

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

STAFF REPORT

**Item 6: Mendocino County Inland Water & Power Commission Updates
Monday, September 14, 2026**

Future of the Trans Basin Diversion

The Federal Energy Regulatory Commission published a Notice of Scoping Meeting and Request for Comments on the Proposed Surrender, Decommissioning, and Non-Project use of Project Lands (NERF) dated May 22, 2026. FERC will prepare a document discussing the environmental impacts of both the decommissioning and the building of the New Eel Russian Facility (NERF.) FERC will use this document in its decision-making process to identify potential adverse and beneficial impacts of the proposed project surrender and reasonable alternatives. The scoping process gathers input regarding the environmental impacts of the proposal. Specifically, FERC staff request comments on potential alternatives and impacts, as well as identification of any relevant information, studies, or analyses concerning effects on the quality of the human environment.

FERC has extended the comment period on the Scoping Document 1 for the Proposed Surrender, Decommissioning, and Non-Project use of Project Lands (NERF) to September 18, 2026 at 2 PM Pacific Time. Comments continue to be submitted, and organizational letters are posted on the District webpage.

FERC denied two late Motions to Intervene on PG&E's application for a surrender of license and non-project use of project lands for the Potter Valley Project No. 77-332.

Sonoma Water published a presentation on **Understanding the New Eel-Russian Facility: Modeling future water diversions** that can be found on YouTube:

<https://www.youtube.com/watch?v=okXsC29dZ3I>

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>

Financials & Member Contributions

IWPC is now providing more in-depth monthly financial reports after RRFC paid to have its Accountant work with IWPC staff. See the **attached** two pages for the July 31, 2026 statements.

As noted in the **attached** City of Ukiah August 19, 2026 Staff Report on IWPC contributions, the City is paying in 4 installments "with each installment contingent upon continued alignment between the City and IWPC regarding goals and objectives."

The Financial reports show Potter Valley Irrigation District has paid \$125,000 - its full budgeted contribution for FY 2026/27. RRFC has paid some of it's budgeted contribution of \$215,000 and (not shown) Redwood Valley County Water District has credit on the books.

At the May 2026 IWPC Meeting, RRFC proposed the **attached** conditions on its approval of the FY 2026-2027 budget.

(Continued...)

IWPC Executive Director Recruitment

The Ad Hoc Committee approved the final job posting which has now gone live and available at the link below. The 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. Resumes are being accepted on an ongoing basis until the position is filled with the first review scheduled for October 9, 2026. See the **attached** IWPC Staff Report.

<https://cpshr.us/recruitment/2658/>

IWPC – Expanding Storage Capacity at Lake Mendocino

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>

The focus at the August IWPC meeting was reviewing the results of evaluating alternative pathways to moving the project forward. The select **attached** slides review the alternatives, provide the Ad Hoc's recommended course of action, identify the need for IWPC to engage a Federal Lobbyist and the recommended process for doing so, which was approved by the Commission. The Ad Hoc met with lobbyists and developed a recommendation for the September 10, 2026 IWPC meeting. A verbal update will be provided during this meeting.

Potter Valley Water Supply Reliability Study

In December of 2021, the California Department of Water Resources (DWR) awarded Sonoma Water a grant that included a Water Reliability Study for the Potter Valley area. Sonoma Water and IWPC engaged Jacobs Engineering Group Inc. to conduct hydrogeologic investigations and assist 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. A Cooperative Agreement to Provide Funding for Overhead Services for the Study was proposed after the project completion, memorializing IWPC's commitment to pay for costs not covered by grant funding for work on the Study that exclusively benefited the Potter Valley area, amounting to \$67,280.82.

In July 2025, RRFC submitted a letter to IWPC that was read out into the record, noting among other issues that RRFC Board requires the Cooperative Agreement to Provide Funding for Overhead Services for Water Supply Reliability Study be finalized and approved by IWPC prior to RRFC financially contributing to the 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; presumably that will follow and upon payment, this issue will be finalized.

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

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

IWPC Financial Accounts
August 2026

Savings Bank: IWPC account \$ 1,073* As of 7/4/2026

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

After July 2026 bills are paid, we will have \$99,892 in the PVP account and \$25,966 in the Operations account.

