

*Mendocino County*

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

304 N. State Street, Ukiah, CA 95482 707.462.5278 Website: [RRFC.net](http://RRFC.net) [DistrictManager@rrfc.net](mailto:DistrictManager@rrfc.net)

**A G E N D A**

**Board of Trustees – SPECIAL Meeting of Tuesday, July 18, 2023 at 5:30 pm**

**IN PERSON:** 304 North State Street at District office

or

**LIVE ON ZOOM:** <https://us02web.zoom.us/j/81127489402>

**Call in:** (669) 900-9128

**Meeting ID:** 811 2748 9402

1. Call to Order and Roll Call
2. Approval of Agenda *Urgent items added may be discussed immediately. Time suggestions to the right of item title.*
3. Public Expression- See End of Agenda for Information on Public Expression

**ITEMS FOR DISCUSSION AND POSSIBLE ACTION:**

4. Fiscal Year 2023-2024 Budget and Rate Setting (5:35 PM)  
*Board will review and discuss and possibly approve the FY 23-24 Operating Budget, capital projects, and proposed water rate adjustment.*

**REGULAR BUSINESS, INFORMATION, AND REPORT ITEMS (6:45 PM)**

5. Water Supply Conditions Update
6. Consent Calendar
  - a) Acceptance of the June 2023 Financial Report
  - b) Approval of June 5, 2023 Regular Board Meeting minutes
  - c) Approval of Mendocino County Inland Water & Power Commission Invoice for Contributions
  - d) Customer Surplus Water Request of 15 acre feet for 2023.
7. Trustee & Committee Reports
  - (a) Budgeting for Strategic Plan Implementation
  - (b) GM Evaluation
8. General Manager Report & Correspondence
9. Direction on Future Agenda Items

**ADJOURNMENT**

ACTION ITEMS – All agenda items are potential action items unless otherwise noted.

PUBLIC EXPRESSION – The Board welcomes public participation in its Board meetings. Comments shall include any item not on the agenda that is within the subject matter jurisdiction and authority of the District. No action may be taken on any item not appearing on the agenda; however, the Board may direct such items to be placed on the agenda of a future meeting or may request additional information on any such item. The Board may limit testimony to three (3) minutes per person and not more than ten (10) minutes for a particular subject. All items on the agenda are considered action items unless otherwise noted. All times and the order of business are approximate and subject to change.

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

**STAFF REPORT**

To: Board of Trustees  
 From: E. Salomone, General Manager  
 Meeting: Tuesday, July 18, 2023  
 RE: Agenda Item 4: Fiscal Year 2023-2024 Budget Workshop

**The Strategic Plan** relevant priority is **Administration** ensuring sound and sustainable management of District finances.

**Background**

An annual budget sharpens understanding and provides reflection on the progress of District goals. It encourages effective ways of measuring, reporting, and planning while facilitating discussion of financial strategies and health. The budget helps to avoid surprises and maintain fiscal control of the public resources managed by the District.

**Discussion**

Staff is recommending adoption of the Interim Fiscal Year 2023-23 Budget at this meeting and adopting the Final Fiscal Year 2023-23 Budget including 2023 rate setting for Uniform Water Supply & Purchase Agreements at a future Regular Board meeting. This will allow additional customer outreach and engagement, including a Special Board meeting inviting Customers to receive a briefing on the proposed budget and rate setting and provide feedback directly to the Board.

Staff requests the Board provide feedback on the following points to further refine the proposals for public engagement:

1. Funding allocation for water supply projects
2. Reserve Balances (Use/balance of Water Supply Reliability Fund)

**SUMMARY: District Operating Budget**

The following table shows the Proposed Interim Fiscal Year 2023-2024 Budget, beginning July 1, 2023. It does not include potential expenses from projects nor any rate increase.

	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%	\$ 410,466	\$ 3,466	1%
less TOTAL OPERATING EXPENSES	\$ 416,475	\$ 441,300	6%	\$ 511,700	\$ 95,225	23%
equals TOTAL DIFFERENCE	\$ (9,475)	\$ (10,432)	10%	\$ (101,234)		

More detailed information provided on the following pages.

*(Continued...)*

**REVENUE**

ORDINARY REVENUE		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
001	Water Sales, Contracted	\$ 349,000	\$ 363,858	4%	\$ 352,366	\$ 3,366	1%
010	Water Application Fees	\$ -	\$ 1,200		-	\$ -	
050	Property Taxes	\$ 55,000	\$ 40,000	-27%	\$ 55,000	\$ -	0%
080	Interest, LAIF	\$ 2,500	\$ 3,500	40%	\$ 3,000	\$ 500	20%
081	Interest, Savings	\$ 500	\$ 50	-90%	\$ 100	\$ (400)	-80%
<b>TOTAL ORDINARY REVENUE</b>		<b>\$ 407,000</b>	<b>\$ 408,608</b>	<b>0%</b>	<b>\$ 410,466</b>	<b>\$ 3,466</b>	<b>1%</b>
OTHER REVENUE		FY 2022/23	FY 2022/23				
		APPROVED BUDGET	Projected to 6/30/23				
002	Surplus Water Sales	\$ -	\$ 22,000				
100	Other income	\$ -	\$ 260				
<b>TOTAL OTHER REVENUE</b>		<b>\$ -</b>	<b>\$ 22,260</b>				

Red text indicates a change from the preliminary budget presented in June.

<i>Line</i>	<i>Notes</i>
4001	<b>Water Sales</b> A total of 7,497.15 acre feet are now under contract. The price per acre foot used for this calculation is the current one of \$47.00. The Board will continue to consider the need to increase the permanent rate per acre foot and/or annual surcharges for potential projects.
4050	<b>Property Taxes</b> Estimated based on the past eleven Fiscal Year trends.
4080	<b>Interest</b> Potential use of reserves would reduce interest income.
4002	<b>Surplus Sales</b> Surplus water sales not included in budget.

(Continued...)

**EXPENSES**

		FY 2022/23	FY 2022/23	Change	FY 2023/24	Amt Change	% Change
	PAYROLL EXPENSES	APPROVED BUDGET	Actuals Projected to 6/30/23	Budget to Actual in %	DRAFT Budget	From previous FY Budget	From previous FY Budget
5001	Gross Wages	\$ 135,000	\$ 132,000	-2%	\$ 193,000	\$ 58,000	43%
5002	CalPERS Employer Expense	\$ 10,000	\$ 10,000	0%	\$ 14,000	\$ 4,000	40%
5003	CalPERS 457 Expense	\$ 4,000	\$ 4,000	0%	\$ 4,500	\$ 500	13%
5004	Health Insurance	\$ 15,000	\$ 21,000	40%	\$ 25,000	\$ 10,000	67%
5005	Medicare	\$ 1,900	\$ 2,200	16%	\$ 3,000	\$ 1,100	58%
5006	FICA (Federal Taxes)	\$ 8,000	\$ 11,000	38%	\$ 15,000	\$ 7,000	88%
5007	CalPERS 1959 Survivor Billing	\$ 100	\$ 100	0%	\$ 300	\$ 200	200%
5008	CalPERS GASB-68 Fees	\$ 1,000	\$ 700	-30%	\$ 800	\$ (200)	-20%
5009	Unfunded Pension Liability	\$ 9,500	\$ 7,000	-26%	\$ 9,500	\$ -	0%
	Employee Bonus				\$ 7,000		
	Payroll Expenses - Other	\$ -	\$ 700		\$ -	\$ -	
	<b>TOTAL PAYROLL EXPENSES</b>	<b>\$ 184,500</b>	<b>\$ 188,700</b>	<b>2%</b>	<b>\$ 272,100</b>	<b>\$ 87,600</b>	<b>47%</b>

Line	Notes
5001 5002 5004 5005 5006	<b>All based on two employees.</b> The District has been understaffed for most of the past 4 years and the permanent workload has increased. The increase includes but is not limited to factors outside of the District’s control: changes to water supply due to climate and timing/amount of available water from trans-basin diversion; mandates (GSA, SB88, curtailments, MOU); need for funding & legislative support (ACWA/CSDA.) To address these and implement the Board approved Strategic Plan, GM has engaged consultants to help, however, found it inadequate and has led to GM working excessive hours. A second employee is essential for workload coverage and redundancy of vital operations.
5002 5003 5007 5008 5009	<b>All set by CalPERS.</b>
	<b>Employee Bonus</b> As recommended by HR consultants, this is a budgeted option for the Board’s discretion.

(Continued...)

**EXPENSES CONTINUED...**

		FY 2022/23	FY 2022/23	Change		FY 2023/24	Amt Change	% Change
	OPERATING EXPENSES	APPROVED BUDGET	Actuals Projected to 6/30/23	Budget to Actual in %		DRAFT Budget	From previous FY Budget	From previous FY Budget
5021	Water Rights - Annual Fees	\$ 17,000	\$ 17,000	0%		\$ 18,000	\$ 1,000	6%
5022	Water Rights - Compliance	\$ 2,000	\$ 400	-80%		\$ 4,000	\$ 2,000	100%
5030	Projects	\$ 40,000	\$ 22,000	-45%				
5104	Grants & Funding		\$ 1,000					
5107	Outreach & Education		\$ 3,000					
5103	Engineering for WR Application		\$ 4,000					
5105	Legal for WR Application		\$ 7,300					
5105	Legal for Change Petition		\$ 5,000					
5105	Legal for Trans-Basin Diversion		\$ 1,500					
5107	Outreach		\$ 200					
5040	USGS Streamflow Gage	\$ 14,475	\$ 15,000	4%		\$ 16,000	\$ 1,525	11%
5051	Inland Water & Power Commission JPA	\$ -				\$ 3,300	\$ 3,300	
5051	Groundwater Sustainability Agency JPA	\$ 68,000	\$ 69,000	1%		\$ 100,000	\$ 32,000	47%
5060	Rent & Utilities	\$ 5,000	\$ 4,500	-10%		\$ 5,000	\$ -	0%
	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 146,475</b>	<b>\$ 127,900</b>	<b>-13%</b>		<b>\$ 146,300</b>	<b>\$ (175)</b>	<b>0%</b>

Red text indicates a change from the preliminary budget presented in June.

