTERNATIVES

Introduction

Component C is the third and final stage of our study of options for the development of the MCWA. It has two parts. The first is a survey of four Northern California county water agencies in order to gain a sense of what they do, how they operate, at what cost and effect, and with what lessons for the MCWA. The second is a process for formation of MCWA options and for choices among them. It builds upon the findings from the current situation summary (Component A), water resource management service surveys of Component B, and the four-county survey of water agencies. The process essentially moves through the logic that led our team to conclusions about the organization and possible programs of the MCWA. Our intention is for the BOD and the General Manager, in cooperation with MCWA partners, to not simply accept our conclusions but to actively use the process as a means to confirm, revise, reject or replace the conclusions at which we arrived.

Interviews with Water Agency and District General Managers

We interviewed directors and general managers of four county water agencies and districts in Northern California in order to gain better sense of the fiscal and governmental realities of county water organizations. Those interviewed included the directors or general managers of the Solano County Water Agency, Lake County Flood Control District, Sonoma County Water Agency, and Yolo County Flood Control and Water Conservation District. These counties were chosen in order to sample a continuum of historical, demographic and economic conditions along which Mendocino County might be located, then to see what its location might indicate for MCWA financial and governmental opportunities. Table 29 presents some key features of the contexts and operations of water agencies in the four counties. The survey questionnaire is attached as Appendix J.

Interview questions focused on how certain services were provided by each of the four agencies, at what cost, with what staffing requirements, and with what perceived effectiveness. Nine services were selected for the survey. These were services that residents of Mendocino County had ranked highly in our workshops and through mailed surveys regarding priority functions for a county water agency. We also explored questions about the evolution of the current organizational structure and lessons learned from both successes and failures. The following section uses these four interviews as case studies of alternative organizational forms and their individual methods of providing certain services. These case studies lend insight into constraints common to the region and address issues that the Mendocino County Water Agency may grapple with in the future.

Table 29: Organizational summary of case study interview counties

County	Population (2001 estimate)	Organization	Staff	Service Area	Annual Operating Budget (FY 02-03)
<i>Solano</i>	403,946	Water Agency Board including county supervisors, mayors of all 7 cities and 3 irrigation district representatives.	5 full-time employees, 30-40 consultants	The entire county, urban and agricultural	\$12 million, the majority from property taxes (\$9 million), water retailing (\$2 million), other (1\$ million)
<i>Lake</i>	60,839	Flood Control District Division of Public Works Department under the Director of Public Works and governed by supervisors.	4 full-time employees,	The entire county, urban and agricultural	\$1.7 million, the majority from grants (\$650,000) and the minority from property taxes (\$300,000) and other sources (\$850,000).
<i>Yolo</i>	174,815	Flood Control and Water Conservation District Board of Directors appointed supervisors.	23 full-time employees (approximately 10 are ditch tenders)	Only those within the boundaries of the district, which is smaller than the county and is mostly agricultural	\$3 million, the majority from water sales.
<i>Sonoma</i>	464,024	County-wide special district Responsible for domestic water supply delivery. Supervisors are Board of Directors.	207 full time employees in 5 divisions	The prime contractors are eight municipalities	\$120 million, the majority from water sales.

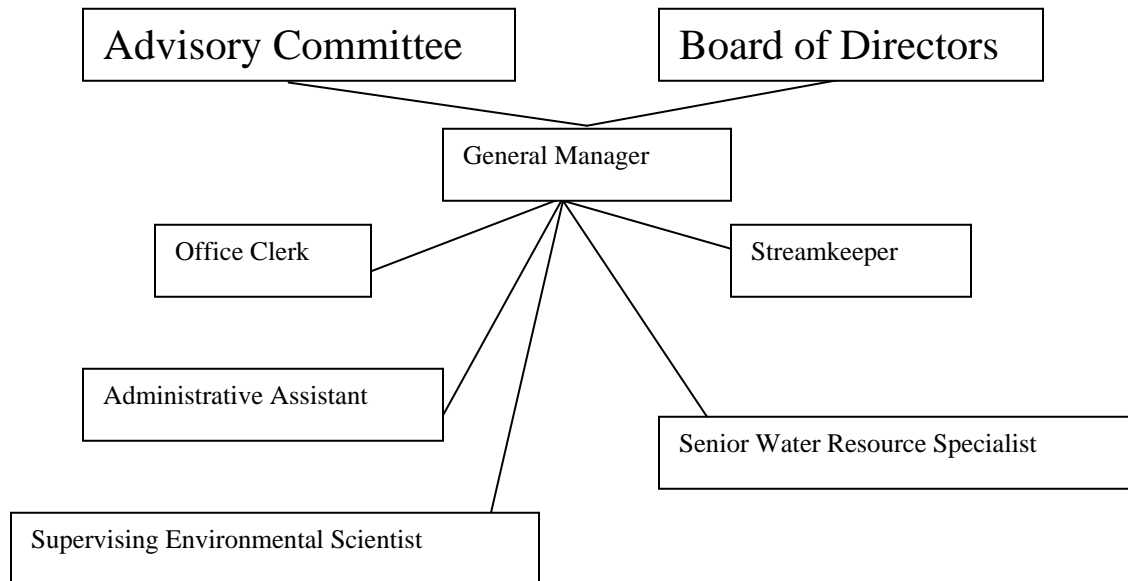
Solano County Water Agency: A Neutral, Third Party

History & General Approach

In 1988, the legislative act that originally established the Solano County Flood Control and Water Conservation District was changed to add representatives from three irrigation districts and mayors from all of the cities within the county boundaries to the governing board, which had previously consisted only of the county supervisors. Additionally, the act created an Advisory Committee comprised of representatives from each of the member agencies of SCWA, like public works directors and managers of irrigation districts. The following year the name was changed to the Solano County Water Agency. During this time of transition, the newly expanded Board of Directors chose to hire a staff for the agency independent from the county. This was when the current director of the Solano County Water Agency (SCWA), David Okita, was hired. Thus, in the eyes of Mr.Okita, many contentious political battles were worked out before he arrived on the scene as an independent, neutral party. He has managed the agency in this manner, choosing to hire people with project management skills, a consensus based approach to problem-solving, and an ability to earn trust. SCWA emphasizes administration and project coordination services. This strategy positions them as a neutral, third party. It also allows them to have relatively low overhead as far as in-house staffing requirements are concerned, however it also requires a lot of outsourcing. The agency employs approximately 30-40 consultants.

