

Mendocino County

Russian River Flood Control & Water Conservation Improvement District

PO Box 2104, Ukiah, CA 95482 707.462.5278 Website: RRFC.net DistrictManager@rrfc.net

A G E N D A

Board of Trustees – Regular Meeting of Monday, May 5, 2026 at 5:30 PM

In Person only: 304 North State Street, Ukiah at District office

1. Call to Order and Roll Call
2. Approval of Agenda
Urgent items added may be discussed immediately after public expression. Time suggestions to the right of item title.

CLOSED SESSION (5:32 PM)

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: One Case*
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*

AUDIENCE COMMENTS ON NON-AGENDA ITEMS (approximately 6:30 PM)

6. Public Expression- See End of Agenda for Information on Public Expression

ITEMS FOR DISCUSSION AND POSSIBLE ACTION

7. Draft Fiscal Year 2026-2027 Budget
Board will consider feedback and direction to GM. The budget will return to Board for final approval consideration in June.
8. Ukiah Valley Water Authority: Consideration of Combining Member Agency Uniform Water Supply & Purchase Agreements
Board will consider possible future request of the Authority and provide feedback and/or direction to Staff.
9. Strategic Planning and 2026 Annual Operations Plan
Board will consider approval of the UPDATED 2026-2028 Strategic and 2026 Annual Operations Plans.

REGULAR BUSINESS, INFORMATION, AND REPORT ITEMS

10. General Manager Report & Correspondence (*written*)
11. Water Supply Conditions Update (*written*)

(Continued...)

12. Consent Calendar

- a) Acceptance of the April 2026 Financial Reports
- b) Approval of March 23, 2026 Special Board Meeting minutes
- c) Approval of April 6, 2026 Regular Board Meeting minutes
- d) Adoption of updated Surplus Water Service Agreement
- e) Adoption of updated General Manager Evaluation Policy #3200
- f) Adoption of updated General Manager Evaluation Form.

13. Trustee & Committee Reports

14. Direction on Future Agenda Items

ADJOURNMENT

ACTION ITEMS – All agenda items are potential action items unless otherwise noted.

PUBLIC EXPRESSION – The Board welcomes public participation in its Board meetings. Comments shall include any item not on the agenda that is within the subject matter jurisdiction and authority of the District. No action may be taken on any item not appearing on the agenda; however, the Board may direct such items to be placed on the agenda of a future meeting or may request additional information on any such item. The Board may limit testimony to three (3) minutes per person and not more than ten (10) minutes for a particular subject. All items on the agenda are considered action items unless otherwise noted. All times and the order of business are approximate and subject to change.

President
Christopher Watt

Vice President
John Reardan

Treasurer
Tyler Rodrigue

Trustee
Dave Koball

Trustee
John Bailey

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

STAFF REPORT

Agenda Item 7: Draft Fiscal Year 2026-2027 Budget

Monday, May 4, 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.

Discussion

The following table shows the preliminary draft of Fiscal Year 2026-2027 Budget, beginning July 1, 2026. Attached is the more detailed Preliminary Draft Budget Worksheet. The Board is invited to provide comments and questions.

As per Board direction at the April 6, 2026 Board Meeting budget workshop, the budget has been reworked to include both surplus sales and use of reserves as budgeted revenue, as well as full potential expenses in line items previously indicating a possible use of reserves. More information in the pages to follow with changed line items highlighted in green.

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 4/5/26	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	\$ 390,290	\$ 713,300	\$ 97,300	16%
equals	\$ 40	\$ 40	\$ 262,667	\$ -		

The total revenue from the April draft increased by \$40,000 from \$673,300 to \$713,300.

The total expenses from the April draft increased by \$40,000 from \$673,300 to \$713,300.

The price per acre foot remained the same at \$72.00, both contracted and surplus, though surplus sales to Redwood Valley Water are determined as per the stipulated judgment.

Recommended Action:

Provide feedback and direction to GM in preparation of the Final Proposed Fiscal Year 2026-2027 Budget Public Hearing at the June 1, 2026 Board Meeting.

Attachment:

Draft Budget Worksheet with explanations and historical charts.

* * * *

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

Preliminary Budget Worksheet for May 4, 2026 Board Meeting, Pg 1 of 5

Green Highlighted Cells: These were new or moved lines from the previous version.

REVENUE & USE OF RESERVES		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 %
4001.1	Water Sales, Contracted	\$ 524,040	\$ 524,040	\$ 490,739	\$ 568,368	\$ 44,328	8%
4001.2	Water Sales, transferred from contracts	\$ -	\$ -	\$ 49,500			
4002	Water Sales, uncontracted surplus	\$ -	\$ -	\$ -	\$ 3,312		
4010	Water Application Fees	\$ -	\$ -	\$ -	\$ 1,600		
4050	Property Taxes	\$ 65,000	\$ 65,000	\$ 65,000	\$ 70,000	\$ 5,000	8%
4080	Interest, LAIF	\$ 18,000	\$ 18,000	\$ 17,800	\$ 19,000	\$ 1,000	6%
4082	Interest, CA CLASS	\$ 9,000	\$ 9,000	\$ 15,000	\$ 16,000	\$ 7,000	78%
4100	Other income	\$ -	\$ -	\$ 918	\$ -	\$ -	
n/a	Use of Water Supply Reliability Reserves			\$ 14,000	\$ 35,020		
TOTAL REVENUE & USE OF RESERVES		\$ 616,040	\$ 616,040	\$ 652,957	\$ 713,300	\$ 97,260	16%

- Price Per Acre Foot: The cost per acre foot (af) would be \$72 for FY 26/27, a \$6 per af increase. This number is used to budget for all types of water sales.
- Line 4001.1 Water Sales Contracted: Based on 7,894 af currently under contract.
- Line 4001.2 Water Sales, transferred: Budgeted in line 4001.1 but differentiated in projected actuals based on 2025 contracted water transferred to surplus by Customers.
- Line 4002 Water Sales, Uncontracted Surplus: Based on the current uncontracted amount of 46 af. This will likely be contracted during the Fiscal Year and actuals reported in line 4001.1
- Use of Water Supply Reliability Reserves: Reserves will only be used if total costs for Water Supply Expenses exceeds the fully budgeted amount.
- See end of report for information historical rate setting.

(Continued...)

Preliminary Budget Worksheet for May 4, 2026 Board Meeting, Pg 2 of 5

WATER SUPPLY EXPENSES		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 %
5020	Water Rights - Compliance TOTAL:	\$ 28,000	\$ 21,500	\$ 31,800	\$ 51,000	\$ 29,500	137%
5020.01	Annual Fees	\$ 18,000	\$ 17,000	\$ 17,000	\$ 18,000	\$ 1,000	6%
5020.02	Legal Counsel	\$ 3,000	\$ 2,000	\$ -	\$ 5,000	\$ 3,000	150%
5020.03	Engineering	\$ 3,000	\$ 2,000	\$ -	\$ 3,000	\$ 1,000	50%
5020.04	Meter Maintenance	\$ 2,000	\$ 500	\$ 300	\$ 1,000	\$ 500	100%
5020.05	Meter & Data Mgmt	\$ 2,000	\$ -	\$ 500	\$ 4,000	\$ 4,000	
5020.05	New Meter Purchases			\$ 14,000	\$ 20,000		
5030	USGS Streamflow Gage	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ -	0%
5031.01	Inland Water & Power Commission JPA	\$ 10,000	\$ 5,000	\$ 5,000	\$ 76,000	\$ 75,000	1420%
5040	Channel Maintenance	\$ 20,000	\$ 20,000	\$ 6,000	\$ 30,000	\$ 10,000	50%
5050	Water Supply Projects Total	\$ 237,000	\$ 248,500	\$ 154,460	\$ 236,000	\$ (12,500)	-5%
5031.00	Grants & Funding Analysis	\$ 5,000	\$ 3,000	\$ -	\$ -	\$ (3,000)	-100%
5056	License Change Petition	\$ 10,000	\$ 35,000	\$ 35,000	\$ 12,000	\$ (23,000)	-66%
5057	LAFCo Applications	\$ 10,000	\$ 10,000	\$ 22,460	\$ 25,000	\$ 15,000	150%
5058	Demand Management Pilot	\$ 2,000	\$ -	\$ -	\$ -	\$ -	
5059	Trans Basin Diversion	\$ 110,000	\$ 110,000	\$ 67,000	\$ 140,000	\$ 30,000	27%
5060	Lake Mendocino Increased Storage Capacity	\$ 100,000	\$ 90,500	\$ 30,000	\$ 59,000	\$ (31,500)	-35%
TOTAL WATER SUPPLY EXPENSES		\$ 310,000	\$ 310,000	\$ 212,260	\$ 408,000	\$ 195,740	-24%

- Grey cells are a breakdown of the total above.
- Line 5020.05 New Meter Purchases was moved from “Other Expenses” and a cost-of-doing-business expense for water right compliance. If the costs exceed the budget, the Board will be asked to consider a budget adjustment to either use unexpended funds from another line item or draw upon reserves.
- Line 5031.01 IWPC: Projected actual is based on IWPC’s FY 2025-26 budget.
- Line 5040 Channel Maintenance: Additional funds of \$20,000 included from previous version.
- Line 5056 License Change Petition: Additional funds of \$5,000 included from previous version.
- Line 5057 LAFCo Applications: Additional funds of \$20,000 included from previous version.
- Line 5059 Trans Basin Diversion: Projected actual is based on IWPC’s FY 2025-26 budget and includes District internal costs (legal.)
- Line 5060 Lake Mendocino Increased Storage Capacity (formally labeled “Coyote Valley Dam Modernization”): Projected actual is based on IWPC’s FY 2025-26 budget and includes District internal costs (legal.)
- Note: The pale green cells indicate expenditures related to IWPC operations and projects expenses and include District internal costs for those projects. QuickBooks reporting breaks out project expenses.

(Continued...)

Preliminary Budget Worksheet for May 4, 2026 Board Meeting, Pg 3 of 5

PAYROLL EXPENSES		FY 2025/26	FY 2025/26	FY 2025/26	FY 2026/27	Change	Change
		APPROVED	APPROVED	Actuals	PROPOSED	from	from
		Budget	Adjustment	Projected to	Budget	previous year	previous year
				6/30/26	4/5/26	budget in \$	budget in %
5001	Gross Wages	\$ 145,000	\$ 145,000	\$ 150,000	\$ 155,000	\$ 10,000	7%
5002	CalPERS Employer Expense	\$ 13,000	\$ 13,000	\$ 9,500	\$ 13,000	\$ -	0%
5003	CalPERS 457 Expense	\$ 5,000	\$ 5,000	\$ 4,500	\$ 5,000	\$ -	0%
5004	Health Insurance	\$ 17,000	\$ 17,000	\$ 17,000	\$ 18,000	\$ 1,000	6%
5005	Medicare	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,500	\$ 500	25%
5006	FICA (Federal Taxes)	\$ 10,000	\$ 10,000	\$ 10,000	\$ 11,000	\$ 1,000	10%
5007	CalPERS 1959 Survivor Billing	\$ 100	\$ 100	\$ 100	\$ 100	\$ -	0%
5008	CalPERS GASB-68 Fees	\$ 900	\$ 900	\$ 430	\$ 600	\$ (300)	-33%
5009	Unfunded Pension Liability	\$ 9,000	\$ 9,000	\$ 9,000	\$ 10,000	\$ 1,000	11%
5011	Employee Bonus	\$ 5,000	\$ 5,000	\$ 2,800	\$ 5,000	\$ -	0%
TOTAL PAYROLL EXPENSES		\$ 207,000	\$ 207,000	\$ 205,330	\$ 220,200	\$ 13,200	6%

- No changes from previous month.

GENERAL & ADMINISTRATIVE EXPENSES		FY 2025/26	FY 2025/26	FY 2025/26	FY 2026/27	Change	Change
		APPROVED	APPROVED	Actuals	PROPOSED	from	from
		Budget	Adjustment	Projected to	Budget	previous year	previous year
				6/30/26	4/5/26	budget in \$	budget in %
5100	Consulting - General	\$ 43,000	\$ 40,000	\$ 27,700	\$ 31,500	\$ (8,500)	-27%
5101	Accounting	\$ 10,000	\$ 8,000	\$ 4,000	\$ 4,000	\$ (4,000)	-50%
5102	Audit	\$ 10,000	\$ 10,000	\$ 9,500	\$ 11,000	\$ 1,000	10%
5103	Engineering	\$ -	\$ 2,000	\$ 1,000	\$ 2,000	\$ -	0%
5104	Administrative Support	\$ 8,000	\$ 5,000	\$ 1,500	\$ 3,000	\$ (2,000)	-40%
5105	Legal-general	\$ 5,000	\$ 5,000	\$ 7,000	\$ 10,000	\$ 5,000	100%
5109	Human Resources	\$ 2,000	\$ 2,000	\$ 1,700	\$ 1,500	\$ (500)	-25%
5110	Strategic Planning	\$ 8,000	\$ 8,000	\$ 3,000	\$ -	\$ (8,000)	-100%
5120	Vehicle: Fuel, Repairs, Maintenance	\$ 2,000	\$ 2,000	\$ 1,500	\$ 3,000	\$ 1,000	50%
5130	Insurance	\$ 14,000	\$ 14,000	\$ 8,000	\$ 10,000	\$ (4,000)	-29%
5140	Local Agency Formation Commission	\$ 1,500	\$ 1,500	\$ 1,000	\$ 1,100	\$ (400)	-27%
5150	Memberships, ACWA & CSDA	\$ 7,000	\$ 3,000	\$ 2,500	\$ 2,500	\$ (500)	-17%
5160	Office Operating Expenses	\$ 7,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ -	0%
5161	Rent & Utilities	\$ 5,000	\$ 5,000	\$ 5,000	\$ 8,000	\$ 3,000	60%
5170	Training & Conferences	\$ 5,000	\$ 5,000	\$ 3,500	\$ 1,000	\$ (4,000)	-80%
5180	Stipends, meetings	\$ 13,000	\$ 13,000	\$ 10,000	\$ 12,000	\$ (1,000)	-8%
5190	Property Tax Admin Fees	\$ 1,500	\$ 1,500	\$ 1,500	\$ 2,000	\$ 500	33%
5200	Election	\$ 0.00	\$ 0.00	\$ -	\$ -	\$ -	
TOTAL GENERAL & ADMINISTRATIVE EXPENSES		\$ 99,000	\$ 99,000	\$ 74,700	\$ 85,100	\$ (13,900)	16%

- No changes from previous version.

(Continued...)

Preliminary Budget Worksheet for May 4, 2026 Board Meeting, Pg 4 of 5

TOTAL EXPENSES	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 4/5/26	from previous year budget in \$	from previous year budget in %
TOTAL PAYROLL EXPENSES	\$ 207,000	\$ 207,000	\$ 205,330	\$ 220,200	\$ 13,200	6%
TOTAL WATER SUPPLY EXPENSES	\$ 310,000	\$ 310,000	\$ 212,260	\$ 408,000	\$ 98,000	32%
TOTAL GENERAL & ADMINISTRATIVE EXPENSES	\$ 99,000	\$ 99,000	\$ 74,700	\$ 85,100	\$ (13,900)	-14%
TOTAL EXPENSES	\$ 616,000	\$ 616,000	\$ 492,290	\$ 713,300	\$ 97,300	16%

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 4/5/26	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	\$ -		

Reserves and Bank Accounts

RESERVES	FY 2025/26	FY 2025/26	FY 2025/26	FY 2026/27	Change	Change
	APPROVED Budget	APPROVED Adjustment	Actuals as of 3/30/26	PROPOSED Budget 4/5/26	from previous year budget in \$	from previous year budget in %
Capital (15% of fixed assets + 10% operating expense budget)	\$ 92,000	\$ 92,000	\$ 92,000	\$ 101,330	\$ 9,330	9%
Emergency (Emergency: 25% of fixed assets)	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ -	0%
Operating (Operating: 50% of operating expense budget)	\$ 308,000	\$ 308,000	\$ 308,000	\$ 356,650	\$ 48,650	14%
Water Supply Reliability (Remainder)						
Water Supply Reliability held in LAIF	\$ 92,814	\$ 185,814	\$ 115,000	\$ 57,020	\$ 57,980	102%
Water Supply Reliability held in CLASS	\$ 255,258	\$ 255,258	\$ 258,000	\$ 258,000	\$ -	100%
RESERVES TOTALS:	\$ 798,072	\$ 891,072	\$ 823,000	\$ 823,000	\$ -	0%

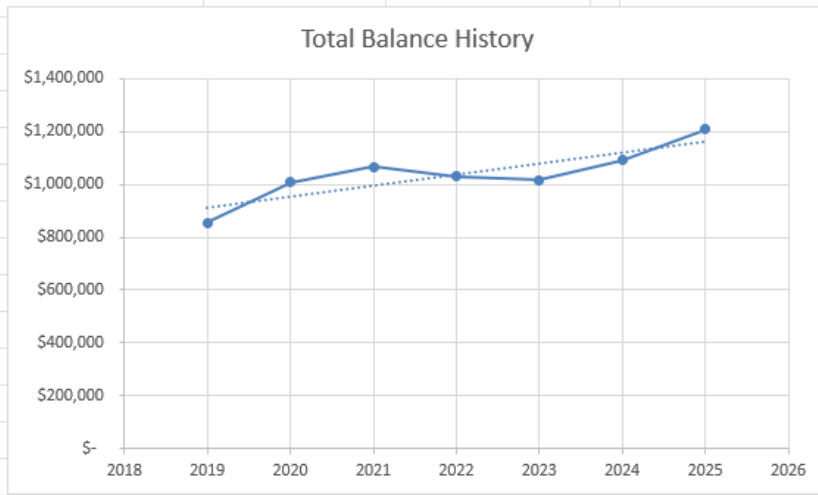
- Water Supply Reliability Reserve has no target minimum but consists of “overflow” funds not used to meet the other three reserve accounts. The annual target minimum increases in three accounts are managed by moving funds from the Water Supply Reliability Reserve, which may not be a sustainable practice. The Board will be considering an expansion of the reserve policies to address this.

