

Mendocino County

Russian River Flood Control & Water Conservation Improvement District

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APPROVED MINUTES

Special Meeting of March 23, 2025

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

1. Call to Order and Roll Call

President Watt called the meeting to order at 5:02 PM

Trustees Present: Dave Koball, Trustee (arrived 5:13 PM)
Tyler Rodrigue, Treasurer
John Reardan, Vice President
Christopher Watt, President

Trustees Absent: John Bailey, Trustee

2. Approval of Agenda

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

Ayes: 4 (Koball, Reardan, Rodrigue, and Watt)
Absent 1 (Bailey)

AUDIENCE COMMENTS ON NON-AGENDA ITEMS

3. Public Expression:

Mike Milovina, Milovina Vineyards, addressed the Board with the following questions: * Is the full licensed amount of the District's water right contracted? * RVCWD has 328.85 acre feet (af) in its contract right now but typically needs 600 – 900 af a year which they are currently getting from surplus that other customers are offering back to the District. If RVCWD is annexed in, where will it get the rest of the water it needs? *He stated his concern is where RVCWD will be getting their water [after annexation] and wondering if RVCWD will be getting its water the same way it is now.

The questions were not answered in the meeting, but GM Salomone indicated some answers could be found in the FAQ on the District's RVCWD annexation webpage. GM Salomone offered to work with the commentor outside of the meeting to answer any further questions.

ITEMS FOR DISCUSSION AND POSSIBLE ACTION

4. Mendocino County Inland Water & Power Commission Preliminary Draft of Fiscal Year 2025-2026 Budget

GM Salomone introduced the Inland Water & Power Commission (IWPC) preliminary Fiscal Year 2026-2027 budget. GM noted this item is to provide feedback to IWPC and shared that some questions had been submitted to the IWPC Clerk prior to the meeting which were either answered by email prior to the meeting and during the meeting. As a reminder, Vice President Reardan is the District's representative to IWPC with Trustee Koball serving as alternate.

(Continued...)

Member Agency Contributions

There is disparity in the proposed contributions from members agency. It was understood by the team drafting the budget (IWPC Legal Counsel Scott Shapiro, IWPC Technical consultant Tom Johnson, IWPC Financial consultant Seth Wurzel and IWPC Clerk Candace Horsely) that Potter Valley Irrigation District (PVID) and Redwood Valley County Water District (RVCWD) were unable to contribute more than \$100,000 each and it was hoped that the Ukiah Valley Water Authority would replace RVCWD on the Commission within the next year and be able to pay the full contribution amount. The preliminary budget depends on the other member agencies to make up the difference. The RRFC Board discussed the contribution amounts if all five member agencies contributed equally.

Vice President Reardan noted RVCWD has not always contributed equally to the other member agencies, however, it did contribute fully the last request plus a fifth of the costs incurred by IWPC for the Potter Valley Water Reliability Study project management costs while no other member agency has done so, yet. GM Salomone reminded the Board that Sonoma Water provided the project management for the grant funded Study by Jacobs Engineering with the understanding that IWPC would reimburse those costs. RRFC notified IWPC that while it would contribute funding to cover the costs of this Study, it would only do so once the cost share agreement with Sonoma Water was finalized and in the future when IWPC was to expend funds, it needed to go through the proper transparent process, meaning pre-approval, updates/progress reports, etc.

[In July 2025, the RRFC Board issue a letter to IWPC stating that while it was willing to financially contribute toward the Potter Valley Water Reliability Study, the RRFC Board required the Cooperative Agreement to Provide Funding for Overhead Services for Water Supply Reliability Study (Agreement) between Sonoma Water and IWPC be finalized and approved by IWPC prior to RRFC financially contributing to the Study. This Agreement was drafted in November 2024 laying out terms for Sonoma Water to undertake the work and IWPC to pay Sonoma Water staff costs not covered by the funding. In the letter, the RRFC Board also requested in the future that IWPC preapprove any proposed service agreements, execute the agreements, include project costs within the annual budget, and issue annual contribution invoices at the beginning of each fiscal year based on the approved budget. Additionally, if IWPC contracts for services, ongoing briefings to the Commission on the work are expected, including the benefits of the work to the IWPC constituency and how the work is promoting the mission of the IWPC membership.]