Organizational Structure

There are only five full-time staff members that report to the general manager. Employees are not out in the field so implementation is done through contractual arrangements. The general manager reports to the Board of Directors and is advised by the Advisory Committee, particularly on technical issues.



Revenue Sources

The main source of revenue is the tax base. SCWA receives 1.72% of the county-wide 1% property tax. This amounts to approximately \$3.7 million per year. This is the water agency’s “general

fund,” there is also a special 2 cent per \$100 assessment that is assessed to property within a zone of benefit for the State Water Project. This amounts to approximately \$4.9 million per year. In addition, SCWA is a wholesaler of water and water sales amount to approximately \$2.1 million per year.

Service Provision

Grants

The SCWA is interested in pursuing grant funds, but they only apply for large grants and often use consultants who will implement the grant if it is awarded. They do not pursue smaller grants because of the large amount of paperwork necessary. They receive the greatest amount of grant funding through the CalFed program and through Propositions 204, 14, and 50. They are also water wholesalers and, as such, are eligible for funding through the US Bureau of Reclamation as federal contractors. They find out about grants through public agencies, which the director notes are good at notifying people about available funds.

Science and technical assistance

They spend around \$100,000/year on agricultural pesticide detection requirements, coordinating efforts with in-house expertise. They also give out small grants for flood control projects like ditch clearings, culvert replacements, small detention basins, amounts to less than \$10,000/year. Finally, they have a “flood control awareness program” that is run by consultants at a cost of \$500,000 total.

Water conservation

There are an urban and an agricultural committee organized by the SCWA to address water conservation issues. The urban committee is funded by cities, districts, and the water agency (\$60,000 per year). It includes all the big players: cities, irrigation districts, RCDs, etc. It focuses on public outreach information including brochures and pencils, an exhibit at Marine World, school poster contests, and in-school programs. Overall, the coordination of public awareness programs requires 10% of a full-time employee. Low-flow toilets are not dealt with by the committee as that happens on the city level. The agricultural committee is staffed by a part-time employee that they share with another county agency. This employee coordinates the mobile irrigation lab, which includes on-farm efficiency programs, soil moisture equipment, and on-farm advice. The agricultural committee receives some grant money from the US Bureau of Reclamation and SCWA funds a summer intern for fieldwork.

Watershed protection/restoration

Putah Creek project evolved from an in-stream flow lawsuit settlement, it requires SCWA to employ a streamkeeper, establish monitoring programs, and provide administrative support at a cost of \$200,000 per year. The streamkeeper has brought in millions of dollars worth of grants. Other programs monitor the watershed to the State Water Project, encouraging best management practices (BMPs), fencing for livestock, etc. Meeting requirements of the Source Water Assessment (Safe Water Drinking Act) are involved. Watershed-wide flood control studies (including models using HEC-2 and HEC-RAS) have also provided environmental data for restoration/protection efforts.

Coordinate local entities

The Advisory Committee to the water agency meets monthly; it is a forum for irrigation districts and public works departments to offer advice and assistance to the water agency and each other. Mr. Okita stressed that people really appreciate having a voice and that this forum gives them the opportunity to be heard. In addition, the water agency serves as a neutral, third party to coordinate and administrate water-related projects throughout the county.

Water supply

SCWA purchases water from state and federal sources and sells the water to users in the county. There are sales and exchanges between cities and districts, ex. paying to put in wells in exchange for surface water rights.

Develop new sources of water

SCWA can purchase additional water from the State Water Project-Kern County. The Department of Water Resources decision on area-of-origin suit may go in their favor (several irrigation districts brought it in opposition to the export of local water via the State Water Project). They are part of the SWP wholesaler committee, which is the marketplace for water. Their preference is to buy water from the state.

Maintain an up-to-date GIS

The Habitat Conservation Plan for the whole county that was required by the renewal of a federal water supply contract has cost \$2 million over 5 years. They have hired a consultant to create GIS map. It cost \$100,000 for the consultant to put together the base maps.

Represent the county

This year they have hired a lobbyist at \$6,000 per month to protect property taxes from the state and to obtain Proposition 50 funding. They also contract with outside legal counsel at approximately \$50,000-70,000 per year.

Lessons Learned

Mr. Okita feels that the biggest success is having city and irrigation district representation on the Board of Directors. He stressed how important it was for the main players to be in the discussion, and feel that their voices were heard. He appears to have built a reputation for the agency as an unbiased and capable organization, which could be attributed both to his personality and changes in the organizational structure.