(Continued...)

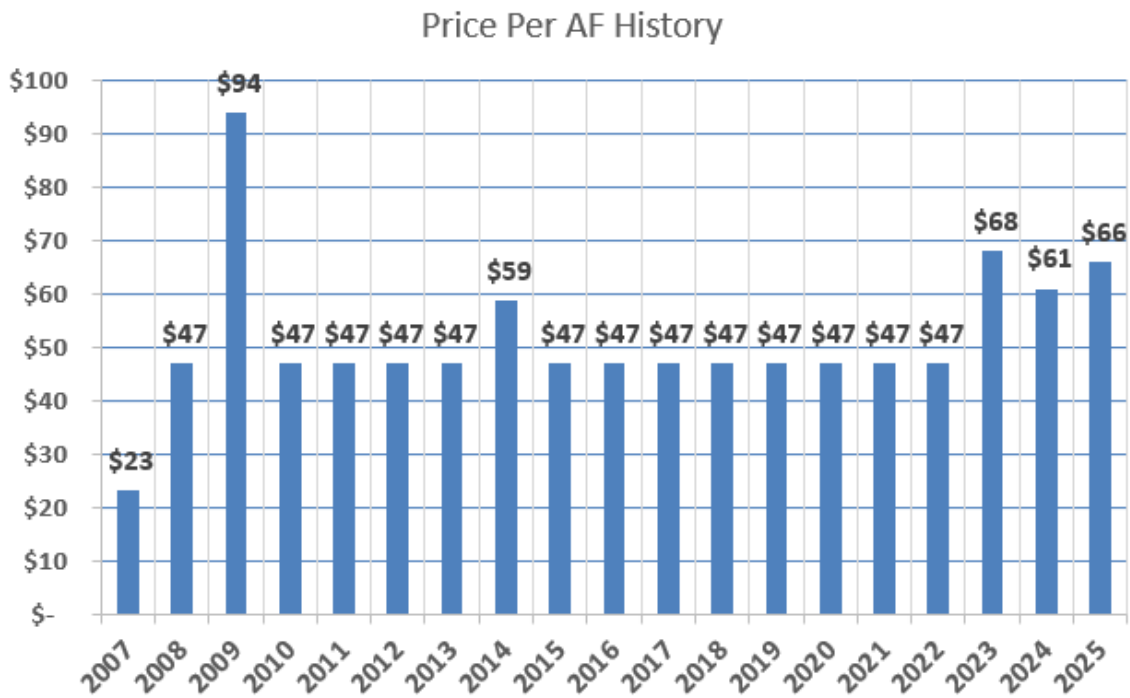
Preliminary Budget Worksheet for May 4, 2026 Board Meeting, Pg 5 of 5

Total Account Balance History

Year	Operations	Reserves	Total Balance
2019	\$ 381,368	\$ 474,440	\$ 855,808
2020	\$ 521,167	\$ 485,605	\$ 1,006,772
2021	\$ 576,677	\$ 489,718	\$ 1,066,395
2022	\$ 488,866	\$ 541,140	\$ 1,030,006
2023	\$ 315,565	\$ 699,713	\$ 1,015,278
2024	\$ 423,108	\$ 668,793	\$ 1,091,901
2025	\$ 410,476	\$ 798,072	\$ 1,208,548



Price Per Acre Foot of Water History



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

STAFF REPORT

**Agenda Item 8: Ukiah Valley Water Authority: Consideration of Combining
Member Agency Uniform Water Supply & Purchase Agreements**

May 4, 2026

The Strategic Plan relevant priorities are (1) **Water Supply Security** by ensuring effective and beneficial use of water under District water rights; (2) **Strategic Partnerships** through promoting clarity on shared goals and initiatives; and (3) **Governance and Operational Excellence** by enhanced transparency, accountability, and consistency across the District.

Background

Staff of the Ukiah Valley Water Authority member agencies (listed below) is interested in learning more about the process for combining the member agency individual Uniform Water Supply & Purchase Agreements (Agreement) into one Agreement under the Ukiah Valley Water Authority (Water Authority.) No formal request for change has been made; this is an information seeking exercise.

Ukiah Valley Water Authority Member Agencies and current Agreement quantities:

- Calpella County Water District (85 acre feet a year)
- Millview County Water District (1171.15 acre feet a year)
- Willow County Water District (593 acre feet a year)
- Redwood Valley County Water District (328.85 acre feet a year)
- (City of Ukiah is a member but has no UWS&PA with RRFC at this time.)

Discussion

The Board is not required to approve combining Agreements; it is considered an administrative process conducted by the General Manager. Due to the scale of this possible action and the inclusion of Redwood Valley Water District (Redwood Valley Water) prior to being annexed to the Russian River Flood Control District (RRFC), Staff and Legal Counsel agreed that a Board briefing was appropriate.

A combined Agreement could offer the Water Authority member agencies:

- Ability to internally manage allocating the combined contract quantity (acre feet per year) within the membership as needed while infrastructure is expanded and improved over the coming years.
- Ability to add all member agency points of diversion to the Agreement, including the City of Ukiah's.
- Ability to include the combined service areas of all member agencies in the Agreement's place of use (those within the RRFC licensed place of use and boundary.)
- Ability to better manage projected District water demand and potentially offer surplus water annually.
- If the Local Agency Formation Commission (LAFCo) approves the application for annexation of the Redwood Valley County Water District service area to RRFC, Redwood Valley Water entire service area could be included in the Agreement's place of use.

Note: prior to a LAFCo approved annexation of the Redwood Valley Water service area to RRFC, surplus water would be provided to Redwood Valley Water as it is now, under terms of the Stipulated Judgement.

* * * *

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

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

STAFF REPORT

**Agenda Item 9: UPDATED Strategic and Annual Operations Planning
Monday, May 4, 2026**

Strategic Planning:

- Communicates priorities, goals, and implementation methods to the public and partners.
- Supports proactive and informed decision-making.
- Provides direction to Executive staff in District operations.
- Guides resource allocation.
- Strengthens trust and transparency through clear expectations

Background

The District has used strategic planning since 2016, maintaining periodic reviews and updates. The systematic processes through which an organization agrees on are essential to its mission and are responsive to current conditions. Strategic planning guides the acquisition and allocation of resources to achieve these priorities.

The Board held a planning meeting with a consultant in December to review the 2023-2025 Strategic Plan, exploring opportunities to renew commitment to long term planning goals and discuss new ones.

At the March 3, 2026 Regular Board meeting, the Board approved the proposed 2026-2028 Strategic Plan and the proposed 2026 Annual Operations Plan. Since then, Staff has discovered some inconsistencies between draft versions and requests consideration to adopt the updated Plans.

Discussion

The Board can provide feedback and direction to Staff.

Recommendation:

Strategic Plan:

- Provide feedback to Staff on the 2026-2028 Strategic Plan to return with an updated draft;
or
- Move to adopt the updated 2026-2028 Strategic Plan as presented.

Operations Plan:

- Provide feedback to Staff on the 2026 Annual Operations Plan to return with an updated draft;
or
- Move to adopt the 2026 Annual Operations Plan as presented.

Attachments:

- Proposed updated 2026-2028 Strategic Plan, redlined
- Proposed updated 2026-2028 Strategic Plan, clean
- Proposed updated 2026 Annual Operations Plan with additional changes from updated Strategic Plan in yellow highlighting.

Linked on website:

- 2023-2025 Strategic Plan: <https://rrfc.specialdistrict.org/strategic-planning>

* * * *

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

2026 – 2028 Strategic Plan

Priorities & Goals:

Priority 1: ~~Long-Term~~ Water Supply Security

Ensure reliable, resilient, and available sources of water.

- Goal 1: Improve river and reservoir operations.
- Goal 2: ~~Support~~ **Advance** fair and reliable trans basin diversions.
- Goal 3: Increased storage capacity.
- Goal 4: ~~Maintain health of District Water Rights.~~ **Ensure effective and beneficial use of District water as a public resource.**

Priority 2: Strategic Partnerships

Collaborate with partners to achieve aligned goals for a mutual benefit.

- Goal 1: **Cultivate** trusted relationships with community partners for regional water security.
- Goal 2: Expanded relationships with non-traditional partners and stakeholders in pursuit of enhanced Environmental Stewardship.
- Goal 3: **Promote clarity on shared goals and initiatives with our strategic partners.**

Priority 3: Advocacy and Engagement

Be an influential voice for our region ~~by influencing~~ through outreach, education, funding, regulation, and legislation.

- Goal 1: Improve public awareness and understanding of the importance of water issues.
- Goal 2: ~~Promote accountability and transparency with our strategic partners.~~
- Goal 3: Pursue State and Federal governmental policy and funding support.

Priority 4: Governance and Operational Excellence

Foster sustainable leadership and management of agency resources.

- Goal 1: Capable and high quality executive leadership.
- Goal 2: Engaged, diverse, and knowledgeable Board leadership.
- Goal 3: Effective systems, administration, and human resources to execute the strategic plan.
- Goal 4: Sound and sustainable management of District finances.

2026 – 2028 Strategic Plan

Mission

The District’s mission is to steward water resources for the benefit of people and environment.

Vision

Our vision is to ensure available, reliable, and resilient water resources.

Values

Values serve as guiding principles for the District as it invests time and energy to meet the Mission and Vision over the next three years.

Trust:	We are a consistent and reliable resource.
Knowledge:	We apply the insight and expertise required to steward water resources.
Advocacy:	We support and raise awareness of water resource issues.
Inclusivity:	We elevate equitable access to opportunities and resources.
Transparency:	We practice and encourage open communication and engagement.

3-Year Target

We will lead our community to help ensure consistent, affordable, and reliable water supply for the region.

Annual Action Plan

The strategic plan has a corresponding annual action plan approved by the Board each year. It sets tactics and performance metrics for implementing the strategic plan goals and supporting the annual General Manager performance evaluation.

2026 – 2028 Strategic Plan

Priorities & Goals:

Priority 1: Water Supply Security

Ensure reliable, resilient, and available sources of water.

- Goal 1: Improve river and reservoir operations.
- Goal 2: Advance fair and reliable trans basin diversions.
- Goal 3: Increased storage capacity.
- Goal 4: Ensure effective and beneficial use of District water as a public resource.

Priority 2: Strategic Partnerships

Collaborate with partners to achieve aligned goals for a mutual benefit.

- Goal 1: Cultivate trusted relationships with community partners for regional water security.
- Goal 2: Expanded relationships with non-traditional partners and stakeholders in pursuit of enhanced Environmental Stewardship.
- Goal 3: Promote clarity on shared goals and initiatives with our strategic partners.

Priority 3: Advocacy and Engagement

Be an influential voice for our region through outreach, education, funding, regulation, and legislation.

- Goal 1: Improve public awareness and understanding of the importance of water issues.
- Goal 2: Pursue State and Federal governmental policy and funding support.

Priority 4: Governance and Operational Excellence

Foster sustainable leadership and management of agency resources.

- Goal 1: Capable and high quality executive leadership.
- Goal 2: Engaged, diverse, and knowledgeable Board leadership.
- Goal 3: Effective systems, administration, and human resources to execute the strategic plan.
- Goal 4: Sound and sustainable management of District finances.

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

2026 Annual Operations Plan

Priority 1: Water Supply Security

Ensure reliable, resilient, and available sources of water.

Goal 1: Improve river and reservoir operations.

Approach:	Contribute to the success of coordinated regional water management efforts such as FIRO, TUCPs, Biological Opinion, Water Sharing Program, reservoir storage planning, and channel maintenance through policy and funding support.
Performance Metrics:	<ul style="list-style-type: none"> ○ Continue regular meetings and information sharing with Sonoma Water. ○ Monitor and contribute to TUCP filings and implementation. ○ Participate in Russian River Reservoir Operations Workgroup meetings. ○ Be a leader in Voluntary Water Sharing Program working group. ○ Explore opportunities within channel maintenance obligations.

Goal 2: Advance fair and reliable trans basin diversions.

Approach:	Contribute to collaborative efforts in securing both short and long term water supply reliability in cooperation with Inland Water & Power Commission, Eel Russian Project Authority, PG&E, and other regional partners.
Performance Metrics:	<ul style="list-style-type: none"> ○ Pursue State and Federal governmental policy and funding support. ○ Meet with Eel River stakeholders to identify aligned values and goals. ○ Actively promote and support transparent financial planning.

Goal 3: Increased storage capacity.

Approach:	Commit District resources to bolster collaborative efforts and to explore additional storage opportunities.
Performance Metrics:	<ul style="list-style-type: none"> ○ Renew incentive based pricing development efforts. ○ Remain proactive in IWPC USACE Lake Mendocino Study Ad Hoc. ○ Pursue State and Federal governmental funding, legislative, and regulatory support.

Goal 4: Ensure effective and beneficial use of District water as a public resource.

Approach:	Maximize strategic and beneficial use of water under District water rights.
Performance Metrics:	<ul style="list-style-type: none"> ○ Continue cooperating with SWRCB on change petition filed in 2025. ○ Support success of the LAFCo application for annexation of RVCWD. ○ Cooperate with SWRCB to advance RR Telemetry Pilot. ○ Explore and assess additional strategies and opportunities.

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

2026 Annual Operations Plan

Priority 2: Strategic Partnerships

Collaborate with partners to achieve aligned goals for a mutual benefit.

Goal 1: Cultivate trusted relationships with community partners for regional water security.

Approach:	Identify shared values and concerns with community interest groups, stakeholders, and organizations.
Performance Metrics:	<ul style="list-style-type: none"> ○ Engage Farm Bureau on opportunities for agricultural water use efficiencies, increased storage, and individual water right security. ○ Explore collaborations for cost-effective, multi-benefit sustainability programs and actions to support.

Goal 2: Expanded relationships with non-traditional partners and stakeholders in pursuit of enhanced Environmental Stewardship.

Approach:	Deepen connections with groups such as Indigenous Tribes and communities, academia, and local constituents.
Performance Metrics:	<ul style="list-style-type: none"> ○ Attend trainings, meetings, and events to identify opportunities. ○ Explore and assess additional strategies.

Goal 3: Promote clarity on shared goals and initiatives with our strategic partners.

Approach:	Support development of written policies and resolutions as action items at IWPC and GSA.
Performance Metrics:	<ul style="list-style-type: none"> ○ IWPC and GSA approve and implement strategic plans and policies which guide expenditures of resources and board positions.

Priority 3: Advocacy and Engagement

Be an influential voice for our region through outreach, education, funding, regulation, and legislation.

Goal 1: Improve public awareness and understanding of the importance of water issues.

Approach:	Serve as a knowledgeable and reliable resource for information.
Performance Metrics:	<ul style="list-style-type: none"> ○ Hold local, regional, and statewide advisory roles and positions. ○ Improve dialogue and collaborations with Indigenous Tribes and communities. ○ Establish relationships with key individuals and groups through dialogue, tours, information sharing, etc. ○ Continue expanding website resources and issuing weekly newsletter.

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

2026 Annual Operations Plan

Priority 3: Advocacy and Engagement (continued)

Be an influential voice for our region through outreach, education, funding, regulation, and legislation.

Goal 2: Pursue State and Federal governmental policy and funding support.

Approach:	Utilize our identity and reputation to build collaborative relationships and improve awareness of regional issues.
Performance Metrics:	<ul style="list-style-type: none"> ○ Meet with key representatives to communicate District priorities. ○ Collaborate with partners on strategy for enhancing attention for funding and legislation to support the watershed.

Priority 4: Governance and Operational Excellence

Foster sustainable leadership and management of agency resources.

Goal 1: Capable and high quality executive leadership.

Approach:	Cultivate an enriching organizational culture including professional development, incentivization, open dialogue, and supportive resources.
Performance Metrics:	<ul style="list-style-type: none"> ○ Identify key elements of a succession plan and begin outlining.

Goal 2: Engaged, diverse, and knowledgeable Board leadership.

Approach:	Cultivate an attractive and collaborative public service opportunity.
Performance Metrics:	<ul style="list-style-type: none"> ○ Identify key elements of a succession plan and begin outreach. ○ Provide training and development opportunities in governance, engagement, and water related issues.

Goal 3: Effective systems, administration, and human resources to execute the strategic plan.

Approach:	Enhanced transparency, accountability, and consistency across the District.
Performance Metrics:	<ul style="list-style-type: none"> ○ Maintain effective and relevant policies, procedures, and governing documents. ○ Provide high value customer service.

Goal 4: Sound and sustainable management of District finances.

Approach:	Commit District financial resources to align with and implement Strategic Plan priorities.
Performance Metrics:	<ul style="list-style-type: none"> ○ Conduct Board workshop to assess and prioritize internal and external water supply reliability projects. ○ Develop policy for budgeting, investing, and rate setting. ○ Identify projects to develop for grant funding opportunities.

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

General Manager's Report for April 2026

Presented at Regular Meeting of Monday, May 4, 2026

Priority 1: Water Supply Security ~ Ensure reliable, resilient, and available sources of water.