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—

County Water Agency—

PVID— Pd \$125,000 July

RRFCD—Pd \$84,000 June;

RVCWD—



IWPC BUDGET TO ACTUAL SUMMARY
FY 2026-27
As of 7/31/2026

Budget Category	IWPC Expenses Month Ended 7/31/2026	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	22,675	22,675	\$ 395,000	\$ 372,325	5.7%
Basic Operations	244	244	7,000	6,756	3.5%
Operations Subtotal	22,919	22,919	402,000	379,081	5.7%
Projects / Studies					
New Eel Russian Facility (NERF)	11,078	11,078	180,000	168,923	6.2%
Lake Mendocino Increased Storage Capacity	8,912	8,912	500,000	491,088	1.8%
Potter Valley Storage	-	-	418,000	418,000	0.0%
Projects Subtotal	19,990	19,990	1,098,000	1,078,011	1.8%
TOTALS	\$ 42,909	\$ 42,909	\$ 1,500,000	\$ 1,457,091	2.9%



IWPC OPERATIONS BUDGET TO ACTUAL DETAIL

FY 2026-27

As of 7/31/2026

Budget Line Item	IWPC Expenses Month Ended 7/31/2026	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)	1,278	1,278	\$ 25,200	\$ 23,923	5.1%
Exec. Director (0.6 FTE; incl expenses)	-	-	150,000	150,000	0.0%
MCIWPC General Counsel (Scott Shapiro)	21,398	21,398	71,500	50,103	29.9%
ERPA General Counsel (Scott Shapiro)	-	-	25,000	25,000	0.0%
Agency Engineer (Tom Johnson)	-	-	46,500	46,500	0.0%
Financial Planning (LWA)	-	-	46,800	46,800	0.0%
Grant writing	-	-	30,000	30,000	0.0%
Subtotals	\$ 22,675	\$ 22,675	\$ 395,000	\$ 372,325	5.7%
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	202	200	(2)	101.0%
Google Suite/Zoom	42	42	510	468	8.3%
Office supplies	-	-	500	500	0.0%
Misc./contingency	-	-	790	790	0.0%
Subtotals	\$ 244	\$ 244	\$ 7,000	\$ 6,756	3.5%
TOTALS	\$ 22,919	\$ 22,919	\$ 402,000	\$ 379,081	5.7%



IWPC PROJECTS BUDGET TO ACTUAL DETAIL

FY 2026-27

As of 7/31/2026

Budget Line Item	IWPC Expenses Month Ended 7/31/2026	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)	7,500	7,500	50,000	42,500	15.0%
Project Management (Tom Johnson)	3,578	3,578	70,000	66,423	5.1%
Lobbying - State (grants, SWRCB, PUC)	-	-	60,000	60,000	0.0%
Subtotals	11,078	11,078	180,000	168,923	6.2%
LAKE MENDOCINO INCREASED STORAGE CAPACITY					
Legal (Scott Shapiro)	-	-	50,000	50,000	0.0%
Project Management (LWA-Nagy / Tom Johnson)	398	398	80,000	79,603	0.5%
USACE led General Investigation (feasibility study)	8,515	8,515	250,000	241,486	3.4%
Lobbying - Federal (CVD, USBR, Permitting)	-	-	120,000	120,000	0.0%
Subtotals	8,912	8,912	500,000	491,088	1.8%
POTTER VALLEY STORAGE					
Project Management (Tom Johnson)	-	-	50,000	50,000	0.0%
Legal/Strategy (Scott Shapiro)	-	-	50,000	50,000	0.0%
PV Water Reliability Study by Jacobs	-	-	68,000	68,000	0.0%
(Grant Management reimbursement to SCWA)	-	-	250,000	250,000	0.0%
Consultants for PV Storage Studies (TBD)	-	-	-	-	-
Subtotals	-	-	418,000	418,000	0.0%
TOTALS	\$ 19,990	\$ 19,990	\$ 1,098,000	\$ 1,078,011	1.8%

IWPC Financial Accounts September 2026

Savings Bank: IWPC account \$ 990* As of 9/4/2026

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

After August 2026 bills are paid, we will have \$278,925 in the PVP account and \$23,602 in the Operations account.