Lake County Flood Control District: Outreach & Action-oriented

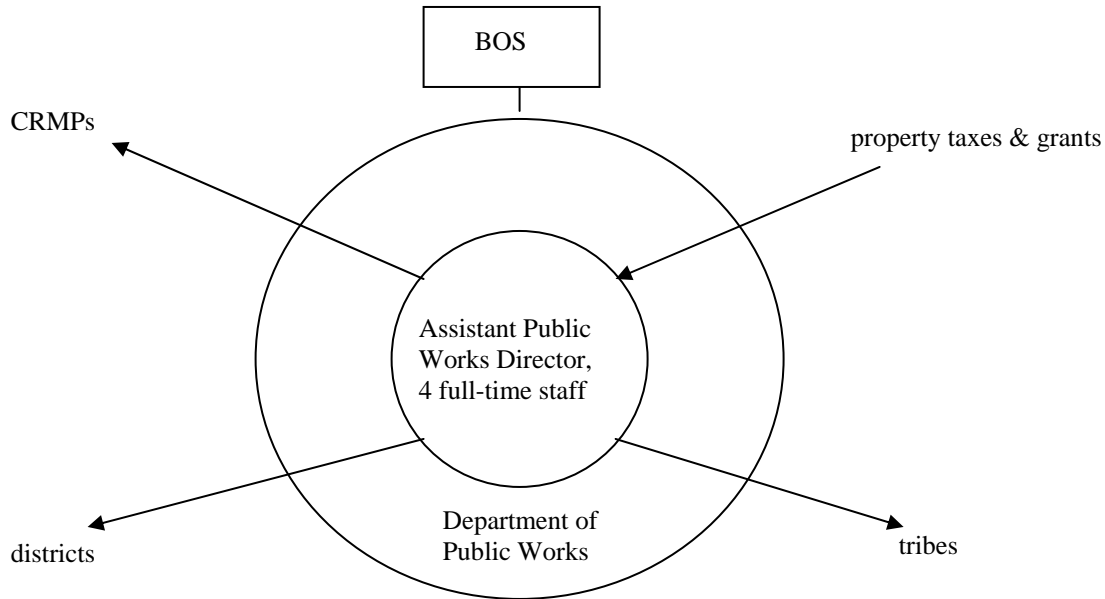
History & General Approach

The Lake County Flood Control District (LCFCD) became a division of the county public works department in 1991-1992 as part of a county consolidation effort. As such, it does not distribute or supply water instead it focuses primarily on issues of flood control, groundwater management, storm water permitting, and the restoration and protection of the watershed. LCFCD has several major projects going on concurrently including the operation of a groundwater recharge detention facility, the development of a conjunctive use project, and a watershed wide ecosystem assessment in association with the Army Corps of Engineers. Additionally, the organization has a multitude of smaller projects including a public outreach committee, the development of an exhibit on the watershed, and an aquatic plant management program. In the words of an environmental engineer that has worked with LCFCD for approximately 15 years, “we get things done” and are therefore asked to be involved in many projects throughout the county. The staff appears to be highly motivated and willing to step in to save failing projects that are being poorly managed by other organizations. The staff that we spoke to exhibited a pride in their can-do attitude and reputation for “being the experts.” Drawbacks of this reputation include the heavy workload

for the limited LCFCD staff, testing their ability to follow through on all of the grants and projects underway.

Organizational Structure

The Lake County Flood Control district is part of the Department of Public Works, yet its staff interacts closely with many different entities.



Revenue Sources

Property taxes only provide around \$300,000 annually, which is barely enough to pay the staff. There are 5 zones of benefit; the first 4 are locked in with a pre-proposition 13 assessment fee of 1%. The fifth zone of benefit is under negotiation, the “benefit assessment” requires a 50% + 1 passage by property owners, whereas a “special tax” requires a 2/3 + 1 vote among citizens of the entire county. Grants provide 60-80% of the budget, but can vary greatly from year to year.

Service Provision

Grants

The LCFCD actively pursues grants and other funding sources. Three staff members allocate 100-200 hours each to look for and apply for grants. They have about a 30% success rate and the funds that they garner from grants makes up 60-80% of the operating budget. They have received grants from AB 303, NRCS, and DWR. They try to partner with other groups to apply for grants and often hire temporary employees or contract with the roads department to do the field work. In the words of the assistant director, “We do oversight” when it comes to implementation.

Grants often require a public entity with legal authority and the ability to follow through. Chances are enhanced by attending workshops, participating in many organizations like CalFED and the engineers committee, giving presentations about the work, involving agencies, having a proven track record, and being persistent. Grants were found through email notifications from the State Water Quality Control Board (SWQCB) and a grant researching service that the county has a subscription to called e-sevis.

Science and technical assistance

LCFDC is involved in providing science and technical assistance mostly through its involvement in local coordinated resource management and planning efforts (CRMPs). Staff members attend meetings, offer advice, and help defray some of their publicity costs. The staff that we spoke with spoke very highly of their interactions with the CRMPs saying that they “can’t emphasize how much benefit we get from working with these groups.” These groups supplement the work of the LCFDC, exemplified by a Native American watershed group recently receiving a grant of \$100,000 for the restoration of Middle Creek. “In general, for every \$1 we put in we get \$10 back.” Finally, LCFDC also has a public education and outreach subcommittee that is allocated \$10,000 per year to spend on videos, brochures, etc. Individual staff members will also often respond to individual requests for information or questions regarding water.

Water conservation

They are not involved in water conservation efforts instead it is left to those who provide water, i.e. cities, irrigation districts, and water companies.

Watershed protection/restoration

LCFDC is actively involved in several restoration projects and keeps in close contact with local watershed groups. There environmentally oriented projects include water quality monitoring, storm water management (NPDES Phase II), Arrundo removal, and ecosystem assessment. They fund a small portion of this through fees on pesticide use, they also discussed boat permitting as a possible source of revenue for these projects, but the idea was abandoned due to concerns that people would stop using Clear Lake.

Water supply

Recently, LCFDC has become involved in two projects that will result in an increased water supply for certain areas. The first is the water recharge through the Kelsey Creek Detention Structure, which will create a new zone of benefit. The second is the Adobe Creek conjunctive use project, which is also planned to be funded through a benefit assessment.

Maintain an up-to-date GIS

Lake County has a GIS committee, which provides training through short courses at the Mendocino College. The committee also serves as a central location for layers on county environmental features, roads, and culverts. It is expensive to get initial data but the LCFDC staff cannot imagine working without it now. The county also has an online, interactive GIS site.

Represent the county

The special districts have a lobbyist in DC that they can use. They tried doing that once and didn’t feel it was worth the \$5,000 per month. Instead, they personally get on the phone with Congressman Thompson, Senator Chesbro, etc. They send letters, one supervisor goes to fed/state functions with LCFDC staff, they stay plugged into statewide groups and coordinate with adjacent counties for larger grants, etc.