(1: Improve river & reservoir operations. 2: Advance fair & reliable trans basin diversions. 3: Increased storage capacity. 4: Ensure effective and beneficial use of District water as a public resource.)

1-Russian River and Lake Mendocino Operations: Sonoma Water held a water year update webinar (linked below.) It was shared that while the threshold on April 16th to drop into a dry will be met, the mainstem Russian River Minimum instream flow changes will not be noticed until tributary flow in the system dries out and most of the water in the river is stored water from Lake Mendocino. More information including recording: <https://rrfc.specialdistrict.org/russian-river-water-year-2026-update-rainfall-and-supply-levels>

2-Future of the Trans Basin Diversion: On April 21, 2026, US Agriculture Secretary Brooke Rollins announced on social media that she had heard from a potential buyer for the Potter Valley Project. The Elnore Valley Municipal Water District, which serves around 160,000 residential and commercial users in western Riverside County, stated in an interview with the Eureka Times-Standard that it “wished to emphasize that the district had absolutely no concrete plans at this stage of the game, that it hadn’t yet looked at the opportunities or constraints of taking ownership of the project, or even if doing so was legally feasible at this point in the proceedings.” It is noted in the same article that though PG&E said it cannot transfer the *license* to the dams, the agency said that it can still transfer the dams themselves. Since the announcement by Secretary Rollins, responses have been covered in the press from Congressman Huffman, and representatives from PG&E, the Eel Russian Project Authority, Inland Water & Power Commission, Friends of the Eel River, and others. Articles are linked below. The Two Basin Solution partners continue to move forward toward a continued diversion and a transfer of the water right in cooperation with PG&E. More information can be found on the District’s website: <https://rrfc.specialdistrict.org/future-of-the-eel-river-to-russian-river-trans-basin-diversion-potter-valley-project>

3-US Army Corp of Engineers (USACE) Coyote Valley Dam General Investigation for Increased Storage Capacity at Lake Mendocino: No new updates. More information can be found on the District’s website: <https://rrfc.specialdistrict.org/lake-mendocino-s-coyote-valley-dam-general-investigation-study>

4-State Water Resources Control Board Russian River Telemetry Study: The District accompanied State staff and consultants on several site visits and assisted with communications to volunteers.

Priority 2: Strategic Partnerships ~ Collaborate with partners to achieve aligned goals for a mutual benefit.

(1: Cultivate trusted relationships with community partners for regional water security. 2: Expanded relationships with non-traditional partners and stakeholders in pursuit of enhanced Environmental Stewardship. 3: Promote clarity on shared goals and initiatives with our strategic partners.)

1-Water Sharing Program: The working group continues to build consensus on recommendations for management of the Sonoma County 10k Reserve from Lake Mendocino in the format of a memo to the State Water Resources Control Board and for engagement efforts. In April, RRFC and Sonoma Water presented on Lake Mendocino storage management. This group welcomes additional participants; contact DistrictManager@rrfc.net for more information.

(Continued...)

Priority 3: Advocacy & Engagement ~ Be an influential voice for our region through outreach, education, funding, regulation, & legislation. (1: Improve public awareness and understanding of the importance of water issues. (2) Pursue State and Federal governmental policy and funding support.)

Nothing to note.

Priority 4: Governance and Operational Excellence ~ 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, administration, and human resources to execute the strategic plan. 4: Sound and sustainable management of District finances.)

1: Executive Leadership: Attended or watched: (1) UC Cooperative Extension Open House. (2) North Coast Resource Partnership Quarterly Meeting in Loleta (2 days.) (3) HR Webinar: Small Shifts, Better Results - Practical Goal Setting for Stronger Performance; (4) Sonoma Water: Water Year Update; (5) Prop 4 Funding webinar.

4-Financial: Met with Accountant on reporting issues and budget development.

Community Meetings

Note: District Board members and GM will no longer be attending all community meetings and reporting here. Please contact the individual organizations for more information on public meetings and updates.

Ukiah Valley Water Authority (UVWA) (4/2/26): Cancelled.

Local Agency Formation Commission (4/6/26): The Commission reappointed the 2025 officers and committee members to continue serving in 2026. The Executive Officer's contract update was approved. The FY 2026-27 Budget was approved with no increase in apportionments, absorbing increased expenses through the use of reserves.

Inland Water & Power Commission (IWPC) (4/9/26): The Commission held a robust review and discussion regarding the draft revised budget proposed by the City of Ukiah and RRFC. All Commissioners present were in favor of the proposed expenses and the total amount of member agency contributions. The Commissioners agreed to share the draft with their governing bodies and staff to discuss and return with a "not to exceed" amount for their agency contributions. At the May meeting, the Commission intends to primarily approve the individual agency contributions.

City of Ukiah (4/15/26): Nothing water related to note.

* * * *

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

Mendocino County

Russian River Flood Control & Water Conservation Improvement District

PO Box 2104, Ukiah, CA 95482 707.462.5278 Website: RRFC.net DistrictManager@rrfc.net

April 21, 2026

Grant Davis, General Manager
Sonoma Water
404 Aviation Boulevard
Santa Rosa, CA 95403
Grant.Davis@scwa.ca.gov

Dear Mr. Davis,

The Mendocino County Russian River Flood Control and Water Conservation Improvement District (RRFC) supports the critical work Sonoma County Water Agency (Sonoma Water) continues to lead in preventing the introduction of quagga and zebra mussels into Lake Mendocino and Lake Sonoma. RRFC fully supports Sonoma Water's grant application for funds to increase watercraft inspections.

RRFC manages the Mendocino County's benefit from Lake Mendocino for agriculture, industry, recreation, and drinking water and therefore has a keen interest in these prevention efforts. The District extends sincere appreciation to Sonoma Water for taking the lead in the effort to protect our local environment, water supply infrastructure, and economy from devastating mussel infestation.

Yours Sincerely,



Elizabeth Salomone
General Manager

President
Christopher Watt

Vice President
John Reardan

Treasurer
Tyler Rodrigue

Trustee
John Bailey

Trustee
Dave Koball

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

STAFF REPORT

Agenda Item 11: Water Supply Conditions

Monday, May 4, 2026

The Strategic Plan relevant priorities are: **Water Supply Security** by ensuring reliable, resilient, and available sources of water through improved river and reservoir operations; and **Advocacy and Engagement** in support of improved public awareness and understanding of water issues.

Lake Mendocino and the Mainstem Upper Russian River

Storage level was 84,523 acre feet as of April 27, 2026, down from 86,388 acre feet on March 30, 2026.

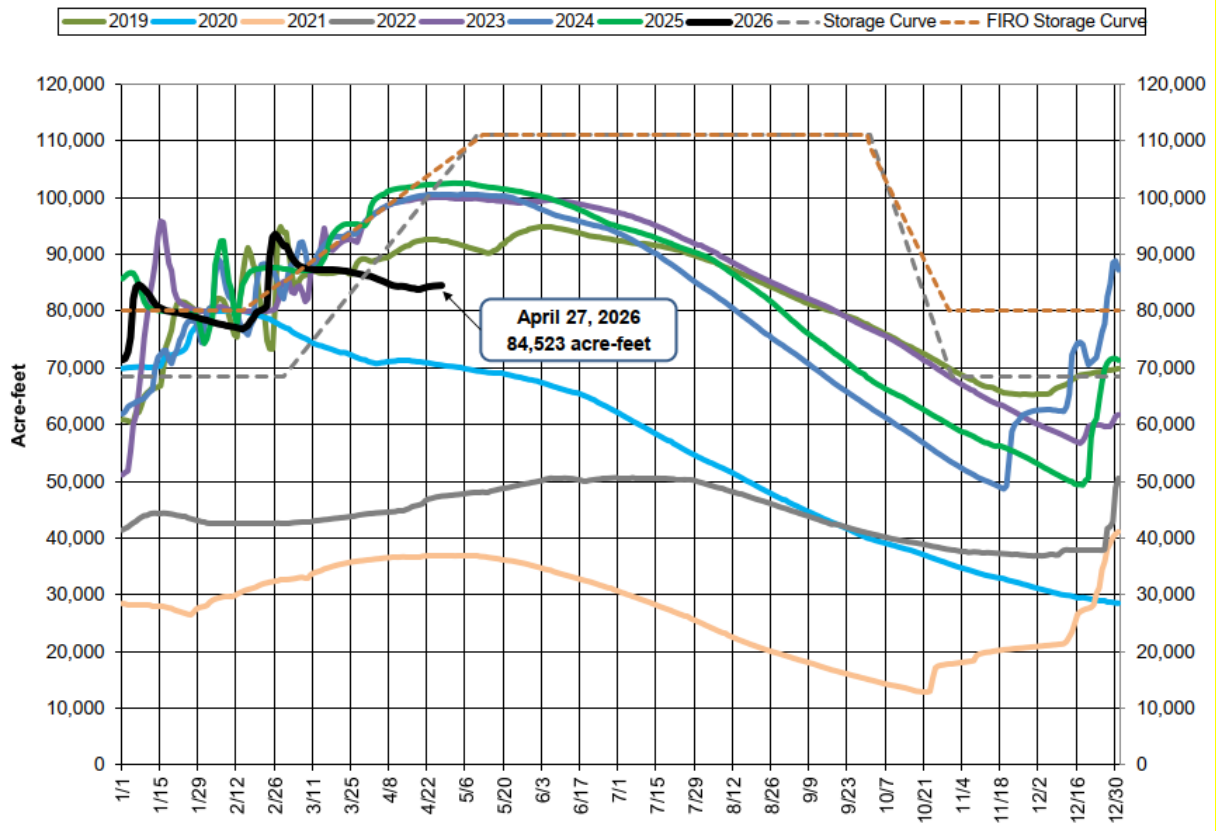
The Water Supply Condition shifted to a Dry condition on April 16th so the minimum instream flow requirements decreased from 185 cfs to 75 cfs on the Upper Russian River, from 75 cfs to 25 cfs on Dry Creek, and from 125 cfs to 85 cfs on the Lower Russian River. The April 16th Dry storage threshold values is 91,000 ac-ft in Lake Mendocino.

Lake Mendocino

4/27

Current Storage (acre-feet)	84,523
FIRO Storage Curve (acre-feet)	105,664
% of FIRO Storage Curve	79.99%
7-day change (acre-feet)	+505

Lake Mendocino Storage



(Continued...)

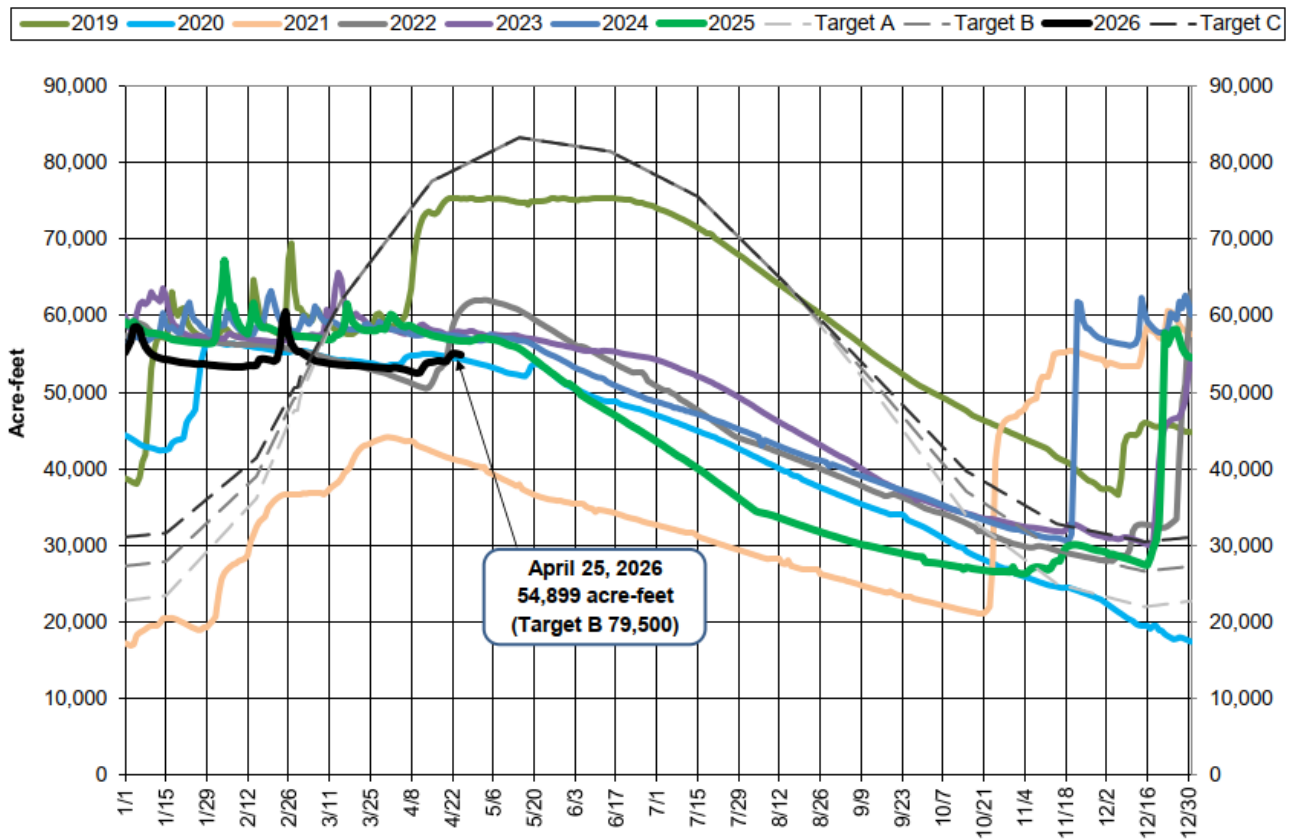
(Lake Mendocino and the Mainstem Upper Russian River Continued)

On March 19, 2026, Sonoma County Water Agency filed temporary urgency change petitions with the State Water Resources Control Board, Division of Water Rights requesting approval of temporary changes to water right Permits in the Russian River watershed. The State Water Resources Control Board issued a comment period on the Temporary Urgency Change Petition (TUCP) that closed on April 27, 2026. For more information see: <https://rrfc.specialdistrict.org/current-russian-river-and-lake-mendocino-operations> or Sonoma Water’s TUCP webpage: www.sonomawater.org/tucp.)

Operations of the Trans-Basin Diversion Through PG&E Owned “Potter Valley Project”

On January 30th, PG&E filed a request for a Temporary Flow Amendment (Variance) for the Potter Valley Hydroelectric Project, Federal Energy Regulatory Commission (FERC.) In February, PG&E filed supplemental information to the application and FERC issued notice of the public comment period which ended March 23, 2026. No order has been issued by FERC as of 4/28/26. For more information see: <https://rrfc.specialdistrict.org/pg-e-2025-potter-valley-project-operations> for more information.

Lake Pillsbury Storage and Target Storage Scenarios



* * * *

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

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

STAFF REPORT

Agenda Item 12a: April 2026 Financial Report

May 4, 2026

Revenue

March 2026: Additional revenue not shown on previous report: none

April 2026: \$258,463

- \$209,170 contract water sales
- \$49,463 surplus water sales (includes contract water transferred for surplus sale.)

Expenses

March 2026: Additional expenses not shown on previous report: none

April 2026: \$25,124, notably:

- \$1,448 for meter maintenance (batteries)
- \$1,713 legal counsel regarding trans basin diversion
- \$2,625 legal counsel-general, updating policies, attending meetings, etc.

Other

- Financial reports subject to change after corrections and adjustments by Accountant and Auditor.
- Reconciliations are up to date as of the end of **March 2026**.
- Additional reports or information available upon request.

Recommendation:

- Move to accept and file the financial reports for April 2026.

