Mendocino County

Russian River Flood Control & Water Conservation Improvement District

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DRAFT MINUTES

Regular Meeting of June 1, 2026

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

1. Roll Call

President Watt called the meeting to order at 5:37 PM.

Trustees Present:	Christopher Watt, President Tyler Rodrigue, Treasurer John Bailey, Trustee Dave Koball, Trustee
Trustees Absent:	John Reardan, Vice President
Staff:	Elizabeth Salomone, General Manager Lilly Selke, Legal Counsel

2. Approval of Agenda

Treasurer Rodrigue moved to approve the agenda. Trustee Koball seconded the motion. The motion was approved by the following vote:

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

CLOSED SESSION

3. Conference with Legal Counsel – Existing Litigation
Lee Howard et al. v. Mendocino County Russian River Flood Control Annexation of Redwood Valley County Water District et al. Mendocino County Superior Court, Case No. 25CV02914 (Paragraph (1) of subdivision (d) of Gov. Code § 54956.9)

4. Conference with Legal Counsel – Anticipated Litigation
(Paragraph (2) of subdivision (d) of Gov. Code § 54956.9) *Significant exposure to litigation:* Two Cases

5. Conference with Real Property Negotiators (Gov. Code § 54956.8)
Property: Potter Valley Project | *Agency negotiator*: General Manager, General Counsel, Board Members *Negotiating parties:* Agency, Inland Water & Power Agency, PG&E | *Under negotiation:* Purchasing Entity

The Board entered closed session with legal counsel at 5:38 PM. The Board returned to open public session at 6:45 PM. There was no reportable action from Closed Session.

AUDIENCE COMMENTS ON NON-AGENDA ITEMS

6. Public Expression

One member of the public was in attendance and introductions were made.

(Continued…)

PUBLIC HEARINGS

7. Proposed Final Fiscal Year 2026-2027 Budget and Rate Setting

President Watt opened the Public Hearing at 6:48 PM. GM Salomone confirmed the notice process and referred to the staff report. President Watt reaffirmed this is the third month the Board has reviewed and discussed the budget.

Trustee Bailey reaffirmed the Board directed Staff to budget use of $35,020 from water supply reliability reserves in order to stabilize the water rate increases, resulting in a $6.00 per acre foot (af) increase from $66 per af to $72 per af.

GM Salomone clarified there are three budget line items for funding the Mendocino County Inland Water & Power Commission (IWPC) administrative costs and projects. They are under Water Supply Expenses as "Inland Water & Power Commission JPA" for administrative and staffing and included in Water Supply Projects "Trans Basin Diversion" and "Lake Mendocino Increased Storage Capacity" totals.

A member of the public offered comment to the Board.

President Watt closed the Public Hearing at 6:55 PM.

Treasurer Rodrigue moved to approve Resolution #26-02 Adopting the Final Budget for Fiscal Year 2026-2027 including rate setting. Trustee Koball seconded the motion. The motion was approved by the following roll call vote:

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

8. Vacancies, Retention Efforts, and Any Necessary Actions As Mandated per Assembly Bill 2561

President Watt opened the Public Hearing at 6:57 PM. No comments or questions were offered. President Watt closed the Public Hearing at 6:58 PM.

Treasurer Rodrigue moved to approve Move to approve the following:

The Board of Trustees of the Mendocino County Russian River Flood Control & Water Conservation Improvement District does hereby declare:

(a) There are no current vacancies and no vacancies within the last calendar year, therefore no recruitment efforts have been made; and
(b) If a vacancy occurs, the District engages professional recruitment services to assess District needs, advertise, and provide the District with qualified candidates; and
(c) Annual performance evaluations performed as per District policy contribute to employee retention efforts; and
(d) No changes to policies, procedures, or recruitment activities are needed at this time to remove obstacles in the hiring process; and
(e) The District is committed to ensuring that information concerning District employment is available to the public.

Trustee Koball seconded the motion. The motion was approved by the following roll call vote:

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

(*Continued…*)

ITEMS FOR DISCUSSION AND POSSIBLE ACTION

9. New Policy: Allocation of Uncontracted Water

President Watt opened the item, noting the development of this policy is to guide allocation of District Water available to contract under the District's Uniform Water Supply & Purchase Agreement. He noted the staff report which includes the draft language.