Line	Notes
5022	<b>Water Rights Compliance</b> is primarily meter maintenance.
5030	<b>Projects</b> are being separated out from the operating budget. This creates a challenge in comparing fiscal year budgets. \$40k was budgeted for projects in FY22-23. \$250k is estimated for the FY 23-23 budget
5051	<b>IWPC:</b> Administrative contributions increased from \$2,000 to \$3,300 per IWPC admin.
5060	<b>Groundwater Sustainability Agency:</b> Without the funding of the grant application, member agencies have been asked to contribute an additional \$30,000 for the next fiscal year. Upon recommendation of the District's GSA Representative, Vice President White, the increase has been included in the operating budget. It is hoped this increase will be one-time and potentially deducted from a future contribution. However, until the GSA is collecting rates/fees, it will continue to depend on member contributions.

(Continued...)

**EXPENSES CONTINUED...**

		FY 2022/23	FY 2022/23	Change		FY 2023/24	Amt Change	% Change
	<b>GENERAL &amp; ADMINISTRATIVE EXPENSES</b>	<b>APPROVED BUDGET</b>	<b>Actuals Projected to 6/30/23</b>	<b>Budget to Actual in %</b>		<b>DRAFT Budget</b>	<b>From previous FY Budget</b>	<b>From previous FY Budget</b>
5100	Consulting - General	\$ 20,000	\$ 68,300	242%		\$ 48,000	\$ 28,000	140%
5101	Accounting		\$ 26,000			\$ 6,000		-77%
5102	Audit		\$ 19,000			\$ 10,000		-47%
5105	Legal	\$ 20,000	\$ 18,000	-10%		\$ 20,000		0%
5105	Legal for Redwood Valley issues		\$ 4,200					-100%
5106	Meter Reading		\$ 4,000			\$ 6,000		50%
5109	Human Resources		\$ 13,000			\$ 3,000		-77%
5109	Strategic Planning		\$ 2,100			\$ 3,000		43%
5120	Vehicle: Fuel, Repairs, Maintenance	\$ 2,000	\$ 3,000	50%		\$ 2,000	\$ -	0%
5131	Insurance: Liability, Property, Auto	\$ 7,000	\$ 6,000	-14%		\$ 6,500	\$ (500)	-7%
5130	Insurance: Workers Comp	\$ 7,000	\$ 6,000	-14%		\$ 1,300	\$ (5,700)	-81%
5140	Local Agency Formation Commission	\$ 1,500	\$ 1,300	-13%		\$ 2,000	\$ 500	33%
5150	Memberships, ACWA & CSDA	\$ 7,000	\$ 6,000	-14%		\$ 6,000	\$ (1,000)	-14%
5160	Office Operating Expenses	\$ 5,000	\$ 6,000	20%		\$ 7,000	\$ 2,000	40%
5170	Training & Conferences	\$ 4,000	\$ 4,500	13%		\$ 6,000	\$ 2,000	50%
5180	Stipends, meetings	\$ 6,000	\$ 4,700	-22%		\$ 13,500	\$ 7,500	125%
5190	Property Tax Admin Fees	\$ 1,000	\$ 900	-10%		\$ 1,000	\$ -	0%
5200	Election	\$ 5,000		-100%			\$ (5,000)	-100%
	<b>TOTAL GENERAL &amp; ADMINISTRATIVE EXPENSES</b>	<b>\$ 85,500</b>	<b>\$ 124,700</b>	<b>46%</b>		<b>\$ 93,300</b>	<b>\$ 7,800</b>	<b>9%</b>

Line	Notes
5100	Consulting will not include consultant time for projects. This creates a challenge in comparing fiscal year budgets.
5131	Insurance costs have risen from original estimates from the insurance company.
5180	Stipends allocation has increased due to direction from Board to update the policy.

(Continued...)

**RESERVES**

RESERVES	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	From previous FY
Capital (15% of fixed assets + 10% operating expense budget)	\$ 56,000	\$ 56,000	0%	\$ 72,455	\$ 16,455	29%
Emergency (Emergency: 25% of fixed assets)	\$ 28,000	\$ 28,000	0%	\$ 37,500	\$ 9,500	34%
Operating (Operating: 50% of operating expense budget)	\$ 210,000	\$ 210,000	0%	\$ 249,775	\$ 39,775	19%
Water Supply Reliability (Remainder)	\$ 197,085	\$ 202,258	3%	\$ 136,528	\$ (60,557)	-31%
LAIF Fair Market Value	\$ (6,322)	\$ (6,322)	0%	\$ (6,500)	\$ (178)	3%
<b>TOTALS:</b>	<b>\$ 484,763</b>	<b>\$ 496,258</b>	<b>2%</b>	<b>\$ 496,258</b>	<b>\$ 11,495</b>	<b>2%</b>
<b>FY 23-23 Minimum Rsrvs required by policy:</b>					<b>\$ 359,730</b>	

As laid out in the **attached** District Policy #18-02, there are four funds within the reserve account and balances for three of the funds are based on specific formulas. The minimum reserve balance as per the policy for FY 2023-2024 is preliminarily calculated at \$359,730. The Water Supply Reliability fund is available toward potential water supply projects. It is important to consider the Operating Reserve fund may need to be reserved in case of an unexpected reduction in budgeted revenue.

Legal Counsel has confirmed that per the Uniform Water Supply & Purchase Agreement, the Board has authority to set the price per acre foot annually and is not subject to Proposition 218 or any other regulation in the matter. Legal Counsel also confirmed the District can use its fund for any legal purpose, including the use of reserve funds. See **attached** documents excerpts regarding pricing.

(Continued...)

## Options to Explore

A calculator has been created to explore the variables of (1) annual water rate increase per acre foot; (2) Estimated Annual Water Supply Project Expenses; (3) Use of reserves (either just the Water Supply Reliability Fund or including other funds.)

The following four options are intended to give the Board an idea of the possible scenarios and additional options can be provided after feedback received. Annual CPI has been estimated at 5% and is included in the estimated operating expenses and estimated tax revenue. (The CPI can be changed to run scenarios.) Estimated reserve balances have not been adjusted for fair market value in the calculator.

Four Options:

1. Maintain reserves fully; per acre foot pricing to cover entire operational deficit and water supply project expenses.
2. Use of Water Supply Reliability Fund balance (no other reserve funds); per acre foot pricing for operational deficit and remainder of water supply project expenses.
3. Use of Water Supply Reliability Fund balance; use of additional reserve funds to “smooth out” per acre foot pricing, paying back over 2 years.
4. Use of Water Supply Reliability Fund balance; use of additional reserve funds to “smooth out” per acre foot pricing, paying back over 3 years.

None of the scenarios notably builds the District’s financial reserves nor do they take into account for reduction of value of the reserves over time.

(Continued...)



**Option 1:** Maintain reserves fully; per acre foot pricing to cover entire operational deficit and water supply project expenses, leaving Water Supply Reliability Fund at almost \$165,000.

<b>EXPENSES:</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
Est Total Operating Expenses	\$ 511,700	\$ 537,285	\$ 564,149	\$ 592,357	\$ 621,975
Est Annual Water Supply Project Expenses	\$ 250,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Est Expenses Subtotal	\$ 761,700	\$ 737,285	\$ 764,149	\$ 792,357	\$ 821,975
<b>REVENUE:</b>					
Annual water rate increase per af	\$ 47.23	\$ -	\$ -	\$ 3.00	\$ 4.00
Total per af rate	\$ 94	\$ 94	\$ 94	\$ 97	\$ 101
Water Sales Revenue w/rate increase	\$ 706,725	\$ 706,725	\$ 706,725	\$ 729,225	\$ 759,225
Est Tax Revenue	\$ 55,000	\$ 57,750	\$ 60,638	\$ 63,669	\$ 66,853
Est Revenue Subtotal	\$ 761,725	\$ 764,475	\$ 767,363	\$ 792,894	\$ 826,078
Use of Water Supply Reserve Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Estimated Revenue-less-Expenses (to reserves)	\$ 25	\$ 27,190	\$ 3,213	\$ 538	\$ 4,103
Est Water Supply Reserve Balance	\$ 129,238	\$ 156,428	\$ 159,641	\$ 160,179	\$ 164,282

**Option 2:** Use of Water Supply Reliability Fund balance (no other reserve funds); per acre foot pricing for operational deficit and remainder of water supply project expenses. No build back of Water Supply Reliability Fund.

<b>EXPENSES:</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
Est Total Operating Expenses	\$ 511,700	\$ 537,285	\$ 564,149	\$ 592,357	\$ 621,975
Est Annual Water Supply Project Expenses	\$ 250,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Est Expenses Subtotal	\$ 761,700	\$ 737,285	\$ 764,149	\$ 792,357	\$ 821,975
<b>REVENUE:</b>					
Annual water rate increase per af	\$ 30.00	\$ 13.65	\$ 4.00	\$ 3.25	\$ 3.00
Total per af rate	\$ 77	\$ 91	\$ 95	\$ 98	\$ 101
Water Sales Revenue w/rate increase	\$ 577,500	\$ 679,875	\$ 709,875	\$ 734,250	\$ 756,750
Est Tax Revenue	\$ 55,000	\$ 57,750	\$ 60,638	\$ 63,669	\$ 66,853
Est Revenue Subtotal	\$ 632,500	\$ 737,625	\$ 770,513	\$ 797,919	\$ 823,603
Use of Water Supply Reserve Fund	\$ 129,238	\$ -	\$ -	\$ -	\$ -
Estimated Revenue-less-Expenses (to reserves)	\$ 38	\$ 340	\$ 6,363	\$ 5,563	\$ 1,628
Est Water Supply Reserve Balance	\$ (0)	\$ 340	\$ 6,703	\$ 12,266	\$ 13,894

**Option 3:** Use of Water Supply Reliability Fund balance and use of additional reserve funds to “smooth out” per acre foot pricing over 2 years, paying back over 2 years. No build back of Water Supply Reliability Fund. (Negative balance in Est Water Supply Reserve Balance indicates amount used from other reserve funds.)