Attachments:

1. Profit & Loss Report – April 2026 only
2. Income & Expense / Budget Vs Actual Report – Fiscal Year to date
3. Profit & Loss Previous Year Comparison Report– Fiscal Year to date
4. Balance Sheet Previous Year Comparison Report– Fiscal Year to date
5. Monthly Payment Detail Report– April 2026
6. Contracted Water Worksheet as of May 1, 2026

* * * *

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

Mendocino County Russian River Flood Control District
Profit & Loss Prev Year Comparison

Cash Basis

April 2026

	Apr 26
Ordinary Income/Expense	
Income	
4001 · Contract Water Sales	209,170.87
4002 · Surplus Water Sales	49,463.67
	258,634.54
Total Income	258,634.54
Expense	
Payroll Expenses	17,674.23
Water Supply Expenses	
5020 · Water Rights	
5020.04 · Meter Maintenance	1,448.90
	1,448.90
Total 5020 · Water Rights	1,448.90
5050 · Projects	
5057 · LAFCo Applications	
5057.01 · LAFCo Apps - Legal Counsel	712.98
5057.04 · LAFCo Apps-CEQA Legal Action	142.80
	855.78
Total 5057 · LAFCo Applications	855.78
5059 · Trans Basin Diversion	
5059.01 · TB Div - Legal Counsel	1,713.60
	1,713.60
Total 5059 · Trans Basin Diversion	1,713.60
Total 5050 · Projects	2,569.38
Total Water Supply Expenses	4,018.28
General & Administrative Exp	
5100 · Consulting	
5103 · Engineering- General	185.00
5105 · Legal-General	2,625.50
	2,810.50
Total 5100 · Consulting	2,810.50
5120 · Vehicle	29.93
5160 · Office Operating Expenses	321.78
5170 · Training & Conferences	170.72

Mendocino County Russian River Flood Control District
Profit & Loss Prev Year Comparison

Cash Basis

April 2026

	<u>Apr 26</u>
5180 · Stipends, Meetings	<u>45.42</u>
Total General & Administrative Exp	3,378.35
Miscellaneous	<u>53.10</u>
Total Expense	<u>25,123.96</u>
Net Ordinary Income	<u>233,510.58</u>
Net Income	<u><u>233,510.58</u></u>

Mendocino County Russian River Flood Control District

Income & Expense / Budget vs. Actual

Cash Basis

July 2025 through June 2026

	<u>Jul '25 - Jun 26</u>	<u>Budget</u>
Ordinary Income/Expense		
Income		
4001 · Contract Water Sales	450,526.41	524,040.00
4002 · Surplus Water Sales	49,463.67	
4050 · Property Taxes	44,787.89	65,000.00
4080 · Interest-LAIF	11,860.35	18,000.00
4082 · Interest-CA CLASS	14,896.70	9,000.00
4100 · Other Income	918.45	
Total Income	<u>572,453.47</u>	<u>616,040.00</u>
Expense		
Payroll Expenses	167,659.03	207,000.00
Water Supply Expenses		
5020 · Water Rights		
5020.01 · Annual Fees	16,732.45	17,000.00
5020.02 · Legal Counsel	0.00	2,000.00
5020.03 · WR Engineering	0.00	2,000.00
5020.04 · Meter Maintenance	1,448.90	500.00
Total 5020 · Water Rights	<u>18,181.35</u>	<u>21,500.00</u>
5030 · USGS, streamflow gage		
5030.00 · USGS Gage reimbursement	-17,550.00	0.00
5030 · USGS, streamflow gage - Other	23,385.00	15,000.00
Total 5030 · USGS, streamflow gage	<u>5,835.00</u>	<u>15,000.00</u>
5031 · JPAs		
5031.01 · IWPC	0.00	5,000.00
Total 5031 · JPAs	<u>0.00</u>	<u>5,000.00</u>
5040 · Channel Maintenance		
5040.01 · Channel Maint.-Legal	4,701.18	
5040 · Channel Maintenance - Other	1,175.00	20,000.00
Total 5040 · Channel Maintenance	<u>5,876.18</u>	<u>20,000.00</u>
5050 · Projects		
5051 · Grants/Funding Analysis-general	0.00	3,000.00

Mendocino County Russian River Flood Control District

Income & Expense / Budget vs. Actual

Cash Basis

July 2025 through June 2026

	<u>Jul '25 - Jun 26</u>	<u>Budget</u>
5056 · License Change Petition		
5056.01 · Chg Pet- Legal Counsel	4,062.66	
5056.02 · Chg Pet - Engineering	7,845.85	
5056.03 · Chg Pet - Fees	20,850.00	
5056 · License Change Petition - Other	0.00	35,000.00
	<u>32,758.51</u>	<u>35,000.00</u>
Total 5056 · License Change Petition	32,758.51	35,000.00
5057 · LAFCo Applications		
5057.00 · RVCWD reimbursement	-31,646.68	
5057.01 · LAFCo Apps - Legal Counsel	22,681.74	
5057.02 · LAFCo Apps - Engineering	2,609.00	
5057.04 · LAFCo Apps-CEQA Legal Action	15,726.09	
5057 · LAFCo Applications - Other	13,088.63	10,000.00
	<u>22,458.78</u>	<u>10,000.00</u>
Total 5057 · LAFCo Applications	22,458.78	10,000.00
5059 · Trans Basin Diversion		
5059.01 · TB Div - Legal Counsel	17,190.18	
5059 · Trans Basin Diversion - Other	0.00	110,000.00
	<u>17,190.18</u>	<u>110,000.00</u>
Total 5059 · Trans Basin Diversion	17,190.18	110,000.00
5060 · Coyote Valley Dam Modernization		
5060.02 · COY Modernization-legal	337.50	
5060 · Coyote Valley Dam Modernization - Other	0.00	90,500.00
	<u>337.50</u>	<u>90,500.00</u>
Total 5060 · Coyote Valley Dam Modernization	337.50	90,500.00
Total 5050 · Projects	<u>72,744.97</u>	<u>248,500.00</u>
Total Water Supply Expenses	102,637.50	310,000.00
General & Administrative Exp		
5100 · Consulting		
5101 · Accounting	3,638.24	8,000.00
5102 · Audit	9,500.00	10,000.00
5103 · Engineering- General	1,182.50	2,000.00
5104 · Administrative Support	1,325.00	5,000.00
5105 · Legal-General	7,884.38	5,000.00
5109 · Human Resources	3,237.50	2,000.00
5110 · Strategic Planning	3,657.50	8,000.00
	<u>30,425.12</u>	<u>40,000.00</u>
Total 5100 · Consulting	30,425.12	40,000.00

Mendocino County Russian River Flood Control District
Income & Expense / Budget vs. Actual

Cash Basis

July 2025 through June 2026

	<u>Jul '25 - Jun 26</u>	<u>Budget</u>
5120 · Vehicle	1,310.40	2,000.00
5130 · Insurance		
5131 · Insurance, Liability	7,858.92	
5132 · Insurance, Workers Comp	1,020.36	
5130 · Insurance - Other	0.00	14,000.00
	<u>8,879.28</u>	<u>14,000.00</u>
Total 5130 · Insurance	8,879.28	14,000.00
5140 · LAFCO Apportionment Fee	1,009.53	1,500.00
5150 · Memberships	2,520.00	3,000.00
5160 · Office Operating Expenses	12,751.59	14,000.00
5161 · Rent, Utilities	4,500.00	5,000.00
5170 · Training & Conferences	3,393.07	5,000.00
5180 · Stipends, Meetings	9,709.53	13,000.00
5190 · Property Tax Admin Fees	0.00	1,500.00
	<u>74,498.52</u>	<u>99,000.00</u>
Total General & Administrative Exp	74,498.52	99,000.00
Miscellaneous	53.10	
	<u>53.10</u>	
Total Expense	<u>344,848.15</u>	<u>616,000.00</u>
Net Ordinary Income	227,605.32	40.00
Other Income/Expense		
Other Expense		
5710 · Use of Capital Reserves	10,226.86	
	<u>10,226.86</u>	
Total Other Expense	<u>10,226.86</u>	
Net Other Income	<u>-10,226.86</u>	<u>0.00</u>
Net Income	<u><u>217,378.46</u></u>	<u><u>40.00</u></u>

Mendocino County Russian River Flood Control District
Profit & Loss Prev Year Comparison

Cash Basis

July 2025 through June 2026

	Jul '25 - Jun 26	Jul '24 - Jun 25	\$ Change	% Change
Ordinary Income/Expense				
Income				
4001 · Contract Water Sales	450,526.41	421,507.62	29,018.79	6.9%
4002 · Surplus Water Sales	49,463.67	67,130.94	-17,667.27	-26.3%
4050 · Property Taxes	44,787.89	73,222.18	-28,434.29	-38.8%
4080 · Interest-LAIF	11,860.35	24,256.19	-12,395.84	-51.1%
4081 · Interest-SBMC	0.00	35.11	-35.11	-100.0%
4082 · Interest-CA CLASS	14,896.70	9,791.76	5,104.94	52.1%
4100 · Other Income	918.45	121.00	797.45	659.1%
4110 · Reimbursed Expenses	0.00	17,529.24	-17,529.24	-100.0%
4130 · Unrealized Gain(Loss) Invstment	0.00	2,561.16	-2,561.16	-100.0%
Total Income	572,453.47	616,155.20	-43,701.73	-7.1%
Expense				
Payroll Expenses				
5001 · Gross Wages	118,861.33	139,402.31	-20,540.98	-14.7%
5002 · CalPERS Employer Expense	9,461.33	10,763.36	-1,302.03	-12.1%
5003 · CalPERS Employer 457 Expense	6,371.87	5,574.92	796.95	14.3%
5004 · Health Insurance	13,586.64	16,324.58	-2,737.94	-16.8%
5005 · Medicare	1,920.49	2,219.79	-299.30	-13.5%
5006 · FICA	8,211.77	9,491.49	-1,279.72	-13.5%
5007 · CalPERS 1959 Survivor Billing	89.60	91.60	-2.00	-2.2%
5008 · CALPERS GASB-68 Fees	430.00	0.00	430.00	100.0%
5009 · Unfunded Pension Liability	8,726.00	7,872.00	854.00	10.9%
Total Payroll Expenses	167,659.03	191,740.05	-24,081.02	-12.6%
Water Supply Expenses				
5020 · Water Rights				
5020.01 · Annual Fees	16,732.45	16,732.45	0.00	0.0%
5020.02 · Legal Counsel	0.00	1,974.96	-1,974.96	-100.0%
5020.04 · Meter Maintenance	1,448.90	511.43	937.47	183.3%
5020.05 · Meter & Data Mgmt Program	0.00	1,940.51	-1,940.51	-100.0%
Total 5020 · Water Rights	18,181.35	21,159.35	-2,978.00	-14.1%
5030 · USGS, streamflow gage				
5030.00 · USGS Gage reimbursement	-17,550.00	-16,750.00	-800.00	-4.8%
5030 · USGS, streamflow gage - Other	23,385.00	29,820.00	-6,435.00	-21.6%
Total 5030 · USGS, streamflow gage	5,835.00	13,070.00	-7,235.00	-55.4%
5031 · JPAs	0.00	3,513.00	-3,513.00	-100.0%
5040 · Channel Maintenance				
5040.01 · Channel Maint.-Legal	4,701.18	5,709.96	-1,008.78	-17.7%
5040 · Channel Maintenance - Other	1,175.00	7,325.00	-6,150.00	-84.0%
Total 5040 · Channel Maintenance	5,876.18	13,034.96	-7,158.78	-54.9%

	Jul '25 - Jun 26	Jul '24 - Jun 25	\$ Change	% Change
5050 · Projects				
5056 · License Change Petition				
5056.01 · Chg Pet- Legal Counsel	4,062.66	21,774.96	-17,712.30	-81.3%
5056.02 · Chg Pet - Engineering	7,845.85	27,489.40	-19,643.55	-71.5%
5056.03 · Chg Pet - Fees	20,850.00	0.00	20,850.00	100.0%
Total 5056 · License Change Petition	32,758.51	49,264.36	-16,505.85	-33.5%
5057 · LAFCo Applications				
5057.00 · RVCWD reimbursement	-31,646.68	-11,184.25	-20,462.43	-183.0%
5057.01 · LAFCo Apps - Legal Counsel	22,681.74	13,300.80	9,380.94	70.5%
5057.02 · LAFCo Apps - Engineering	2,609.00	9,483.15	-6,874.15	-72.5%
5057.03 · LAFCo Apps - Consultant	0.00	10,067.50	-10,067.50	-100.0%
5057.04 · LAFCo Apps-CEQA Legal Action	15,726.09	0.00	15,726.09	100.0%
5057 · LAFCo Applications - Other	13,088.63	2,000.00	11,088.63	554.4%
Total 5057 · LAFCo Applications	22,458.78	23,667.20	-1,208.42	-5.1%
5059 · Trans Basin Diversion				
5059.01 · TB Div - Legal Counsel	17,190.18	16,919.13	271.05	1.6%
5059.03 · TB Div- IWPC	0.00	57,929.00	-57,929.00	-100.0%
Total 5059 · Trans Basin Diversion	17,190.18	74,848.13	-57,657.95	-77.0%
5060 · Coyote Valley Dam Modernization				
5060.01 · COY via IWPC	0.00	22,558.00	-22,558.00	-100.0%
5060.02 · COY Modernization-legal	337.50	1,793.88	-1,456.38	-81.2%
Total 5060 · Coyote Valley Dam Modernization	337.50	24,351.88	-24,014.38	-98.6%
Total 5050 · Projects	72,744.97	172,131.57	-99,386.60	-57.7%
Total Water Supply Expenses	102,637.50	222,908.88	-120,271.38	-54.0%
General & Administrative Exp				
5100 · Consulting				
5101 · Accounting	3,638.24	14,528.31	-10,890.07	-75.0%
5102 · Audit	9,500.00	9,500.00	0.00	0.0%
5103 · Engineering- General	1,182.50	0.00	1,182.50	100.0%
5104 · Administrative Support	1,325.00	2,884.70	-1,559.70	-54.1%
5105 · Legal-General	7,884.38	12,013.43	-4,129.05	-34.4%
5109 · Human Resources	3,237.50	1,762.50	1,475.00	83.7%
5110 · Strategic Planning	3,657.50	0.00	3,657.50	100.0%
Total 5100 · Consulting	30,425.12	40,688.94	-10,263.82	-25.2%
5120 · Vehicle	1,310.40	1,225.07	85.33	7.0%
5130 · Insurance				
5131 · Insurance, Liability	7,858.92	9,511.42	-1,652.50	-17.4%
5132 · Insurance, Workers Comp	1,020.36	1,019.13	1.23	0.1%
Total 5130 · Insurance	8,879.28	10,530.55	-1,651.27	-15.7%

	Jul '25 - Jun 26	Jul '24 - Jun 25	\$ Change	% Change
5140 · LAFCO Apportionment Fee	1,009.53	1,160.41	-150.88	-13.0%
5150 · Memberships	2,520.00	6,485.00	-3,965.00	-61.1%
5160 · Office Operating Expenses	12,751.59	7,179.83	5,571.76	77.6%
5161 · Rent, Utilities	4,500.00	4,500.00	0.00	0.0%
5170 · Training & Conferences	3,393.07	492.74	2,900.33	588.6%
5180 · Stipends, Meetings	9,709.53	3,900.00	5,809.53	149.0%
5190 · Property Tax Admin Fees	0.00	2,132.42	-2,132.42	-100.0%
5200 · Election	0.00	323.26	-323.26	-100.0%
Total General & Administrative Exp	74,498.52	78,618.22	-4,119.70	-5.2%
Miscellaneous	53.10	0.00	53.10	100.0%
Total Expense	344,848.15	493,267.15	-148,419.00	-30.1%
Net Ordinary Income	227,605.32	122,888.05	104,717.27	85.2%
Other Income/Expense				
Other Expense				
5710 · Use of Capital Reserves	10,226.86	7,703.27	2,523.59	32.8%
5900 · Depreciation Expense	0.00	13,514.17	-13,514.17	-100.0%
Total Other Expense	10,226.86	21,217.44	-10,990.58	-51.8%
Net Other Income	-10,226.86	-21,217.44	10,990.58	51.8%
Net Income	217,378.46	101,670.61	115,707.85	113.8%

Mendocino County Russian River Flood Control District
Balance Sheet Prev Year Comparison

Cash Basis

As of June 30, 2026

	Jun 30, 26	Jun 30, 25	\$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
1020 · CA CLASS				
1024 · Water Reliability Reserve	255,257.78	255,257.78	0.00	0.0%
1020 · CA CLASS - Other	119,430.68	254,533.98	-135,103.30	-53.1%
Total 1020 · CA CLASS	374,688.46	509,791.76	-135,103.30	-26.5%
1000 · SBMC Checking	499,453.06	155,942.23	343,510.83	220.3%
1010 · LAIF				
1011 · Capital Reserve	92,000.00	70,000.00	22,000.00	31.4%
1012 · Emergency Reserve	50,000.00	37,000.00	13,000.00	35.1%
1013 · Operating Reserve	308,000.00	250,000.00	58,000.00	23.2%
1014 · Water Reliability Reserve	68,652.92	161,652.92	-93,000.00	-57.5%
1010 · LAIF - Other	41,968.49	24,161.05	17,807.44	73.7%
Total 1010 · LAIF	560,621.41	542,813.97	17,807.44	3.3%
1019 · LAIF - Fair Market Value	650.46	650.46	0.00	0.0%
Total Checking/Savings	1,435,413.39	1,209,198.42	226,214.97	18.7%
Accounts Receivable	-24.40	0.00	-24.40	-100.0%
Other Current Assets	0.00	12,990.43	-12,990.43	-100.0%
Total Current Assets	1,435,388.99	1,222,188.85	213,200.14	17.4%
Fixed Assets				
1401 · Meters & Vehicles	144,324.90	144,324.90	0.00	0.0%
1499 · Accumulated Depreciation	-131,883.64	-131,883.64	0.00	0.0%
Total Fixed Assets	12,441.26	12,441.26	0.00	0.0%
Other Assets				
1600 · Deferred Outflows	47,197.00	47,197.00	0.00	0.0%
Total Other Assets	47,197.00	47,197.00	0.00	0.0%
TOTAL ASSETS	1,495,027.25	1,281,827.11	213,200.14	16.6%
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Other Current Liabilities				
2030 · Vacation/Sick Accrual	33,746.72	33,746.72	0.00	0.0%
2050 · Payroll Liabilities	0.00	4,178.32	-4,178.32	-100.0%
Total Other Current Liabilities	33,746.72	37,925.04	-4,178.32	-11.0%
Total Current Liabilities	33,746.72	37,925.04	-4,178.32	-11.0%
Long Term Liabilities				
2600 · Deferred Inflows	4,485.00	4,485.00	0.00	0.0%
2700 · Net Pension Liability	69,892.00	69,892.00	0.00	0.0%
Total Long Term Liabilities	74,377.00	74,377.00	0.00	0.0%
Total Liabilities	108,123.72	112,302.04	-4,178.32	-3.7%

Mendocino County Russian River Flood Control District
 Balance Sheet Prev Year Comparison

As of June 30, 2026

Cash Basis

	Jun 30, 26	Jun 30, 25	\$ Change	% Change
Equity				
3000 · Opening Bal Equity	541,116.95	541,116.95	0.00	0.0%
3001 · Retained Earnings	628,408.12	526,737.51	101,670.61	19.3%
Net Income	217,378.46	101,670.61	115,707.85	113.8%
Total Equity	1,386,903.53	1,169,525.07	217,378.46	18.6%
TOTAL LIABILITIES & EQUITY	1,495,027.25	1,281,827.11	213,200.14	16.6%

Mendocino County Russian River Flood Control District
Monthly Payment Detail

Cash Basis

As of April 30, 2026

<u>Date</u>	<u>Name</u>	<u>Memo</u>	<u>Paid Amount</u>
1000 · SBMC Checking			
04/09/2026	Cardmember Service	Credit card 2/12 to 3/11/26, pd 4/9/26	-334.23
04/27/2026	Elizabeth Salomone	Travel expense reimbursement	-170.72
04/07/2026	Herum/Crabtree/Suntag	Legal Counsel Service Dates: March 2026	-5,194.88
04/08/2026	Intuit	Monthly payroll subscription	-7.00
04/27/2026	Performance Pump	Meter maintenance parts/labor	-1,448.90
04/13/2026	Team Mobile	Cell Phone 2-23 to 3-22-26 service dates	-109.00
04/10/2026	Wagner & Bonsignore CCE	Civil Engineers Service Dates for March 2026	-185.00
			<hr/>
Total 1000 · SBMC Checking			-7,449.73
			<hr/>
TOTAL			-7,449.73
			<hr/> <hr/>

Project Water Worksheet as of May 1, 2026

Current 2026 totals
in Acre Feet

Project Water Licensed to MC RRFC & WCID:	7940
2026 Contracted Non-Retail Suppliers:	5260
2026 Contracted Retail Suppliers:	2634

Calpella CWD	85
Henry Station Mutual Water Co	8
Hopland PUD	222
Millview CWD - All Use	1171.15
Rogina Water	200
Redwood Valley CWD	328.85
River Estates Mutual Water Company	26
Willow CWD - All Use	593
Contracted Retail Suppliers Total:	2634

Contracted Total:	7894
--------------------------	-------------

Current Uncontracted Water Supply as of 4/1/26:	46
--	-----------

Redwood Valley County Water District Surplus Use Totals:

Month	2025 Water diverted, in acre feet	2026 Water diverted, in acre feet
January	13.39	0.00
February	14.86	23.11
March	14.69	31.47
April	6.98	
May	68.76	
June	168.42	
July	172.40	
August	159.25	
September	104.84	
October	34.01	
November	20.08	
December	18.58	
Totals:	796.26	54.58

Surplus water OFFERED FOR TRANSFER from customers in 2026:	n/a
---	-----

Surplus water notice will go out in April.