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—



IWPC BUDGET TO ACTUAL SUMMARY **FY 2026-27** **As of 8/31/2026**

Budget Category	IWPC Expenses Month Ended 8/31/2026	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	9,570	32,245	\$ 395,000	\$ 362,755	8.2%
Basic Operations	126	371	7,000	6,629	5.3%
Operations Subtotal	9,697	32,616	402,000	369,384	8.1%
Projects / Studies					
New Eel Russian Facility (NERF)	17,173	28,250	180,000	151,750	15.7%
Lake Mendocino Increased Storage Capacit	11,235	20,147	500,000	479,853	4.0%
Potter Valley Storage	265	265	418,000	417,735	0.1%
Projects Subtotal	28,672	48,662	1,098,000	1,049,338	4.4%
TOTALS	\$ 38,369	\$ 81,278	\$ 1,500,000	\$ 1,418,722	5.4%



IWPC OPERATIONS BUDGET TO ACTUAL DETAIL

FY 2026-27

As of 8/31/2026

Budget Line Item	IWPC Expenses Month Ended 8/31/2026	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)	2,275	3,553	\$ 25,200	\$ 21,648	14.1%
Exec. Director (0.6 FTE; incl expenses)	-	-	150,000	150,000	0.0%
MCIWPC General Counsel (Scott Shapiro)	6,015	27,413	71,500	44,088	38.3%
ERPA General Counsel (Scott Shapiro)	674	674	25,000	24,326	2.7%
Agency Engineer (Tom Johnson)	-	-	46,500	46,500	0.0%
Financial Planning (LWA)	606	606	46,800	46,194	1.3%
Grant writing	-	-	30,000	30,000	0.0%
Subtotals	\$ 9,570	\$ 32,245	\$ 395,000	\$ 362,755	8.2%
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	42	84	510	426	16.5%
Office supplies	84	84	500	416	16.8%
Misc./contingency	-	-	790	790	0.0%
Subtotals	\$ 126	\$ 371	\$ 7,000	\$ 6,629	5.3%
TOTALS	\$ 9,697	\$ 32,616	\$ 402,000	\$ 369,384	8.1%



IWPC PROJECTS BUDGET TO ACTUAL DETAIL

FY 2026-27

As of 8/31/2026

Budget Line Item	IWPC Expenses Month Ended 8/31/2026	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)	10,680	18,180	50,000	31,820	36.4%
Project Management (Tom Johnson)	6,493	10,070	70,000	59,930	14.4%
Lobbying - State (grants, SWRCB, PUC)	-	-	60,000	60,000	0.0%
Subtotals	17,173	28,250	180,000	151,750	15.7%
LAKE MENDOCINO INCREASED STORAGE CAPACITY					
Legal (Scott Shapiro)	-	-	50,000	50,000	0.0%
Project Management (LWA-Nagy / Tom Johnson)	265	663	80,000	79,338	0.8%
USACE led General Investigation (feasibility study)	10,970	19,484	250,000	230,516	7.8%
Lobbying - Federal (CVD, USBR, Permitting)	-	-	120,000	120,000	0.0%
Subtotals	11,235	20,147	500,000	479,853	4.0%
POTTER VALLEY STORAGE					
Project Management (Tom Johnson)	-	-	50,000	50,000	0.0%
Legal/Strategy (Scott Shapiro)	-	-	50,000	50,000	0.0%
PV Water Reliability Study by Jacobs	-	-	-	-	-
(Grant Management reimbursement to SCWA)	-	-	68,000	68,000	0.0%
Consultants for PV Storage Studies (TBD)	265	265	250,000	249,735	0.1%
Subtotals	265	265	418,000	417,735	0.1%
TOTALS	\$ 28,672	\$ 48,662	\$ 1,098,000	\$ 1,049,338	4.4%



AGENDA SUMMARY REPORT

SUBJECT: Consider Approval of a Contribution of Up to \$215,000 to the Mendocino County Inland Water and Power Commission for Fiscal Year 2026–27 and a Corresponding Budget Amendment.

DEPARTMENT: Water Resources **PREPARED BY:** Jared Walker, Water Resources Director/UVWA
General Manager, Phil Williams, Legal Counsel
PRESENTER: Jared Walker, Water Resources Director

ATTACHMENTS:

None

Summary: Council will consider approving a financial contribution for fiscal year 2026-27 in the amount up to \$215,000 to the Mendocino County Inland Water and Power Commission (IWPC) for activities related to the Potter Valley Project, and approving the corresponding budget amendment.