<b>EXPENSES:</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
Est Total Operating Expenses	\$ 511,700	\$ 537,285	\$ 564,149	\$ 592,357	\$ 621,975
Est Annual Water Supply Project Expenses	\$ 250,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Est Expenses Subtotal	\$ 761,700	\$ 737,285	\$ 764,149	\$ 792,357	\$ 821,975
<b>REVENUE:</b>					
Annual water rate increase per af	\$ 20.00	\$ 20.00	\$ 9.00	\$ 9.00	\$ (4.30)
Total per af rate	\$ 67	\$ 87	\$ 96	\$ 105	\$ 101
Water Sales Revenue w/rate increase	\$ 502,500	\$ 652,500	\$ 720,000	\$ 787,500	\$ 755,250
Est Tax Revenue	\$ 55,000	\$ 57,750	\$ 60,638	\$ 63,669	\$ 66,853
Est Revenue Subtotal	\$ 557,500	\$ 710,250	\$ 780,638	\$ 851,169	\$ 822,103
Use of Water Supply & Other Reserve Fund	\$ 204,200	\$ 27,035	\$ -	\$ -	\$ -
Estimated Revenue-less-Expenses (to reserves)	\$ -	\$ -	\$ 16,488	\$ 58,813	\$ 128
Est Water Supply Reserve Balance	\$ (74,962)	\$ (74,962)	\$ (58,474)	\$ 339	\$ 467

**Option 4:** Use of Water Supply Reliability Fund balance; use of additional reserve funds to “smooth out” per acre foot pricing over 2 years, paying back over 3 years. (Negative balance in Est Water Supply Reserve Balance indicates amount used from other reserve funds.)

<b>EXPENSES:</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
Est Total Operating Expenses	\$ 511,700	\$ 537,285	\$ 564,149	\$ 592,357	\$ 621,975
Est Annual Water Supply Project Expenses	\$ 250,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Est Expenses Subtotal	\$ 761,700	\$ 737,285	\$ 764,149	\$ 792,357	\$ 821,975
<b>REVENUE:</b>					
Annual water rate increase per af	\$ 17.00	\$ 17.00	\$ 13.00	\$ 8.00	\$ 8.00
Total per af rate	\$ 64	\$ 81	\$ 94	\$ 102	\$ 110
Water Sales Revenue w/rate increase	\$ 480,000	\$ 607,500	\$ 705,000	\$ 765,000	\$ 825,000
Est Tax Revenue	\$ 55,000	\$ 57,750	\$ 60,638	\$ 63,669	\$ 66,853
Est Revenue Subtotal	\$ 535,000	\$ 665,250	\$ 765,638	\$ 828,669	\$ 891,853
Use of Water Supply & Other Reserve Fund	\$ 226,700	\$ 72,035	\$ -	\$ -	\$ -
Estimated Revenue-less-Expenses (to reserves)	\$ -	\$ -	\$ 1,488	\$ 36,313	\$ 69,878
Est Water Supply Reserve Balance	\$ (97,462)	\$ (97,462)	\$ (95,974)	\$ (59,661)	\$ 10,217

**Recommended Action:**

- (1) Move to approve an Interim Fiscal Year 2023-23 Budget; and
- (2) Select option(s) or direct GM to develop additional option(s) to proceed in further refinement and customer outreach.
- (3) Direct GM to schedule a Special Board Meeting and invite customers to receive a briefing on the proposed budget/rate setting and provide feedback directly to the Board.
- (4) Direct GM to schedule the adoption of the Final Fiscal Year 2023-23 Budget including 2023 rate setting for Uniform Water Supply & Purchase Agreements at a future Regular Board meeting; and

**Attachments:**

- Policy #18-02: Reserves and Policy #18-01: Limits on Bank Accounts& Investments
- Excerpts from the Uniform Water Supply & Purchase Agreement and Ordinance #00-01 regarding pricing.

**MENDOCINO COUNTY RUSSIAN RIVER FLOOD CONTROL &  
WATER CONSERVATION IMPROVEMENT DISTRICT**

**POLICY #18-02**

**A POLICY OF THE BOARD OF TRUSTEES OF MCRRFC&WCID  
ESTABLISHING A RESERVES POLICY**

**WHEREAS**, the Board of Trustees of the Mendocino County Russian River Flood Control and Water Conservation Improvement District is committed to operating and maintaining the District and its assets in a fiscally sound and responsible manner;

**WHEREAS**, the Board of Trustees adopts policies to maintain a prudent level of financial resources and provide cost-effective, efficient public services through a stable rate structure and gradual rate increases;

**WHEREAS**, the District must be prepared for larger-scale regional investments that help to secure water resources within its service area;

**WHEREAS**, the District must be prepared for sudden emergencies and unexpected costs; and,

**WHEREAS**, the Board of Trustees desires to adopt a reasonable and sound reserve policy.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Trustees of the Mendocino County Russian River Flood Control and Water Conservation Improvement District that:

1. The District does not maintain a depreciation schedule of fixed assets. Capital Reserve based on depreciation alone is typically insufficient to fund replacement of equipment, infrastructure, and facilities. Therefore, this Reserves Policy establishes a contribution factor to offset depreciation of its fixed assets. The District shall incorporate this contribution factor into its rate structure, expressed as a percentage of both the fixed asset value and the annual operating expense budget to generate revenues specifically for Capital Reserve.

2. The District does not have a firm value to determine a contribution factor for Water Supply Reliability Reserve. Therefore, this Reserves Policy establishes that when revenue deposits exceed the account limits specified in District Policy #18-01, those exceedances will be deposited into Water Supply Reliability Reserve.

3. The goal of the District is to maintain reserves at a level that equals or exceeds the sum of the following components:

**a. OPERATING RESERVE:**

Purpose: This amount is intended to mitigate funding six months of operating expenses.

Limit: 50 percent of the annual operating expense budget

**b. CAPITAL RESERVE:**

Purpose: This amount is intended to replace existing assets and fund future capital projects.

Limit: 15 percent of fixed assets plus 10 percent of the annual operating expense budget

**c. EMERGENCY RESERVE:**

Purpose: This amount is intended to be protection against catastrophic loss and to provide a cushion for inaccuracy in long range planning.

Limit: 25 percent of the value of fixed assets

**d. WATER SUPPLY RELIABILITY RESERVE:**

Purpose: Reserves set aside for the specific purpose of securing/purchasing water supply and/or infrastructure for storage or supply distribution.

Limit: The costs associated with the District's share of these expenses could be as high as \$100 million. However, in order to initiate a prudent policy direction, the limit of this reserve shall not exceed \$20 million without further agreement on specific project participation and reserve assignment.

4. All reserves will be segregated from operating funds and each shall be maintained in accordance with District Policy #18-01 and as follows:

a. The checking account will be maintained at a balance below the \$250,000 Federal Deposit Insurance Corporation limit.


b. The savings account will maintain a balance of approximately \$50,000.

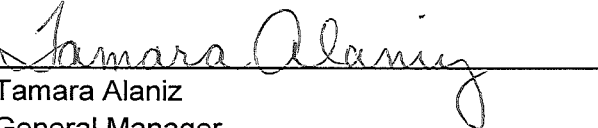
c. Any and all overages will be directed by wire transfer to the District Local Agency Investment Fund (LAIF) account.

d. Reserves will be managed in the LAIF account and segregated by reserve fund in the District's financial accounting.

**HEREBY PASSED AND ADOPTED** by the Board of Trustees of the Mendocino County Russian River Flood Control and Water Conservation Improvement District this 6<sup>th</sup> day of August, 2018 and as approved by the following roll call vote:

Matthew Froneberger	<input checked="" type="radio"/> Yes / No / Abstain / Absent
John Reardan	Yes / No / Abstain / <input checked="" type="radio"/> Absent
Tyler Rodrigue	<input checked="" type="radio"/> Yes / No / Abstain / Absent
Alfred White	<input checked="" type="radio"/> Yes / No / Abstain / Absent
William Carson	<input checked="" type="radio"/> Yes / No / Abstain / Absent

Signed:   
Matthew Froneberger  
President

Attest:   
Tamara Alaniz  
General Manager

**MENDOCINO COUNTY RUSSIAN RIVER FLOOD CONTROL &  
WATER CONSERVATION IMPROVEMENT DISTRICT**

**POLICY #18-01**

**A POLICY OF THE BOARD OF TRUSTEES OF MCRRFC & WCID  
ON BANK ACCOUNT LIMITS AND INVESTMENT OPTIONS**

**WHEREAS**, the Board has the authority to set forth policies and restrictions on the manner of District financial management;

**WHEREAS**, it is in the best interest of this District to manage finances in the most appropriate and beneficial way;

**WHEREAS**, the Financial Committee has met and developed a recommendation for bank account limits and investment options; and,

**WHEREAS**, the Board of Trustees has directed staff to develop a consistent approach to managing District finances.

**THEREFORE**, it is the policy of the Board of Trustees of MCRRFC & WCID, from date of enactment until changed, amended or cancelled, as follows:


1. When the Savings Bank of Mendocino County (SBMC) Checking Account exceeds the \$250,000 Federal Deposit Insurance Corporation (FDIC) limit, funds over and above the \$250,000 balance shall be transferred into the Savings Account.
2. When the SBMC Savings Account exceeds \$250,000, funds shall be transferred into the Local Agency Investment Fund (LAIF) Account, reducing the Savings Account balance to \$50,000.
3. The balance of the Savings Account should remain at or near \$50,000, excepting those times of year when the District is collecting and accruing water revenues, where the balance may increase up to \$250,000.