5 **DRAFT MINUTES**
6 **Special Meeting of March 23, 2025**
7 **At District Office: 304 N. State Street, Ukiah, CA 95482**
8

9 **1. Call to Order and Roll Call**

10 President Watt called the meeting to order at 5:02 PM

11
12 Trustees Present: Dave Koball, Trustee (arrived 5:13 PM)
13 Tyler Rodrigue, Treasurer
14 John Reardan, Vice President
15 Christopher Watt, President
16

17 Trustees Absent: John Bailey, Trustee
18

19 **2. Approval of Agenda**

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

22
23 Ayes: 4 (Koball, Reardan, Rodrigue, and Watt)
24 Absent 1 (Bailey)
25

26 **AUDIENCE COMMENTS ON NON-AGENDA ITEMS**
27

28 **3. Public Expression:**
29

30 Mike Milovina, Milovina Vineyards, addressed the Board with the following questions: * Is the full licensed
31 amount of the District's water right contracted? * RVCWD has 328.85 acre feet (af) in its contract right now
32 but typically needs 600 – 900 af a year which they are currently getting from surplus that other customers are
33 offering back to the District. If RVCWD is annexed in, where will it get the rest of the water it needs? *He
34 stated his concern is where RVCWD will be getting their water [after annexation] and wondering if RVCWD
35 will be getting its water the same way it is now.
36

37 The questions were not answered in the meeting, but GM Salomone indicated some answers could be found
38 in the FAQ on the District's RVCWD annexation webpage. GM Salomone offered to work with the
39 commentor outside of the meeting to answer any further questions.
40

41 **ITEMS FOR DISCUSSION AND POSSIBLE ACTION**
42

43 **4. Mendocino County Inland Water & Power Commission Preliminary Draft**
44 **of Fiscal Year 2025-2026 Budget**
45

46 GM Salomone introduced the Inland Water & Power Commission (IWPC) preliminary Fiscal Year 2026-2027
47 budget. GM noted this item is to provide feedback to IWPC and shared that some questions had been submitted
48 to the IWPC Clerk prior to the meeting which were either answered by email prior to the meeting and during the
49 meeting. As a reminder, Vice President Reardan is the District's representative to IWPC with Trustee Koball
50 serving as alternate.
51

52
53 Member Agency Contributions

54 There is disparity in the proposed contributions from members agency. It was understood by the team drafting the
55 budget (IWPC Legal Counsel Scott Shapiro, IWPC Technical consultant Tom Johnson, IWPC Financial
56 consultant Seth Wurzel and IWPC Clerk Candace Horsely) that Potter Valley Irrigation District (PVID) and
57 Redwood Valley County Water District (RVCWD) were unable to contribute more than \$100,000 each and it was
58 hoped that the Ukiah Valley Water Authority would replace RVCWD on the Commission within the next year and
59 be able to pay the full contribution amount. The preliminary budget depends on the other member agencies to
60 make up the difference. The RRFC Board discussed the contribution amounts if all five member agencies
61 contributed equally.

62
63 Vice President Reardan noted RVCWD has not always contributed equally to the other member agencies,
64 however, it did contribute fully the last request plus a fifth of the costs incurred by IWPC for the Potter Valley
65 Water Reliability Study project management costs while no other member agency has done so, yet. GM Salomone
66 reminded the Board that Sonoma Water provided the project management for the grant funded Study by Jacobs
67 Engineering with the understanding that IWPC would reimburse those costs. RRFC notified IWPC that while it
68 would contribute funding to cover the costs of this Study, it would only do so once the cost share agreement with
69 Sonoma Water was finalized and in the future when IWPC was to expend funds, it needed to go through the
70 proper transparent process, meaning pre-approval, updates/progress reports, etc.

71
72 [In July 2025, the RRFC Board issue a letter to IWPC stating that while it was willing to financially
73 contribute toward the Potter Valley Water Reliability Study, the RRFC Board required the Cooperative
74 Agreement to Provide Funding for Overhead Services for Water Supply Reliability Study (Agreement)
75 between Sonoma Water and IWPC be finalized and approved by IWPC prior to RRFC financially
76 contributing to the Study. This Agreement was drafted in November 2024 laying out terms for Sonoma
77 Water to undertake the work and IWPC to pay Sonoma Water staff costs not covered by the funding. In
78 the letter, the RRFC Board also requested in the future that IWPC preapprove any proposed service
79 agreements, execute the agreements, include project costs within the annual budget, and issue annual
80 contribution invoices at the beginning of each fiscal year based on the approved budget. Additionally, if
81 IWPC contracts for services, ongoing briefings to the Commission on the work are expected, including the
82 benefits of the work to the IWPC constituency and how the work is promoting the mission of the IWPC
83 membership.]

84
85 Expenses

86 GM Salomone noted this expense was eliminated from the FY 2025-2026 IWPC budget and the preliminary 2026-
87 2027 budget, suggesting it should be included in the current budget.

88
89 The Board members generally agreed with this suggestion, noting that it was time IWPC improve its activities and
90 transparency around Commission financial matters. The preliminary budget does not clearly identify the project
91 expenses and funding sources and amounts.

92
93 It was stated there is a need for formal accounting and contracting procedures including a robust record of service
94 contracts with insurance requirements, scope of work, rates, etc. It also needs to be made clear who is directing
95 the contractors, what funding sources are available to offset the costs, and a clear process for reporting to the
96 Commission. IWPC is now expending increasingly larger amounts of money from several funding sources and
97 needs to provide more clarity.

98
99 Details of the California Department of Water Resources grant to the Eel Russian Project Authority, including
100 approximately \$1 million dollars allocated to Russian River Water Supply Resiliency Planning for the US Army
101 Corp of Engineers Lake Mendocino General Investigation to increase storage capacity and Potter Valley
102 groundwater resources.

103
(Continued...)

104
105 Managerial Services for IWPC

106 The Board discussed the idea of IWPC hiring an Executive Director (or Project Manager; title to be determined.)
107 It was suggested that some of the work currently being undertaken by the IWPC legal counsel and/or technical
108 consultants could be assigned to the proposed managerial position though it is difficult to quantify how much
109 since little is known about the workload and scope of work for these current consultants. It was asked if there
110 were any specific individuals in mind for the position and a reply that it is too soon for this level of detail to be
111 determined. The concept of IWPC having a managerial role has not yet been an agenda item and fully discussed at
112 the IWPC level. Including this expense is a clear message that IWPC requires managerial support.
113

114 Member Agency Contributions Related to Benefits

115 RRFC has been budgeting for contributions to IWPC with unused funds being invested in the Districts water
116 supply reliability reserve fund.
117

118 The Board discussed the concept of linking member agency contributions to the benefits received by that member
119 agency. Some of the discussion points:

- 120 ➤ RRFC's level of dependence on the success of IWPC projects [continued trans basin diversion and the
121 Lake Mendocino storage study.]
- 122 ➤ Member agencies will likely not achieve equal benefit from each IWPC sponsored project.
- 123 ➤ An accounting of each member agency's contributions to IWPC could be maintained and adjusted to the
124 degree of benefit when more information is available, helping to justify the disparity in annual
125 contributions amounts.
- 126 ➤ The degree to which any of the IWPC member agencies directly benefit from IWPC projects has not yet
127 been determined.
- 128 ➤ Some Mendocino County constituents are represented by more than one IWPC member agency through
129 property tax revenue and additional consideration of sales tax revenue further complicates establishing
130 direct benefit.
- 131 ➤ Rather than consider direct benefit to member agencies, the work IWPC is undertaking could be
132 interpreted as a holistic water supply solution including the New Eel Russian Facility (NERF,) the Army
133 Corp Lake Mendocino storage project, Potter Valley water solutions, etc. Understanding and agreeing
134 upon how member agencies benefit will require thorough consideration from all IWPC member agencies.
- 135 ➤ How can a member agency justify its contributions to IWPC being allocated for direct benefits outside of
136 its boundary or service area? RRFC Legal Counsel has previously advised that the RRFC Board can make
137 a determination that those contributions benefit RRFC. What statements of fact would the RRFC want to
138 rely upon for consideration of such a determination?
- 139 ➤ An IWPC resolution reaffirming the IWPC expenses are for a communal good in support of the Two
140 Basin Solution may be sufficient for RRFC to make this determination.
- 141 ➤ The work of determining benefits, direct and indirect, is for IWPC.
- 142 ➤ Since the benefit to individual member agencies is uncertain, an agreement or policy regarding
143 contributions and benefits could be used to allow for inclusion and flexibility.
144

145 Board consensus on feedback to IWPC regarding the budget:

- 146 • The IWPC preliminary FY 26-27 budget was insufficient in detail to be considered for justification of a
147 funding request.
- 148 • IWPC requires and funds should be budgeted for dedicated managerial services and lobbyist services.
- 149 • Regular reporting and transparency around contract service agreements (scope of work, billing, etc.)
- 150 • The IWPC expenses need to be clearly linked to the agreed upon priorities by the Commission.
- 151 • The amount of funding RRFC is willing to contribute to IWPC is dependent on the ability of the IWPC
152 budget to clearly link to priorities.
153

154 (Continued...)

155
156
157
158
159
160
161
162
163
164
165
166
167
168
169
170
171
172
173
174
175
176
177
178
179
180
181
182
183
184
185
186
187
188
189
190
191
192
193
194
195
196
197
198
199
200
201
202
203
204
205

The Board also discussed how the RRFC finances can support varying levels of IWPC contributions.

ADJOURNMENT

President Watt adjourned the meeting at 6:08 PM.

APPROVED by Board of Trustees on May 4, 2026

President of the Board of Trustees

Secretary of the Board of Trustees

DRAFT

President
Christopher Watt

Vice President
John Reardan

Treasurer
John Bailey

Trustee
Tyler Rodrigue

Trustee
Dave Koball

5 **DRAFT MINUTES**

6 **Regular Meeting of March 2, 2026**

7 **At District Office: 304 N. State Street, Ukiah, CA 95482 and on Zoom**

8 **1. Roll Call**

9 President Watt called the meeting to order at 5:30 PM.

10 Trustees Present: Christopher Watt, President
11 John Reardan, Vice President
12 Tyler Rodrigue, Treasurer
13 John Bailey, Trustee (arrived 5:33 PM)
14 Dave Koball, Trustee

15 Staff: Elizabeth Salomone, General Manager
16 Jeanne Zolezzi, Legal Counsel (departed 7:08 PM)

17
18
19
20 **2. Approval of Agenda**

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

23
24 Ayes: 4 (Koball, Rodrigue, Reardan, Watt)
25 Absent: 1 (Bailey)

26
27 **CLOSED SESSION**

- 28 **3.** (1) Government Public Employee Performance Evaluation: Gov. Code §54957 (General Manager).
29 (2) Conference with Labor Negotiators: board representative – Board President, Unrepresented Employee: General
30 Manager
- 31 **4.** Conference with Legal Counsel – Existing Litigation
32 (Paragraph (1) of subdivision (d) of Gov. Code § 54956.9) *Significant exposure to litigation:* One Case
- 33 **5.** Conference with Legal Counsel – Anticipated Litigation
34 (Paragraph (2) of subdivision (d) of Gov. Code § 54956.9) *Significant exposure to litigation:* Two Cases
- 35 **6.** Conference with Real Property Negotiators (Gov. Code § 54956.8)
36 *Property:* Potter Valley Project | *Agency negotiator:* General Manager, General Counsel, Board Members *Negotiating parties:*
37 Agency, Inland Water & Power Agency, PG&E | *Under negotiation:* Purchasing Entity

38 The Board entered closed session with legal counsel at 5:32 PM. The Board returned to open public session
39 at 7:07 PM. There was no reportable action from Closed Session.

40
41 **AUDIENCE COMMENTS ON NON-AGENDA ITEMS**

42
43 **7. Public Expression**

44
45 No public present, no comments.

46
47
48 *(Continued...)*

49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99

ITEMS FOR DISCUSSION AND POSSIBLE ACTION

8. Preliminary Draft of Fiscal Year 2025-2026 Budget

GM Salomone noted the line items related to Mendocino County Inland Water & Power Commission (IWPC) (basic operations, Trans Basin Diversion, Coyote Valley Dam Modernization, and IWPC Special Projects) will be adjusted in the next budget version based on IWPC’s developing budget.

The Board found consensus on the following feedback to the General Manager and Treasurer:

- Adjust the IWPC related line items to reflect the anticipated IWPC FY 26-27 Budget.
- Show all anticipated expenses in the expenses budget, including those shown in the preliminary budget as potentially drawing upon reserves.
- Show anticipated use of reserves as a revenue source.
- Draw upon inventory and replacement schedule to anticipate the need to purchase new meters and include as a water supply expense.
- Show surplus water sales as revenue drawing upon historical use and current water supply conditions to estimate.
- The District needs to develop a policy or cap on reserve drawdowns including a target minimum for the Water Supply Reliability Reserve. The Board has discussed it in the past but has not memorialized it in a policy.

A discussion was held regarding how to acknowledge the unknown costs of IWPC projects (trans basin diversion, Coyote Valley Dam modernization) and that the anticipation of increased funding to support these projects may result in RRFC drawing down reserves. There was general consensus that there is currently insufficient information to adequately forecast from IWPC for RRFC to record an informed acknowledgement. It was suggested that RRFC ask IWPC to develop this forecast of expenses over the coming years. IWPC needs to forecast its expenses into the future and how those will be paid for, relative to the member agencies. RRFC can use this information to build an adequate reserve to support the IWPC project expenses. The Board declined to increase the Trustee stipends rate.

9. Final Action on General Manager Evaluation & Compensation Adjustment

Trustee Bailey moved to approve the 2025 General Manager Performance Evaluation and the Elizabeth Salomone Amended and Restated Employment Agreement effective March 1, 2026. Trustee Koball seconded the motion. The motion was approved by the following vote:

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

REGULAR BUSINESS, INFORMATION, AND REPORT ITEMS

10. General Manager Report & Correspondence

No comments or questions.

11. Water Supply Conditions Update

The report was reviewed.

100
101
102
103
104
105
106
107
108
109
110
111
112
113
114
115
116
117
118
119
120
121
122
123
124
125
126
127
128
129
130
131
132
133
134
135
136
137
138
139
140
141
142
143
144
145
146
147
148
149
150
151

12. Consent Calendar

- a) Acceptance of the March 2026 Financial Reports
- b) Approval of March 2, 2026 Regular Board Meeting minutes

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

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

13. Trustee & Committee Reports

Trustee Koball reported he has been asked to serve on the Mendocino County Farm Bureau Board and District Legal Counsel has confirmed it is not a conflict to his position as a Trustee on this Board.

Trustee Bailey reported on the recent Groundwater Sustainability Agency Board meeting, noting the appointment of a new General Manager, Maya Simerson, under the City of Ukiah service contract and that she has already made significant positive changes with more planned.

14. Direction on Future Agenda Items

Updated Reserves Policy including a target minimum for the Water Supply Reliability Reserve.

