

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

General Manager's Report for February 2024

Presented at Regular Meeting of Monday, April 1, 2024

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)

1- River & Reservoir Operations: PG&E submitted the 2024 Flow Variance Request to FERC and a notice for public comment before considering approval of the request. See Agenda Item 8 for more information.

1-Water Sharing Program: The Working Group began the 2024 series of meetings. Consensus was not to finalize the program for 2024, mostly because it would be too challenging to convince potential participants of the need, especially the senior water right holders needed to provide water. All present supported moving forward to develop the adaptations needed for the future.

2-Eel Russian Project Authority (ERPA) and the Trans Basin Diversion Future: The ERPA Board met on January 31st and ERPA representatives met with PG&E the following day. PG&E shared it has reviewed the proposal provided by the Project Proponents determining there are aspects of the proposal which do not align with PG&E's goal of completing the decommissioning of the Potter Valley Project within the schedule approved by FERC. Therefore, the proponent's request to construct the new Eel-Russian facility under FERC's jurisdiction will not be included in PG&E's Final Draft Surrender Application and Decommissioning Plan. PG&E is encouraged to see broad stakeholder support of the proposal and supports completion of the new facility in a separate but parallel path to PG&E's decommissioning. To facilitate that path, PG&E will include those portions of the proposal that will not otherwise delay dam removal and will continue to engage with the proponents on a solution which addresses both parties' goals. ERPA representatives believe a path forward for continued diversions still exists and the work continues. PG&E stated it will support and facilitate that work where it can and remains committed to continue working together. North Coast U.S. Rep. Jared Huffman is not dismayed, emphasizing his commitment to a Two Basin Solution and that continued diversion is not dependent on partnership with PG&E. www.eelrussianauthority.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) Board Meeting (2/13/24): Rate & Fee Study consultants provided feedback on the public workshop. An extensive presentation and discussion were held on the proposed rate and fee process. This did not include the actual cost basis (budget) which will be addressed at the next Board meeting. Details can be found in the presentation on the GSA website & recording available on YouTube. The Board passed a policy on social media use by Board members.

1-Ukiah Valley Water Supplier Proposed Consolidation: This City of Ukiah, Redwood Valley Water District, and Millview Water District formed the Ukiah Valley Water Authority, a new joint powers authority to manage water throughout the Ukiah Valley.

3-Expanded Relationships: Upon invitation, GM presented at the Russian River Property Owners Annual Meeting in Sonoma County, made up primarily of Alexander Valley landowning farmers, and shared about the formation, governance, and operations of the District as well as fielding questions on short and long term water supply, water rights, and water rates.

(Continued...)

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.)

2-Legislative Representation: A State Assembly candidate forum was held in Ukiah in February, hosted by Mendocino Women's Political Coalition (MWPC) who noted the recording will be available on its website. The first question to candidates was regarding the future of the trans basin diversion (Potter Valley Project.)

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-Change Petition: A pre-petition proposal was submitted to the State Water Resources Control Board, as requested. Mapping work and information gathering from customers continues.

1-District License: The Alternative Compliance Plan for the Water Measurement & Reporting Regulation, approved at the February Board meeting, was filed.

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 following meetings/webinars: (1) CA Natural Resource Agency webinar: **Saving Salmon: State Actions Needed to Recover Salmon Populations in California** (unpacking the just-released California Salmon Strategy for a Hotter, Drier Future: Restoring Aquatic Ecosystems in the Age of Climate Change.) (2) Groundwater Accounting Platform presentation. (3) Ethics AB 1234 Compliance Training. (4) ACWA SGMA Implementation Subcommittee, State Legislative Committee, Region 1 Board Annual Business Meeting. (5) Mendocino County Planning & Health Depts stakeholder meeting. (6) Form 700 - A Guide to SEI Disclosure webinar. (7) State Assembly candidate forum in Ukiah. (8) Groundwater Resources Association annual conference: The Future of Water. (9) 2024 CA Water Law Symposium.

1-Human Resources: The GM Evaluation Ad Hoc committee met with the new HR Consultant and the process is now underway.

3-Metering: The Resource Conservation District continues to assist the District in meter maintenance and data collection/management.

4-Finances: The 2022-2023 Financial Audit is considered in another agenda item.

Community Meetings

Local Agency Formation Commission (LAFCo) (2/5/24): Nothing to note.

Upper Russian River Water Agency (URRWA) (2/7/24): Willow GM Walker provided the Board with an update on the negotiations between the Eel River Project Authority (ERPA) and PG&E. Walker gave a report on the most recent proposed consolidation meeting, noting the individual Boards and City Council have yet to formally voted to participate in the consolidation path. The next step would be to form a new Joint Powers Authority with the negotiating members called Ukiah Valley Water Authority (UVWA) which would be run by the City of Ukiah. Some discussion was held regarding the Ukiah Valley Groundwater Sustainability Agency rate & fee study process.