**ADOPTED** 5<sup>th</sup> of March, 2018 by the Board of Trustees of the Mendocino County Russian River Flood Control & Water Conservation Improvement District.

Matthew Froneberger  
John Reardan  
Tyler Rodrigue  
Alfred White  
William Carson

Yes / No / Abstain / Absent  
 Yes / No / Abstain / Absent  
 Yes / No / Abstain / Absent  
 Yes / No / Abstain / Absent  
 Yes / No / Abstain / Absent

Signed:

  
Matthew Froneberger  
President

Attest:

  
Tamara Alaniz  
General Manager

From the Uniform Water Supply & Purchase Agreement:

6.1. **Price.** Customer shall pay District for all Project Water made available to Customer each Year, but not less than the Contract Quantity, at the per acre foot rate determined annually by the District, subject to the Ordinance, in addition to other fees set forth in District Enactments.

From Ordinance #00-01:

## ARTICLE 6: PRICING

6.10 **Price Schedule.** The Board shall, by resolution, fix the price per unit at which water will be sold to each Customer of the District on an annual basis. Such price shall reflect all costs and out-of-pocket expenses directly incurred by the District in delivering water for sale to the Service Connection of each Customer. The District's costs shall include the actual cost per acre foot to (a) obtain water from its sources in California; (b) convey the water to each Customer Service Connection; (c) pay any required fees and costs for water supply and conveyance to each Customer Service Connection; (d) pay any costs of environmental review; (e) pay any conveyance cost of the water supplied to each Customer including costs of electrical power; (f) pay the principal and interest on any bonded debt for capital improvements and any bond redemption costs; (g) pay ordinary administration and maintenance expenses of the District; (h) pay the cost of construction of new capital improvements; (i) pay the cost of maintenance and operation of all capital improvements; (j) set aside funds for the funding of a prudent reserve.

6.15 **Other Fees.** By resolution the Board shall fix the amount of the following fees applicable to Customers who have entered into a Water Sale and Purchase Agreement with the District:

- A. Charge to reseal meter
- B. Charge to test or witness meter test
- C. Return check charges
- D. Late payment charge for failure to pay contract payments and other fees in a timely manner
- E. Charge for unauthorized meter use
- F. Application fee
- G. Deposit regarding execution of Water Sale & Purchase Agreement
- H. Reconnect fees
- I. Penalties and collection charges

6.20 **Modification of Price Schedule.** By resolution the Board may amend, alter, modify, increase, or decrease any fees provided for in Section 6.15 above. The price schedule applicable to any particular Water Sale and Purchase Agreement between the District and any Customer is subject to change during the term of the Agreement only by mutual agreement of the Parties. However, the District reserves the right to alter its pricing schedule on an annual basis so as to include all of the District's costs incurred in providing water supply to its Customers.

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

**STAFF REPORT**

To: Board of Trustees  
From: E. Salomone, General Manager  
Meeting: Tuesday, July 18, 2023  
RE: Agenda Item 5: Water Supply Conditions

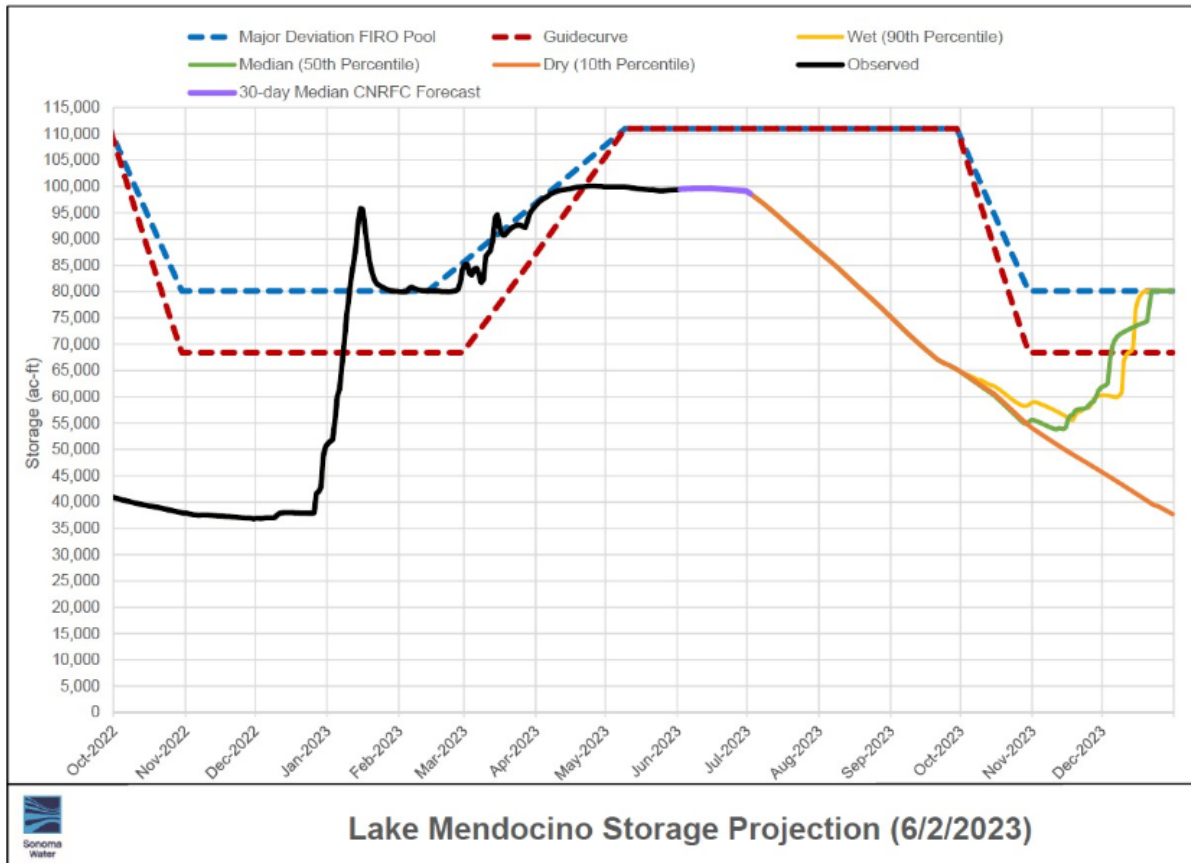
**The Strategic Plan** relevant priorities are: **Security** through ensuring reliable, resilient, and available sources of water; **Advocacy** in support of equitable water resource stewardship; and **Use** of water in effective and beneficial ways as a public resource, all in alignment with the District’s Mission to steward water resources for the benefit of people and the environment.

**Operations of the Inter-Basin Diversion of Water Through PG&E Owned “Potter Valley Project”**  
PG&E filed a to FERC in June. On July 5<sup>th</sup>, FERC issued a notice of comment period on PG&E’s submitted flow variance. Deadline for filing comments, motions to intervene, and protests is August 4, 2023.

**Lake Mendocino and the Mainstem Upper Russian River**

Lake Mendocino storage level was 96,212 acre feet (af) on July 9, 2023, down from 99,325 af on May 30, 2023. The mainstem Russian River continues to operate under a Temporary Urgency Change Order. [www.sonomawater.org/tucp](http://www.sonomawater.org/tucp)  
The approved modifications include the following changes:

- From May 1 through October 15, 2023, the instream flow requirements for the upper Russian River will be reduced from 185 cubic feet per second (cfs) to 125 cfs.
- From May 1 through October 15, 2023, the instream flow requirements for the lower Russian River will be reduced from 125 cfs to 70 cfs.





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

**STAFF REPORT**

To: Board of Trustees  
From: E. Salomone, General Manager  
Meeting: Tuesday, July 18, 2023  
RE: Agenda Item 6a: June 2023 Financial Reports Summary

---

Revenue

May 2023 Additional revenue not shown on previous report: *None*

June 2023: \$65,373.69

- \$49,174.69 Contract Water Sales (\$22,336.69 of this is surplus to Redwood Valley)
- \$15,800 Reimbursed Expenses – USGS streamflow gage pass through fr N Gualala

Ordinary Expenses

May 2023 Additional expenses not shown on previous report: \$6a2

- \$ 293.25 Office Operating Expenses
- \$1,718.33 Training & Conferences

June 2023: \$19,188.24

- \$15,15.10 Office Operating includes annual QB subscription, new printer, new chair, etc.

Other

- Financial reports subject to change after corrections and adjustments by Accountant and Auditor.
- Reconciliations for checking and savings are up to date as of the end of June 2023.
- Additional reports or information available upon request.

Recommendation:

Move to accept and file the financial reports for June 2023.