It was noted the Board has discussed the development of this policy in closed session multiple times. Trustee Bailey noted the Board wanted a policy that was fair, easy to enact, clear and transparent. Annually around August 1st, notice will be made of available water to contract and requests will be taken for 60 days. If more requests are made than there is water available, water will be allocated pro rate (see policy for the formula.) No priority for allocation of uncontracted water will be given for any factors.

President Watt noted this policy is only now being developed because for the first time, all District Water was contracted in 2025. One Customer reduced their contract quantity, making additional water available but not enough to meet all received requests.

A member of the public offered comment to the Board.

GM Salomone provided information on how and how often contract changes and new contracts are requested.

Trustee Koball moved to approve the new policy Allocation of Uncontracted Water. Trustee Bailey seconded the motion. The motion was approved by the following vote:

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

10. Reserves Policy Review

President Watt opened the item, noting the topic will be covered for several meetings. GM Salomone reviewed the Staff Report which included training materials and stressed the importance of understanding why the District should have reserves, reviewing the current Reserves Policy and balances, and the District's historical balances and uses of Reserves. GM Salomone noted that the reason funds were withdrawn from the District reserves for the Inland Water & Power Commission contributions was because IWPC was not passing an annual budget that included revenue (or member agency contributions) so it was difficult to estimate how much IWPC would request. This was a sort of "growing pains" issue as IWPC quickly expanded its expenditures in response to emerging issues. There are significant changes to the IWPC budget process for Fiscal Year 2026-2027.

GM Salomone noted that because the District's Fiscal Year 2026-2027 budget [approved in a previous agenda item during this meeting] has been refined [to show maximum expenditures in line items and the use of reserves as an income source] it is unlikely District reserves beyond this will be expended in the fiscal year.

Trustee Bailey noted the current reserve policy has logic behind how the reserve categories are defined and funded with the exception of the Water Supply Reliability fund. Do additional reserve accounts need to be defined for major projects, such as channel maintenance, Lake Mendocino expanded storage capacity, etc.

(Continued…)

President Watt noted that the District started down the road to budget for projects, looking 1-3 years ahead at near term issues that could impact the water supply reliability. However, if you review projects such as the continued trans basin diversion and/or expanding storage at Lake Mendocino and look at the numbers and time horizons in relationship to the contribution share the District might make, a forecast of contributions could be estimated and used for planning reserve balances.

GM Salomone noted a revenue strategy study has started [that is identifying and assessing beneficiaries of the New Eel Russian Project diverting water from the Eel to the Russian River after the Potter Valley Project decommissioning.] Additionally, IWPC has a financial consultant working on both a multi-year budget for IWPC as well as alternative funding beyond IWPC member agency contributions.

Treasurer Rodrigue agreed with President Watt that an analysis such as he described could be run to understand the gap in funding and how the District will begin planning to bridge that gap.

A member of the public offered comment to the Board.

REGULAR BUSINESS, INFORMATION, AND REPORT ITEMS

11. General Manager Report & Correspondence

GM Salomone presented the report, providing an update on the application with the Local Agency Formation Commission to annex the Redwood Valley County Water District complete service area.

12. Water Supply Conditions Update

GM Salomone presented the report, noting Lake Mendocino storage levels are staying relatively steady, likely due to the late rains improving soil moisture and delayed irrigation. The orders changing Eel River diversions into the Russian River and Lake Mendocino releases for maintaining minimum instream flow requirements in the Russian River were reviewed.

13. Consent Calendar

a) Acceptance of the May 2026 Financial Reports
b) Approval of May 4, 2026 Regular Board Meeting minutes

Trustee Bailey moved to approve the consent calendar. Trustee Koball seconded the motion. The motion was approved by the following vote:

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

14. Trustee & Committee Reports

Trustee Bailey reported on the recent Groundwater Sustainability Agency Ad Hoc Committee meeting on budget development. The GSA Board will consider for approval at its meeting on June 11, 2026.

(*Continued…*)

Trustee Bailey noted he will miss the August Board meeting.

President Watt reported on the Groundwater Sustainability Agency Technical Advisory Committee meeting noting his suggestion to reduce the number of TAC committee members to address difficulty in reaching quorum. There was general consensus at the TAC.

15. Direction on Future Agenda Items

- Continue discussion on the Reserves Policy including a target minimum for the Water Supply Reliability Reserve.

ADJOURNMENT

President Watt adjourned the meeting at 7:41 PM.

APPROVED by Board of Trustees on July 6, 2026

Christopher Watt
President of the Board of Trustees

Elizabeth Salomone
Secretary of the Board of Trustees