

*Mendocino County*

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

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**A G E N D A**

**Board of Trustees – Regular Meeting**  
**\*\*TUESDAY, July 6, 2021 at 5:30 pm\*\***

**NOTE CHANGE OF DAY DUE TO FEDERAL HOLIDAY**

IN COMPLIANCE WITH THE DIRECTIVES OF THE COUNTY HEALTH OFFICER, STATE AND CENTERS FOR DISEASE CONTROL AND PREVENTION (CDC), THIS MEETING CAN BE VIEWED LIVE VIA ON ZOOM.

**Call in: (669) 900-9128 Meeting ID: 811 2748 9402 Passcode: 95482**  
**Link: <https://us02web.zoom.us/j/81127489402?pwd=aExuS2YwcklQMTljYTVpRFFjaWdEQT09>**

1. Call to Order and Roll Call
2. Public Expression- See End of Agenda for Information on Public Expression
3. Approval of Agenda *Urgent items added may be discussed immediately as Item 3. Time suggestions to the right of item title.*

**ITEMS FOR DISCUSSION AND POSSIBLE ACTION:**

4. Groundwater Sustainability Agency (GSA) (5:35 pm)  
*Board will consider continued participation in the GSA and potential financial contributions.*
5. Water Supply Conditions Update and District Response (5:55 pm)  
*Board will receive report and provide feedback.*
6. Proposed Final Fiscal Year 2021-2022 Budget (6:10 pm)  
*Board will consider approval.*

**REGULAR BUSINESS, INFORMATION AND REPORT ITEMS (6:35 pm):**

7. Consent Calendar
  - a) Acceptance of the June 2021 Financial Report and Project Water Worksheet
  - b) Approval of Minutes for the May 3, 2021 Regular Meeting
  - c) Approval of Minutes for the May 17, 2021 Special Meeting
  - d) Approval of Minutes for the June 7, 2021 Regular Meeting
8. Board Member & Committee Reports
9. General Manager Report & Correspondence
  - a) Local Agency Formation Commission (LAFCo) Budget Notification
10. 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**  
*Alfred White*

**Treasurer**  
*Matthew Froneberger*

**Trustee**  
*Tyler Rodrigue*

**Trustee**  
*John Reardan*

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

**STAFF REPORT**

To: Board of Trustees  
From: E. Salomone, General Manager  
Meeting: Tuesday, July 6, 2021  
RE: Agenda Items 4: Groundwater Sustainability Agency (GSA)

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The Strategic Plan relevant priorities are to (a) **Secure** reliable and available sources of water; (b) **Use** ensuring water is managed to its highest and best use as a public resource, responding to regional water uses; (c) **Advocate** by participating as an active stakeholder in the security and use of water beyond the District's direct authority; and (d) **Administer** agency financials to support plans and goals. in the District's vision to insure the reliability and availability of our water resources.

The District's mission is to proactively manage the water resources of the upper Russian River for the benefit of the people and environment of Mendocino County.

Background

The Ukiah Valley Basin Groundwater Sustainability Agency (UVBGSA) was created by a Joint Powers Agreement to serve as the official Groundwater Sustainability Agency for the Ukiah Valley Basin required by the Sustainable Groundwater Management (SGMA) Act of 2014.

SGMA seeks to provide sustainable management of groundwater basins, enhance local management of groundwater, establish minimum standards for sustainable groundwater management, and provide local groundwater agencies with the authority and the technical and financial assistance necessary to sustainably manage groundwater.

The purpose of this Agency is to take actions deemed necessary to ensure sustainable management of the Basin, as required by SGMA. The Agency is charged with developing a Groundwater Sustainability Plan (GSP) for the Ukiah Basin.

A GSP is a 20-year plan to ensure the sustainable use of groundwater within a groundwater basin. The UVBGSA is required by SGMA to develop a GSP by 2022. The goal of the GSP is to establish a standard for "sustainability" of groundwater management and use, and to determine how the basin will achieve this standard.

The Ukiah Valley Basin GSP is being developed for the UVBGSA. Larry Walker Associates, Inc. in collaboration with GEI Consultants, University of California Cooperative Extension (UCCE), and SCI Consulting Group (LWA Team) are the consultants selected to develop GSP at the direction of the UVBGSA. The UVBGSA Board of Directors acts as the GSP's overall Project Management Team (PMT). UVBGSA has convened a Technical Advisory Committee (TAC) to provide input and recommendations on the technical aspects of the GSP development process. The GSP development is being funded by a Department of Water Resources (DWR) Proposition 1 grant and the Mendocino County Water Agency is providing grant management for the project.

