

5 **DRAFT MINUTES**

6 **Special Joint Meeting of May 29, 2025**

7 **With the Mendocino County Inland Water & Power Commission (MCIWPC)**

8 **At the Ukiah Valley Conference Center, 200 School Street, Ukiah, CA 95482**

9 **1. Roll Call**

10 President Watt called the meeting to order at 5:31 PM.

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12 Trustees Present: Christopher Watt, President
13 John Reardan, Trustee
14 Dave Koball, Trustee

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16 Trustees Absent: Tyler Rodrigue, Vice President
17 John Bailey, Treasurer

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19 Staff: Elizabeth Salomone, General Manager
20 Jeanne Zolezzi, Legal Counsel

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22 **2. Public Expression:** None.

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24 **3. Informational Briefing – issues related to the water supply from PG&E’s Potter Valley Project**

- 25 a) Context: PG&E and the Federal Energy Regulatory Commission (FERC)
26 b) Proposal for a new diversion structure: the New Eel-Russian Facility (NERF)
27 c) The Water Diversion Agreement – Framework for the right to divert water
28 d) The need for additional storage of water in the Russian Watershed (U.S. Army Corps of Engineers
29 Feasibility Study and other storage options)
30 e) Next steps: likely costs, needed actions, and timing

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32 MCIWPC legal counsel Scott Shapiro and consultants Tom Johnson, Eric Nagy, and Alison McLeod, and Sonoma
33 Water Agency Environmental Resources Manager David Manning presented information on the above topics
34 including PowerPoint presentations and handouts. Ed Nickerman and Sarah Schuyler provided public comment.

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37 **RECESS was called 8:27 PM to 8:40 PM**

38
39 **CLOSED SESSION**

40 **4. Conference with Real Property Negotiators (Gov. Code § 54956.8)**

41 *Property:* Potter Valley Project | *Agency negotiator:* Scott Shapiro, Janet Pauli, Tom Johnson

42 *Negotiating parties:* Agency, Inland Water & Power Agency, PG&E | *Under negotiation:* Purchasing Entity

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44 **5. Report out of closed session**

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46 The Board entered closed session with legal counsel at 8:40 PM. The Board returned to open public session
47 at 9:06 PM. President Watt stated no reportable action was taken.

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49 *(Continued...)*

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ADJOURNMENT

President Watt adjourned the meeting at 9:08 PM.

APPROVED by Board of Trustees on July 7, 2025

President of the Board of Trustees

Secretary of the Board of Trustees

DRAFT

President
Christopher Watt

Vice President
Tyler Rodrigue

Treasurer
John Bailey

Trustee
John Reardan

Trustee
Dave Koball

5 **DRAFT MINUTES**
6 **Regular Meeting of June 2, 2025**
7 **At District Office: 304 N. State Street, Ukiah, CA 95482**

8 **1. Roll Call**

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

10 Trustees Present: Christopher Watt, President
11 Tyler Rodrigue, Vice President
12 Dave Koball, Trustee

13 Trustees Absent: John Bailey, Treasurer
14 John Reardan, Trustee

15 Staff: Elizabeth Salomone, General Manager
16 Jeanne Zolezzi, Legal Counsel
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21 **2. Approval of Agenda**

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

24 Ayes: 3 (Koball, Rodrigue, and Watt)
25 Absent: 2 (Bailey and Reardan)
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27 **3. Public Expression**

28 Lee Howard and Steve Thompson, both former District Trustees, commented on the potential annexation of the
29 Redwood Valley County Water District, providing historical information and concerns.
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31 **CLOSED SESSION**

32 **4. Conference with Real Property Negotiators (Gov. Code § 54956.8)**

33 *Property:* Potter Valley Project | *Agency negotiator:* General Manager, General Counsel, Board Members
34 *Negotiating parties:* Agency, Inland Water & Power Agency, PG&E | *Under negotiation:* Purchasing Entity
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36 **5. Conference with Legal Counsel – Anticipated Litigation**

37 (Paragraph (2) of subdivision (d) of Gov. Code § 54956.9) *Significant exposure to litigation:* One Case
38

39 The Board entered closed session with legal counsel at 5:22 PM. The Board returned to open public session
40 at 6:37 PM. President Watt stated no reportable action was taken.
41

