

5 **DRAFT MINUTES**
6 **Special Meeting of July 18, 2023**
7 **At District Office: 304 N. State Street, Ukiah, CA 95482**
8

9 **1. Roll Call**

10 Vice President White called the meeting to order at 5:32 PM.

11
12 Trustees Present: Alfred White, Vice President
13 John Bailey, Treasurer
14 Tyler Rodrigue, Trustee
15 John Reardan, Trustee

16 Trustees Absent: Christopher Watt, President

17 Staff: Elizabeth Salomone, General Manager
18
19

20 **2. Approval of Agenda**

21 Trustee Reardan moved to approve the agenda. Treasurer Bailey seconded the motion. The motion was
22 approved by the following vote:

23 Ayes: 4 (Reardan, Bailey, White, Rodrigue)
24 Absent: 1 (Watt)
25

26 **3. Public Expression**

27 No one indicated interest in speaking.

28 **ITEMS FOR DISCUSSION AND POSSIBLE ACTION**

29 **4. Fiscal Year 2023-2024 Budget and Rate Setting**

30 Treasurer Bailey presented the item. This year's budget is accounting differently for consultant expenses
31 related to projects. In the past, these expenses were layered into the operating expenses line items. This year,
32 water supply reliability project expenses have been separated out from the main operational budget. Personnel
33 budget items have been increased to fund a 2nd member of staff. Water rates have maintained at \$47 per acre
34 foot since 2009. Reserve balances are outlined in District Policy. The Board indicated at a previous meeting
35 the desire to consider using District reserves to 'smooth out' rate increases and directed the GM and Ad Hoc
36 Committee to provide proposals.

37 In addition to the scenarios provided in the Staff Report for the agenda item, Treasurer Bailey and GM
38 Salomone presented an alternative showing only the rate increase needed to address the operational budget
39 deficit, not including any water supply reliability projects. Treasurer Bailey proposed an option to approve an
40 interim budget, setting an interim rate until further proposals and discussion regarding the water supply
41 reliability projects. [See table below.]
42

43 (Continued...)

Rate setting to cover operational expenses: DOES NOT ADDRESS ANY WATER SUPPLY PROJECTS

EXPENSES:	2023	2024	2025	2026	2027
Est Total Operating Expenses	\$ 511,700	\$ 537,285	\$ 564,149	\$ 592,357	\$ 621,975
REVENUE:					
Annual water rate increase per af	\$ 14	\$ 3	\$ 3	\$ 4	\$ 3
Total per af rate	\$ 61	\$ 64	\$ 67	\$ 71	\$ 74
Water Sales Revenue w/rate increase	\$ 457,500	\$ 480,000	\$ 502,500	\$ 532,500	\$ 555,000
Est Tax Revenue	\$ 55,000	\$ 57,750	\$ 60,638	\$ 63,669	\$ 66,853
Est Revenue Subtotal	\$ 512,500	\$ 537,750	\$ 563,138	\$ 596,169	\$ 621,853

45

46 Vice President White shared concerns regarding the use of a 5% Consumer Price Index (CPI) for the
 47 projected expense calculator. Trustee Rodrigue noted ways in which it can be helpful and noted the
 48 calculation can be changed year to year.

49

50 Bree Klotter, Board Member of the Redwood Valley County Water District provided comments including
 51 questions regarding water supply costs to Redwood Valley County Water District.