Lessons Learned

An underlying theme of the comments of the assistant director and environmental engineer were that there can be too much of a good thing. While LCFDC has been very successful in receiving grant money and launching projects, they now are faced with a heavy workload for the small staff. They stressed that such a reliance on grant money was not an optimal situation and that they were, in fact, unable to fund some of the more important projects since those projects did not receive funding. The fluctuation in available money for grants, the red tape associated with accepting grants, and the sometimes limiting trends in requests for proposals can work against long-term, coherent planning and action.

Yolo County Flood Control & Water Conservation District: (Re)Building Relationships, Contemplating Changes

History & General Approach

The Yolo County Flood Control and Water Conservation District (YCFCWCD) is a special district that was formed in 1941, the county supervisors appoint the Board of Directors of the district, in effect creating two governing boards. In the past, there has been tension regarding the role of the district versus the role of the county. About seven years ago this tension was at its zenith and, exacerbated by a lack of trust, the district became insular and threatened. The current general manager, Tim O'Halloran, was hired a year ago and has worked to restore this relationship. They now have regular "two-by-two" meetings with two staff members from YCFCWCD and two from the county C.A.O.'s office. These meetings have helped to bring about greater clarity regarding the functions of the district.

Currently, the district does not do much flood control or water conservation; it mainly provides irrigation water to those within the district's boundaries, which do not match the county boundaries. The county Board of Supervisors thinks that Yolo County needs a county-wide water agency. However, Mr. O'Halloran feels that they cannot legally take over other existing reclamation districts, nor would they want to as some of them are doing a "bang up job." The central questions for Mr. O'Halloran are: What are the problems? What are the needs? How do you address both? In thinking about an expanded role for YCFCWCD, Mr. O'Halloran has contemplated the need to include metropolitan interests since it is now primarily agriculture-focused. This could involve changing the Board of Directors, perhaps adding representatives from the cities. There are also many questions about appropriate scales of governance for different services and how to supplement already existing local entities rather than subsuming them. One leadership role that Mr. O'Halloran thinks the YCFCWCD could take would be in developing a county-wide groundwater ordinance. If this were done with care and consensus, it could engender more support for a county-wide agency.

Organizational Structure

There are 23 employees, half of whom are in the field (ditch tenders). Mr. O'Halloran would prefer to have a "virtual organization" with no staff and just hire consultants because of their flexibility; however, he sees limitations to such a structure. "You can't have stature without staff, and you need to develop an institutional memory."

Revenue Sources

The main sources of revenue are water sales and property taxes. Water sales make up approximately two-thirds of the operating budget, while property taxes contribute approximately one-sixth of the budget. The total annual operating budget is \$3 million.

Service Provision

Grants

The general manager of the district actively pursues grant monies. He stresses that it is important for the manager to be politically connected. They received an AB 303 for a conjunctive use project. However, the money available changes each year so it is important to have other revenue sources.

Science and technical assistance

The science and technical assistance they provide consists primarily of groundwater monitoring which has been funded by the agency for 50 years. They also support a mobile lab through the local RCD that helps with irrigation efficiency and water quality issues. They are also involved in restoration and protection issues to some degree; in the words of O'Halloran "You cannot divert water without being a resource steward in these times." He or his assistant attends the Cache Creek watershed forum bi-monthly.

Water conservation

Mr. O'Halloran believes that "water conservation" is a misnomer, as the waste of one user is the supply of another. At a basinwide level, he states that there is 100% efficiency. The YCFCWCD supports, through the RCD, a mobile lab that helps with irrigation efficiency and water quality issues, perhaps mostly for publicity.

Water supply

The YCFCWCD supplies irrigation water to rights holders within its boundaries. In 1967, the district acquired rights to the Clear Lake Water Company and in 1976 they secured more water by building the Indian Valley Reservoir. Both of these water sources are located in the neighboring Lake County, creating some tension between the two counties.

Develop new sources of water

Three out of every ten years there is a shortage of water and thus the need for "allocation." People always want more water and in Yolo County the interest is in further development. Thus, they are currently examining the idea of creating a new reservoir, though this is in the very early stages of discussion.

Coordination of local entities

Finally, while Mr. O'Halloran sees a real need for coordination of local entities. A water resources association of Yolo County was formed as a forum for coordination among water districts and as a first step towards a county-wide agency. However, it has not worked well as there is a tension between local entities and the district. Despite this stalemate, Mr. O'Halloran remarked that "You can't do anything without buy-in...In the old days; you filed for water rights in the dark of night and then fought for the next ten years to keep it. Now everything has to be negotiated up front."

Maintain an up-to-date GIS

They do not have a GIS program because "You have to have a large staff and there's lots of duplication." The general manager would rather contract with a consultant or join forces with the county or a city to share GIS resources.

Represent the county

The YCFCWCD spends \$60,000-100,000 on legal counsel during an average year; however it can cost three times that much when in litigation. They do not have their own lobbyist, as they are members of an organization of Northern California water agencies that lobbies on their behalf.

Lessons Learned

The general manager stresses the need to get "buy-in" from multiple stakeholders to make progress. He is attempting to rebuild relationships with county offices and build new relationships both locally and regionally. Regional management and planning is becoming increasingly important, but it is crucial to explore how benefits are distributed by such approaches. He emphasized the importance of politics and personalities in conflicts and compromises.

Sonoma County Water Agency: “The Municipal Water District of the North”

History & General Approach

Randy Poole, General Manager of Sonoma County Water Agency (SCWA), describes his job as part salesperson, part businessman, part engineer, part actor, and part politician. These qualities are of key importance for a general manager who comments repeatedly on the parallels between SCWA and MWD (Municipal Water District) the Goliath of water agencies in Los Angeles, renown for the historic Owens Valley controversy and the more recent battle with IID (Imperial Irrigation District). In 1956, SCWA had a staff of only 8 people. However, they made the historic decision to finance the construction of Coyote Dam with the Army Corps, thus ensuring that SCWA would hold the lion’s share of rights to the water impounded in Lake Mendocino. Mr. Poole perceives the first 30 years of SCWA as mainly engineering-oriented, focused on infrastructure like the Coyote Dam, Warm Springs Dam, and the water transmission system. In 1980, things began to change as the agency was tasked to run “like an enterprise.” Indeed, Mr. Poole stresses the importance of a self-sustaining funding source for any water agency to survive. However, the increasingly independent and bold decision making of the agency was not initially appreciated by the county supervisors, and in 1994-1995 a county reorganization almost saw the demise of the water agency as it was slated to be subsumed by public works. At that time, Mr. Poole convinced the supervisors to allow SCWA to take on the assets and liabilities of the public works department rather than the other way around. Mr. Poole was hired in 1995 as the General Manager.