42 **PUBLIC HEARING**

43
44 **6. Proposed Final Fiscal Year 2025-2026 Budget and Rate Setting**

45 GM Salomone presented the item, noting there were no changes from the May 5, 2025 draft. President Watt
46 opened the Public Hearing at 6:38 PM. No one offered comment. GM Salomone reported no written
47 comments were received. President Watt closed the Public Hearing at 6:39 PM. No comments were offered
48 by Trustees.
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Trustee Koball moved to approve Resolution #25-01 Adopting the Final Budget for Fiscal Year 2025-2026 with revenue in the amount of \$616,040, expenses in the amount of \$616,000, and rates set at \$66.00 per acre foot. Vice President Rodrigue seconded the motion. The motion was approved by the following vote:

- Ayes: 3 (Koball, Rodrigue, and Watt)
- Absent: 2 (Bailey and Reardan)

7. Vacancies, Retention Efforts, and Any Necessary Actions As Mandated per Assembly Bill 2561

GM Salomone presented the staff report and Legal Counsel memo.

Vice President Rodrigue moved to approve the following declaration:

The Board of Trustees of the Mendocino County Russian River Flood Control & Water Conservation Improvement District does hereby declare:

- (a) There are no current vacancies and no vacancies within the last calendar year, therefore no recruitment efforts have been made; and
- (b) If a vacancy occurs, the District engages professional recruitment services to assess District needs, advertise, and provide the District with qualified candidates; and
- (c) Annual performance evaluations performed as per District policy contribute to employee retention efforts; and
- (d) No changes to policies, procedures, or recruitment activities are needed at this time to remove obstacles in the hiring process; and
- (e) The District is committed to ensuring that information concerning District employment is available to the public.

Trustee Koball seconded the motion. The motion was approved by the following vote:

- Ayes: 3 (Koball, Rodrigue, and Watt)
- Absent: 2 (Bailey and Reardan)

ITEMS FOR DISCUSSION AND POSSIBLE ACTION

8. 2025 Temporary Urgency Change Petition (TUCP)

GM Salomone presented the staff report, noting both TUCP and the full change petition will allow current and new customers, who are prevented from diverting stored water due to restrictions in the District's license, to access stored water. This will put more of the District's water to beneficial use and meet needs of the District's constituency.

The Board directed GM Salomone to prioritize the full formal change petition and bring to the Board for approval as soon as possible, preferably the July 7, 2025 Regular Board Meeting.

9. Proposed Surplus Water Agreement

GM Salomone presented the staff report, noting this agreement can expand the District's ability to serve the community.

(Continued...)

100 Vice President Rodrigue moved to approve the proposed Agreement for Surplus Water Service. Trustee
101 Koball seconded the motion. The motion was approved by the following vote:

- 102 Ayes: 3 (Koball, Rodrigue, and Watt)
- 103 Absent: 2 (Bailey and Reardan)

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105 **10. Proposal for General Manger Performance Evaluation Process & Strategic Planning**

106 GM Salomone presented the staff report. The Board provided feedback:

- 107 • Optional items in the cost proposal need to be evaluated further by GM and tasks scaled down if
- 108 possible to reduce overall costs.
- 109 • GM Evaluation process would benefit with further streamlining and aligning with the Strategic Plan
- 110 • The Strategic Plan update should be prioritized and the GM Evaluation process updated after.
- 111 • Valuable to have Human Resource services available as needed.
- 112 • The Board would like the costs to remain within the approved budget of \$10,000 total per year for
- 113 HR and Strategic Planning combined.

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115 **REGULAR BUSINESS, INFORMATION, AND REPORT ITEMS**

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117 **11. Water Supply Conditions Update**

118 No comments or questions on the staff report.

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120 **12. Consent Calendar**

- 121 a) Acceptance of the May 2025 Financial Reports
- 122 b) Approval of May 5, 2025 Regular Board Meeting minutes
- 123 c) Approval of USGS Joint Funding Agreement for 10/1/25 to 9/30/26
- 124 d) Approval of Nigro & Nigro Engagement Letter for Audit Services FY 24-25
- 125 e) Approval of Resolution #25-02 Approving a Revised Uniform Water Supply & Purchase Agreement and
- 126 Amendment

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128 Trustee Koball moved to approve the consent calendar. Vice President Rodrigue seconded the motion. The
129 motion was approved by the following vote:

- 130 Ayes: 3 (Koball, Rodrigue, and Watt)
- 131 Absent: 2 (Bailey and Reardan)

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133 **13. Trustee & Committee Reports**

134 *LAFCo MSR/SOI & Annexation Ad Hoc:* GM Salomone provided an update on behalf of the Ad Hoc Committee
135 on the annexation. Mapping work is on track and other required documents are drafted.