Attachments:

1. Income & Expense Report – June 2023 only
2. Income & Expense / Budget Vs Actual Report – Fiscal Year to date
3. Profit & Loss Previous Year Comparison Report
4. Balance Sheet Previous Year Comparison Report
5. Monthly Payment Detail Report – June 2023
6. Contracted Water Worksheet

**Russian River Flood Control District**  
**Income & Expense / Budget vs. Actual**  
**June 2023**

	<b>Jun 23</b>
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
4001 · Contract Water Sales	49,173.69
4010 · Water Application Fee	400.00
4050 · Property Taxes	0.00
4080 · Interest-LAIF	0.00
4081 · Interest-SBMC	0.00
4110 · Reimbursed Expenses	15,800.00
<b>Total Income</b>	65,373.69
<b>Expense</b>	
<b>Payroll Expenses</b>	
5001 · Gross Wages	9,526.25
5002 · CalPERS Employer Expense	644.38
5003 · CalPERS 457 Roth Expense	150.00
5004 · Health Insurance	1,478.00
5005 · Medicare	159.56
5006 · FICA	682.27
5007 · CalPERS 1959 Survivor Billing	3.00
5008 · CALPERS GASB-68 Fees	0.00
5009 · Unfunded Pension Liability	0.00
<b>Total Payroll Expenses</b>	12,643.46
<b>Operating Expenses</b>	
5030 · Projects	0.00
5040 · USGS, streamflow gage	0.00
5060 · Rent, Utilities	1,125.00
<b>Total Operating Expenses</b>	1,125.00
<b>General &amp; Administrative Exp</b>	
5100 · Consulting	
5101 · Accounting	673.75
5105 · Legal	1,525.82
5106 · Metering	584.50
5100 · Consulting - Other	0.00
<b>Total 5100 · Consulting</b>	2,784.07
5120 · Vehicle	65.13
5130 · Insurance	0.00
5140 · LAFCO Apportionment Fee	992.34
5150 · Memberships	0.00
5160 · Office Operating Expenses	1,515.10
5170 · Training & Conferences	63.14
5180 · Stipends, Meetings	0.00
5200 · Election	0.00
<b>Total General &amp; Administrative Exp</b>	5,419.78
<b>Total Expense</b>	19,188.24
<b>Net Ordinary Income</b>	46,185.45
<b>Net Income</b>	<b>46,185.45</b>

# Russian River Flood Control District Income & Expense / Budget vs. Actual

Cash Basis

July 2022 through June 2023

	Jul '22 - J...	Budget	\$ Over Bu...	% of Bud...
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
4001 · Contract Water Sales	339,598.74	349,000.00	-9,401.26	97.3%
4010 · Water Application Fee	1,600.00			
4050 · Property Taxes	34,872.50	55,000.00	-20,127.50	63.4%
4080 · Interest-LAIF	3,333.66	2,500.00	833.66	133.3%
4081 · Interest-SBMC	37.56	500.00	-462.44	7.5%
4100 · Other Income	257.95			
4110 · Reimbursed Expenses	15,800.00			
<b>Total Income</b>	395,500.41	407,000.00	-11,499.59	97.2%
<b>Expense</b>				
<b>Payroll Expenses</b>	181,093.99	184,500.00	-3,406.01	98.2%
<b>Operating Expenses</b>				
5020 · Water Rights	17,254.33	19,000.00	-1,745.67	90.8%
5030 · Projects				
5031 · Grant Applications	1,498.75			
5032 · Outreach & Education	92.20			
5033 · Water Resiliency - Other	3,737.00	40,000.00	-36,263.00	9.3%
<b>Total 5030 · Projects</b>	5,327.95	40,000.00	-34,672.05	13.3%
5040 · USGS, streamflow gage	14,475.00	15,000.00	-525.00	96.5%
5050 · JPAs				
5052 · GSA	68,750.00	68,000.00	750.00	101.1%
<b>Total 5050 · JPAs</b>	68,750.00	68,000.00	750.00	101.1%
5060 · Rent, Utilities	4,500.00	5,000.00	-500.00	90.0%
<b>Total Operating Expenses</b>	110,307.28	147,000.00	-36,692.72	75.0%
<b>General &amp; Administrative Exp</b>				
5100 · Consulting				
5101 · Accounting	25,904.45			
5102 · Audit	19,000.00			
5104 · Grants & Funding	2,362.50			
5105 · Legal	24,843.63	20,000.00	4,843.63	124.2%
5106 · Metering	3,893.46	0.00	3,893.46	100.0%
5107 · Outreach	150.00			
5100 · Consulting - Other	14,955.00	20,000.00	-5,045.00	74.8%
<b>Total 5100 · Consulting</b>	91,109.04	40,000.00	51,109.04	227.8%
5120 · Vehicle	1,243.42	2,000.00	-756.58	62.2%
5130 · Insurance	11,832.38	14,000.00	-2,167.62	84.5%
5140 · LAFCO Apportionment Fee	2,261.07	1,500.00	761.07	150.7%
5150 · Memberships	5,930.00	7,000.00	-1,070.00	84.7%
5160 · Office Operating Expenses	8,159.30	5,000.00	3,159.30	163.2%
5170 · Training & Conferences	5,297.45	4,000.00	1,297.45	132.4%
5180 · Stipends, Meetings	4,650.00	6,000.00	-1,350.00	77.5%
5190 · Property Tax Admin Fees	0.00	1,000.00	-1,000.00	0.0%
5200 · Election	331.74	5,000.00	-4,668.26	6.6%
5299 · Miscellaneous Expense (Revenue)	-6.00			
<b>Total General &amp; Administrative Exp</b>	130,808.40	85,500.00	45,308.40	153.0%
<b>Payroll Taxes- old</b>	0.00			
<b>Total Expense</b>	422,209.67	417,000.00	5,209.67	101.2%
<b>Net Ordinary Income</b>	-26,709.26	-10,000.00	-16,709.26	267.1%
<b>Other Income/Expense</b>				
<b>Other Expense</b>				

**Russian River Flood Control District  
Income & Expense / Budget vs. Actual**

Cash Basis

July 2022 through June 2023

---

	<u>Jul '22 - J...</u>	<u>Budget</u>	<u>\$ Over Bu...</u>	<u>% of Bud...</u>
<b>5800 · Prior Year Expense</b>	0.00			
<b>Total Other Expense</b>	0.00			
<b>Net Other Income</b>	0.00	0.00	0.00	0.0%
<b>Net Income</b>	<u><b>-26,709.26</b></u>	<u><b>-10,000.00</b></u>	<u><b>-16,709.26</b></u>	<u><b>267.1%</b></u>

**Russian River Flood Control District**  
**Profit & Loss Prev Year Comparison**  
**July 2022 through June 2023**

Cash Basis

	Jul '22 - Jun 23	Jul '21 - Jun 22	\$ Change	% Change
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
4001 · Contract Water Sales	339,598.74	345,237.23	-5,638.49	-1.6%
4010 · Water Application Fee	1,600.00	0.00	1,600.00	100.0%
4050 · Property Taxes	34,872.50	58,950.25	-24,077.75	-40.8%
4080 · Interest-LAIF	3,333.66	1,886.87	1,446.79	76.7%
4081 · Interest-SBMC	37.56	88.86	-51.30	-57.7%
4100 · Other Income	257.95	0.00	257.95	100.0%
4110 · Reimbursed Expenses	15,800.00	37,601.48	-21,801.48	-58.0%
4120 · Gain/(Loss) on Sale of Assets	0.00	-2,336.14	2,336.14	100.0%
4130 · Unrealized Gain(Loss) Invstment	0.00	-6,322.52	6,322.52	100.0%
<b>Total Income</b>	<b>395,500.41</b>	<b>435,106.03</b>	<b>-39,605.62</b>	<b>-9.1%</b>
<b>Expense</b>				
<b>Payroll Expenses</b>				
5001 · Gross Wages	127,855.41	128,529.84	-674.43	-0.5%
5002 · CalPERS Employer Expense	9,388.42	8,386.94	1,001.48	11.9%
5003 · CalPERS 457 Roth Expense	3,950.00	3,362.50	587.50	17.5%
5004 · Health Insurance	20,287.00	10,800.00	9,487.00	87.8%
5005 · Medicare	2,103.00	1,765.69	337.31	19.1%
5006 · FICA	9,820.16	7,287.68	2,532.48	34.8%
5007 · CalPERS 1959 Survivor Billing	29.00	142.80	-113.80	-79.7%
5008 · CALPERS GASB-68 Fees	700.00	0.00	700.00	100.0%
5009 · Unfunded Pension Liability	6,311.00	8,419.00	-2,108.00	-25.0%
Vacation/Sick	0.00	3,000.00	-3,000.00	-100.0%
Payroll Expenses - Other	650.00	0.00	650.00	100.0%
<b>Total Payroll Expenses</b>	<b>181,093.99</b>	<b>171,694.45</b>	<b>9,399.54</b>	<b>5.5%</b>
<b>Operating Expenses</b>				
<b>5020 · Water Rights</b>				
5021 · Annual Fees	16,886.72	15,930.05	956.67	6.0%
5023 · Meter Maintenance	367.61	1,993.45	-1,625.84	-81.6%
<b>Total 5020 · Water Rights</b>	<b>17,254.33</b>	<b>17,923.50</b>	<b>-669.17</b>	<b>-3.7%</b>
<b>5030 · Projects</b>				
5031 · Grant Applications	1,498.75	0.00	1,498.75	100.0%
5032 · Outreach & Education	92.20	7,397.32	-7,305.12	-98.8%
5033 · Water Resiliency - Other	3,737.00	30,051.25	-26,314.25	-87.6%
<b>Total 5030 · Projects</b>	<b>5,327.95</b>	<b>37,448.57</b>	<b>-32,120.62</b>	<b>-85.8%</b>
5040 · USGS, streamflow gage	14,475.00	34,980.00	-20,505.00	-58.6%
<b>5050 · JPAs</b>				
5052 · GSA	68,750.00	10,513.64	58,236.36	553.9%
<b>Total 5050 · JPAs</b>	<b>68,750.00</b>	<b>10,513.64</b>	<b>58,236.36</b>	<b>553.9%</b>
5060 · Rent, Utilities	4,500.00	9,012.29	-4,512.29	-50.1%
<b>Total Operating Expenses</b>	<b>110,307.28</b>	<b>109,878.00</b>	<b>429.28</b>	<b>0.4%</b>
<b>General &amp; Administrative Exp</b>				
<b>5100 · Consulting</b>				
5101 · Accounting	25,904.45	0.00	25,904.45	100.0%
5102 · Audit	19,000.00	2,400.00	16,600.00	691.7%
5104 · Grants & Funding	2,362.50	0.00	2,362.50	100.0%
5105 · Legal	24,843.63	33,972.12	-9,128.49	-26.9%
5106 · Metering	3,893.46	0.00	3,893.46	100.0%
5107 · Outreach	150.00	0.00	150.00	100.0%
5100 · Consulting - Other	14,955.00	2,425.25	12,529.75	516.6%
<b>Total 5100 · Consulting</b>	<b>91,109.04</b>	<b>38,797.37</b>	<b>52,311.67</b>	<b>134.8%</b>
5120 · Vehicle	1,243.42	655.73	587.69	89.6%
5130 · Insurance	11,832.38	8,960.92	2,871.46	32.0%
5140 · LAFCO Apportionment Fee	2,261.07	1,817.07	444.00	24.4%