Today, SCWA is a county-wide special district responsible for domestic water supply delivery to eight prime contractors (the Cities of Santa Rosa, Petaluma, Sonoma, Rohnert Park, and Cotati; Valley of the Moon; Forestville; and North Marin Water Districts). The Agency designs, constructs and maintains flood control facilities. The Sonoma County Water Agency operates and maintains Spring Lake Park via contract with the Sonoma County Regional Parks Department. The Water Agency also provides Sanitation services to five County Sanitation Districts and six Sanitation Zones of Benefit. The Board of Supervisors serves as the Board of Directors of the agency.

Organizational Structure

The current organization employs 207 people in five different divisions, all reporting back to the general manager (the organizational chart is provided below). Mr. Poole has focused on hiring people who are risk-takers and who display a breadth of abilities and personality characteristics that supplement those of the general manager.



Revenue Sources

The budget for fiscal year 2002-2003 is as follows:

Administration & General—\$28,177,942

Flood Control—\$11,737,554

Water Supply—\$12,133,166

Water Transmission—\$63,524,100

Internal Service Fund—\$7,594,125

Sanitation—\$49,645,977

The total operating budget for FY 02-03 was \$172,812,864.

Revenue is mainly collected from water sales. SCWA contracts with the cities of Cotati, Petaluma, Rohnert Park, Santa Rosa and Sonoma, along with the water districts of Forestville, North Marin, and Valley of the Moon. Charges per acre-foot of water are between \$393.89 and \$413.89; however the price increases for surplus water or summer water to almost \$500. Monthly meter charges for entities other than water contractors are on a progressive scale from \$24 for a 1 inch meter to \$220 for a 10 inch meter. The agency also has a number of bonds issued to fund new and on-going capital projects and brings in several million dollars through grants annually.

Service Provision

Grants

They have a full-time grant writer who often partners with other organizations to apply for funding. Mr. Poole stresses the importance of coalition-building in order to garner state and, particularly, federal funds. This year they received about \$3 million in grants and loans, a relatively minor contribution to the total budget. They also run their own grant program, the Fisheries Enhancement Program (FEP), which gives out funds for fisheries related restoration projects.

Science and technical assistance

SCWA has a Water Education Program designed to help educators teach students the value of water as an important natural resource and to promote water conservation and stewardship of the watershed. Workshops for teachers and materials are free to teachers if the school is located within the service area of one of the above listed water districts.

Water conservation

Water conservation has several dimensions; the first requires meeting state defined best management practices (BMPs) for water usage. These BMPs include metering water use, installing low-flow appliances, etc. Adopted in June 1999, the Agency's [Water Conservation Plan](#) is designed to provide funding to water contractors for cost-effective water conservation measures with the goal of saving 6,600 acre-feet of water annually. The plan allocates \$15 million to water conservation programs over the next 10 years, with the money going directly to assist the water contractors in implementing water conservation measures in their service areas. So far, the Agency has funded and distributed over 100,000 free water-conserving showerheads and faucet aerators, retrofitting of 33,000 toilets to low flow, and 1,200 rebates for horizontal-axis, water-efficient washing machines. Additionally, water conservation can entail the re-use of waste water. This is of particular interest to SCWA as they funded a study on applying tertiary treated waste water to wetlands (Parsons and Martini-Lamb, 2003) and have discussed the possibility of using tertiary treated waste water in landscaping.

Water supply

Three major reservoir projects provide water supply for the Russian River watershed: Lake Pillsbury on the Eel River, Lake Mendocino on the East Fork of the Russian River, and Lake Sonoma on Dry Creek. Lake Mendocino and Lake Sonoma provide water for agriculture, municipal and industrial uses, in addition to maintaining the minimum stream flows required by Agency water rights permits. These minimum stream flows provide recreation and fish passage for salmon and steelhead. Most of the streamflow in the Russian River during the summer is provided by water imported from the Eel River. Streamflows are augmented by releases from Lake Mendocino and Lake Sonoma.

Develop new sources of water

There is a constant need for more water. In particular, the battle over the Russian River water continues. Mr. Poole has encouraged agriculturalists in the Northern part of the county to form a corporation and set contracts for water rights rather than establishing a traditional irrigation district. This

would allow individual landowners to act as parties in the corporation. SCWA has also been pursuing the use of treated waste water as a “new” source of water for a limited number of uses.

Coordination of local entities

Mr. Poole sees the divisive relations between entrenched interests of water agencies in LA, San Diego, and Santa Barbara as the Achilles heel of Southern California. “These are people who can’t even sit in a room together.” Mr. Poole points out that although the population of Northern California is much smaller, there is more flexibility and potential for coalition-building among water interests and thus they have the ability to out maneuver Southern California water interests. “We can beat them with brains rather than muscle.” Such coalition-building is the critical factor in many of the deals that Mr. Poole has brokered. One of his first accomplishments was creating the 5 State Coastal Salmon Restoration Federation that received \$78 million of federal funds in 2000 and has provided funding for Senate Bill 271. More recently, the SCWA organized the Russian River Watershed Association to coordinate regional regulatory responses and the Water Bond Coalition to pursue Proposition 50 funding for projects in the Russian River area.

Maintain an up-to-date GIS

They have GIS expertise on their staff and are currently contracting with KRIS systems to put together a map of restoration project locations throughout the region.