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137 *Change Petition Ad Hoc:* GM Salomone provided an update on behalf of the Ad Hoc Committee. Mapping and
138 outreach to diverters continues.

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140 *President Watt and Trustee Koball* reported on the May 29, 2025 Mendocino County Inland Water & Power
141 Commission all members Joint Board Meeting, which was recorded and available on the City of Ukiah website.

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143 *President Watt* reported on the Lake County Town Hall on Lake Pillsbury and the Potter Valley Project.

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14. General Manager Report & Correspondence

GM presented the report and

15. Direction on Future Agenda Items

Change petition to the State Water Resources Control Board.

ADJOURNMENT

Trustee Koball moved to adjourn the meeting at 7:15 PM. Vice President Rodrigue seconded the motion. The motion was approved by the following vote:

Ayes: 3 (Koball, Rodrigue, and Watt)

Absent: 2 (Bailey and Reardan)

APPROVED by Board of Trustees on July 7, 2025

President of the Board of Trustees

Secretary of the Board of Trustees

President
Christopher Watt

Vice President
Tyler Rodrigue

Treasurer
John Bailey

Trustee
John Reardan

Trustee
Dave Koball

Resolution #25-03
of the
**Mendocino County Russian River Flood Control
& Water Conservation Improvement District**

**Adopting the
Agreement for Surplus Water Service**

WHEREAS, the Mendocino County Russian River Flood Control & Water Conservation Improvement District ("**District**") is an improvement district organized and operating pursuant to the provisions of Chapter 54 of the Water Agency Acts entitled the Mendocino County Water Agency Act ("**Act**"). Pursuant to Sections 101 and 102 of the Act, the District has all the rights, duties, powers, liabilities, purposes, privileges, and immunities conferred and specified by the Act on the Mendocino County Water Agency. Chapter 54 §3(s) of the Act provides that the District, as an improvement district within the Mendocino County Water Agency, has the power "to divert, produce, store, transmit, distribute, and sell or otherwise furnish surface waters and ground waters or beneficial uses within or without the Agency"; and

WHEREAS, the District has been granted the right to divert east fork Russian River Water, redivert water released from storage in Lake Mendocino, and withdraw water from storage in Lake Mendocino in a total amount not to exceed 7,940 acre feet per year pursuant to License 13898 issued by the California State Water Resources Control Board; and

WHEREAS, the District has adopted Ordinance 25-01 Establishing Regulations and Rules for Water Sales which provides a method by which surplus water can be sold by the District;

WHEREAS, the District Board of Trustees has determined that it is in the best interest of the District to develop an Agreement for Surplus Water Service ("**Agreement**") (Exhibit A); and

WHEREAS, no expansion of water service will occur under the Agreement, as the District will continue to provide water in the same manner to lands within the boundaries of the District, as the District has served water for many years, and the by this action is approving a new surplus water service agreement; and

WHEREAS, the Board of Trustees heard and fully considered all oral and written public comment and General Manager's report on the Agreement for Surplus Water Service at a Regular Board Meeting on June 2, 2025 to solicit public comments on the Agreement.

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

STAFF REPORT

**Agenda Item 11d: Proposed Temporary Addendum
to the Uniform Water Sales & Purchase Agreement
Monday, July 7, 2025**

The Strategic Plan relevant priority is **Use** through ensuring effective and beneficial use of water as a public resource and **Administration** through effective systems to execute the Strategic Plan.

- This Temporary Addendum will enable current District Customers to temporarily implement Customer's requested changes to the District's License as requested in the Petition for Change during pendency of the Petition. This includes diverting water under the District's License at additional points of diversion, on additional irrigable acreage, and in an expanded place of use.

Background

In February 2025, PG&E submitted a temporary license flow amendment (previously referred to as a temporary flow variance) to the Federal Energy Regulatory Commission (FERC) for the Potter Valley Project 2025 operations. Due to seismic risk at Scott Dam, high potential for bank sloughing that would threaten dam safety and operations, and to conserve cold water in Lake Pillsbury for downstream aquatic resources, PG&E proposed reducing flows to the Russian River through the Potter Valley Project. Temporary Flow Variances have been approved by FERC for several consecutive years that reduce the water available in the Russian River to meet the appropriative water right demand along the mainstem. Those water users that hold Uniform Water Supply & Purchase Agreements (UWS&PA) with the District ("Customers") are able to divert stored water.