ADJOURNMENT

President Watt adjourned the meeting at 8:19 PM.

APPROVED by Board of Trustees on May 4, 2026

President of the Board of Trustees

Secretary of the Board of Trustees

President
Christopher Watt

Vice President
John Reardan

Treasurer
Tyler Rodrigue

Trustee
John Bailey

Trustee
Dave Koball

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

STAFF REPORT

**Agenda Item 12d: Consent Calendar -
Proposed Updated Surplus Water Service Agreement
Monday, May 4, 2026**

The Strategic Plan relevant priority is **Water Supply Security** through ensuring effective and beneficial use of District water as a public resource and **Governance and Operational Excellence** through effective systems and administration to execute the strategic Plan.

Background

The first Surplus Water Service Agreement was approved in June 2025 and was established to enable the District to sell surplus water to those not currently able to enter the District's Uniform Water Supply & Purchase Agreement. This allows more of the District's water to be put to beneficial use and meeting the needs of the District's constituency.

No Surplus Water Service Agreements have yet been issued by the District. Upon preparing the first few, Staff identified areas that would benefit from clarification and worked with Legal Counsel to prepare the presented update.

Discussion

The Board is being asked to consider approval of the proposed updated Agreement for Surplus Water Service. A red-lined version available on the meeting webpage (linked below) shows the proposed changes as summarized below:

- Edits to allow a Surplus User to complete only one Surplus Water Service Agreement with annual updates of Exhibit E identifying the amount of water allocated for the water year term.
- Expanded definition of "Surplus Users."
- Clarity on the process for notification of surplus availability and requests.

Recommendation:

- Move to approve the proposed updated Agreement for Surplus Water Service.

Attachments:

- Proposed updated Agreement for Surplus Water Service
- (red-lined version available on the District's meeting webpage: <https://rrfc.specialdistrict.org/2026-05-04-board-meeting>)

* * * *

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

MENDOCINO COUNTY RUSSIAN RIVER FLOOD CONTROL & WATER CONSERVATION IMPROVEMENT DISTRICT

AGREEMENT FOR SURPLUS WATER SERVICE

This Agreement for Surplus Water Service (“**Agreement**”) is entered into by and between ****NAME**** (“**Surplus User**”) and MENDOCINO COUNTY RUSSIAN RIVER FLOOD CONTROL AND WATER CONSERVATION IMPROVEMENT DISTRICT (“**District**”) as of ****INSERT DATE****.

ARTICLE 1 EXPLANATORY RECITALS

1.1 The District holds water rights to the Russian River in Mendocino County, California, and has established a process by which customers within the District’s authorized place of use under their water rights may purchase and consume a specific amount of water from the District under contract.

1.2 Accordingly, there are circumstances under which there is Surplus Water available not being used by District Customers, and through this Agreement, the District desires to serve those landowners and public agencies with Surplus Water in accordance with this Agreement.

1.3 Surplus User wishes to contract with the District for a quantity of Surplus Water under the terms and conditions of this Agreement and applicable provisions of California law and has filed an application with District for that purpose.

1.4 Surplus User may also hold its own water rights under state law to water from the Russian River.

1.5 District and Surplus User intend by this Agreement to confirm the terms and conditions under which surplus water may be provided by the District to the Surplus User.

NOW THEREFORE, in consideration of the foregoing recitals of fact, the mutual covenants described herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE 2 DEFINITIONS

When used herein, unless otherwise distinctly expressed or manifestly incompatible with the intent hereof, the term:

2.1 “**Act**” shall mean Chapter 54 of the Water Agency Acts, entitled the Mendocino County Water Agency Act, as may be amended from time to time.

- 2.2 **"Agreement"** shall mean this agreement between the Parties.
- 2.3 **"Approved Meter"** shall mean a manufactured instrument for accurately measuring and recording the flow of water in a pipeline that can meet the requirements of the District's Alternative Compliance Plan under the State Water Resources Control Board water measurement and reporting regulation and has been approved by the District General Manager.
- 2.4 **"CEQA"** shall mean the California Environmental Quality Act (Public Resources Code Sections 21000 et seq.).
- 2.5 **"Customers"** shall mean every customer who has signed a Uniform Water Supply and Purchase Agreement with the District for an annual allocation of District Water.
- 2.6 **"District"** shall mean the Mendocino County Russian River Flood Control and Water Conservation Improvement District, a public agency organized and operating pursuant to the Act, acting through its Board of Trustees, unless specific authority is delegated to the General Manager.
- 2.7 **"District Enactments"** shall mean Ordinance No. 25-01, as revised or amended, and all supporting Resolutions.
- 2.8 **"District Place of Use"** shall mean the District's Place of Use as designated in its Water Rights.
- 2.9 **"District Water"** shall mean any and all water available to the District for distribution.
- 2.10 **"Effective Date"** shall mean the date of this Agreement specified above.
- 2.11 **"Ordinance"** shall mean Ordinance No. 25-01, the Mendocino County Russian River Flood Control and Water Conservation Improvement District Ordinance Establishing Rules & Regulations for Water Sales, as amended or revised in the future.
- 2.12 **"Party"** or **"Parties"** shall mean Surplus User and/or District.
- 2.13 **"Surplus User"** shall mean the signatory to this Agreement for Surplus Water Service.
- 2.14 **"Surplus Users"** shall mean every surplus user who has signed an Agreement for Surplus Water Service and any party within the District's Place of Use that has informed the District of its desire to receive Surplus Water, including any party within the District's Place of Use that has provided written notice to the District of its desire for a specific amount of Surplus Water within 30 days of the District's issuance of the Notice of Surplus Availability in accordance with Section 2.1.2.

2.15 **"Surplus User's Place of Use"** shall mean Surplus User's authorized place of use, designated as Assessor Parcel Number(s) for non-public agency Surplus Users, and legal boundaries for public agency Surplus Users, as designated on the map attached as **EXHIBIT B** to this Agreement.

2.16 **"Surplus User Water"** shall mean any other rights (either Pre-1914, riparian, or appropriative) to water held by a Surplus User that are not subject to this Agreement, as set forth in **EXHIBIT C** to this Agreement, which may be revised from time to time to add newly acquired rights by written submission by Surplus User and acceptance by District.

2.17 **"Surplus Water"** shall mean District Water temporarily available during any Year in excess of the amounts necessary for the District to meet the demands of its Customers as determined by the District.

2.18 **"Water Rights"** shall collectively refer to District License Nos. 013898, 003870, and 004783 as issued by the California State Water Resources Control Board and any other water rights or water supply sources of the District.

2.19 **"Point of Delivery"** or **"Service Connection"** shall mean the location(s) where Surplus User diverts Surplus Water from the Russian River as identified in **EXHIBIT D** to this Agreement.

2.20 **"SWRCB"** shall mean the California State Water Resources Control Board.

2.21 **"Year"** shall mean standard water year from October 1 through September 30 of the following year.

In addition, terms used in this Agreement that are defined in the Ordinance shall have the meaning defined therein unless another inconsistent meaning is defined in this Agreement.

ARTICLE 3 SURPLUS WATER SUPPLY

2.1 **Surplus Water.** Each Year when Surplus Water is available, as determined by the District, Surplus User may purchase all or part of such Surplus Water in accordance with the following procedures:

2.1.1 The District shall provide all Surplus Users with a Notice of Surplus Availability;

2.1.2 Surplus Users shall provide written notice to the District of its desire for a specific amount of such Surplus Water by email or mail within 30 days of the District's issuance of the Notice of Surplus Availability. If Surplus Water is determined by the District to be available, District will confirm each Surplus User's allotment of Surplus Water by providing the form attached here as **EXHIBIT E** which must be signed and

returned to the District by Surplus Users as a precondition to the Effective Date of this Agreement and to the start of each Extended Term as defined in Section 7.1;

2.1.3 Surplus User acknowledges that District must provide Surplus Water first to its Customers. If Surplus Water remains uncommitted after Customer demands have been met, such Surplus Water shall then be provided to Surplus Users. If Surplus Users combined express a desire to purchase more Surplus Water than has been determined to be available, the District shall apportion the available Surplus Water among all Surplus Users in such manner as the District shall determine to be equitable.

2.1.4 Surplus User's failure to pay, by the due date, the price per acre foot established by the District for Surplus Water shall constitute a Surplus User default under this Agreement.

ARTICLE 4 SURPLUS WATER DELIVERY AND USE

4.1 **Point of Delivery.** District shall make the Surplus Water available at the Point of Delivery. The Parties acknowledge that Surplus User will also divert Surplus User Water from the Point of Delivery in addition to Surplus Water. Surplus User shall take physical control of Surplus Water at the Point of Delivery. Consistent with Ordinance 25-01, Surplus User shall bear all expenses of such diversion, including the furnishing and maintenance of intake facilities. Surplus User shall at all times comply with the local, state and federal laws, rules and regulations, including, but not limited to the District Enactments, those of the U.S. Army Corp of Engineers, California Department of Fish and Game and any other public authority with jurisdiction over the installation and maintenance of such facilities.

4.2 **Change in Point of Delivery.** Surplus User shall not change the location of or substantially alter the Point of Delivery without obtaining District's prior written approval, which approval shall not be unreasonably withheld, and compliance with the law.

4.3 **Diversion Costs.** All permitting, construction, reconstruction, and maintenance costs for facilities necessary or used to divert Surplus Water from the Russian River shall be born solely by Surplus User. Surplus User is solely responsible for all costs associated with treatment, diversion headworks, pumping facilities, etc., to divert, convey, transport, treat, and deliver Surplus Water for its ultimate use by Surplus User.

4.4 **Place of Use.** Surplus Water made available to Surplus User shall not be used, sold, or disposed of by the Surplus User outside of the Surplus User's Place of Use.

4.5 **Resale of Surplus Water.** Surplus User shall not resell any portion of the Surplus Water made available under this Agreement without prior written authorization from the District. Notwithstanding the above or Section 4.60 of the Ordinance, if Surplus User is a public agency, it shall have the right to resell and distribute water to customers within its boundary that is within the Surplus User's Place of Use.

4.6 **Responsibility for Handling Water and Indemnification.** Surplus User shall be responsible for the carriage, handling and control of Surplus Water made available hereunder after the water has passed the Point of Delivery. District shall not be responsible, beyond the Point of Delivery, for the control, carriage, handling, use, disposal, or distribution of Surplus Water, and Surplus User shall hold the District harmless on account of damage or claim of damage of any nature whatsoever for which there is legal responsibility, including property damage, personal injury, or death, arising out of or connected with the control, carriage, handling, use, disposal, or distribution of Surplus Water beyond the Point of Delivery.

4.7 **Interruption of Water Service.** The District does not guarantee continuous availability of Surplus Water on demand. From time to time, it may be necessary for the District to shut off the flow of water in its water system for various reasons, including, but not limited to, those set forth in the District Enactments. Except in emergencies, such stoppages will not be made without prior notice to Surplus User. The District shall not assume any responsibility or be held liable for loss or damage which may occur due to such interruption of water service.

4.8 **Limitations on Obligations of District.** District shall be under no obligation to provide water service, or to make Surplus Water available to Surplus User except during such time and to the extent and in the quality and manner that Surplus Water is available pursuant to the District's Water Rights and in the Russian River, and subject to the terms and conditions of this Agreement. District shall not be liable to the Surplus User in the event of delay, interruption, discontinuance, low water levels, or quality deterioration of the Surplus Water to be made available to Surplus User, except to the extent that such conditions result from the gross negligence or willful misconduct of the District.

4.9 **Availability and Reduction in Surplus Water.** The District makes no representation, guarantee or warranty to Surplus User regarding the availability of Surplus Water or the quantity, quality, or delivery times of said Surplus Water. Surplus Water delivered to Surplus User under this Agreement may be reduced by District at any time due to it becoming unavailable as determined by the District.

ARTICLE 5 METERS AND WATER USAGE REPORTS

5.1. **Installation and Maintenance.** In accordance with Ordinance No. 25-01, as amended or revised in the future, and all supporting Resolutions and Policies, all Surplus Water made available pursuant to this Agreement shall be metered at each of Surplus User's Points of Delivery by an Approved Meter. All determinations relative to the measurement of Surplus Water shall be made by the District.

5.2. **District Meters.** Consistent with Ordinance 25-01, District may in its sole discretion, and at such time determined by District, place its own Approved Meter at a Point of Delivery, and Surplus User shall make space available for that purpose in accordance with District's specifications. Once District has installed its own Approved Meter, District shall have the responsibility to maintain it in good repair and condition.

5.3. **Access.** Authorized agents of the District shall be allowed to enter Surplus User's property in order to install, repair, replace, evaluate, test, inspect, read, and/or monitor the operation of metering, pumping, and conveyance facilities installed by the Surplus User or by District at the Service Connection without advance notice, and Surplus User hereby grants District sufficient license and permission to facilitate such activity.

5.4. **Readings.** The District shall read each Approved Meter at Surplus User's Point of Delivery monthly, either directly or by remote telemetry, and provide Surplus User with an annual summary of total water diverted from each Approved Meter no later than November 30 of the following Year, reflecting the total amount of all water diverted by Surplus User from the Russian River, including Surplus User Water and Surplus Water.

5.5. **Reports.** Based upon the Approved Meter readings provided to Surplus User by District as set forth in this Article, Surplus User shall provide District with an annual written report of water usage, quantifying all water diverted and used by Surplus User from the Point of Delivery, and identifying such water as either Surplus Water or Surplus User Water, on a form provided by or approved by District. Such report shall include a declaration under penalty of perjury that the information provided therein is accurate to the best of the signer's knowledge and belief. In addition, Surplus User shall establish and maintain books and records sufficient to allow District to furnish information required to the SWRCB regarding Surplus User's water use. Surplus User shall also provide District with such other reports concerning Surplus User's use of Surplus Water and compliance with this Agreement as requested by District. Such reports shall be furnished to District annually by December 31.

ARTICLE 6 PAYMENT

6.1. **Price.** Surplus User shall pay District for all Surplus Water made available to Surplus User each Year at the per acre foot rate determined annually by the District, subject to the Ordinance, in addition to other fees set forth in District Enactments.

6.2. **Obligation to Purchase.** Surplus User shall be obligated to pay for the Surplus Water requested and made available from the District, as confirmed by the Parties signatures on **Exhibit E**, regardless of the amount of Surplus Water actually diverted by Surplus User pursuant to this Agreement. Surplus User shall not be required to pay for any portion of the Surplus Water that is not available for diversion as determined by District in accordance with Article 11. At any time, Surplus User may refuse to accept Surplus Water pursuant to this Agreement, however, the Surplus User shall remain obligated to make payment required under this Agreement.

6.3. **Invoice and Payment.** On or about February 1 of each Year, District shall invoice Surplus User for amounts due hereunder for the previous Year. Surplus User shall pay each such invoice within twenty-five (25) days of issuance. Surplus User's obligation to pay each such invoice shall be absolute and unconditional, and not subject to deduction, setoff, prior notice, demand, or inability of Landowner to use, store or resell Surplus Water, and shall be subject to collection and enforcement as set forth in the District Enactments.

6.4. **General Obligation of Customer.** The obligations of any public agency Surplus User under this Agreement will constitute a general obligation, and the Surplus User will use all of the powers and resources available to it under the law to collect the funds necessary for, and to pay, the obligation to the District under this Agreement. The Surplus User is obligated to pay District the payments becoming due under this Agreement notwithstanding any individual default by its water users or others in the payment to the Surplus User of assessments, taxes or other rates and charges levied.

ARTICLE 7 TERM

7.1. **Term.** The term of this Agreement and the applicability of each fully executed **EXHIBIT E** ("Original Term"), shall be for one (1) year from and after the Effective Date. Upon expiration of the Original Term, this Agreement shall automatically renew for another one (1) year term subject to the District's amendment of, and Surplus User's approval of, **EXHIBIT E** ("Extended Term"). Each Extended Term shall automatically renew for another one (1) year Extended Term, unless either party provides notice to the other of its intent to terminate this Agreement as provided below.

7.2. **Notice of Voluntary Termination.** During any Extended Term, either Party may give the other Party written notice of its intent to terminate. Once such notice is given, there shall be no further extension of the term, and the Agreement shall terminate at the conclusion of the then-existing Extended Term.

7.3. **Termination for Regulatory Infeasibility.** District may terminate this Agreement upon sixty (60) days prior written notice upon the occurrence of any of the following conditions:

7.3.1. the SWRCB reduces, modifies or conditions the District's Water Rights on factors beyond the District's practical or economic ability to accommodate;

7.3.2. the transactions contemplated by this Agreement are enjoined or otherwise prohibited by a court of competent jurisdiction; or

7.3.3. the Parties mutually agree in writing that completion of the transactions contemplated by this Agreement is not feasible.

Upon such termination, this Agreement shall be null and void and each Party shall be responsible for its own expenditures and out-of-pocket costs incurred in connection with this Agreement subject to the provisions of Article 16 regarding indemnification. Nothing in this section shall be construed as an admission by either Party that this Agreement or any of its terms is subject to the approval of SWRCB or any other governmental entity.

ARTICLE 8.
ADDITIONAL COVENANTS AND PROVISIONS

8.1. **Environmental Review.** The Parties acknowledge that District and any public agency Surplus User is/are responsible for compliance with the requirements of CEQA.

8.2. **Permits and Authorizations.** Surplus User shall support District in obtaining any permit, authorization, environmental approval or other governmental approval necessary for the effectiveness and continuing validity of this Agreement and to fully cooperate with and use its best reasonable efforts to assist District in implementing all of the terms of this Agreement and achieving its objectives.