Represent the county

The agency employs 3 lobbyists. Mr. Poole along with members of his staff, the Sonoma County Board of Supervisors, and sometimes members of the Mendocino County Board of Supervisors, regularly visit Washington D.C. to talk with lawmakers about the concerns of Northern California. Mr. Poole is attentive to creating bipartisan support for projects in the region.

Lessons Learned

As Mr. Poole himself stressed, he has many roles; however, the most obvious is his ability to coordinate various entities through an astute awareness of political workings. Coalition building, he says, is about getting people at the table, getting out front with an idea, and then making it in everyone’s best interest to get on-board whether it’s through financial incentives or regulatory arm-twisting. It is fair to note that this strategy has not always engendered the most positive feedback. Yet, Mr. Poole sees controversy as a necessary and predictable step in the process. Innovative problem-solving and risk-taking are two aspects that the general manager brings to all projects.

Options for Funding and Finance

Through this examination of agency functions, it has become clear that MCWA will need to develop a self-sustaining source of funding if it is to take an ongoing role in water resource management within the county. Our analyses of various water agencies and districts have demonstrated a variety of means to raise revenue. Below we outline some of the main revenue sources of county water agencies.

Water supply

Wholesaling or retailing water requires that the county water agency has some perfected water rights and a transmission system or watercourse for distribution. In Mendocino County, the majority of water rights are held by local districts that are, for the most part, unwilling to give up any of those rights. In addition, many local systems are working relatively well, though the majority would like a larger organization to be tasked with the long-term protection of Mendocino county’s water resources and to coordinate local entities, funding, and information sources.

Property tax

Due to Proposition 13, property taxes are locked in at their 1978 rate. In some cases, this has been a windfall (as in Solano County where taxes were particularly high that year), while others like Mendocino County are left with nothing. A property tax is a very stable way to fund particularly important public services, but it requires a “yes” vote by two-thirds of the county. Mendocino County, with its diversity of natural features and populations, has had a difficult time in the past reaching county-wide consensus. The water agency could only hope to receive such great public support through a massive campaign to residents in all of the watersheds as to why and how a county-wide water agency would benefit them locally.

Benefit assessment

A “benefit assessment” tax can be created within a particular zone of benefit. It is a tax that is levied only on those that benefit from a particular project. In comparison to a special property tax, it needs a “yes” vote by half of property owners within the zone of benefit rather than a two-thirds vote by the entire county. This makes this option more viable, but it still requires great local support.

Grants

Grants, while considered a “free” source of money in reality require a great deal of staff time, come with many restrictions, and are very dependent on state and federal budgets. They can also encourage opportunistic projects that do not necessarily address the real needs of a community. However, grants can be an extremely valuable way of supplementing an agency’s budget and could be a pragmatic way to fund initial projects that demonstrate MCWA’s abilities and follow-through to begin developing partnerships and trust in the community.

Conservation fees

Cities and counties can levy water or wastewater conservation fees for undeveloped properties to be paid at time of building permit issuance. In the city of Rohnert Park, such fees are \$325 for a residential unit and \$1,625/acre for commercial and industrial development.

Development tax

The county Board of Supervisors can approve a levy on new construction projects, earmarking the revenue for the water agency. Based on U.S. Census data reported in the Mendocino General Plan Update, we can estimate the number of new housing units that will be built between 2000 and 2010 (based on the growth rate from 1990-2000). This shows that approximately 5,700 new units will be built (2,912 in the incorporated county and 2,813 in the unincorporated areas). This is a conservative estimate due to the predicted increasing population growth and it does not include commercial developments. Yet even based on this conservative estimate of new housing units, a relatively small development tax (under \$200/unit) could raise significant funds on the order of \$1.1 million.

Table 30: Regional Housing Growth in Mendocino County (data from Table 1-10 in Mendocino General Plan Update; Source: U.S. Census, 1990 and 2000)

	Housing Units			
	1990	2000	Percent Growth 99-00	2001 Estimate
Mendocino County	33,649	36,397	8%	39,309
Unincorporated Area	23,018	25,517	11%	28,330

Identifying What the MCWA Should Be and Do

Our purpose is to find a mesh between local and county water capacities in Mendocino County that uses their different strengths to the full future benefit of the county's localities and citizens. We have approached this purpose through a screen of five successive questions that are used to draw conclusions from our earlier informational work.

1. Do local water districts and watershed councils have different goals and constituencies than a county water agency, or are their goals and constituencies the same?
2. Which water policy and management functions are most advantageously performed at local levels, which at a county level, and which are better shared?
3. To what functions did citizens assign priority for a county-wide organization in the course of our surveys and workshops? Which were viewed as county-wide functions, which as better shared between local and county organizations?
4. Given other counties' experiences, what are the apparent costs of county functions identified in Mendocino County as high priority, and what is the relative effectiveness of these functions at different financial scales?
5. Given other counties' experiences, are forms of organization and governance likely to influence capacity and effectiveness? What forms seem most suitable for Mendocino County?

Analysis

1. Do local water districts and watershed councils have different goals and constituencies than a county water agency, or are their goals and constituencies the same?

The water research literature suggests that local water districts and watershed councils have particular interest in and responsibility for the economic and ecological sustainability of their systems and membership, focusing on physical water supply, along with allocation and drainage as their means to fulfill the needs of property owners and citizens. A county agency approaches water within broader jurisdictional responsibilities for the general well-being of the whole population of the county, including its economic development, health and welfare, and reasonably equitable distribution of its opportunities. Its primary instruments are in land allocation, transport, economic development, health and educational services, financial access, and the capacity to coordinate county agencies and localities. All of these determine the pattern of water needs, interests, allocations and capacities.

Other counties in Northern California have developed management structures to allow them to cooperatively, and aggressively, pursue water rights along with state and federal funds for the use of the county as a whole. The success of these agencies, along with a desire to protect the long-term interests of Mendocino County, has led to an interest in more cooperative structures for water management in Mendocino. These structures include watershed coalitions, basin governance structures, and the expanded role of the MCWA. There are specific strengths and weaknesses related to each organizational approach, which will be discussed in further detail below.