Some Customers have points of diversion and irrigated acreage that are not included in their UWS&PA due to restrictions on the District's License 13898. The District is considering approving submittal of a Petition for Change to the State Water Board on District License 13898 ("Petition") in Agenda Item 6. If the District Board approves submittal of the Petition, the Temporary Addendum will allow Customers who hold a UWS&PA to implement the Petition's proposed additions and changes to points of diversion, additional irrigable acreage, and expanded place of use during the pendency of the Petition to maintain a reliable water supply during the described flow reductions from the Eel River through the Potter Valley Project. Legal Counsel has prepared the proposed Temporary Addendum to the Uniform Water Sales & Purchase Agreement.

Discussion

The Board is being asked to consider approval of the proposed Temporary Addendum to the UWS&PA that will facilitate Customers to temporarily implement Customer's requested changes to the License as requested in the Petition during pendency of the Petition.

Recommendation:

- Move to approve Resolution 25-04 Adopting the Temporary Addendum to the Uniform Water Sale & Purchase Agreement, including Exhibit A, the Temporary Addendum.

Attachments:

- Resolution 25-04 Adopting the Temporary Addendum to the Uniform Water Sales & Purchase Agreement

* * * *

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

Resolution #25-04
of the
**Mendocino County Russian River Flood Control
& Water Conservation Improvement District**

**Adopting the Temporary Addendum
to the Uniform Water Sale & Purchase Agreement**

WHEREAS, the Mendocino County Russian River Flood Control & Water Conservation Improvement District ("**District**") is an improvement district organized and operating pursuant to the provisions of Chapter 54 of the Water Agency Acts entitled the Mendocino County Water Agency Act ("**Act**"). Pursuant to Sections 101 and 102 of the Act, the District has all the rights, duties, powers, liabilities, purposes, privileges, and immunities conferred and specified by the Act on the Mendocino County Water Agency. Chapter 54 §3(s) of the Act provides that the District, as an improvement district within the Mendocino County Water Agency, has the power "to divert, produce, store, transmit, distribute, and sell or otherwise furnish surface waters and ground waters or beneficial uses within or without the Agency"; and

WHEREAS, the District has been granted the right to divert east fork Russian River Water, redivert water released from storage in Lake Mendocino, and withdraw water from storage in Lake Mendocino in a total amount not to exceed 7,940 acre feet per year pursuant to License 13898 issued by the California State Water Resources Control Board; and

WHEREAS, the District has adopted Ordinance 25-01 Establishing Regulations and Rules for Water Sales which provides a method by which Customers who wish to purchase a specific amount of District Water may file an application with the District to purchase such water and, upon approval of the application by the District, enter into a Uniform Water Supply & Purchase Agreement ("**Agreement**") which provides the terms under which District Water is sold and used; and

WHEREAS, the District is currently preparing a Petition for Change ("**Petition**") to be filed with the California State Water Resources Control Board Division of Water Rights ("**State Board**") that will request the following changes to the District's licensed water right, License 13898 ("**License**"):

- (1) Remove the acreage cap on the place of use within the District for irrigation purposes to authorize use anywhere within Petitioner's service area;
- (2) Remove the acreage cap on the place of use within the Redwood Valley County Water District ("**RVCWD**") for irrigation purposes to authorize use anywhere within the service area of RVCWD;

- (3) Expand the licensed place of use to make the boundaries of the District's place of use coterminous with the boundaries of water suppliers to which the District supplies water and to meet existing agricultural demands;
- (4) Remove the condition that only surplus water be supplied to RVCWD on satisfaction of the condition that RVCWD be annexed into the District; and
- (5) Add additional points of rediversion, abandon existing licensed points of rediversion, and update existing licensed points of rediversion.

WHEREAS, the District is filing the Petition in response to requests from landowners and water suppliers within the boundaries of the District to divert water under the District's License at additional points of rediversion not included in the License, on additional historically irrigable acreage, and in an expanded place of use; and

WHEREAS, the District Board of Trustees has determined that it is in the best interest of the District to develop a Temporary Addendum to the Uniform Water Sales & Purchase Agreement ("**Temporary Addendum**") (Exhibit A) to temporarily implement Customer's requested changes to the License as requested in the Petition during pendency of the Petition; and

WHEREAS, no expansion of water use will occur under the Temporary Addendum, as the District will continue to deliver the same amount of water (as limited by its License) but to additional points of rediversion, for use on additional historically irrigable acreage, and in an expanded place of use; and

WHEREAS, upon approval of the Petition by the State Board, Customer and District may implement this change as a permanent amendment to the Agreement; and

WHEREAS, the Board of Trustees heard and fully considered all oral and written public comment and General Manager's report on the Temporary Addendum at a Regular Board Meeting on July 7, 2025 to solicit public comments on the Temporary Addendum.