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Mendocino County Inland Water & Power Commission (2/8/24): Engineering Consultant Tom Johnson gave a detailed presentation on the possible Eel River diversion infrastructure. Legal Counsel Scott Shapiro provided an update on the recent PG&E meeting. City Staff Sean White introduced Alison MacLeod, who presented on outreach, stressing a unified message, and a draft document outlining suggested actions. A motion was passed to support ongoing feasibility study support for the raising of Coyote Valley Dam.

Hopland PUD (2/8/24): No one from the District attended.

Willow Water District (2/12/24): The Board received an update on the local proposal to PG&E for the decommissioning plan. GM Walker mentioned meetings with the Farm Bureau and CLSI to determine how much water will be needed through the diversion in the future. The Board received a report on the proposed consolidation; a revised draft is being reviewed by the participating Boards. Redwood Valley and Millview are voting next week on approving the formation of the JPA with the City of Ukiah. Calpella and Willow are currently declining to join JPA.

Redwood Valley Water District (1/18/24): The Board approved joining the Ukiah Valley Water Authority JPA and appointed Adam Gaska and Tom Schoneman to serve on the Water Executive Committee. An anonymous approval formed an Ad Hoc Committee to explore annexation of Redwood Valley into the Flood Control District with Bree Klotter and Ken Todd being appointed. Consultants proposed an additional phase of groundwater drilling at the Masonite site under the awarded DWR grant funding. The Board received updates on PG&E decommissioning, the Eel Russian Project Authority, Groundwater Sustainability Agency Rate & Fee Study, and approved a joint information letter with Inland Water & Power Commission.

Millview Water District (2/20/24): The main order of business was the approval of execution of Joint Powers Agreement with Redwood Valley and the City of Ukiah for the Ukiah Valley Water Authority. The Board appointed Jerry Cardoza and Tim Price to represent Millview CWD on the Water Executive Committee pursuant to the Ukiah Valley Water Authority (UVWA) JPA. Redwood Valley is anticipated to join when they meet. Calpella and Willow have chosen not to join at this time. There is a mechanism for new members should that change. During the discussion, the question of how this might affect rates came up. Recognition was given to the fact that taking steps to upgrade and improve facilities to provide long term water security will not be free.

City of Ukiah (2/21/24): The Council approved joining the Ukiah Valley Water Authority JPA and appointed Doug Crane and Juan Orosco to serve on the Water Executive Committee. The Council received an update on climate initiatives.

Calpella Water District (2/21/24): A public hearing was held for the adoption of the rate study.

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General Manager's Report for March 2024

Presented at Regular Meeting of Monday, April 1, 2024

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)

1- River & Reservoir Operations: Sonoma Water and RRFC are meeting monthly to develop the 2024 Technical Memo on Lake Mendocino Storage which is submitted to the State Water Resources Control Board by July 1 of each year, according to terms in the Memorandum of Understanding (<https://rrfc.specialdistrict.org/mcrrfc-wcid-and-sonoma-water-mou-lake-mendocino-storage-and-russian-river-water-supply-planning>)

1-Water Sharing Program: The Working Group continues meetings to refine the program for use in 2025 and beyond.

2-Eel Russian Project Authority (ERPA) and the Trans Basin Diversion Future: The ERPA Board met, and updates were given on the PG&E/ERPA meetings, including PG&E's recent clarification on decommission and how it relates to ERPA's efforts to continue the diversion (see below.) An update was provided on grant funding efforts and an extensive presentation given on the two Eel River diversion designs, reviews, and the technical group's recommendation for the pump back station over the roughen channel. The Board approved staff recommendation. Materials and recording will be posted on the ERPA website soon. <https://www.eelrussianauthority.org/events> www.eelrussianauthority.org.

**The following was published in the Press Democrat "Let the Public Speak" on 3/13/24:
Potter Valley diversion**

EDITOR: PG&E has been and continues to be committed to supporting efforts to permit, construct and operate the new Eel-Russian River facility outside the Federal Energy Regulatory Commission surrender proceeding. We do not agree with the characterization that PG&E "reversed" a decision on Potter Valley Project's decommissioning ("PG&E creates an obstacle for water plan," editorial, Feb. 13).

We explained to The Press Democrat that PG&E still supports the concept of a diversion with fish passage, and we continue to engage in productive dialogue with stakeholders. We look forward to future opportunities to continue the conversation about the decommissioning process.

The part we could not accept was PG&E seeking a nonpower license from FERC on behalf of the parties, which would cause delays and expense for our customers. PG&E will include portions of the proponent's proposal that do not delay removal of the dams in our surrender application. And proponents of the new Eel-Russian River facility can still pursue their facility without PG&E requesting a nonpower license on their behalf.

