

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

STAFF REPORT

**Agenda Item 7: Proposed Final Fiscal Year 2026-2027 Budget Public Hearing
Monday, June 1, 2026**

The Strategic Plan relevant priority is **Governance and Operational Excellence** - ensuring sound and sustainable management of District finances.

- An annual budget sharpens understanding and provides reflection on the progress of District strategic plan goals.
- The budget helps to avoid surprises and maintain fiscal control of the public resources managed by the District.
- The budget is how the District Board sets the annual price per acre foot and manages adequate and responsible reserves.

Background

The Board reviewed the proposed budget at the April 6th and May 4th, 2026 Board Meetings, providing feedback and direction to Staff.

In its proceedings, the Board considered expected expenses as well as the less predictable project expenses such as:

- Future of the Eel to Russian River Trans Basin Diversion
- Lake Mendocino Increased Storage Capacity (formally referred to as Coyote Valley Dam Modernization)
- Channel Maintenance
- State Water Board Change Petition on District water right
- Annexation of Redwood Valley County Water District, including existing lawsuit
- New meter purchases for water right compliance

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 with 7,894 acre feet contractually currently allocated.

Discussion

The following table shows the Proposed Final Fiscal Year 2026-2027 Budget, beginning July 1, 2026.

The Board will hold a Public Hearing and invite comments and questions.

SUMMARY	FY 2025/26	FY 2025/26	FY 2025/26	FY 2026/27	Change	Change
	APPROVED Budget	APPROVED Adjustment	Actuals Projected to 6/30/26	PROPOSED Budget 5/4/26	from previous year budget in \$	from previous year budget in %
TOTAL REVENUE	\$ 616,040	\$ 616,040	\$ 652,957	\$ 713,300	\$ 97,260	16%
less TOTAL EXPENSE	\$ 616,000	\$ 616,000	\$ 492,290	\$ 713,300	\$ 97,300	16%
equals	\$ 40	\$ 40	\$ 160,667	\$ -		

(Continued...)

Recommended Action:

1. Hold a Public Hearing on the Final Proposed Draft of the Fiscal Year 2026-2027 Budget.
and
2. Move to approve Resolution #26-02 Adopting the Final Budget for Fiscal Year 2026-2027.

Attachments:

- Public Hearing Notice for Fiscal Year 2026-2027 Budget
- DRAFT Resolution #26-02 Adopting the Final Budget for Fiscal Year 2026-2027

* * * *

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

Ukiah Daily Journal

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MENDO. CO. RUSSIAN RIVER FLOOD
CONTROL
PO BOX 2104
UKIAH, CA 95482

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Account Number: 3703097

Ad Order Number: 0006967361

Customer's Reference Ordered on 5/6/26 by Elizabeth Salomone
/ PO Number:

Publication: Ukiah Daily Journal

Publication Dates: 05/09/2026

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Invoice Text: NOTICE IS HEREBY GIVEN that at the Monday, June 1, 2026 Regular Meeting, the Mendocino County Russian River Flood Control & Water Conservation Improvement District will hold a Public Hearing to consider adoption of Proposed 2026-2027 Fiscal Year Budget, Rate Setting, and Vacancy Update. The Resolution adopting the 2026-2027 budget will also set the applicable district water rate. Related documents are available on the District website www.rrfc.net, at the District office in Ukiah by appointment, or emailed by request. All those interested are invited to attend, be heard, and participate in the hearing. Comments can be submitted prior to the hearing to DistrictManager@rrfc.net or 707-462-5278. By Order of Mendocino County Russian River Flood Control and Water Conservation Improvement District 5-9/2026

Ukiah Daily Journal

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3703097

MENDO. CO. RUSSIAN RIVER FLOOD CONTROL
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**PROOF OF PUBLICATION
(2015.5 C.C.P.)**

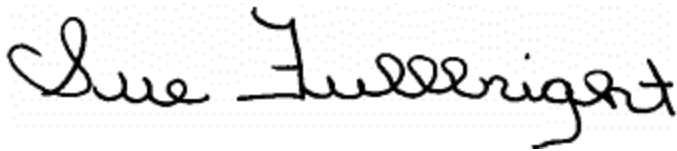
**STATE OF CALIFORNIA
COUNTY OF MENDOCINO**

I am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen years, and not a party to or interested in the above entitled matter. I am the principal clerk of the printer of the Ukiah Daily Journal, a newspaper of general circulation, printed and published daily in the City of Ukiah, County of Mendocino and which newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of Mendocino, State of California, under the date of September 22, 1952, Case Number 9267; that the notice, of which the annexed is a printed copy (set in type not smaller than non-pareil), has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to wit:

05/09/2026

I certify (or declare) under the penalty of perjury that the foregoing is true and correct.

