

5 **DRAFT MINUTES**
6 **Regular Meeting of June 5, 2023**
7 **At District Office: 304 N. State Street, Ukiah, CA 95482**
8

9 **1. Roll Call**

10 President Watt called the meeting to order at 5:34 PM.

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12 Trustees Present: Christopher Watt, President
13 Alfred White, Vice President
14 John Bailey, Treasurer
15 Tyler Rodrigue, Trustee
16 John Reardan, Trustee

17 Staff: Elizabeth Salomone, General Manager
18 Colleen Hale, Office Administrator
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20 **2. Approval of Agenda**

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

23 Ayes: 5 (Reardan, Bailey, White, Watt, Rodrigue)
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25 **3. Public Expression**

26 No one indicated interest in speaking.

27 **ITEMS FOR DISCUSSION AND POSSIBLE ACTION**

28 **4. Water Supply Conditions Update and District Response**

29 GM Salomone presented the item. Public comment was offered by Sean White, City of Ukiah Director of Water
30 & Wastewater.
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32 **5. Russian River Water Forum Update**

33 GM Salomone and President Watt guided the Board through a set of discussion points intended to provide
34 feedback to the Mendocino County Water Suppliers caucus representatives on the Planning Group.
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36 The Board deferred a decision on involvement in the Leadership Council until more information is available,
37 including a draft Charter.
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6. Budget Workshop

Treasurer Bailey began the workshop with a summary from the Ad Hoc Committee: The budget expenses have increased from the previous fiscal year due in part to expanding district staff in addressing the uptick of urgent issues confronting the District. This has been discussed in previous Board meetings. The District has a limited amount of water to sell, resulting in a flatline revenue in a period of increasing expenses to address water supply reliability issues. A budget deficit is projected for the next fiscal year which could be covered by withdrawing from reserves, however this would leave the District with decreased reserves in a time of known increased expenses. If the current cost per acre foot is maintained, it will create a structural deficit. The District has maintained the same price per acre foot since 2009, therefore absorbing the cost of inflation for 14 years with no increased revenue through water rates.

The Ad Hoc Committee (Bailey and Watt) worked with GM Salomone to provide the Board with an array of potential capital projects and estimated price per acre foot. The Board reviewed and provided the Ad Hoc feedback.

Vice President White suggested a gradual incremental rate increase with customer outreach and engagement, which was generally supported by other Board members.

Trustee Rodrigue posed a series of questions to determine if the increase in District operating expenses was a result of a permanent increase in staff workload or predicated on projects such as the trans-basin diversion. It was determined that the vacancy for administrative support has gone largely unfilled since 2019 and consultants are and will be used for project-based workload whenever possible.

The Board discussed the use of reserves (operational and water supply reliability) to ‘smooth out’ potential rate increases and requested options to review. The Board discussed the timing of potential rate increase implementation.

Direction given to staff to bring the Final FY 2023-2024 Budget to next meeting for possible approval, including several options combining rate increases and/or use of reserves.

7. Trustee Stipends

President Watt and GM Salomone presented information for Board discussion.

Trustee Reardan moved to update the current policy on stipend terms to increase Trustee stipends for all meetings to \$50 effective July 1, 2023. Trustee Bailey seconded the motion. The motion was approved by the following vote:

Ayes: 5 (Reardan, Bailey, White, Watt, Rodrigue)

REGULAR BUSINESS, INFORMATION, AND REPORT ITEMS

8. Consent Calendar

- a) Acceptance of the May 2023 Financial Report
- b) Approval of May 1, 2023 Regular Board Meeting minutes

Vice President White moved to approve the Consent Calendar. Treasurer Bailey seconded the motion. The motion was approved by the following vote:

Ayes: 5 (Reardan, Bailey, White, Watt, Rodrigue)