Expenses

GM Salomone noted this expense was eliminated from the FY 2025-2026 IWPC budget and the preliminary 2026-2027 budget, suggesting it should be included in the current budget.

The Board members generally agreed with this suggestion, noting that it was time IWPC improve its activities and transparency around Commission financial matters. The preliminary budget does not clearly identify the project expenses and funding sources and amounts.

It was stated there is a need for formal accounting and contracting procedures including a robust record of service contracts with insurance requirements, scope of work, rates, etc. It also needs to be made clear who is directing the contractors, what funding sources are available to offset the costs, and a clear process for reporting to the Commission. IWPC is now expending increasingly larger amounts of money from several funding sources and needs to provide more clarity.

Details of the California Department of Water Resources grant to the Eel Russian Project Authority, including approximately \$1 million dollars allocated to Russian River Water Supply Resiliency Planning for the US Army Corp of Engineers Lake Mendocino General Investigation to increase storage capacity and Potter Valley groundwater resources.

(Continued...)

Managerial Services for IWPC

The Board discussed the idea of IWPC hiring an Executive Director (or Project Manager; title to be determined.) It was suggested that some of the work currently being undertaken by the IWPC legal counsel and/or technical consultants could be assigned to the proposed managerial position though it is difficult to quantify how much since little is known about the workload and scope of work for these current consultants. It was asked if there were any specific individuals in mind for the position and a reply that it is too soon for this level of detail to be determined. The concept of IWPC having a managerial role has not yet been agendaized and fully discussed at the IWPC level. Including this expense is a clear message that IWPC requires managerial support.

Member Agency Contributions Related to Benefits

RRFC has been budgeting for contributions to IWPC with unused funds being invested in the Districts water supply reliability reserve fund.

The Board discussed the concept of linking member agency contributions to the benefits received by that member agency. Some of the discussion points:

- RRFC's level of dependence on the success of IWPC projects [continued trans basin diversion and the Lake Mendocino storage study.]
- Member agencies will likely not achieve equal benefit from each IWPC sponsored project.
- An accounting of each member agency's contributions to IWPC could be maintained and adjusted to the degree of benefit when more information is available, helping to justify the disparity in annual contributions amounts.
- The degree to which any of the IWPC member agencies directly benefit from IWPC projects has not yet been determined.
- Some Mendocino County constituents are represented by more than one IWPC member agency through property tax revenue and additional consideration of sales tax revenue further complicates establishing direct benefit.
- Rather than consider direct benefit to member agencies, the work IWPC is undertaking could be interpreted as a holistic water supply solution including the New Eel Russian Facility (NERF,) the Army Corp Lake Mendocino storage project, Potter Valley water solutions, etc. Understanding and agreeing upon how member agencies benefit will require thorough consideration from all IWPC member agencies.
- How can a member agency justify its contributions to IWPC being allocated for direct benefits outside of its boundary or service area? RRFC Legal Counsel has previously advised that the RRFC Board can make a determination that those contributions benefit RRFC. What statements of fact would the RRFC want to rely upon for consideration of such a determination?
- An IWPC resolution reaffirming the IWPC expenses are for a communal good in support of the Two Basin Solution may be sufficient for RRFC to make this determination.
- The work of determining benefits, direct and indirect, is for IWPC.
- Since the benefit to individual member agencies is uncertain, an agreement or policy regarding contributions and benefits could be used to allow for inclusion and flexibility.

Board consensus on feedback to IWPC regarding the budget:

- The IWPC preliminary FY 26-27 budget was insufficient in detail to be considered for justification of a funding request.
- IWPC requires and funds should be budgeted for dedicated managerial services and lobbyist services.
- Regular reporting and transparency around contract service agreements (scope of work, billing, etc.)
- The IWPC expenses need to be clearly linked to the agreed upon priorities by the Commission.
- The amount of funding RRFC is willing to contribute to IWPC is dependent on the ability of the IWPC budget to clearly link to priorities.

(Continued...)

The Board also discussed how the RRFC finances can support varying levels of IWPC contributions.

ADJOURNMENT

President Watt adjourned the meeting at 6:08 PM.

APPROVED by Board of Trustees on May 4, 2026



President of the Board of Trustees



Secretary of the Board of Trustees

President
Christopher Watt

Vice President
John Reardan

Treasurer
John Bailey

Trustee
Tyler Rodrigue

Trustee
Dave Koball