	<u>Jul '22 - Jun 23</u>	<u>Jul '21 - Jun 22</u>	<u>\$ Change</u>	<u>% Change</u>
5150 · Memberships	5,930.00	5,670.00	260.00	4.6%
5160 · Office Operating Expenses	8,159.30	6,387.30	1,772.00	27.7%
5170 · Training & Conferences	5,297.45	2,864.31	2,433.14	85.0%
5180 · Stipends, Meetings	4,650.00	2,925.00	1,725.00	59.0%
5200 · Election	331.74	0.00	331.74	100.0%
5299 · Miscellaneous Expense (Revenue)	-6.00	0.00	-6.00	-100.0%
<b>Total General &amp; Administrative Exp</b>	<b>130,808.40</b>	<b>68,077.70</b>	<b>62,730.70</b>	<b>92.2%</b>
Payroll Taxes- old	0.00	0.00	0.00	0.0%
<b>Total Expense</b>	<b>422,209.67</b>	<b>349,650.15</b>	<b>72,559.52</b>	<b>20.8%</b>
<b>Net Ordinary Income</b>	<b>-26,709.26</b>	<b>85,455.88</b>	<b>-112,165.14</b>	<b>-131.3%</b>
<b>Other Income/Expense</b>				
Other Expense				
5800 · Prior Year Expense	0.00	9,262.89	-9,262.89	-100.0%
5900 · Depreciation Expense	0.00	19,623.69	-19,623.69	-100.0%
5700 · Reserves	0.00	93,750.00	-93,750.00	-100.0%
<b>Total Other Expense</b>	<b>0.00</b>	<b>122,636.58</b>	<b>-122,636.58</b>	<b>-100.0%</b>
<b>Net Other Income</b>	<b>0.00</b>	<b>-122,636.58</b>	<b>122,636.58</b>	<b>100.0%</b>
<b>Net Income</b>	<b>-26,709.26</b>	<b>-37,180.70</b>	<b>10,471.44</b>	<b>28.2%</b>

## Russian River Flood Control District Balance Sheet Prev Year Comparison

Cash Basis As of June 30, 2023

	Jun 30, 23	Jun 30, 22	\$ Change	% Change
<b>ASSETS</b>				
<b>Current Assets</b>				
<b>Checking/Savings</b>				
1000 · SBMC Checking	262,724.88	483,630.96	-220,906.08	-45.7%
1001 · SBMC Savings	250,126.05	100,088.49	150,037.56	149.9%
1010 · LAIF				
1011 · Capital Reserve	56,000.00	48,000.00	8,000.00	16.7%
1012 · Emergency Reserve	28,000.00	28,000.00	0.00	0.0%
1013 · Operating Reserve	210,000.00	153,000.00	57,000.00	37.3%
1014 · Water Reliability Reserve	198,004.78	262,085.37	-64,080.59	-24.5%
1010 · LAIF - Other	4,253.07	0.00	4,253.07	100.0%
<b>Total 1010 · LAIF</b>	496,257.85	491,085.37	5,172.48	1.1%
1019 · LAIF - Fair Market Value	-6,322.52	-6,322.52	0.00	0.0%
<b>Total Checking/Savings</b>	1,002,786.26	1,068,482.30	-65,696.04	-6.2%
<b>Other Current Assets</b>				
1210 · Interest Receivable	0.00	919.41	-919.41	-100.0%
1220 · Taxes Receivable	0.00	4,115.28	-4,115.28	-100.0%
<b>Total Other Current Assets</b>	0.00	5,034.69	-5,034.69	-100.0%
<b>Total Current Assets</b>	1,002,786.26	1,073,516.99	-70,730.73	-6.6%
<b>Fixed Assets</b>				
1401 · Meters & Vehicles	147,783.80	140,539.80	7,244.00	5.2%
1499 · Accumulated Depreciation	-79,418.55	-79,418.55	0.00	0.0%
<b>Total Fixed Assets</b>	68,365.25	61,121.25	7,244.00	11.9%
<b>Other Assets</b>				
1600 · Deferred Outflows	24,734.00	24,734.00	0.00	0.0%
<b>Total Other Assets</b>	24,734.00	24,734.00	0.00	0.0%
<b>TOTAL ASSETS</b>	1,095,885.51	1,159,372.24	-63,486.73	-5.5%
<b>LIABILITIES &amp; EQUITY</b>				
<b>Liabilities</b>				
<b>Current Liabilities</b>				
<b>Accounts Payable</b>				
2000 · Accounts Payable	-1,130.00	186.89	-1,316.89	-704.6%
<b>Total Accounts Payable</b>	-1,130.00	186.89	-1,316.89	-704.6%
<b>Other Current Liabilities</b>				
2010 · Accrued Expenses	-7,237.50	17,509.57	-24,747.07	-141.3%
2030 · Vacation Accrual	21,458.23	29,538.46	-8,080.23	-27.4%
2050 · Payroll Liabilities				
2051 · Federal Withholding	0.00	632.00	-632.00	-100.0%
2052 · State Withholding CA	-434.48	331.18	-765.66	-231.2%
2053 · FICA				
2053.01 · Company	0.00	374.66	-374.66	-100.0%
2053.02 · Employee	0.00	374.66	-374.66	-100.0%
<b>Total 2053 · FICA</b>	0.00	749.32	-749.32	-100.0%
2054 · Medicare				
2054.01 · Company	0.00	87.63	-87.63	-100.0%
2054.02 · Employee	0.00	87.63	-87.63	-100.0%
<b>Total 2054 · Medicare</b>	0.00	175.26	-175.26	-100.0%
2055 · ER PERS Payable	134.46	379.50	-245.04	-64.6%
2056 · EE PERS Payable	121.50	337.50	-216.00	-64.0%
2057 · Roth 457(b) Payable	150.00	0.00	150.00	100.0%
2058 · 1959 Survivor Benefits (Liab)	1.00	1.00	0.00	0.0%

**Russian River Flood Control District**  
**Balance Sheet Prev Year Comparison**

Cash Basis

As of June 30, 2023

	Jun 30, 23	Jun 30, 22	\$ Change	% Change
Total 2050 · Payroll Liabilities	-27.52	2,605.76	-2,633.28	-101.1%
Total Other Current Liabilities	14,193.21	49,653.79	-35,460.58	-71.4%
<b>Total Current Liabilities</b>	<b>13,063.21</b>	<b>49,840.68</b>	<b>-36,777.47</b>	<b>-73.8%</b>
<b>Long Term Liabilities</b>				
2600 · Deferred Inflows	471.00	471.00	0.00	0.0%
2700 · Net Pension Liability	50,063.00	50,063.00	0.00	0.0%
<b>Total Long Term Liabilities</b>	<b>50,534.00</b>	<b>50,534.00</b>	<b>0.00</b>	<b>0.0%</b>
<b>Total Liabilities</b>	<b>63,597.21</b>	<b>100,374.68</b>	<b>-36,777.47</b>	<b>-36.6%</b>
<b>Equity</b>				
3000 · Opening Bal Equity	541,116.95	541,116.95	0.00	0.0%
3001 · Retained Earnings	517,880.61	555,061.31	-37,180.70	-6.7%
Net Income	-26,709.26	-37,180.70	10,471.44	28.2%
<b>Total Equity</b>	<b>1,032,288.30</b>	<b>1,058,997.56</b>	<b>-26,709.26</b>	<b>-2.5%</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>1,095,885.51</b>	<b>1,159,372.24</b>	<b>-63,486.73</b>	<b>-5.5%</b>



**Russian River Flood Control District**  
**Monthly Payment Detail**

As of June 30, 2023

Cash Basis

Type	Date	Name	Memo	Paid Amount
<b>1000 · SBMC Checking</b>				
Bill Pm...	06/02/2023	Cardmember Service	Credit card 4/13-5/11/23	-1,581.01
Bill Pm...	06/08/2023	Intuit	Monthly Payroll Subscription	-10.00
Bill Pm...	06/16/2023	Team Mobile	Cell Phone account	-305.18
Bill Pm...	06/20/2023	US Cellular	Cell service 5/14 - 5/22/23 service dates	-52.36
Bill Pm...	06/21/2023	Eide Bailly	Accounting, April 2023 service Dates	-673.75
Bill Pm...	06/22/2023	Herum/Crabtree/Suntag	Legal Counsel May service dates	-1,525.82
Bill Pm...	06/22/2023	Mendocino County Auditor-Cont...	PropertyTax Administration FY 2022-23 invoic...	-992.34
Bill Pm...	06/30/2023	Chevalier Vineyard Management,...	Meter Reading & downloading, June 2022	-584.50
Total 1000 · SBMC Checking				-5,724.96
<b>TOTAL</b>				<b>-5,724.96</b>

