

*Mendocino County*

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

*P.O. Box 2104 Ukiah, CA 95482 707.462.5278 Website: RRFC.net [DistrictManager@rrfc.net](mailto:DistrictManager@rrfc.net)*

July 31, 2023

Dear Customers,

**RE: Interim 2023 Water Rate set at \$61 per acre foot;  
Further assessment at the August 7, 2023 Board Meeting**

At the July 18, 2023 Special Meeting, the Board of the Mendocino County Russian River Flood Control & Water Conservation Improvement District adopted an Interim Fiscal Year 2023-2024 Budget. (Attached.)

This Budget included an interim rate increase from \$47 per acre foot to \$61 per acre foot to cover the operating deficit for the fiscal year. (See **Table 1** below.)

The Board further discussed water supply reliability project expenses and the use of funds from the Water Supply Reliability Reserve. Staff will present at least two options at the August 7, 2023 Board Meeting, potentially using a combination of reserve funds and additional rate increase for water supply reliability expenses.

More information can be found on the District’s website (<https://rrfc.specialdistrict.org/finances>.) The August 7, 2023 Board Meeting agenda is posted and additional materials will be uploaded to the website this week.

Customers are invited to attend the August 7, 2023 Board meeting in person or virtually. Written comments can be submitted prior to the meeting. A notice of the final budget and 2023 rate setting will be issued soon after the meeting.

Thank you,



Elizabeth Salomone, General Manager

**Table 1:**

<b>Rate setting to cover operational expenses: DOES NOT ADDRESS ANY WATER SUPPLY PROJECTS</b>					
<b>EXPENSES:</b>	2023	2024	2025	2026	2027
Est Total Operating Expenses (5% CPI)	\$ 511,700	\$ 537,285	\$ 564,149	\$ 592,357	\$ 621,975
<b>REVENUE:</b>					
Annual water rate increase per af	\$ 14	\$ 3	\$ 4	\$ 3	\$ 3
Total per af rate for operational expenses	\$ 61	\$ 64	\$ 68	\$ 71	\$ 74
Water Sales Revenue w/rate increase	\$ 457,500	\$ 480,000	\$ 510,000	\$ 532,500	\$ 555,000
Est Tax Revenue	\$ 55,000	\$ 57,750	\$ 60,638	\$ 63,669	\$ 66,853
Est Revenue Subtotal	\$ 512,500	\$ 537,750	\$ 570,638	\$ 596,169	\$ 621,853

**President**  
Christopher Watt

**Vice President**  
Alfred White

**Treasurer**  
John Bailey

**Trustee**  
Tyler Rodrigue

**Trustee**  
John Reardan

Exhibit A  
Mendocino County Russian River Flood Control  
Water Conservation Improvement District  
Fiscal Year 2023-2024 Interim Budget  
*Board Approved on July 18, 2022*

REVENUE	Approved
Water Sales, Contracted (7,497.15 af at \$61 per af)	\$ 457,326
Property Taxes	\$ 55,000
Interest, LAIF & Savings	\$ 3,100
<b>TOTAL REVENUE</b>	<b>\$ 515,426</b>

EXPENSES	Approved
Consulting (General other than legal)	\$ 28,000
Groundwater Sustainability Agency	\$ 100,000
Insurance	\$ 7,800
Inland Water & Power Commission JPA	\$ 3,300
Legal Counsel (General)	\$ 20,000
Local Agency Formation Commission (LAFCo)	\$ 2,000
Memberships	\$ 6,000
Payroll Expenses	\$ 262,600
Property Tax Administration Fees	\$ 1,000
Rent, Utilities, Office Operating	\$ 12,000
Stream flow gage (USGS)	\$ 16,000
Stipends	\$ 13,500
Training, Conferences, Associated Costs	\$ 6,000
Unfunded Pension Liability	\$ 9,500
Vehicle	\$ 2,000
Water Rights	\$ 22,000
Water Supply Reliability Projects	\$ 250,000
<b>TOTAL EXPENSES</b>	<b>\$ 511,700</b>

	Approved
<b>TOTAL REVENUE</b>	<b>\$ 515,426</b>
<b>less TOTAL OPERATING EXPENSES</b>	<b>\$ 511,700</b>
<b>EQUALS</b>	<b>\$ 3,726</b>

RESERVES	
Capital (15% of fixed assets + 10% operating expense budget)	\$ 73,670
Emergency (Emergency: 25% of fixed assets)	\$ 37,500
Operating (Operating: 50% of operating expense budget)	\$ 255,850
Water Supply Reliability (Remainder)	\$ 129,238
<b>TOTALS:</b>	<b>\$ 496,258</b>

Other	Approved
Water Supply Reliability Projects	\$ 250,000

*Funding to be discussed at the August 7, 2023 Board Meeting.*