Our analysis of this question confirms that local water organizations serve different groups and have different goals than a county water agency and, for the most part, the county's constituencies and goals are other than the sum of the localized parts. Needed is a feasible and effective combination between the local constituencies and goals that are focused on water policy and management and the Mendocino county-wide constituencies and goals that focus on water as a critical factor within broader jurisdictional responsibilities for the future of the whole county and its people.

2. Which water policy and management functions are most advantageously performed at local levels, which at a county level, and which are better shared?

The water research literature demonstrates the importance of local water organizations because of their on-the-ground control and capacity for response to operational needs. These needs often arise momentarily because of weather, emergency; time bound production requirements, and availability of workers and machinery. They require local participation, rapid mobilization of people and equipment, and neighborly pressures for cooperation. They require the knowledge of local circumstances, the sense of the stakes involved for their water users at different times and sites, and the expertise developed over time to respond effectively when the unexpected occurs, which is frequently.

A county organization lacks this potential responsiveness to immediate situations, but it has much greater potential capacity than local water organizations for future planning and development that integrates water within the broader framework of longer-term county-wide needs and interests. It has accountability to the whole county population, thus broader political and fiscal capacity for a longer term. It has a broader view than is possible locally, and the capacity to influence other governmental capacities that have profound effects on water demand, supply, and allocation. It can achieve economies of scale in activities that local organizations need but cannot afford individually, and other economies that are possible through ease of access to complementary county and state agencies, in transport, housing and health for example.

The water research literature also sheds light on the different capacities of water-focused jurisdictions (e.g. basin and watershed councils, irrigation districts) and population-focused jurisdictions such as towns, counties and states. Of particular note are the different technical expertise, stakeholder groups, and financial opportunities available to the two types of organizations. Water-oriented organizations are much more specialized in their technical, political and financial strengths, with population-oriented organizations much more generalized in their strengths. Both types become increasingly important in situations that are undergoing rapid change. The challenge always is in finding their most effective complement.

Our analysis finds that local water organizations have a comparative advantage in operational management that responds effectively to the needs of their members. They have the knowledge, expertise, equipment, and specialized connections to be able to respond quickly and effectively to the uncertainties that confront daily satisfaction of needs. County organizations have a comparative advantage in future-oriented planning and development, in access to non-water agencies that determine the conditions for future water need, supply and allocation, and in access to a broad county constituency and its political and fiscal strength. In areas of specialization that local organizations need but cannot afford, a sharing of functions between local water organizations and the county water agency seems appropriate. Overall, a strongly complementary mode of organization, between local and county and between water-oriented and people-oriented, is needed in the conditions of Mendocino County.

3. To what functions did citizens assign priority for a county-wide organization in the course of our survey and workshops? Which were viewed as county-wide functions, which as better shared between local and county organizations?

As the county survey and the research literature demonstrate, an effective organization must have buy-in from the interests it affects, the constituencies it serves, and the capacities it needs. Thus, our surveys and workshops were intended to identify what people want, need, or prefer on their own, because such information was essential to understanding what a county public water agency could and should become. Many hundreds of citizens participated in this process.

In terms of priorities, you will likely remember that we broke up categories of services into three groupings: 1) priorities of the County Supervisors, 2) priorities of other water agencies, and 3) priorities of local districts and municipalities.

In the first grouping, respondents indicated that pursuit of grants and other sources of financial assistance was their highest preference followed closely by science and technical assistance. With regard to financial assistance, respondents indicated that the lack of funding for infrastructure and maintenance projects, watershed and habitat studies, and restoration was the biggest hurdle to implementation. There is a perception that sources of state and federal funds are available but go unexplored. In many cases, respondents indicated that in their daily activities they did not have time to track grants. Science and technical assistance was important to participants for several reasons. They placed a high value on making policy and program decisions based on sound and sufficient scientific information. Additionally, the science and technical information was considered important content for the information shared through outreach and education.

In the second grouping, there was a strong preference for water conservation and the promotion of efficient water use. This was followed by water supply, watershed and aquatic habitat protection, and the coordination of local entities. These services demonstrate a relationship between water availability for all desired uses and effective water management commonly expressed by participants. Implementing water conservation measures for all uses was identified as a crucial and logical first step to assuring domestic, commercial, and ecosystem needs. The equal prioritization of increasing county water supply and protection of watersheds is illustrative of the widely held view of the watershed as an interconnected system. It also indicates an expectation that the agency will be involved at a county-wide level and operate at a larger scale than individual districts or basin-oriented organizations.

Indeed, the third grouping of priorities of interest to local districts and municipalities shows that participants favored the larger scale services like developing new sources of water, engaging in governmental lobbying, and maintaining an up-to-date county GIS rather than smaller scale services such as developing well and septic system maps or enabling local level resource-sharing, which may already be occurring at the district scale.

Emerging from participant choices was the view of the county water agency that will support, complement and coordinate, but not duplicate, local efforts with a longer-term county-wide vision and capacity. Participants saw an opportunity to promote cooperation among districts, municipalities, and agencies that have similar goals and needs. Many participants noted the need for improved coordination among county agencies, specifically water, environmental health, public health and planning, as well as state and federal water and restoration agencies.

Our analysis finds that Mendocino County is in a position to increase capacity by building on the strengths of local entities by helping secure grants and financial assistance and by providing science and technical assistance, while operating at a larger scale to coordinate projects that address county-wide needs and have a long-term vision of the future and protection of the county's water resources.

4. Given other counties' experiences, what are the apparent costs of county functions identified in Mendocino County as high priority, and what is the relative effectiveness of these functions at different financial scales?

In examining the relative effectiveness of the functions of other counties' agencies and districts, a continuum of functional priorities and relative costs becomes apparent. The continuum runs at one end from the very local focus of the Lake County Flood Control District, reliant on grant funds and citizen participation, to the other end, the expansive, enterprising and technocratic Sonoma County Water Agency. Solano and Yolo are intermediate in their financial scale and stability and their degree of cooperative action with constituents. The different models offer possible guidance for choices in Mendocino County.