## Project Water Worksheet as of July 1, 2023

Current 2023 totals  
in Acre Feet

<b>Project Water Licensed to MC RRFC &amp; WCID:</b>	7940																
<b>Contracted Non-Retail Suppliers:</b>	4992																
<b>Contracted Retail Suppliers:</b>	2505.15																
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 70%;">Calpella CWD</td><td style="width: 30%; text-align: right;">85</td></tr> <tr><td>Henry Station Mutual Water Co</td><td style="text-align: right;">8</td></tr> <tr><td>Hopland PUD</td><td style="text-align: right;">222</td></tr> <tr><td>Millview CWD - All Use</td><td style="text-align: right;">1171.15</td></tr> <tr><td>Rogina Water</td><td style="text-align: right;">400</td></tr> <tr><td>River Estates Mutual Water Company</td><td style="text-align: right;">26</td></tr> <tr><td>Willow CWD - All Use</td><td style="text-align: right;">593</td></tr> <tr><td><b>Contracted Municipals:</b></td><td style="text-align: right;">2505.15</td></tr> </table>	Calpella CWD	85	Henry Station Mutual Water Co	8	Hopland PUD	222	Millview CWD - All Use	1171.15	Rogina Water	400	River Estates Mutual Water Company	26	Willow CWD - All Use	593	<b>Contracted Municipals:</b>	2505.15	
Calpella CWD	85																
Henry Station Mutual Water Co	8																
Hopland PUD	222																
Millview CWD - All Use	1171.15																
Rogina Water	400																
River Estates Mutual Water Company	26																
Willow CWD - All Use	593																
<b>Contracted Municipals:</b>	2505.15																
<b>Contracted Total:</b>	7497.15																

**Current Uncontracted Water Supply for 2023:** 442.85

**Surplus:**

Surplus tentatively available from customers in 2023:	533
Surplus water transferred from customers in 2023:	0
Requested surplus by customers for 2023:	15 <i>*see Agenda Item 6d</i>

**Redwood Valley County Water District:**

Month	Water Requested, in acre feet	Adjusted Request	Water diverted, in acre feet
Jan 2023	40	0	0
Feb 2023	40	0	0
Mar 2023	60	0	0
Apr 2023	60	31.60	31.60
May 2023	60	21.36	21.36
June 2023	60	60	
July 2023	150	150	
Aug 2023	150	150	
Sept 2023	150	150	
Oct 2023	100	100	
Nov 2023	40	40	
Dec 2023	0	0	
<b>Totals:</b>	<b>910</b>	<b>703</b>	<b>52.96</b>

5 **DRAFT MINUTES**

6 **Regular Meeting of June 5, 2023**

7 **At District Office: 304 N. State Street, Ukiah, CA 95482**  
8

9 **1. Roll Call**

10 President Watt called the meeting to order at 5:34 PM.

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

17 Staff: Elizabeth Salomone, General Manager  
18 Colleen Hale, Office Administrator  
19

20 **2. Approval of Agenda**

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

23 Ayes: 5 (Reardan, Bailey, White, Watt, Rodrigue)  
24

25 **3. Public Expression**

26 No one indicated interest in speaking.

27 **ITEMS FOR DISCUSSION AND POSSIBLE ACTION**

28 **4. Water Supply Conditions Update and District Response**

29 GM Salomone presented the item. Public comment was offered by Sean White, City of Ukiah Director of Water  
30 & Wastewater.  
31

32 **5. Russian River Water Forum Update**

33 GM Salomone and President Watt guided the Board through a set of discussion points intended to provide  
34 feedback to the Mendocino County Water Suppliers caucus representatives on the Planning Group.  
35

36 The Board deferred a decision on involvement in the Leadership Council until more information is available,  
37 including a draft Charter.  
38  
39  
40

*(Continued...)*

41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60  
61  
62  
63  
64  
65  
66  
67  
68  
69  
70  
71  
72  
73  
74  
75  
76  
77  
78  
79  
80  
81  
82  
83  
84  
85  
86  
87  
88  
89  
90  
91

**6. Budget Workshop**

Treasurer Bailey began the workshop with a summary from the Ad Hoc Committee: The budget expenses have increased from the previous fiscal year due in part to expanding district staff in addressing the uptick of urgent issues confronting the District. This has been discussed in previous Board meetings. The District has a limited amount of water to sell, resulting in a flatline revenue in a period of increasing expenses to address water supply reliability issues. A budget deficit is projected for the next fiscal year which could be covered by withdrawing from reserves, however this would leave the District with decreased reserves in a time of known increased expenses. If the current cost per acre foot is maintained, it will create a structural deficit. The District has maintained the same price per acre foot since 2009, therefore absorbing the cost of inflation for 14 years with no increased revenue through water rates.

The Ad Hoc Committee (Bailey and Watt) worked with GM Salomone to provide the Board with an array of potential capital projects and estimated price per acre foot. The Board reviewed and provided the Ad Hoc feedback.

Vice President White suggested a gradual incremental rate increase with customer outreach and engagement, which was generally supported by other Board members.

Trustee Rodrigue posed a series of questions to determine if the increase in District operating expenses was a result of a permanent increase in staff workload or predicated on projects such as the trans-basin diversion. It was determined that the vacancy for administrative support has gone largely unfilled since 2019 and consultants are and will be used for project-based workload whenever possible.

The Board discussed the use of reserves (operational and water supply reliability) to ‘smooth out’ potential rate increases and requested options to review. The Board discussed the timing of potential rate increase implementation.

Direction given to staff to bring the Final FY 2023-2024 Budget to next meeting for possible approval, including several options combining rate increases and/or use of reserves.

**7. Trustee Stipends**

President Watt and GM Salomone presented information for Board discussion.

Trustee Reardan moved to update the current policy on stipend terms to increase Trustee stipends for all meetings to \$50 effective July 1, 2023. Trustee Bailey seconded the motion. The motion was approved by the following vote:

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

**REGULAR BUSINESS, INFORMATION, AND REPORT ITEMS**

**8. Consent Calendar**

- a) Acceptance of the May 2023 Financial Report
- b) Approval of May 1, 2023 Regular Board Meeting minutes

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

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

92  
93  
94  
95  
96  
97  
98  
99  
100  
101  
102  
103  
104  
105  
106  
107  
108  
109  
110  
111  
112  
113  
114  
115  
116  
117  
118  
119  
120  
121  
122  
123  
124  
125  
126  
127  
128  
129  
130  
131  
132  
133  
134  
135  
136  
137

**9. Trustee & Committee Reports**

- (a) Budgeting for Strategic Plan Implementation – see Agenda Item 6.
- (b) GM Evaluation: The evaluation is ongoing and will be discussed at a future meeting.

*Trustee Reardan & President Watt* provided updates on Mendocino County Inland Water & Power Commission activities and funding.

**10. Office Administrator Report**

OA Hale provided a written report for Board review.

**11. General Manager Report & Correspondence**

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

**12. Direction on Future Agenda Items**

The Board requested a new standing agenda item on Trans-Basin Diversion issues.

**ADJOURNMENT**

Vice President White moved to adjourn the meeting at 7:58 PM. Trustee Bailey seconded the motion. The motion was approved by the following vote:

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

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

\_\_\_\_\_

\_\_\_\_\_

President of the Board of Trustees Secretary of the Board of Trustees

<b>President</b> <i>Christopher Watt</i>	<b>Vice President</b> <i>Alfred White</i>	<b>Treasurer</b> <i>John Bailey</i>	<b>Trustee</b> <i>Tyler Rodrigue</i>	<b>Trustee</b> <i>John Reardan</i>
---	--	--	---	---------------------------------------

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

**STAFF REPORT**

To: Board of Trustees  
From: E. Salomone, General Manager  
Meeting: Tuesday, July 18, 2023  
RE: Agenda Item 6c: Mendocino County Inland Water & Power Commission Invoice for Contributions.

---

**The Strategic Plan** relevant priority is **Security** through fair and reliable trans-basin diversion from the Eel River and **Collaboration** through trusted relationships with community partners for regional water security.

**Background**

As a member of the Mendocino County Inland Water & Power Commission, the District financially contributes to the regular operational costs of the Commission and costs for legal counsel and consultants. Additionally, the Commission approved a contribution of matching funds to Sonoma Water's grant funding from the Department of Water Resources for the Russian River Water Forum. However, the grant funding was not issued and now the matching funds are needed to cover Forum expenses.

**Discussion**

No discussion is planned for this consent calendar item.

**Recommended Action:**

Move to approve payment of MCIWPC invoice # 2023.2a for \$50,000.

**Attachments:**

- MCIWPC Invoice #2023 2a

# INVOICE

**Mendocino County  
Inland Water and Power Commission**

DATE: June 8, 2023  
 INVOICE # 2023.2a  
 FOR: Potter Valley Project  
 BILL TO: MCRRFC&WCID  
 Manager  
 P.O. Box 2104  
 Ukiah, CA 95482

PO Box 1247  
 Ukiah, CA 95482  
 707 391-7574  
[mciwpc@mendoiwpc.com](mailto:mciwpc@mendoiwpc.com)

DESCRIPTION
1. Consulting and legal expenses for the PVP
2. Annual Operational costs
Due date--July, 2023

AMOUNT
\$46,700.00
\$3,300.00
\$50,000
0.00%
-
-
\$50,000

Make all checks payable to IWPC  
**THANK YOU FOR YOUR PAYMENT!**

*SUBTOTAL* \$50,000  
*TAX RATE* 0.00%  
*SALES TAX* -  
*OTHER* -  
**TOTAL** \$50,000

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

**STAFF REPORT**

To: Board of Trustees  
From: E. Salomone, General Manager  
Meeting: Tuesday, July 18, 2023  
RE: Agenda Item 6cd: Customer Surplus Water Request of 15 acre feet for 2023

---

**The Strategic Plan** relevant priority is **Use**, putting the District's water right license to beneficial use.

**Background**

Current District customer Thomas Ag requests 15 acre feet of surplus water in addition to the 30 acre feet per calendar year contracted. The request is beyond the 2023 request deadline. The customer receives water from the City of Ukiah's recycled water program and was recently notified that due to unforeseen circumstances, the recycled water delivery will be reduced and therefore insufficient to meet the customer's needs.