8.3. **No Rights Conferred.** This Agreement shall have no effect on the District's rights to District Water, as the Parties do not intend to, and under this Agreement do not in any manner or way transfer, assign, encumber or grant to Surplus User any ownership interest or control over District Water, including Surplus Water. Nothing in this Agreement, nor the conduct of the Parties in their performance hereof, shall confer upon Surplus User any legal or equitable right or claim to District Water, including Surplus Water. The availability of Surplus Water pursuant to this Agreement shall not confer any appropriative, public trust or any other right to water of any nature on Surplus User or any other person or entity. Nothing in this Agreement shall act as a forfeiture, diminution or impairment of any rights or discretion that District may enjoy to the full use of the District Water, or from future sources, or shall in any way prejudice any of District's rights, title or interest thereto. The only rights granted to Surplus User for use of District Water are those expressly set forth in this Agreement, and such rights and use are subject to each and every provision hereof.

8.4. **Surplus User Water Rights.** Surplus User, by signing this Agreement, is not waiving, releasing, altering, or transferring any right to Surplus User Water or facilities of Surplus User, or right to use water, vested or otherwise, that Surplus User may have or acquire, or which may be granted to Surplus User by the SWRCB. Surplus User does acknowledge and agree that the District may seek to secure permits for, acquire, develop, construct, and operate additional water facilities and systems in the future that will benefit Surplus User and Surplus User's businesses and properties, or other District Surplus Users and Customers. This Agreement shall not diminish, impair, supersede or otherwise affect Surplus User Water, and Surplus User's signature on this Agreement does not constitute a waiver, release, alteration or transfer of any such rights, vested or otherwise, which Surplus User may have or acquire.

8.5. **Water Quality.** The District does not assume any responsibility and shall not be held liable with respect to the quality of Surplus Water made available pursuant to this Agreement, and the District makes no warranty or representations as to the quality or fitness for use of Surplus Water. Surplus User shall be responsible for all necessary measures at its own expense for the testing, treatment, and other steps required for Surplus User's intended uses of Surplus Water.

8.6. **Wheeling.** Notwithstanding any other provision in this Agreement, if Surplus Water cannot be received by Surplus User unless it is wheeled to the Surplus User's Place of Use by another public agency, District shall not provide water service to Surplus User without the prior written consent of the public agency responsible for the required wheeling.

ARTICLE 9. REPRESENTATIONS AND WARRANTIES OF DISTRICT

District makes the following representations and warranties to Surplus User as of the Effective Date:

9.1. District is an improvement district duly formed and organized, validly existing and in good standing under the laws of the State of California;

9.2. District has the right, power, and authority to enter into this Agreement and to perform its obligations herein, and the persons executing this Agreement on behalf of District have the right, power, and authority to do so;

9.3. This Agreement constitutes a legal, valid and binding obligation of District, enforceable against District in accordance with its terms; and

9.4. The execution, delivery and performance of this Agreement by District will not breach or constitute a default by District under or grounds for the acceleration of maturity of any agreement, indenture, undertaking or other instrument to which District is a party or by which District or any of its property may be bound or affected.

ARTICLE 10. REPRESENTATIONS AND WARRANTIES OF SURPLUS USER

Surplus User makes the following representations and warranties to District, as of the Effective Date:

10.1. Surplus User is either (a) a public water agency duly formed and organized, validly existing, and in good standing under the laws of the State of California, and is qualified to do and is doing business in the State of California; or (b) owns real property outside the District's Place of Use under the District's Water Rights;

10.2. Surplus User has received a copy of the District Enactments, which Surplus User agrees are valid, subsisting, and in full force and effect, and Surplus User further agrees to be bound by and comply with the terms and provisions of the District Enactments.

10.3. Surplus User has the right, power, and authority to enter into this Agreement and perform all of its obligations hereunder, and the persons executing this Agreement on behalf of Surplus User have the right, power, intent, and authority to do so;

10.4. This Agreement constitutes a legal, valid and binding obligation of Surplus User, enforceable against Surplus User in accordance with its terms; an

10.5. Surplus User agrees to use Surplus Water only pursuant to and in compliance with each and all of the requirements and provisions of the Water Rights, SWRCB Decision D-1030, District Enactments, and California law, including, but not limited to, the requirements of Article X Section 2 of the California Constitution that all water must be placed to reasonable and beneficial use.

10.6. If Surplus User is a public agency, it agrees to provide service to all customers within its boundaries who request a water allocation of Surplus Water.

ARTICLE 11. CONSERVATION PLAN

Surplus User shall comply with the water conservation program and enforcement plan established by the District set forth in Article 9 of Ordinance 25-01 (“Plan”). Surplus User’s failure to implement and enforce the Plan within Surplus User’s Place of use and as against any third party to whom Surplus User may sell, give, or allow to receive Surplus Water, shall constitute an event of default under this Agreement.

ARTICLE 12. DEFAULT

12.1. **Surplus User Default.** Each of the following shall constitute a default by Surplus User under this Agreement:

12.1.1. Surplus User’s failure to pay, by the due date, the price per acre foot for Surplus Water, or any other charge due and payable hereunder. Any such late payment shall bear interest at ten percent (10%) per annum from the due date until paid in full;

12.1.2. Surplus User’s failure to perform, comply with, or observe any term, covenant, obligation, undertaking or other obligation that it is to perform or observe under this Agreement, the District Enactments or applicable state or federal law concerning Surplus Water and the use or disposition thereof, and Surplus User fails to cure such failure within thirty-five (35) days after District's written notice of default; or

12.1.3. If any warranty, representation or other statement made by or on behalf of Surplus User and contained in this Agreement or any other document furnished by Surplus User in compliance with or in reference to this Agreement is on the date made, or later proves to be, false, misleading or untrue in any material respect.

12.2. **District Default.** Each of the following shall constitute a default by District under this Agreement:

12.2.1. If District fails to perform, comply with, or observe any term, covenant, obligation, undertaking or other obligation under this Agreement that it

is to perform or observe, and District fails to cure such failure within thirty-five (35) days after Surplus User's written notice of default; or

12.2.2. If any warranty, representation or other statement made by or on behalf of District and contained in this Agreement or any other document furnished by District in compliance with or in reference to this Agreement is on the date made, or later proves to be, false, misleading or untrue in any material respect.

ARTICLE 13. REMEDIES

13.1. **District's Remedies.** In the event of a default by Surplus User, District shall have the following rights and remedies, in addition to any rights and remedies now or hereafter provided by law or District Enactments:

13.1.1. District may terminate this Agreement, discontinue making Surplus Water available to Surplus User pursuant to the terms hereof and remove its Approved Meter at Surplus User's Point of Delivery;

13.1.2. District may suspend availability of Surplus Water to Surplus User's Point of Delivery until such time as Surplus User has cured its default or may impose conditions upon the availability of Surplus Water to Surplus User; or

13.1.3. District may, by mandamus or other action or proceeding or suit at law or in equity, enforce its rights against Surplus User, or by suit in equity enjoin any acts or things which are unlawful or violate the rights of District.

Prior to discontinuing water service under this Agreement, District must provide Surplus User thirty (30) day's advance written notice prior to the proposed discontinuance, specifying the grounds upon which the action is to be taken. Before discontinuance of the service, the Surplus User shall have the opportunity to discuss the reasons for the proposed discontinuance with the District's General Manager, or their designated agent, who shall be empowered to review all letters and statements, rectify any errors, and settle any controversies pertaining to the discontinuance of service. Surplus User shall be entitled to appeal any decision of the General Manager to the Board of Trustees.

13.2. **Specific Performance.** The Parties have invested significant time and resources in entering into this Agreement and will invest additional time and resources in the implementation hereof. It is not possible to determine the sum of money which would adequately compensate a Party for such efforts. For the above reasons, the Parties agree that damages would not be an adequate remedy if a Party fails to carry out its obligations under this Agreement and that, in addition to any other right or remedy to which a Party may be entitled, at law or in equity, each Party shall be entitled to enforce any provision of this Agreement by a decree of specific performance and to temporary, preliminary and permanent injunctive relief to prevent a breach or threatened breach hereof, without posting any bond or other undertaking. Notwithstanding the foregoing, Surplus User shall have no right to seek specific performance to cause District to make Surplus Water available for

Surplus User's use when District has determined that such Surplus Water is not available, or to compel District to exercise its discretion in any particular manner when a decision is reserved to District's judgment hereunder or by law.

13.3. **No Waiver.** A waiver of any default or breach of duty or contract by a Party shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract by the other Party. No delay or omission by a Party to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or shall be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein.

13.4. **Remedies Cumulative.** No remedy herein conferred upon or reserved to a Party is intended to be exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing in law or in equity or by statute, District Enactment or otherwise and may be exercised without regard to any other remedy conferred by any other law.

ARTICLE 14. INDEMNIFICATION

14.1. **Surplus User Indemnity.** To the fullest extent permitted by applicable law, Surplus User shall defend, indemnify and hold harmless the District, its officers, directors, employees and agents, and each and every one of them, from and against any and all actions, liability, damages, claims, suits, proceedings, judgments, settlements, losses and expenses (including reasonable legal fees and expenses of attorneys chosen to represent District), including all expenses of every type and description to which it or they may be subjected or put to arising out of or related to the following:

14.1.1. any breach or alleged breach of any representation, warranty, covenant, provision, promise or agreement of Surplus User contained in this Agreement or in any document, instrument or agreement executed and delivered by Surplus User in connection herewith;

14.1.2. any loss, injury, adverse impact, or damage or alleged loss, injury, adverse impact or damage to any person, entity, party, or property arising out of or related in any way to this Agreement or to the Surplus Water made available by District to Surplus User pursuant to this Agreement after it is made available at Surplus User's Point of Delivery, and

14.1.3. District shall not be liable to Surplus User for any loss or damage to person or property caused by any Force Majeure Event, or any other causes, or any consequential damages or inconvenience which may arise from or relate to use of the Surplus Water.

This indemnification is effective and shall apply whether or not any such action is alleged to have been caused in part by District as a party indemnified hereunder. This indemnification shall not include any claim arising from the sole or active negligence or willful misconduct of District or any of its directors, officers, employees or agents.

14.2. **District Indemnity.** To the fullest extent permitted by applicable law, District shall defend, indemnify and hold harmless Surplus User, its officers, directors, employees and agents, and each and every one of them, from and against any and all actions, liability, damages, claims, suits, proceedings, judgments, settlements, losses and expenses (including reasonable legal fees and expenses of attorneys chosen to represent Surplus User), including expenses of every type and description to which it may be subjected or put to arising out of or related to: any breach or alleged breach of any representation, warranty, covenant, promise or agreement of District contained in this Agreement. This indemnification shall not include any claim arising from the sole or active negligence or willful misconduct of Surplus User or any of its directors, officers, employees or agents.

14.3. **Surplus User Covenant; Insurance.**

14.3.1. **Covenant.** Surplus User, on its own behalf and on behalf of its officers, directors, employees and agents, covenants and agrees that it shall not initiate or pursue, or assist or support any other person or entity in the initiation or pursuit of, an action or undertaking of any kind, whether judicial, administrative or otherwise, that seeks to or would limit, diminish, impair, interrupt, or prohibit, either temporarily or permanently, (a) District Water Rights or entitlements; (b) the District Enactments; or (c) the District's ability to perform its obligations under this Agreement or other instrument by which District provides or makes available water to Customers and Surplus Users.

14.3.2. **Insurance.** Surplus User shall procure and maintain at its own cost during the term hereof a policy of commercial general liability insurance issued by a company lawfully authorized to do business in California, with a Best Insurance Reports (or comparable) rating of "A-VII" or better, covering Surplus User for its activities hereunder in the amount of one million dollars (\$1,000,000). The insurance shall name as additional insured and provide waiver of subrogation to District and its directors, officers, elected officials, appointed officials, lenders, agents, attorneys and employees, as their interests may appear. Surplus User shall provide evidence of such insurance to District satisfactory to District's General Manager.

14.4. **Defense of Claims.** No right to indemnification under this Article shall be available unless the Party seeking indemnification (the "Indemnified Party") shall have given to the Party obligated to provide indemnification (the "Indemnitor") a written notice (a "Claim Notice") describing in reasonable detail the facts giving rise to any claim for indemnification hereunder promptly after receipt of knowledge of the facts upon which such claim is based. A delay or failure to so notify the Indemnitor shall relieve the Indemnitor of its obligations hereunder only to the extent, if at all, that it is prejudiced by reason of such delay or failure. Upon receipt by the Indemnitor of a Claim Notice from an Indemnified Party with respect to a claim of a third party, such Indemnitor shall assume the defense thereof with counsel reasonably satisfactory to the Indemnified Party, and the Indemnified Party shall cooperate in the defense or prosecution thereof and shall furnish such records, information, and testimony and attend all such conferences, discovery proceedings, hearings, trials and appeals as may be reasonably requested by the

Indemnitor in connection therewith. If the Indemnitor assumes such defense as provided above, then the Indemnitor shall have the right in its sole discretion, to settle any claim for which indemnification has been sought and is available hereunder, provided the Indemnified Party is fully released from all known and unknown claims of such third party and the Indemnified Party is not obligated to perform any actions or pay any money on account of such settlement. If the Indemnitor does not assume such defense as provided above, then: (a) the Indemnified Party shall have the right to employ its own counsel in any such case, and all of the fees and expenses of such counsel shall be the responsibility of Indemnitor, who shall promptly reimburse the Indemnified Party fully for such expenses; and (b) the Indemnified Party shall have the right, in its sole discretion, to settle any claim for which indemnification has been sought and is available hereunder, at the expense of Indemnitor, who hereby agrees to promptly reimburse the Indemnified Party all costs and expenses incurred by the Indemnified Party with respect to such settlement.

ARTICLE 15. GENERAL PROVISIONS

15.1. **No Third Party Rights.** This Agreement is made solely for the benefit of the Parties and their respective permitted successors and assigns, if any. Except for such a permitted successor and assign, no other person or entity shall have or acquire any right by virtue of this Agreement.

15.2. **Assignment.** Neither Party may assign any of its rights or delegate any of its duties under this Agreement. Any assignment or delegation made in violation of this Agreement is void and of no force or effect. This Agreement is and will be binding upon and will inure to the benefit of the Parties and, upon dissolution, the legal successors and assigns of their assets and liabilities.

15.3. **Property Transfer.** In the event that Surplus User proposes to sell its real property to which Surplus Water is made available under this Agreement, Surplus User shall notify District in writing in advance of the close of escrow with sufficient time for District to consider the proposed transfer. If (a) District is timely notified of the proposed transfer; (b) Surplus User is not then in default under this Agreement at the time of such notification or at any time up until the close of escrow; and (c) the proposed new owner executes a new agreement with District in substantially the same form as this Agreement, on or before the close of escrow; then District shall approve the application of the proposed new owner and execute the new agreement with such owner. Upon District's execution of the replacement agreement, this Agreement shall be terminated.

15.4. **Governing Law.** This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of California as well as the District Enactments.

15.5. **Amendment.** The terms of this Agreement may be modified only in writing by mutual agreement signed by both Surplus User and District. Any amendment made in violation of this section shall be null and void.

15.6. **Entire Agreement.** Except as otherwise provided herein, this Agreement supersedes any and all other agreements, including any prior water supply agreements previously in effect between the Parties prior to execution of this Agreement, either oral or in writing, between the Parties hereto with respect to the availability of Surplus Water to Surplus User by District and contains all the covenants and agreements between the Parties with respect thereto. Each Party acknowledges that no representation or promise has been made by the other Party which is not embodied herein, and that no other agreement or promise not contained in this Agreement shall be valid or binding. Each recital set forth at the beginning of this Agreement is true and correct and a binding portion hereof.

15.7. **Severability.** Should any provision in this Agreement is held by a court of competent jurisdiction or an arbitrator or arbitration panel to be invalid, void, or unenforceable, the remaining provisions shall nevertheless continue in full force and effect without being impaired or invalidated in any way notwithstanding such invalidity, illegality or unenforceability.

15.8. **Time is of the Essence.** It is expressly hereby agreed that time is of the essence of each and every provision of this Agreement.

15.9. **Cooperation.** To the extent reasonably required, each Party shall, in good faith, assist the other in obtaining all such necessary approval and preparation of required environmental documents or reports to the SWRCB for Surplus Water as well as Surplus User Water. The Parties agree to cooperate and assist each other in good faith in meeting such requirements of regulatory agencies as may be applicable to the terms and conditions of the District's Water Rights, any requirements imposed upon Surplus User Water, and performance of any terms of this Agreement.

15.10. **Attorneys' Fees.** Should either Party to this Agreement reasonably retain counsel for the purpose of enforcing any provision of this Agreement, including the institution of any action or proceeding to enforce any provision of this Agreement, or to recover damages if otherwise available hereunder, or to obtain injunctive or other relief by reason of any alleged breach of any provision of this Agreement, or for a declaration based on a demonstrated necessity of such Party's rights or obligations under this Agreement, or for any other judicial or equitable remedy, then if the matter is resolved by judicial or quasi-judicial determination (including arbitration, if such arbitration is agreed to by the Parties), the prevailing Party shall be entitled, in addition to such other relief as may be granted, to be reimbursed by the losing Party for all attorneys' fees, expert fees and costs, and all litigation or arbitration fees and costs reasonably incurred, including all attorneys' fees and costs for services rendered to the prevailing Party and all attorneys' fees and costs reasonably incurred in enforcing any judgment or order entered on appeal. The prevailing Party shall be determined by the court (or arbitrator, if arbitration is agreed to by the Parties) in the initial or any subsequent proceeding.