(Continued...)

At the May 13, 2021 GSA Board meeting, a discussion was held on the fiscal responsibility of the UVBGSA with possible direction to receive contributions or pursue other funding mechanisms to pay for annual administration costs and implementation of the GSP. Annual implementation costs are estimated at \$135,000 - \$235,000 beginning in 2022. Anticipated expenses include operations, model maintenance, monitoring, grant writing, grant management, capital projects, and more. Options for funding include direct member contributions, regulatory fees, grant funding, special taxes, and property related fees (allocated to well owners.) Consultants suggested conducting a local survey to establish support for the various options. GSA Board members agreed to discuss the options with their individual Boards and report back. Since then, the GSA Board appointed two Board members to an Ad Hoc Committee, including GM Salomone and others from the TAC. The Committee met in June and further cost estimates are being gathered for the budget prior to the Committee providing options or making a recommendation to the GSA Board.

A major challenge in the development of the UV GSP is the lack of necessary data to develop a full picture of the water budget and sustainable groundwater management. While the GSP is due in 2022, the work will continue. Over the next five years, enhanced monitoring efforts will collect the needed data, projects and management actions will reinforce the groundwater supplies and potentially reduce dependence on surface water, and a required 5 year update of the GSP will be prepared. The suggested costs will support these actions. It is also worth noting that the model is a tool that can help with not only managing groundwater and surface water by the GSA, but could be used to assist in other water management efforts in the region. Additionally, the potential changes to the Potter Valley Project Eel River diversions to the Russian River watershed could dynamically alter the Ukiah Valley basin's water system and the GSA could become vital in mitigating impacts.

There are growing concerns regarding water management in the Russian River watershed, as seen in the 2021 drought and water supply conditions. The GSA can be seen as an opportunity to strengthen the water resiliency of the basin and the region. Modelling can provide scenarios to inform critical management decisions and the GSA is in a position to obtain funding to proactively mitigate impacts for the benefit of the people and environment.

#### Discussion

At this District's Regular Board meeting of June 7, 2021 the Board received information on the estimated expenses and funding requirements for the GSA. A discussion was held and staff was directed to bring an agenda item to the next Board meeting to consider the District's level of continued participation with the GSA.

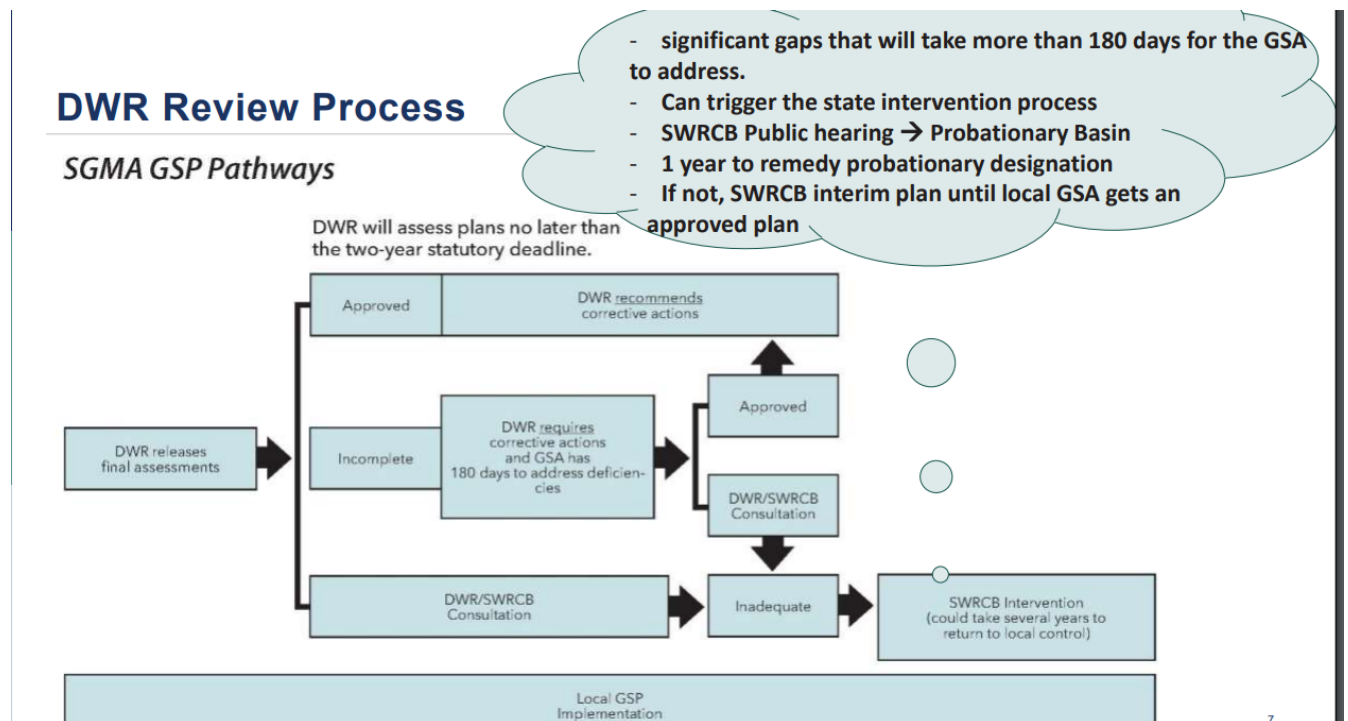
Under SGMA, the GSA will be required to conduct the work described above and the State will require a sound financial plan in the GSP. If member agencies do not agree to pay, the GSA will be forced to find alternative funding options for operation costs not covered by grants. This is likely to be done through well-owner fees, both private and public. While tax initiatives may be explored, the length of time and rate of success of such actions may not fulfill the requirements.

