

5 **DRAFT MINUTES**
6 **Regular Meeting of May 5, 2025**
7 **At District Office: 304 N. State Street, Ukiah, CA 95482**

8 **1. Roll Call**

9 President Watt called the meeting to order at 5:30 PM.

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11 Trustees Present: Christopher Watt, President
12 Tyler Rodrigue, Vice President
13 John Bailey, Treasurer
14 John Reardan, Trustee
15 Dave Koball, Trustee
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17 Staff: Elizabeth Salomone, General Manager
18 Jeanne Zolezzi, Legal Counsel
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20 **2. Approval of Agenda**

21 Vice President Rodrigue moved to approve the agenda. Trustee Reardan seconded the motion. The motion
22 was approved by the following vote:

23 Ayes: 5 (Koball, Bailey, Reardan, Rodrigue, and Watt)
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25 **3. Public Expression: None.**
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28 **CLOSED SESSION**

29 **4. Conference with Real Property Negotiators (Gov. Code § 54956.8)**

30 *Property:* Potter Valley Project | *Agency negotiator:* General Manager, General Counsel, Board Members
31 *Negotiating parties:* Agency, Inland Water & Power Agency, PG&E | *Under negotiation:* Purchasing Entity
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33 The Board entered closed session with legal counsel at 5:31 PM. The Board returned to open public session
34 at 6:04 PM. President Watt stated no reportable action was taken.
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37 **ITEMS FOR DISCUSSION AND POSSIBLE ACTION**

38 **5. WAIVE READING, AND CONSIDER FOR ADOPTION Ordinance No. 25-01 An Ordinance**
39 **Establishing Regulations and Rules for Water Sales by the Mendocino County Russian River Flood**
40 **Control & Water Conservation Improvement District in Title Only**
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42 GM Salomone presented the item.
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44 President Watt opened the Public Hearing at 6:05 PM. No comments were submitted or offered. President Watt
45 closed the Public Hearing at 6:07 PM
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Treasurer Bailey moved to adopt Ordinance No. 25-01 “Establishing Regulations and Rules for Water Sales” by the Mendocino County Russian River Flood Control & Water Conservation Improvement District in its entirety and to direct General Manager to publish the Ordinance 25-01 summary, complete with the votes cast, within 15 days after adoption of the ordinance, post a copy of the full text of the ordinance and the votes cast on the District website, and make available a copy of the full text of the ordinance to the public upon request. Trustee Reardan seconded the motion. The motion was approved by the following roll call vote:

Ayes: 5 (Koball, Bailey, Reardan, Rodrigue, Watt)

6. Revised Uniform Water Supply & Purchase Agreement and Amendment

GM Salomone presented the item and received comments and questions.

Trustee Reardan moved to approve the proposed Amendment to the Uniform Water Sale & Purchase Agreement, the proposed updated Uniform Water Sale & Purchase Agreement, and to direct staff to update all Uniform Water Sale & Purchase Agreements with Customers. Treasurer Bailey seconded the motion. The motion was approved by the following vote:

Ayes: 5 (Koball, Bailey, Reardan, Rodrigue, Watt)

7. Workshop Draft of Fiscal Year 2025-2026 Budget

Treasurer Bailey summarized that rates are being raised from \$61.00 per acre foot to \$66.00 per acre foot and the District will have a balanced budget of revenue and expenses. In past years, the Board raised rates more significantly to cover budget deficits including specification of the project costs and a plan to use some reserves if needed. This year, there is no identified portion of the rate increase for projects but instead, project costs are built into the budget. The Board continues its effort to buffer large rate increases with the use of reserves, if needed. There is uncertainty in future costs with the trans basin diversion from the Eel River to the Russian River and the Army Corp of Engineers feasibility study on Coyote Valley Dam modernizations, both through the Mendocino County Inland Water & Power Commission joint powers agency.

President Watt noted that income from surplus water sales is not budgeted and therefore actual revenues have been higher than projected revenues in many years. However, this year all available water is contracted so the projected revenue is higher. He also noted that project expenses in the past several years did not require significant depletion of reserves and reserves have in fact grown. It was noted that the District can set rates annually because water is sold under contract, unlike retailers.

Trustee Koball asked for talking points on the rate increase. GM Salomone noted the budget worksheet and monthly financial reports break out the ongoing costs and the overall budget for each project. Trustee Koball asked for one or two lines of explanation in future staff reports on all topics to assist Trustees in communicating with the public.