Background: The Potter Valley Project (the "PVP"), a hydroelectric project, resulted in the diversion of Eel River water into the Russian River watershed throughout the year to produce electricity. These diversions also resulted in supplementing Russian River flows for over 100 years. These augmented flows have not only been used by water users throughout the basin, but also provided water that could be stored at Lake Mendocino by Sonoma Water and Russian River Flood Control for its contractors. PG&E, which owns the PVP, including the associated water rights, has filed an application with the Federal Energy Regulatory Commission ("FERC") to surrender and decommission the PVP. IWPC, and the City as a member of IWPC, are critical partners for the sustainable management of water in both the Eel and Russian River Basins following PG&E's surrender and decommissioning of the PVP.

Discussion: In its Surrender and Decommissioning Application to FERC, PG&E has included a proposal advanced by IWPC, the Round Valley Indian Tribes ("RVIT"), and Sonoma Water. The two basin solution, which the proposal anticipates and allows for, seeks to allow for continued Eel River water diversion into the Russian River and to improve Eel River fisheries. In the absence of the proposal, PG&E's decommissioning plan for the PVP would result in the removal of facilities that allow for water diversions into the Russian River, likely dramatically improving Eel River fishery health while cutting the Russian River off from a vital source of water. The two basin solution, and the partnership of state and local governments, tribes, and environmental NGOs, have labored to develop a proposal that improves the lives and health of all concerned across both basins.

For the Russian River community writ large, not only is the preservation of a diversion facility between the Eel and Russian Rivers crucial to our success, but, perhaps more importantly, Coyote Valley Dam ("CVD") must be modernized, to include raising it at least to its originally-authorized capacity of 240,000 acre-feet. Modernizing CVD is necessary not only to accommodate Eel River diversions at the time and amounts they will occur, but also to take better advantage of the watershed's natural production by increasing storage capacity to better manage through dry years.

This year's contribution is a significant increase over previous years' (the City's contribution last year was \$84,000). The IWPC Commissioners have asked the County of Mendocino, Russian River Flood Control District, and the City of Ukiah to contribute \$215,000, while Potter Valley Irrigation District and Redwood Valley

County Water District have been asked to contribute \$125,000 each. The City will pay the IWPC in four quarterly payments of \$53,750. This increase represents the need for IWPC to develop better management and decision-making, and engage more effectively at the state, local, and federal levels to secure a reliable source of water for the region. IWPC's budget increase, and the City's resulting increased contribution, reflect the decision to hire an Executive Director at 60% time, and federal and state lobbyists to help with legislation and funding to develop the new diversion facility and modernize Coyote Valley Dam. Preliminary analysis by IWPC anticipates that IWPC budgetary needs are only going to continue to accelerate and grow if Mendocino County is going to be successful in securing a sustainable water future in a post-PVP world, and the City Council should be aware that its contributions will likely therefore also continue to increase in the future.

Staff requests that Council approve a contribution of up to \$215,000 to the Mendocino County Inland Water and Power Commission (IWPC) for Fiscal Year 2026–27, payable in four quarterly installments of \$53,750, with each installment contingent upon continued alignment between the City and IWPC regarding goals and objectives; and approve a budget amendment of \$131,000 to alleviate the deficit between the originally budgeted \$84,000 contribution and the revised \$215,000 contribution request.

Recommended Action: Approve a contribution of up to \$215,000 to the Mendocino County Inland Water and Power Commission (IWPC) for Fiscal Year 2026–27, payable in four quarterly installments of \$53,750, with each installment contingent upon continued alignment between the City and IWPC regarding goals and objectives; and approve a corresponding budget amendment.

BUDGET AMENDMENT REQUIRED: YES

CURRENT BUDGET AMOUNT: 82027110.52100 \$172,000

PROPOSED BUDGET AMOUNT: 82027110.52100 \$303,000

FINANCING SOURCE: Water Resources

REVENUE: No **GRANT:** No

PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A

COORDINATED WITH: Phil Williams, Legal Counsel

STRATEGIC PLAN (SP): SP 1C - Encourage and support an environmentally sustainable and resilient community by embracing new technology, setting policy, and evaluating critical infrastructure.

GENERAL PLAN ELEMENTS (GP): GP-A4 - Public Facilities, Services, and Infrastructure Element.