We remain committed to ensuring that we keep the interests of 16 million customers across the state at the forefront and balance those interests with those of the many stakeholders advocating for water for fish and our neighbors in North Coast communities.

DAVE CANNY
PG&E VICE PRESIDENT, NORTH COAST REGION

2-Potter Valley Project Current Operations: As noted in Agenda Item 9 Water Supply Conditions, PG&E filed a flow variance request to the Federal Energy Regulatory Commission (FERC) who in turn issued a notice for comment period on the flow variance. Comments are due April 1, 2024 and more information can be found on the District website: <https://rrfc.specialdistrict.org/updates>

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

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1-Groundwater Sustainability Agency (GSA): The Ukiah Valley Basin GSA Fee Study Public Workshop was held, and a report out is expected at the next GSA Board meeting in April.

1-GSA Technical Advisory Committee (TAC): The TAC held a hybrid meeting which primarily focused on discussion of Groundwater Sustainability Plan deficiencies and what actions are needed to address them. The TAC held a robust discussion (recording on YouTube), and recommendations are being drawn up to present to the GSA Board to inform budget setting for the Rate & Fees to be set. Several follow up meetings are being scheduled with key individuals to develop recommendations, discuss implementation, and to meet with DWR representatives for feedback on prioritization.

1-Ukiah Valley Water Project Authority: This City of Ukiah, Redwood Valley Water District, and Millview Water District formed the Ukiah Valley Water Authority, a new joint powers authority to manage water throughout the Ukiah Valley. An article ran in Mendo Fever on 3/11/24 and the Ukiah Daily Journal ran the following by Sean White, Director of Water Resources at the City of Ukiah:

We all want safe, affordable, and reliable water coming from our faucets, feeding healthy local agriculture, and irrigating parks and sports fields where our kids can play. Achieving these goals every day, through both wet and dry years, takes foresight, planning, investment, cooperation, and commitment. These recent years of drought have shown that reliable water delivery cannot be taken for granted. And so it's time for our region to take purposeful, coordinated action to modernize water infrastructure, water delivery, and water governance in the Ukiah Valley.

That's why the City of Ukiah, Millview County Water District, and Redwood Valley County Water District have agreed to consolidate their water systems into a new joint powers authority (JPA) called the Ukiah Valley Water Authority. The UVWA will merge water supplies and infrastructure to deliver water more reliably to residents and businesses throughout the Valley.

There are three primary drivers for our region's unique water challenges:

- 1) governance;
- 2) water rights; and
- 3) infrastructure.

The Ukiah Valley Water Authority addresses all three.

The UVWA creates a more coordinated, coherent governance structure that reflects local needs while accessing regional support.

At the same time, the Districts and the City will come together to provide different types of water supply resources based on the state's water rights system – together these resources will be stronger and more drought-resilient.

Additionally, the UVWA helps address disparities in infrastructure between the Districts and provide the pathway to upgrades and modernization where needed. The new Ukiah Valley Water Authority will be able to apply to the State Water Board for \$40-50 million in grants to pay for the new infrastructure (including pipelines and interties, storage tanks, booster stations, and two new wells) needed to connect the region's districts.

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Therefore, the UVWA is the clear solution to change how water is managed in our region—a new course of action that simultaneously resolves issues of water rights, infrastructure, and governance. The status quo is not an option; infrastructure would have continued to deteriorate without heightened investment, and repeated cycles of drought conditions are increasingly making smaller districts' water supplies unreliable.

Yes, modernizing our region's water supply and delivery will require some compromise between agencies. But we've come together, pointed our bow in the right direction, and started rowing in coordination. The UVWA will ultimately help provide safe, affordable, and reliable access to water in all areas of the Valley.

2-Diversity & Inclusion in Stewardship: GM met with Tribal Representative to discuss how to better support local Tribes in participating and improving leadership in the water community.

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-ACWA Spring Conference Program on North Coast Region: GM has been invited to sit on a panel at the ACWA Spring conference in Sacramento for the Finance Committee program on "Achieving Fiscal Sustainability In Times of Uncertainties" covering regulatory implementation, SGMA, CALPERS unfunded liability, water sales, water supplies, climate change, etc. The ACWA Region 1 Board is also hosting a program on the North Coast Resource Partnership and Integrated Regional Management Program which the GM is helping to organize.

2-ACWA: GM serves on the State Legislative Committee and the Sustainable Groundwater Management Act (SGMA) Implementation Sub Committee, which both met. ACWA held its quarterly regulatory committee meetings (virtual). They hold the 5 main committee meetings plus a regulatory update and orientation on one day. Shannon Cotulla, the Public Works Director of Windsor, is the newest member of the ACWA Region 1 Board and met with GM to discuss ACWA and regional issues. ACWA highlighted the new Ukiah Valley Water Authority in the monthly newsletter.