As a member in the GSA, the District will be a part of the decision making process on future water use, including those due to changes in land use and additional demand on surface water.

(Continued...)

The District is currently up to date on member contributions and by remaining in the GSA as the GSP is being finalized the District is in the strategically advantageous position to advocate for the best funding approach for District constituents. The District can continue to participate in shaping the policy of the GSA as noted in the District's Strategic Plan.

There was some discussion at the GSA and the June District Board meeting of the consequences of the Department of Water Resources removing local control from the development and implementation of the GSP. The follow chart from a SA presentation at the June GSA meeting provides more information:



Additionally, in preliminary discussions with the District's legal counsel, references were found on the District's responsibility of flood control through the release of surface water to natural underground reservoirs and the ability to divert, produce, store, transmit, distribute, and sell or otherwise furnish both surface and groundwater for beneficial use within or without of the agency. Additional time is needed to explore these areas.

### Recommendation

Staff recommends conducting further research and gathering of information as well as conferring further with stakeholders and constituents in the basin and experts in the field before a Board vote is conducted to either reaffirm or discontinue membership in the Groundwater Sustainability Agency.

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

**STAFF REPORT**

To: Board of Trustees  
From: E. Salomone, General Manager  
Meeting: Tuesday, July 6, 2021  
RE: Agenda Item 5: Water Supply Conditions Update & District Response

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**The Strategic Plan** relevant priorities are: (a) **Secure** (b) **Use** (c) **Advocate** & (d) **Administer** water resources in alignment with the District's Mission Statement to proactively manage the water resources of the upper Russian River for the benefit of the people and environment of Mendocino County.

**Water Supply Conditions**

Lake Mendocino storage level is 30,457 acre feet as of July 2, 2021, down from 34,758 acre feet on June 3, 2021. Levels continue to drop and will throughout the summer season, though actual losses for June were less than projected due to abandoned water from Potter Valley exceeding projections. The Potter Valley Irrigation District has used approximately 50% of its allocation for the season and inflows into Lake Mendocino are expected to dwindle. Operators, regulators, and stakeholders continue to monitor conditions closely, paying particular focus on concerns for water quality, storage target, and environmental impacts. <https://www.sonomawater.org/current-water-supply-levels>

Sonoma Water Agency's Temporary Urgency Change Petition to the State Water Resources Control Board (SWRCB) was approved on June 14, 2021. Terms include a continued minimum instream flow requirement of 25 cfs in the Upper Russian River, a reduction from 85 to 35 cfs in the Lower Russian River, and a five day moving average of minimum instream flow measurements. Also required are weekly updates which can be found on Sonoma Water's website here: <https://www.sonomawater.org/tucp>

**Lake Pillsbury Reservoir and Potter Valley Project Diversions**

Due to drought conditions and operating restrictions in the Eel River watershed, Lake Pillsbury storage levels are 41.7% of the target storage curve and in a steady decline.