15.11. **Regulatory and Litigation Costs.** District will defend its own interest in any litigation or regulatory action challenging the validity of the District's Water Rights or use of District Water. The Parties shall each defend their own interest in litigation or regulatory action involving this Agreement, including environmental compliance and

validity of the Agreement. Any attorney fees and costs awarded in CEQA litigation to a person or entity not a party to this Agreement shall be split equally between the Parties.

15.12. **Notices.** Any notice, approval, consent, waiver or other communication required or permitted to be given or to be served upon either Party in connection with this Agreement shall be in writing. Such notice shall be personally served, sent by facsimile, telegram, or cable, or sent prepaid by registered or certified mail with return receipt requested, or sent by reputable overnight delivery service, such as Federal Express, and shall be deemed given: (a) if personally served, when delivered to the Party to whom such notice is addressed; (b) if given by facsimile, telegram, or cable, when sent (with confirmation of receipt); (c) if given by prepaid or certified mail with return receipt requested, on the date of execution of the return receipt; or (d) if sent by reputable overnight delivery service, such as Federal Express, when received with confirmation of delivery. Such notices shall be addressed to the Party to whom such notice is to be given at the Party's address set forth below or as such Party shall otherwise direct in writing to the other Party delivered or sent in accordance with this section.

If to District: Mendocino County Russian River Flood Control and
Water Conservation Improvement District
PO Box 2104
Ukiah, California 95482
Phone: (707) 462-5278
Email: DistrictManager@rrfc.net

If to Surplus user:

****CUSTOMER NAME****
****ADDRESS ****
****PHONE NUMBER ****
****EMAIL ADDRESS****

15.13. **Usage.** Unless the context clearly requires otherwise:

15.13.1. the plural and singular numbers shall each be deemed to include the other; the masculine, feminine and neuter genders shall each be deemed to include the others; "shall," "will" or "agrees" are mandatory, and "may" is permissive;

15.13.2. reference to any individual or entity includes its successors and assigns, but only if such successors and assigns are not prohibited by this Agreement;

15.13.3. reference to any agreement, document or instrument means such agreement, document or instrument as amended or modified and in effect from time to time in accordance with the terms thereof;

15.13.4. reference to any legal requirement, including a permit, governmental approval, regulation or statute, means such legal requirement as

amended, modified, codified, replaced or reenacted, in whole or in part, and in effect from time to time, including rules and regulations promulgated thereunder, and reference to any section or other provision of any legal requirement means that provision of such legal requirement from time to time in effect and constituting the substantive amendment, modification, codification, replacement or reenactment of such section or other provision;

15.13.5. "hereunder," "hereof," "hereto," and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Article, Section or other provision hereof;

15.13.6. "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term;

15.13.7. "or" is used in the inclusive sense of "and/or"; and

15.13.8. references to documents, instruments or agreements shall be deemed to refer as well to all addenda, exhibits, schedules or amendments thereto.

15.14. **Headings.** Headings are provided for the convenience of the Parties and shall not be construed to explain or modify any part of this Agreement.

15.15. **Ambiguities.** Each Party and its counsel have participated fully in the review and any revision of this Agreement. Any rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall not apply in interpreting this Agreement.

15.16. **Survival.** Whether or not it is specifically so provided herein, any term or provision of this Agreement, which by its nature and effect is required to be kept, observed, or performed after the termination, suspension, cancellation, rescission or expiration of this Agreement, shall survive such termination, suspension, cancellation, rescission or expiration, and shall be and remain binding upon and for the benefit of the Parties until fully observed, kept or performed.

15.17. **Execution and Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the last date written below.

**MENDOCINO COUNTY RUSSIAN RIVER FLOOD CONTROL AND
WATER CONSERVATION IMPROVEMENT DISTRICT**

By: _____
President of the Board of Trustees

Date

ATTEST:

Secretary of the Board of Trustees

Date

SURPLUS USER

By: _____

****SURPLUS USER NAME, COMPANY NAME****

Date

****ADDRESS ****

****PHONE NUMBER ** **EMAIL ADDRESS****

DRAFT

EXHIBIT A PURPOSE OF USE

Exhibit A to that Agreement for Out-of-District Surplus Water Service between
MENDOCINO COUNTY RUSSIAN RIVER FLOOD CONTROL
AND WATER CONSERVATION IMPROVEMENT DISTRICT (“**District**”) and
****SURPLUS USER NAME**** (“**Surplus User**”) dated ****DATE**** (“**Agreement**”).

By its signature below, Surplus User represents and warrants to District the following:

1. The purpose of use for the water shall be as follows (check all that apply):
 - Domestic, Municipal, and/or Industrial
 - Irrigation (includes frost protection, heat protection, heat suppression, etc.)

The use of District Water available to Surplus User under this Agreement shall be restricted exclusively to the uses specified above. Should Surplus User wish to change the purpose of use of District Water provided under this Agreement to any other use, Surplus User is required to apply to the District for approval and a revised Exhibit A.

2. Surplus User hereby represents and warrants to District that Surplus User’s use of District Water will at all times comply with all restrictions, laws, ordinances, rules, regulations, and orders affecting the use of District Water now in effect or which may hereafter come into effect during the term of this Agreement for the use specified above. Surplus User, at its expense, shall promptly and diligently procure, maintain, and comply with all permits, licenses, franchises, and other authorizations which are now or at any time hereafter may be required for the use of District Water contemplated hereby.
3. **As provided in the Agreement, the Agreement is not assignable to any other party or landowner.**

By: _____ Date _____
****SURPLUS USER NAME****
****ADDRESS ****
****PHONE NUMBER ** **EMAIL ADDRESS****

By: _____ Date _____
Secretary of the Board of Trustees of the

**MENDOCINO COUNTY RUSSIAN RIVER FLOOD CONTROL
AND WATER CONSERVATION IMPROVEMENT DISTRICT**

EXHIBIT E
ANNUAL SURPLUS WATER AMOUNT

Exhibit E to that Agreement for Out-of-District Surplus Water Service between
MENDOCINO COUNTY RUSSIAN RIVER FLOOD CONTROL
AND WATER CONSERVATION IMPROVEMENT DISTRICT (“**District**”) and
****SURPLUS USER NAME**** (“**Surplus User**”) dated ****DATE**** (“**Agreement**”).

The maximum quantity of District Water to be made available to Surplus User pursuant to the Agreement in water year ****INSERT WATER YEAR****, defined as “**Surplus Quantity**”, shall be ****XX**** acre feet.

By: _____ Date _____
****SURPLUS USER NAME****
****ADDRESS ****
****PHONE NUMBER ** **EMAIL ADDRESS****

By: _____ Date _____
Secretary of the Board of Trustees of the

**MENDOCINO COUNTY RUSSIAN RIVER FLOOD CONTROL
AND WATER CONSERVATION IMPROVEMENT DISTRICT**

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

STAFF REPORT

**Agenda Items 12e&f: Consent Calendar -
Proposed Updated General Manager Evaluation Policy #3200
And Proposed Updated General Manager Evaluation Form
Monday, May 4, 2026**

The Strategic Plan relevant priority is **Governance and Operational Excellence** through capable and high quality executive leadership and effective human systems, administration, and human resources to execute the strategic plan.

Background

The District employs a General Manager, an at-will employee and subject to the terms and conditions of an Employment Agreement that states the Board of Trustees shall conduct an annual performance evaluation based on District policy and on previously agreed upon goals and objectives for the Employee.

The policy and procedure has been reviewed extensively over the last few years to refine it for efficiency and effectiveness. The current proposed update includes lessons learned from the 2025 GM Evaluation process.

Discussion

The Board is being asked to consider approval of the proposed updated General Manager Evaluation Policy and corresponding form.

Recommendation:

- Move to approve the proposed updated General Manager Evaluation Policy;
and
- Move to approve the proposed updated General Manager Evaluation form.

Attachments:

- Proposed updated General Manager Evaluation Policy, red-lined
- Proposed updated General Manager Evaluation Policy, clean version
- Proposed updated General Manager Evaluation form

* * * *

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

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

DRAFT UPDATE OF POLICY 3200

Table of Contents:

3000 Personnel

Employment Practice Policies

	Last Updated
3100 Accommodations for Disability	12/09/24
3105 Equal Opportunity	12/09/24
3110 Unlawful Harassment	12/09/24
3120 Disciplinary Action	12/09/24
3125 Whistleblowing	12/09/24
3130 Telecommuting	12/09/24
3200 General Manager Evaluation	12/09/24
3500 Employee Records	

12/09/2405/04/2

6

3200 General Manager Evaluation

The District employs a General Manager, subject to the terms and conditions of an Employment Agreement that states the Board of Trustees shall conduct an annual performance evaluation based on District policy and on previously agreed upon goals and objectives for the Employee.

This policy shall apply to only the General Manager, who is an at-will employee and serves at the pleasure of the District Board of Trustees. This policy shall not contradict any term of the current Employment Agreement between the General Manager and the District.

Responsibility for conducting this evaluation lies with the Ad Hoc Committee, appointed annually by the Board of Trustees, with assistance from a Human Resources Consultant. The Ad Hoc Committee will oversee the evaluation process, summarize the evaluation, determine and recommend any changes in compensation to the Board, and deliver the evaluation to the General Manager. The evaluation period will be the calendar year, and any compensation changes will go into effect March 1 of the year directly following the reviewed calendar year.

The components of the evaluation are as follows:

1. The General Manager Evaluation form which shall be updated annually by the Ad Hoc Committee in collaboration with the General Manager and HR Consultant, as needed. The form follows the Annual Operations Plan for the same period and includes areas for the General Manager Self Evaluation, Board feedback, and any goals in addition to those identified in the Annual Operations Plan. The General Manager will complete the General Manager Self Evaluation in December of each year.
- ~~2. Strategic Plan Progress Report: Each year, metrics will be established in the Strategic Plan by which the District's progress towards reaching its goals can be measured. A Strategic Plan Progress Report will be developed by the General Manager and included in the evaluation process as an attachment to the GM Self Evaluation. The metrics will be utilized in setting an annual bonus, if applicable.~~

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

- ~~3.2. Trustee Survey: An electronic survey tool will be used to conduct an evaluation based on core management competencies concerning the General Manager's performance. Survey participants will include the Board of Trustees. This survey will be outsourced from the District but coordinated by the Ad Hoc Committee and HR Consultant. It will be initiated in January following the end of the review year and distribution of the GM Self Evaluation~~
Board of Trustees Review: With all materials compiled, the HR Consultant will lead a Public Employee Performance Evaluation Closed Session review with the Board of Trustees for final input on the General Manager Evaluation form and compensation adjustments.
- ~~4. Written summary by Ad Hoc Committee: In coordination with the HR Consultant, the Ad Hoc Committee will provide a written response in the form of a performance evaluation to the General Manager's self-evaluation and the Strategic Plan Progress Report, and the Trustee Survey collated response.~~
3. Final Evaluation Meeting: With all materials compiled and reviewed, a meeting will be held with the General Manager, Ad Hoc Committee, and HR Consultant to discuss the materials and assessments, and negotiate any terms and conditions, as needed.
- 5.4. In a Regular Board meeting, the Board of Trustees will consider approval of the annual Performance Evaluation and any compensation changes will be documented in an Amended & Restated Contract and considered for approval in public session.

The outcomes of the evaluation process will be:

- ~~1. Documented General Manger Evaluation report, including memorializing~~
- ~~2.1. Establishing the General Manager's performance goals for the coming year in the Board adopted Annual Operations Plan.~~
- ~~3. Determination of compensation changes Bonus Award for the prior year. The bonus is at the discretion of the Board of Trustees based on its assessment of the General Manager's achievement of goals set for the year and Strategic Plan Implementation.~~
- ~~4.2. and e~~Establishment and documentation of ~~Bonus~~ metrics ~~and any salary changes~~ for the coming year.
- ~~5.3.~~ Signed extension of the General Manager's employment contract.

The ~~timeline, Trustee Survey, and General Manager Self Performance Evaluation process in the most recently approved General Manager Annual Performance Review Procedure will can~~ be reviewed annually by the Ad Hoc Committee and General Manager ~~and used to implement this policy and suggested updates be presented to the Board for approval.~~

An exit interview shall be offered to the General Manager upon conclusion of employment with the District.

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

DRAFT UPDATE OF POLICY 3200

Table of Contents:

3000 Personnel

Employment Practice Policies	Last Updated
3100 Accommodations for Disability	12/09/24
3105 Equal Opportunity	12/09/24
3110 Unlawful Harassment	12/09/24
3120 Disciplinary Action	12/09/24
3125 Whistleblowing	12/09/24
3130 Telecommuting	12/09/24
3200 General Manager Evaluation	12/09/24
3500 Employee Records	05/04/26

3200 General Manager Evaluation

The District employs a General Manager, subject to the terms and conditions of an Employment Agreement that states the Board of Trustees shall conduct an annual performance evaluation based on District policy and on previously agreed upon goals and objectives for the Employee.

This policy shall apply to only the General Manager, who is an at-will employee and serves at the pleasure of the District Board of Trustees. This policy shall not contradict any term of the current Employment Agreement between the General Manager and the District.

Responsibility for conducting this evaluation lies with the Ad Hoc Committee, appointed annually by the Board of Trustees, with assistance from a Human Resources Consultant. The Ad Hoc Committee will oversee the evaluation process, summarize the evaluation, determine and recommend any changes in compensation to the Board, and deliver the evaluation to the General Manager. The evaluation period will be the calendar year, and any compensation changes will go into effect March 1 of the year directly following the reviewed calendar year.

The components of the evaluation are as follows:

1. The General Manager Evaluation form which shall be updated annually by the Ad Hoc Committee in collaboration with the General Manager and HR Consultant, as needed. The form follows the Annual Operations Plan for the same period and includes areas for the General Manager Self Evaluation, Board feedback, and any goals in addition to those identified in the Annual Operations Plan.
2. Board of Trustees Review: With all materials compiled, the HR Consultant will lead a Public Employee Performance Evaluation Closed Session review with the Board of Trustees for input on the General Manager Evaluation form and compensation adjustments.

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

3. Final Evaluation Meeting: With all materials compiled and reviewed, a meeting will be held with the General Manager, Ad Hoc Committee, and HR Consultant to discuss the materials and assessments, and negotiate any terms and conditions, as needed.
4. In a Regular Board meeting, the Board of Trustees will consider approval of the annual Performance Evaluation and any compensation changes will be documented in an Amended & Restated Contract and considered for approval in public session.

The outcomes of the evaluation process will be:

1. Documented General Manger Evaluation report, including memorializing the General Manager's performance goals for the coming year in the Board adopted Annual Operations Plan.
2. Determination of compensation changes and establishment and documentation of metrics for the coming year.
3. Signed extension of the General Manager's employment contract.

The General Manager Performance Evaluation process can be reviewed annually by the Ad Hoc Committee and General Manager and suggested updates be presented to the Board for approval.

An exit interview shall be offered to the General Manager upon conclusion of employment with the District.

Mendocino County
Russian River Flood Control & Water Conservation Improvement District

General Manager Evaluation

[INSERT YEAR EVALUATED AND NAME OF EMPLOYEE]

Responsibility for conducting this evaluation lies with the Board appointed Ad Hoc Committee with assistance from a Human Resources Consultant. The Ad Hoc Committee will oversee the evaluation process, summarize the evaluation, determine and recommend any changes in compensation to the Board, and deliver the evaluation to the General Manager.

This evaluation form is organized based on the District's approved Strategic Plan Priorities to ensure clear alignment with the strategic plan and objectives. For each priority, there is

- 1) a description of the priority with specific examples of actions to consider;
- 2) a section for the General Manager (GM) to record achievements, progress, challenges, and proposed goals (shaded blue);
- 3) a section for the Board's collective evaluation with a 4-point rating scale and space for specific comments (shaded green).

There are also sections for the GM to call out any areas for consideration that could influence the evaluation and an overall evaluation summary area for the Board to summarize feedback and introduce potential goals for the coming evaluation period.

The outcomes of the evaluation process will be:

1. Documented General Manger Evaluation report, including memorializing the General Manager's performance goals for the coming year in the Board adopted Annual Operations Plan.
2. Determination of compensation changes and establishment and documentation of metrics for the coming year.
3. Signed extension of the General Manager's employment contract.

This page will be reproduced for each Strategic Plan Priority:

Priority:

[description of priority]

- Goal 1
- Goal 2

Achievements/Progress Against Goals:

Challenges/Incomplete Goals:

Proposed focus for the Coming Year:

- | | |
|-----|------------------------------|
| 1 | Meets minimal expectations |
| 2 | Meets some expectations |
| 3 | Meets expectations |
| 4 | Exceeds expectations |
| N/A | Don't know or not applicable |

Comments/Additional Detail:

Other GM Considerations & Requests

Are there any unique situations that you want to highlight for consideration during this rating period?

What additional support or resources are needed from the Board to achieve the desired goals?

Overall GM Performance Feedback

This is your opportunity to provide positive and constructive feedback to celebrate the GM's successes and guidance to direct any development needs. Specific examples and actionable suggestions are most valuable.

Strengths:

Areas for Improvement:

Strategic Priorities for the Coming Year:

Goals for the Coming Year

The Board approved Annual Operations Plan goals will be used as metrics for the annual evaluation. Additional goals can be identified by Board and General Manager:

Goal #1:	
Goal #2:	

DISTRICT:

[INSERT NAME], President

Date

[INSERT NAME], Vice President

Date

EMPLOYEE:

[INSERT NAME], General Manager

Date