8. Redwood Valley County Water District Application for Uniform Water Supply & Purchase Agreement

GM Salomone presented the staff report noting there is an overlap area between the Redwood Valley County Water District (RVCWD) and RRFC. Legal Counsel confirmed RVCWD is eligible for a Uniform Water Supply & Purchase Agreement (“Agreement”) to serve this overlap area. While RVCWD has asked for 400 acre feet, only 328.85 acre feet are currently available for contract. There are no District policies that inhibit issuing the Agreement, nor are there any restrictions on the District’s water rights or Local Agency Formation Commission (LAFCo) restrictions.

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Trustees noted that the District has not put its full annual water right allocation of 7,040 acre feet to use in recent history. Annual reporting indicates closer to half of the amount is put to use. If the Board approves the Agreement for the remaining uncontracted supply, there will be no additional water available for customers to increase their contract quantities however, no reason to hold some water back as uncontracted was identified. President Watt reiterated that the District does not put its full water right allocation to use and hasn't for a decade. Illustrated by the inability to put the contracted water to use is that there is contracted water in excess to that which customers are using, even in drought years. This makes less water available to those who might need it causing an imbalance. The Board will need to explore this over time. He noted that RVCWD seems to be asking for more water in the Agreement than will be put to use in the area served and acknowledged that there is a pending annexation of the remainder of RVCWD which would put the water to use. He cautioned the practice of allocating water in Agreements that will likely not be used. Treasure Bailey noted that on an individual basis, it makes sense to buffer the amount of contracted water but on a system wide basis, it does not and there are obstacles to allocating based on use, soil type, etc. It was agreed that this issue will return for discussion and further refinement. Board consensus was that the RVCWD Agreement is an opportunity to provide more water security to Redwood Valley and to put the RRFC's water to beneficial use.

Public comment was offered by Redwood Valley County Water District Chair Adama Gaska and Board Member Bree Klotter.

Trustee Reardan moved to approve the Redwood Valley County Water District application for a Uniform Water Supply & Purchase Agreement for 328.85 acre feet and direct Staff to proceed developing Agreement. Treasurer Bailey seconded the motion. The motion was approved by the following vote:

Ayes: 5 (Koball, Bailey, Reardan, Rodrigue, Watt)

REGULAR BUSINESS, INFORMATION, AND REPORT ITEMS

9. Water Supply Conditions Update

GM presented the report. Board consensus was in support of filing a motion to intervene on the 2025 Minimum Instream Temporary Flow Amendment Request.

10. Consent Calendar

- a) Acceptance of the April 2025 Financial Reports
- b) Approval of April 7, 2025 Regular Board Meeting minutes
- c) Approval of April 22, 2025 Special Board Meeting minutes
- d) Approval of Mendocino County Inland Water & Power Commission invoice for \$84,000

Vice President Rodrigue moved to approve the Consent Calendar. Treasurer Bailey seconded the motion. The motion was approved by the following vote:

Ayes: 5 (Koball, Bailey, Reardan, Rodrigue, Watt)

11. Trustee & Committee Reports

LAFCo MSR/SOI & Annexation Ad Hoc: GM Salomone noted the MSR/SOI update was approved by LAFCo at it's May meeting and provided an update on behalf of the Ad Hoc Committee on the annexation.

Change Petition Ad Hoc: GM Salomone provided an update on behalf of the Ad Hoc Committee.

Treasurer Bailey shared conversations with the public regarding the future of the Potter Valley Project in which he provided updates and encouraged participation in public agency meetings.

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12. General Manager Report & Correspondence

GM presented the report and provided an update on the possibility of a temporary transfer being developed for 2025. This would transfer RRFC water to other water rights in exchange for payment of that water. The District received this request very recently and GM will consult with Legal Counsel on the process, timing, and cost. An agenda item will be brought to the Board in June.

The GM was asked if and how the proposed City of Ukiah annexation of the entire Willow Water District service area and part of the Millview Water District service area would impact RRFC. GM Salomone responded that the only foreseeable impact to RRFC would be contractual; the Ukiah Valley Water Authority and/or the City of Ukiah may request contract transfers or consolidations of the water retailer contracts.

13. Direction on Future Agenda Items

Final fiscal year 2025-2026 budget, temporary transfer for 2025.

ADJOURNMENT

Trustee Reardan moved to adjourn the meeting at 7:15 PM. Vice President Rodrigue seconded the motion.

The motion was approved by the following vote:

Ayes: 5 (Koball, Bailey, Reardan, Rodrigue, Watt)

APPROVED by Board of Trustees on June 2, 2025

President of the Board of Trustees

Secretary of the Board of Trustees

President

Christopher Watt

Vice President

Tyler Rodrigue

Treasurer

John Bailey

Trustee

John Reardan

Trustee

Dave Koball