52

53 Trustee Reardan moved to approve an Interim Fiscal Year 2023-24 Budget of Revenue at \$515,426, Operating
 54 Expenses (not including water supply reliability projects) \$511,700 including a rate increase of \$14 per acre foot to
 55 bring the interim water rate to \$61 per acre foot, with direction to the GM and Ad Hoc Committee to provide a
 56 proposed final FY 23-24 Budget at a future meeting. Trustee Rodrigue seconded the motion. The motion was
 57 approved by a roll call vote:

58

Ayes: 4 (Reardan, Bailey, White, Rodrigue)

59

Absent: 1 (Watt)

60

	FY 2022/23	FY 2022/23	Change	FY 2023/24	Amt Change	% Change
	APPROVED BUDGET	Actuals Projected to 6/30/23	Budget to Actual in %	DRAFT Budget	From previous FY Budget	From previous FY Budget
TOTAL REVENUE	\$ 407,000	\$ 430,868	6%	\$ 515,426	\$ 108,426	27%
less TOTAL OPERATING EXPENSES	\$ 416,475	\$ 441,300	6%	\$ 511,700	\$ 95,225	23%
equals TOTAL DIFFERENCE	\$ (9,475)	\$ (10,432)	10%	\$ 3,726		
WATER SUPPLY PROJECTS				\$ 250,000	N/A	N/A
USE OF WATER SUPPLY RELIABILITY RESERVE FUND				(ALL BUT 30K)	N/A	N/A

61

62

63 The Board continued to discuss Water Supply Reliability Project expenses and options to use a combination of
 64 reserve funds and a further rate increase to meet these expenses. The Ad Hoc Committee was directed to return
 65 with a proposed Final Fiscal Year 2023-2024 Budget and Rate Setting agenda item.

66

67

68

President
Christopher Watt

Vice President
Alfred White

Treasurer
John Bailey

Trustee
Tyler Rodrigue

Trustee
John Reardan

69
70
71

REGULAR BUSINESS, INFORMATION, AND REPORT ITEMS

72 **5. Water Supply Conditions Update and District Response**

73 Bree Klotter, Board Member of the Redwood Valley County Water District asked for clarification on surplus
74 water availability to Redwood Valley County Water District. GM Salomone asked for updated monthly request
75 amounts from Redwood Valley County Water District.

76
77 **6. Consent Calendar**

- 78 a) Acceptance of the June 2023 Financial Report
- 79 b) Approval of June 5, 2023 Regular Board Meeting minutes
- 80 c) Approval of Mendocino County Inland Water & Power Commission Invoice for Contributions
- 81 d) Customer Surplus Water Request of 15 acre feet for 2023.

82
83 Trustees Rodrigue and Reardan asked for more information on Consent Calendar Item 6d which GM
84 Salomone provided.

85
86 Treasurer Bailey moved to approve the Consent Calendar. Trustee Reardan seconded the motion. The
87 motion was approved by the following vote:

- 88 Ayes: 4 (Reardan, Bailey, White, Rodrigue)
- 89 Absent: 1 (Watt)

90
91 **7. Trustee & Committee Reports**

- 92 (a) Budgeting for Strategic Plan Implementation – see Agenda Item 5.
- 93 (b) GM Evaluation – The evaluation has been on pause and will be discussed at a future meeting.

94
95 *Trustee Reardan* provided a report on a recent Mendocino County Inland Water & Power Commission meeting:
96 PG&E’s flow variance application to Federal Energy Regulatory Commission (FERC) has been filed, a comment
97 period is open and closes August 4, 2023 after which FERC will consider approval. FERC’s response is not
98 expected before the end of August, perhaps in September.

99
100 **8. General Manager Report & Correspondence**

101 GM Salomone provided a written report for Board review. Direction given to GM to issue an availability poll to change
102 the date of the July Board meeting.

103
104 **9. Direction on Future Agenda Items**

105 None noted

106
107 **ADJOURNMENT**

108
109 Vice President White moved to adjourn the meeting at 7:38 PM. Trustee Rodrigue seconded the motion. The
110 motion was approved by the following vote:

- 111 Ayes: 4 (Reardan, Bailey, White, Rodrigue)
- 112 Absent: 1 (Watt)

113
114 ***APPROVED by Board of Trustees on July 18, 2023***

115
116
117 _____
President of the Board of Trustees

Secretary of the Board of Trustees

President
Christopher Watt

Vice President
Alfred White

Treasurer
John Bailey

Trustee
Tyler Rodrigue

Trustee
John Reardan