

5 **DRAFT MINUTES**
6 **Special Meeting of March 23, 2025**
7 **At District Office: 304 N. State Street, Ukiah, CA 95482**
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9 **1. Call to Order and Roll Call**

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

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

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23 Ayes: 4 (Koball, Reardan, Rodrigue, and Watt)
24 Absent 1 (Bailey)
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26 **AUDIENCE COMMENTS ON NON-AGENDA ITEMS**
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28 **3. Public Expression:**
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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.
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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.
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41 **ITEMS FOR DISCUSSION AND POSSIBLE ACTION**
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43 **4. Mendocino County Inland Water & Power Commission Preliminary Draft**
44 **of Fiscal Year 2025-2026 Budget**
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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
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Member Agency Contributions

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

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

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

Expenses

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

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

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

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

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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.
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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.
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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.
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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.
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154 (Continued...)

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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 **2. Approval of Agenda**

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

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

22 **CLOSED SESSION**

- 23 **3.** (1) Government Public Employee Performance Evaluation: Gov. Code §54957 (General Manager).
24 (2) Conference with Labor Negotiators: board representative – Board President, Unrepresented Employee: General
25 Manager
26 **4.** Conference with Legal Counsel – Existing Litigation
27 (Paragraph (1) of subdivision (d) of Gov. Code § 54956.9) *Significant exposure to litigation:* One Case
28 **5.** Conference with Legal Counsel – Anticipated Litigation
29 (Paragraph (2) of subdivision (d) of Gov. Code § 54956.9) *Significant exposure to litigation:* Two Cases
30 **6.** Conference with Real Property Negotiators (Gov. Code § 54956.8)
31 *Property:* Potter Valley Project | *Agency negotiator:* General Manager, General Counsel, Board Members *Negotiating parties:*
32 Agency, Inland Water & Power Agency, PG&E | *Under negotiation:* Purchasing Entity
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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 **AUDIENCE COMMENTS ON NON-AGENDA ITEMS**

41 **7. Public Expression**

42 No public present, no comments.

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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.

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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