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-Change Petition: A pre-petition proposal was submitted to the State Water Resources Control Board, as requested, and response has been delayed but expected in April. Mapping work and information gathering from customers continues.

1-Metering & Data Management Program: Under a services contract, the Mendocino County Resource Conservation District (RCD) continues addressing malfunctioning meters, communications with the manufacturer McCrometer, data collection, etc.

(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 many of Groundwater Awareness Week events online, including two small group GSA specific outreach and engagement trainings. GM also attended CA Water Data Consortium's Data for Lunch series on a groundwater accounting platform, Untapped Potential of Stormwater Runoff webinar.

1-Human Resources: The GM Evaluation Ad Hoc committee met with the new HR Consultant and can provide any relevant updates during the Board meeting.

2-Board Leadership: Every elected official and public employee who makes or influences governmental decisions is required to annually submit a Statement of Economic Interest, also known as the Form 700, which is due April 4, 2024 for every entity in which an individual serves as an elected official.

4-Finances: The 2022-2023 Financial Audit is considered in another agenda item.

Community Meetings

Local Agency Formation Commission (LAFCo) (3/4/24): The Board reviewed a draft MSR SOI for a small coastal district, chose an agency logo, and voted to send a letter of support on SB 1209 regarding indemnification of LAFCos in the application process.

Upper Russian River Water Agency (URRWA) (3/6/24): Lengthy discussion was held on the Groundwater Sustainability Agency (GSA) proposed rate and fee structure with strong opinions shared. Director Theresa McNerlin, the GSA Representative for URRWA, provided an extensive overview and requested other Directors review the GSP and provide feedback to her for the next GSA Meeting. The Ukiah Valley Water Authority (UVWA) JPA made up of Redwood Valley (RV), Millview and Ukiah, the City of Ukiah is waiting to sign final documentation until all the exhibits from RV and Millview are completed. Theresa McNerlin was reelected Chair and Ross LaRue was made Vice Chair.

Mendocino County Inland Water & Power Commission (3/5/24): The Commission held a closed session. Trans Basin Diversion: a status report was provided by IWPC Consultant Tom Johnson. He shared the progress of the Technical Advisory Group (TAG) on analysis for the new diversion alternatives (roughen channel and pump station.) A draft of 400+ pages has been issued by McMillian to the TAG for review and technical rating based on developed scoring criteria. The Eel Russian Project Authority will be meeting in March to decide on which option to submit to PG&E with a request to include in the decommissioning plan. IWPC will be meeting again before that to discuss. A meeting with PG&E was scheduled for this week to discuss how to coordinate PG&E's decommissioning efforts with ERPA's development efforts. The legislative communication letter was discussed and approved and will be sent on IWPC letterhead to local representatives. Outreach & education was discussed, particularly expanding outreach to social media since website analytics show phone users are a missing demographic. Chair Pauli let Commissioners know that member agencies will be approached again this year for additional financial contributions. Commissioner McGourty noted the County is requesting more information on these expected contributions and Chair Pauli indicated more discussion is needed to estimate expenses. Chair Pauli shared that a letter was received from Huffman's office that funding is earmarked for Coyote Valley Dam enhancements.

City of Ukiah (3/6/24): Nothing water related to report.

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Willow Water District (3/11/24): The Board held a Closed session with no reportable action. GM reported on operations of the District and the other District service contracts (switching out meters and valves at C&S Waste facility to simplify plumbing and comply with current regulations, fixing general leaks from swollen ground, Redwood Valley equipment repair/replacement.) An update was provided on the Groundwater Sustainability Agency (GSA) Rate & Fee Study. Questions were offered about fee collection from constituents, how collection would occur, equity and consideration of groundwater use, fees based on parcel size, and general discussion. An update was provided on the Ukiah Valley Water Authority (UVWA) JPA and consolidation of services. Redwood Valley and Millview Water Districts voted to join with the City of Ukiah. Uncertainty was shared about what it means with for a district (Willow and Calpella) not to join and it was recommended to track process as it evolves. UVWA planning to meet first Tuesday of the month and service contract hand off from Willow to UVWA is planned for Jan 1, 2025.

Hopland PUD (3/14/24): No one from District attended.

Mendocino County Inland Water & Power Commission Special Meeting (3/18/24): The Commission held a closed session.

Millview Water District (3/19/24): CANCELLED due to lack of quorum

Redwood Valley Water District (3/21/24): Packet was issued early due to scheduling and therefore a report will be provided at the Board meeting.

City of Ukiah (3/20/24): The Council approved the additional contribution to the Ukiah Valley Basin Groundwater Sustainability Agency and approved a proposal for CEQA and NEPA compliance development of an additional municipal groundwater well.

Calpella Water District (3/20/24): CANCELLED due to lack of quorum.

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