NOW, THEREFORE, BE IT RESOLVED that the District Board of Trustees hereby approves the following:

1. The facts set forth in the recitals above and in the documents referenced therein are true and correct, and the Board so finds and determines.
2. The Temporary Addendum to the Uniform Water Sales & Purchase Agreement is hereby approved.

MENDOCINO COUNTY RUSSIAN RIVER FLOOD CONTROL & WATER CONSERVATION IMPROVEMENT DISTRICT

TEMPORARY ADDENDUM to the UNIFORM WATER SALE AND PURCHASE AGREEMENT

This Temporary Addendum to Uniform Water Sale and Purchase Agreement (“**Addendum**”) is entered into by and between ****CUSTOMER NAME**** (“**Customer**”) and MENDOCINO COUNTY RUSSIAN RIVER FLOOD CONTROL AND WATER CONSERVATION IMPROVEMENT DISTRICT (“**District**”) as of ****INSERT DATE****.

RECITALS

WHEREAS, capitalized terms not otherwise defined herein shall have the same meaning as in Customer’s Uniform Water Sale and Purchas Agreement (“**Agreement**”).

WHEREAS, the District is currently preparing a Petition for Change (“**Petition**”) to be filed with the California State Water Resources Control Board Division of Water Rights (“**State Board**”) that will request the following changes to the District’s licensed water right, License 13898 (“**License**”):

- (1) Remove the acreage cap on the place of use within the District for irrigation purposes to authorize use anywhere within Petitioner’s service area;
- (2) Remove the acreage cap on the place of use within the Redwood Valley County Water District (“**RVCWD**”) for irrigation purposes to authorize use anywhere within the service area of RVCWD;
- (3) Expand the licensed place of use to make the boundaries of the District’s place of use coterminous with the boundaries of water suppliers to which the District supplies water and to meet existing agricultural demands;
- (4) Remove the condition that only surplus water be supplied to RVCWD on satisfaction of the condition that RVCWD be annexed into the District; and
- (5) Add additional points of rediversion, abandon existing licensed points of rediversion, and update existing licensed points of rediversion.

WHEREAS, the District is filing the Petition in response to requests from landowners and water suppliers to divert water under the District’s License at additional points of rediversion not included in the License, on additional irrigable acreage, and in an expanded place of use.

WHEREAS, by this Addendum, Customer and District desire to temporarily implement Customer’s requested changes to the License as requested in the Petition during pendency of the Petition.

WHEREAS, upon approval of the Petition by the State Board, Customer and District may implement this change as a permanent amendment to the Agreement.

WHEREAS, Section 17.5 of the Agreement authorizes the District to modify the Agreement in writing by mutual agreement signed by both Customer and District.

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 to the following temporary Addendum to the Agreement:

AGREEMENT

1. **CHANGES TO AGREEMENT.** By this Addendum, District agrees to temporarily implement those changes to Customer's Agreement as set forth on the revised exhibit(s) to the Agreement attached hereto and incorporated herein.

2. **TEMPORARY NATURE.** Customer and District expressly agree and acknowledge this Addendum is intended to be temporary in nature pending review of the Petition by the State Board. During the pendency of the Petition, should the State Board at any point (i) threaten to initiate or initiate enforcement proceedings, (ii) impose a curtailment on the District's water right, or (iii) deny the Petition, Customer and District agree this Addendum shall immediately terminate upon District's twenty-four (24) hours' notice to Customer. In the event the Petition is approved by the State Board, Customer's Agreement shall be permanently amended and this Addendum of no further force and effect.

3. **NO OTHER CHANGES.** Except as otherwise expressly set forth in this Addendum, the Agreement shall not be amended or modified and the Agreement, as supplemented hereby, is hereby ratified and confirmed and shall continue in full force and effect between the Parties.

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

MENDOCINO COUNTY RUSSIAN RIVER FLOOD CONTROL AND WATER CONSERVATION IMPROVEMENT DISTRICT

By: _____ Date _____
President of the Board of Trustees

ATTEST: _____ Date _____
Secretary of the Board of Trustees

CUSTOMER

By: _____ Date _____
CUSTOMER NAME, COMPANY NAME
**ADDRESS **
PHONE NUMBER ** **EMAIL ADDRESS