Dated at Ukiah, California,
May 11th, 2026



Sue Fullbright, LEGAL CLERK

Legal No. **0006967361**

NOTICE IS HEREBY GIVEN that at the Monday, June 1, 2026 Regular Meeting, the Mendocino County Russian River Flood Control & Water Conservation Improvement District will hold a Public Hearing to consider adoption of Proposed 2026-2027 Fiscal Year Budget, Rate Setting, and Vacancy Update. The Resolution adopting the 2026-2027 budget will also set the applicable district water rate. Related documents are available on the District website www.rrfc.net, at the District office in Ukiah by appointment, or emailed by request. All those interested are invited to attend, be heard, and participate in the hearing. Comments can be submitted prior to the hearing to DistrictManager@rrfc.net or 707-462-5278. By Order of Mendocino County Russian River Flood Control and Water Conservation Improvement District
5-9/2026

Resolution #26-02
of the
**Mendocino County Russian River Flood Control
& Water Conservation Improvement District**

**Adopting the
Final Budget for Fiscal Year 2026-2027**

WHEREAS, the Mendocino County Russian River Flood Control & Water Conservation Improvement District Board of Trustees, hereinafter referred to as the “Board of Trustees,” annually adopts a final budget; and

WHEREAS, the Board of Trustees heard and fully considered all oral and written public comment and General Manager’s report at a Regular Board Meeting on April 6, 2026 and May 5, 2026 and held a public hearing at a Regular Board Meeting on June 1, 2026;

NOW, THEREFORE, BE IT RESOLVED that the District Board of Trustees hereby approves the Final Budget for Fiscal Year 2026-2027 as set forth in Exhibit A, attached hereto with revenue in the amount of \$713,300 and expenses in the amount of \$713,300;

BE IT FURTHER RESOLVED that the District Board of Trustees hereby sets the water rate at \$72 per acre foot for the contract term of October 1, 2025 to September 30, 2026.

ADOPTED 1st of June, 2026 by the Board of Trustees of the Mendocino County Russian River Flood Control & Water Conservation Improvement District, by the following vote:

Christopher Watt	Yes/ No / Abstain / Absent
John Reardan	Yes/ No / Abstain / Absent
Tyler Rodrigue	Yes/ No / Abstain / Absent
John Bailey	Yes/ No / Abstain / Absent
Dave Koball	Yes/ No / Abstain / Absent

Signed:

Christopher Watt, Board of Trustees President

Date

Attest:

Elizabeth Salomone, General Manager

Date

Exhibit A
Mendocino County Russian River Flood Control
Water Conservation Improvement District
Fiscal Year 2026-2027 Proposed Final Budget
for Board Consideration on June 1, 2026

REVENUE		
Water Sales, Contracted (Rate set at \$72 per acre foot)	\$	568,368
Water Sales, Uncontracted (offered as surplus)	\$	3,312
Water Application Fees	\$	1,600
Property Taxes	\$	70,000
Interest, LAIF & CLASS	\$	35,000
Use of Water Reliability Reserve	\$	35,020
TOTAL REVENUE		\$ 713,300

EXPENSES		
Payroll Expenses		
Unfunded Pension Liability	\$	10,000
Other payroll expenses	\$	210,200
Total Payroll Expenses		\$ 220,200
Water Supply Expenses		
Water Rights Compliance	\$	51,000
Stream flow gage (USGS)	\$	15,000
Inland Water & Power Commission JPA (operations only)	\$	76,000
Channel Maintenance	\$	30,000
Water Supply Projects	\$	236,000
Water Supply Expenses Total		\$ 408,000
General & Administrative Expenses		
Consulting (including general legal counsel)	\$	31,500
Vehicle	\$	3,000
Insurance	\$	10,000
Local Agency Formation Commission (LAFCo)	\$	1,100
Memberships	\$	2,500
Rent, Utilities, Office Operating	\$	22,000
Training, Conferences, Associated Costs	\$	1,000
Stipends, Meetings, Associated Costs	\$	12,000
Property Tax Administration Fees	\$	2,000
General & Administrative Expenses Total		\$ 85,100
		\$ 713,300

SUMMARY		
	TOTAL REVENUE	\$ 713,300
	less TOTAL OPERATING EXPENSES	\$ 713,300
	EQUALS	\$ -