The Lake County Flood Control District has been particularly adept at supporting local entities to develop restoration plans, utilizing already existing expertise rather than outsourcing. The Solano County Water Agency has brought together the technical and scientific expertise of the county through its Advisory Committee, which serves as a forum for irrigation districts and public works departments to offer advice and assistance to the water agency and each other. This role as a coordinator and facilitator of

local entities has proved to be highly effective. Both organizations have also developed resource-sharing relationships with other county offices and local organizations for GIS expertise, water conservation, and public outreach projects. This is another highly effective strategy for decreasing costs and increasing coordination.

The Yolo County Flood Control and Water Conservation District and the Sonoma County Water Agency have both been highly successful at gaining water rights and representing county interests. The general managers emphasize the importance of politics and personalities. The focus of the Sonoma County Water Agency on coalition-building and lobbying for federal and state funds reflects the important role a county-wide agency with a politically savvy general manager can play in local and national arenas. Across the board, all the organizations found it necessary to have a secure financial base for credibility and to enable organization functions.

Our analysis finds that MCWA will need to develop a self-sustaining source of funding if it is to take an ongoing role in water resource management within the county. Through our examination of various water agencies and districts, we encountered a variety of means to raise revenue. Some of the main revenue sources of the agencies we examined included water supply, property tax, benefit assessments, grants, conservation fees, and development taxes.

5. Given other counties' experiences, are forms of organization and governance likely to influence capacity and effectiveness? What forms seem most suitable for Mendocino County?

Other counties' experiences with water organization are informative for Mendocino County. For the sake of simplicity, we might characterize the different forms in the following way. Lake County is a participatory model that uses a small county office to mobilize, support and coordinate predominantly local and tribal efforts. This seems to be effective in a county with a relatively small population, weak financial support, and highly committed local and tribal organizations. The county organization additionally has given access to financial sources that don't necessarily appear as 'water' sources but are directed toward areas like economic development and habitat preservation in which water has a fundamental role.

In contrast, Sonoma County's model can be characterized as technocratic, the weight of performance concentrated internally and organized by fields of technical specialization. While several of the branches of the structure have effective outreach functions, the governance of the agency is largely centralized and initiative rests primarily with agency staff. In Sonoma's setting of a predominantly urban and concentrated population with strong financial resources and water claims, this model appears to be very effective technically, financially and in representation of interests at state and federal levels.

Solano is an intermediate case, as is its population and financial strength. Its water agency has a technocratic core surrounded by a circle of local representation and external technical advisors. In other words, a balance between county and local strengths has intentionally been sought. Although Solano County's population and financial strength exceed Mendocino County's, and although the nature of local interests and capacities differs as well, the pursuit of balance between county and local comes closest to Mendocino's need for strongly complementary functions between county and local organizations. The difference between the two is that perhaps Mendocino would have greater reliance than Solano on Lake County's entrepreneurial emphasis for local and tribal activities and diverse financial sources.

As in Solano, Mendocino's history of dispersed but effective local water management is an invaluable resource. The force of population growth, urbanization, and an inequitable distribution of opportunities, and the problem of retaining agricultural viability amidst these forces, is also common to both counties. What Mendocino adds to this mix is a strong regionalization of water management problems between the Coast, and the Russian and Eel basins.

We conclude that the Mendocino County Water Agency needs a strong core that is capable of (1) representing county-wide water and related financial and legal interests at multi-county, state and federal levels, (2) planning, acting, and coordinating with other county and local agencies, to respond effectively to the water supply and management needs of future development, and (3) providing specialized services

to local water districts and watershed councils in critical services the local organizations cannot individually afford.

The pattern of governance flows from these functions. It would include an Advisory Council, or equivalent arrangement, that represented local water organizations in setting agency priorities and reviewing agency performance. It would include technical advisory groups for each of the three regions, each group emphasizing the mix of expertise most required in their region. A representative of each of the three groups might have a seat on the Advisory Council.

For such a system to work, there needs to be clear understanding about the distinction between operational (present) and developmental (future) functions and their division between local and county responsibilities. Representational functions of the agency need to be guided by and accountable to the county-wide elected Board of Directors, while service functions for local districts and councils deserve equivalent guidance by and accountability to the Advisory Council. The development of the core of developmental competence of the agency – planning, acting, and coordinating water aspects of future development, as well as all staff and financial administration of the agency, must be the unambiguous and protected purview of the agency's Director.

Options and Conclusions

The answers to above questions forms a sixth and concluding question: Given projections of future county needs, what appear to be the most promising possibilities for development of the Mendocino County Water Agency?

Our analysis finds that a county water agency has different constituencies, goals, and potential capacities, than water districts, watershed coalitions, or basin-oriented groups. Local water organizations have a comparative advantage in operational management that responds quickly and effectively to the needs of the members. County organizations have a comparative advantage in future oriented planning, finance and development, in access to non-water agencies that determine the conditions for future water need, supply, and allocation, and in access to a broad county constituency and its political and fiscal strength. Overall, a strong complementary mode of organization, between local and county organizations, is needed for the conditions of Mendocino County.

Citizens who attended our workshops or filled out surveys reflected this sense of complementary services by prioritizing larger scale, future-oriented functions for a county-wide agency. Mendocino is in a position to increase capacity by building on the strengths of local entities, while operating at a larger scale and remaining focused on the future and the whole county's resources and people.

Our conclusion to our final question is that the Mendocino County Water Agency has distinctive functions in:

- Representation of county interests at state and federal levels;
- Planning, coordination and technical assistance for integrating water considerations in future economic and social development county-wide; and
- Expanding water finance from the diversified range of sources available to counties for economic and social development, water quality and habitat improvements, and environmental outreach and education.

An advisory council of local water districts and watershed councils, perhaps selected through elections of regional representatives, seems essential. Technical advisory groups are recommended for the regions and in agriculture, in conservation, and in urban development. County hard-money finance of \$1 million per year would be raised through permit fees on new residential developments, higher hotel and tourism taxes, and cost-sharing arrangements with state and federal governments.