Approved:


Sage Sangiacomo, City Manager

RRFC FY 26-27 Budget Approval Conditions

- **Monthly QuickBooks financial reports**
(following format of the IWPC budget. Beginning in June 2026)
 - **Consultant Tracking**
(reaffirmed scope of work, timelines, financials, etc. provided to Commissioners, as confidential materials where necessary, beginning within 3 months)
 - **Mid-year budget review**
(December or January agenda item)
 - **Multi- year budget development**
(Commission discussion on expectations for timeline and report outs from financial consultant)
 - **Executive Director recruitment**
(Commission appoint an ad hoc committee ASAP)
-
- **Reserve building**
by IWPC or by member agencies with commitment to IWPC
(Agenda item for Commission discussion July or August.)
 - **Financial audits**
(explore legal requirements and best practices)
 - **Contribution credit policy or agreement.**
(member agency contributions linked to benefits from projects)

Mendocino County

Inland Water & Power Commission

P.O. Box 1247 • Ukiah, CA 95482

Phone (707) 391-7574 • Email: IWPC@mendoiwpc.com

Staff Report

To: MCIWPC Commissioners

From: Executive Director Recruitment Ad Hoc Committee
Scott Shapiro, Agency Counsel

Date: August 13, 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.

Discussion: Following the last Commission meeting and the delegation of authority to the Committee, the Executive Director Recruitment Ad Hoc Committee selected a recruiter through an email exchange. The Committee then met by Zoom on August 6, 2026. Attending the meeting were Commissioners Mari Rodin and John Reardan along with Sean White, Candace Horsley, and Scott Shapiro. The Committee met with Abby Ackert, the recruiter retained through CPS HR as authorized by the Commission.

During the meeting Abby presented a timeline of potential actions and goals to seek to retain an Executive Director in approximately 90 days. Abby then interviewed the Committee members as to what they are looking for in an Executive Director. Following the meeting Abby agreed to draft a document that captures the recruitment and the Committee scheduled another meeting to occur after this staff report is published (but before the Commission meeting) to review the document. At the next Committee meeting we also intend to discuss other agencies that should be consulted as part of our recruitment.

ALTERNATIVES

Alternative	Strengths	Challenges
Traditional Feasibility Study	Historical proven federal pathway	Dependent on federal funding, current study constraints limits possibility of success
Advanced Non-Federal Funding	Improved schedule	Greater local funding responsibility, current study constraints limits possibility of success
Section 203 Study	Greater local control	Greater local funding responsibility; limited precedent with a USACE dam
Congressional Authorization for Construction	Potentially accelerates construction	Congressional approval uncertainty; unknown USACE requirements
Transfer Lake Mendocino	Maximum local control	Significant long-term liability and financial commitment



RECOMMENDED COURSE OF ACTION

- Do not select a single preferred alternative today
- Narrow near-term work to three paths:
 - Section 203 Study
 - Traditional USACE Feasibility Study if funding becomes available
 - Congressional Authorization for Construction
- Use the next several months to resolve federal policy questions by securing a federal lobbyist
- Secure a state lobbyist to investigate state funding opportunities
- Preserve flexibility until federal funding and ASA-CW direction are clearer



NEED FOR A FEDERAL LOBBYIST

- Obtain recurring access to ASA-CW, USACE Headquarters, and potentially OMB
- Clarify how federal decision-makers would treat each viable path
- Support any legislative activity to advance water storage at Coyote Valley Dam including:
 - Construction Authorization
 - Study/Design Appropriations
 - Construction Appropriations
 - Addressing USACE policies to support advancement



RECOMMENDED PROCESS FOR SECURING A LOBBYIST

- Ad Hoc Committee evaluates a focused list of known qualified federal lobbyists
- Selection emphasizes USACE expertise, engagement with federal decision-makers, bipartisan relationships, lack of potential conflicts, and approach
- Ad Hoc Committee conducts interviews of top one or two candidates
- Ad Hoc Committee negotiates a proposed scope and fee with the preferred firm
- Commission reviews and approves the recommended firm and contract





SEPTEMBER IWPC MEETING

- Recommend a lobbyist
- Brief commission on next steps following lobbyist selection:
 - Developing lobbyist scope of support
 - Identifying outstanding policy questions and concerns for remaining options