No other customers have requested surplus this calendar year.

**Discussion**

No discussion is planned for this consent calendar item.

**Recommended Action:**

Move to approve 15 acre feet of surplus water be made available to current customer Thomas Ag for 2023 calendar year.



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

## **General Manager's Report for June 2023**

*Presented at Special Meeting of Tuesday, July 18, 2023*

**Priority 1: Security ~ Ensure reliable, resilient, and available sources of water.**

(1: Improved river & reservoir operations. 2: Fair & reliable inter-basin. 3: Expanded water sources. 4: Increased storage capacity)

See also the Agenda Item on Water Supply Conditions

**2-Russian River Water Forum:** Caucus members from agriculture, water suppliers, and Resource Conservation Districts of Mendocino and Sonoma County have met. The Planning Group met on zoom June 12, 20-23; slides and recording on the website under Meeting #2. Technical Briefings were held for the Water Rights Working Group and the Water Supply & Fisheries Working Group. These were recorded and posted on the website. Sonoma Water did not receive DWR funding to continue the Water Forum work; contributions will be required to continue work. Sonoma County and Sonoma Water retailers have committed funds; MCIWPC has voted to contribute, as well. <https://russianriverwaterforum.org/>

**Priority 2: Collaboration ~ Work with partners to achieve aligned goals for a common benefit.**

(1: Trusted relationships with community partners for regional water security. 2: Improved diversity, equity, and inclusion in the stewardship of water resources. 3: Expanded relationships with non-traditional partners and stakeholders in pursuit of enhanced Environmental Stewardship.)

**1-Groundwater Sustainability Agency (GSA) (5/3/23):** The GSA did not receive the DWR Implementation Grant. The GSA sent a letter to DWR regarding the preliminary grant awards that do not include Ukiah Valley Basin GSA. DWR responded to the UVB GSA thanking them for the comment letter. No other information provided. The GSA Board met and discussed response to not receiving the implementation grant, approved a contract with a new rate and fee study consultant, amended current consultant contracts, etc. See agenda on the UVBGSA website for more information. It is expected the GSA will issue invoices for an additional \$30,000 in FY 2023/24 in addition to the budgeted \$68,000, in hopes that contributions will be reduced in the future with the implementation of rates/fees.

**Priority 3: Advocacy ~ Influence outreach, education, funding, regulation, and legislation in support of equitable water resource stewardship.**

(1: Improved public awareness and understanding of the importance of water issues. 2: State and Federal governmental policy and funding support for the region.)

**1-Public Awareness of Water Issues:** GM presented at two Rotary Club meetings on the trans-basin diversion and future of water supply in the watershed.

**2-ACWA:** The Region 1 Board met to review the ACWA Board Packet prior to the quarterly ACWA Board meeting. GM attended the ACWA SGMA Implementation subcommittee which provides GSA's statewide an opportunity to share concerns, ideas, support, progress, etc.

**Priority 4: Use ~ Ensure effective and beneficial use of water as a public resource.**

(1: Maximum beneficial use of water under District water right license. 2: Strategic use of water by customers.)

**1-Maximize Water Right:** Balance Hydrologics staff are updating mapping for both customer contract management and preparation of the District license change petition. The lead consultant visited for a tour and discussion of the revised scope of work, including water rights reporting, change petition, and boundary changes.

*(Continued...)*

**Priority 5: Administration ~ Foster sustainable leadership and management of agency resources.**

(1: Capable and high quality executive leadership. 2: Engaged, diverse, and knowledgeable Board leadership. 3: Effective systems and human resources to execute the strategic plan. 4: Sound and sustainable management of District finances.)

**1-Executive Leadership:** GM attended the Groundwater Association/ACWA SGMA Implementation Summit in Sacramento, the Sonoma / Santa Rosa and Water Technology Alliance of Denmark Workshop, and several webinars throughout the month.

**Community Meetings**

**Mendocino County Inland Water & Power Commission (MCIWPC) (5/31/23):** The Commission held a Special Meeting comprising only of a Closed Session. No reportable action.

**Local Agency Formation Commission (LAFCo) (6/5/23):** Commission approved FY 23/34 Budget and reviewed workplan. Closed Session was held to interview prospective legal counsel candidates.

**Upper Russian River Water Agency (URRWA) (6/7/23):** Cancelled due to lack of quorum.

**Mendocino County Inland Water & Power Commission (MCIWPC) (6/8/23):** Commissioner reports: RRFC - held budget workshop and considered two basin questions. RVCWD - working on developing well at Masonite with grant funds. RR Water Forum: Mendo-Sonoma Caucus general discussion of impressions. Second Planning Group meeting is Monday June 12. Adoption of modified charter is on agenda for discussion. Trans-basin diversion operations: PGE variance filed. Temperature data from Lake Pillsbury shows pool elevation not critical to controlling warm water, therefore 30000 AF cold water pool isn't critical and 12000 AF pool is acceptable minimum. IWPC Finance ad-hoc: still working on benefit analysis and developing funding for trans-basin diversion planning, legal, and engineering support and grant matching funds. IWPC will be seeking \$50k per IWPC member for now. Coyote Valley Dam raise Feasibility Study - potential funding source via Huffman. Army Corps is asking questions to IWPC about justification for dam raise.

**Hopland Public Utility District (6/8/23):** No one from the District attended.

**Willow Water District (6/11/23):** Staff reported on State drinking water inspection- Norgard facility concern about adding chlorine contact tank because supply is under influence of surface water. Currently injecting chlorine into well casing. Possibly being asked to install water storage tank for chlorine contact. Staff reported on the first RR Water Forum Planning Group meeting; no comments from the Board. Staff reported on IWPC. Extra meetings are being held related to RRWF activities. Redwood Valley received invoice for \$50,000 from IWPC. Staff reported on water district service contracts - RV testing upgrades to water treatment plant. RRFC surplus water to be available going month by month. The 55 gppd limit on domestic water remains until commitment from RRFC on surplus water is final. Leak repair in all districts. Staff reported on water conservation- lake is very full and seems to only recently started to drop. Sonoma TUCP was approved which lowers in-stream flows. Next month will bring back resolution on change in water conservation stage. Staff reported on JPA/consolidation- Ad hoc discussion governance, expenses, rates. Recommendation to send redline draft of JPA consolidation agreement to State to see if on right track. Is it good enough for state to fund the consolidation project? State is aware parties haven't agreed. Concerns were expressed about complexity in developing a budget to operate the five consolidated entities. City supportive of inheriting water district service contracts. Question about punch list from legal counsel- about half resolved to satisfaction. Others still unresolved-such as assets. Discussion about consolidation and relationship to annexation.

**Mendocino County Inland Water & Power Commission (MCIWPC) Special Meeting (6/14/23):** The Commission held a Special Meeting comprising only of a Closed Session. No reportable action.

(Continued...)

**Redwood Valley Water (6/15/23):** Treatment plant update- installed new valve but having calibration issues. Tech support requested. Ran in recirculation mode to test and hopefully will be operational after valve calibration. So far expect to ask for \$90k thru grant reimbursement. Most of cost covered by grant. Other small repairs outside grant. SCADA startup pending state approval of testing results. LACO will be filing grant reimbursement which is likely 120 day turn around. Had some complaints recently about color in the water from iron and manganese. Working on resolving through flushing. Fire department requested replacement of hydrant markings. Dealing with leaks which occur when soils dry out.

Budget proposal for next year to be started after last bills arrive. Water supply update- lake is very full. RRFC is allotting surplus on monthly basis and expect to have more information soon. Assume unused allocated surplus carries forward. URRWA consolidation adhoc meetings-Jared opines meetings going well and directors asking good questions. Working on developing clean draft consolidation agreement to present to State. Minasian is still attending working meetings and says things are going well for RV interests. RV benefit is more reliable domestic water. See Willow notes for more information. Adam's report on GSA - grant not received. All agencies will be asked to increase funding contributions. Rate study needed.

Small community drought grant-as noted will be filing reimbursement request. LACO working to schedule driller but timelines are long. Millview giving temporary access agreement to inspect possible well sites. Legal working on legal agreement to allow groundwater (if found) to flow to RV and give right of use to RV.

RRWF update- moving along at slow pace but PGE has deadlines which may require an increase in pace. Working group briefings starting next week. Various opinions expressed. Payment of IWPC annual invoice- \$50,000 consulting and legal expenses. Director's asking for more info on hoe money spent. Motion to table until next month. Director's reports-Bree reports on potential grant opportunity. Includes water storage and resilience and replacement of aging infrastructure.

**Millview Water District (6/20/23):** GM operations report: percolation ponds are being filled. Redwood Valley treatment plant ready to start up. Well 6 progress moving at a snail's pace - hurry up and wait. Expected \$600k-700K expense proposed to recoat Lovers Lane tank and Bricarelli tank. Because the Lovers Lane tank houses the SCADA controls for balancing well field output and treatment plant and storage it has been the last tank to be addressed. They are considering a proposal from Telstar Instrumentation to add solar/battery/telemetry to the Bricarelli tank to allow the Lovers Lane tank to be offline for the renovation. Consolidation efforts: Ad hoc had two meetings where some concerns of members were addressed. Capital improvement expenses were the focus for the budget. They will be meeting with the State and the SAFER program people to discuss current status and get feedback on the proposed agreements next week. Board agreed to provide up to 150 af of their RRFC contract back to the District for use in meeting the surplus water request from Redwood Valley.

**Calpella Water District (6/21/23):** Cancelled

\* \* \* \*

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