PG&E filed a Drought Flow Variance Due to Limited Water Availability with the Federal Energy Regulatory Commission (FERC.) FERC issued an Order Modifying and Approving Temporary Variance of Flow Requirements Under License Article 52 approving reductions in releases to the East Fork Russian River from 25 cfs to 5 cfs and with no affects in the Eel River, noting avoidance of impacts to aquatic resources and species listed under the Endangered Species Act. East Branch Russian River water allocations curtail irrigation by 50% and aquatic habitat releases by 80%. The variance was granted for a limited period, through June 21, 2021, allowing for a 30 day public review and comment period. The District and a number of others submitted comments. On June 17th, the FERC Order on the variance was approved until August 13, 2021 with the following statement: "In order to fully review and consider the issues brought forth by the commenting and intervening parties, the Commission requires additional time to complete its analysis on the variance beyond June 21, 2021. Therefore, the May 5, 2021 temporary flow variance should be extended through August 13, 2021. However, the Commission will act as expeditiously as it can on the balance of the licensee's proposal." This is somewhat unprecedented and all parties await further action from FERC.

(Continued...)

### **State Water Resources Control Board Response**

The State Water Resources Control Board (SWRCB) continues to host the Russian River Drought Response Group which includes right holders, water use representatives, environmental and regulatory agencies to disseminate and discuss current conditions, projections, coordinated responses, and SWRCB regulatory actions. The Steering Committee has set a standing agenda for the larger meeting and continues efforts to develop voluntary conservation measures/agreements and updates on conservation efforts and outreach.

The SWRCB issued Notices of Water Unavailability on May 25, 2021 noting that as of June 1, 2021 water is unavailable for all post -1914 appropriative water rights and insufficient to fulfill riparian and pre-1914 claims. Right holders must complete a Water Unavailability Certification Form and there are potential exceptions to the notices such as human health and safety and diversion of stored water from a reservoir. All right holders are encouraged to subscribe to receive email updates and SWRCB staff is developing an informational webinar for all water right holders to be held in early June.

The State Water Board drought resources website for Russian River:

[https://www.waterboards.ca.gov/waterrights/water\\_issues/programs/drought/russian\\_river/](https://www.waterboards.ca.gov/waterrights/water_issues/programs/drought/russian_river/)

In order to formally curtail the most senior water rights, emergency regulations were developed and approved by the State Water Board on June 15, 2021. GM Salomone was invited by SWRCB staff to present to the Water Board on the District's institutional and organizing role in Mendocino County and the coordinating efforts undertaken this year, in addition to general public comment. The District also submitted a comment letter and District Legal Counsel provided public comment. The State Water Board approved the proposed regulations with some language changes and submitted at the end of June to the Office of Administrative Law (OAL.) The District submitted further comments.

State Water Board meeting recording: <https://www.youtube.com/watch?v=OmjD7TvaVfo&t=28088s>

OAL information: [https://oal.ca.gov/emergency\\_regulations/emergency\\_regulation\\_process/](https://oal.ca.gov/emergency_regulations/emergency_regulation_process/)

The emergency regulations will not be enacted immediately but are tied to storage targets in Lake Mendocino. The July 1<sup>st</sup> trigger was 29,315 acre feet, which was not reached. The July 15<sup>th</sup> trigger is 27,825 and the SWRCB staff does not anticipate that being triggered, either. This allows pre 1914 appropriative right holders the legal right to continue diverting, though it is generally accepted that the cessation of inflow from the West Fork Russian River indicates riparian water right supply is insufficient. All remaining authorized diverters are encouraged to implement conservation measures to protect carryover storage to meet human health and safety needs in the event of another drought year.

### **District Response:**

The District has worked closely with the SWRCB staff, Sonoma Water Agency (reservoir operators), watershed stakeholders, and customers during the drought and water supply response. The District developed and implemented a management plan that was used by the State Water Board in the emergency regulations to manage the redirection of previously stored water in Lake Mendocino for the District. It includes a diversion schedule for each customer diverting water under a District contract and/or senior water right that is designed to provide as much stability in the river flow as possible, avoiding spikes and dips. Weekly meter reads are gathered to measure the effectiveness of conservation efforts.

Agricultural customers are achieving impressive conservation levels, some up to 70% reduction from usual demand. The municipal retailers have mandated 25% conservation from customers, which will be reviewed on a weekly basis, and Redwood Valley County Water District mandated a maximum of 55 gallons per person per day due to their dependence on surplus water supplies only.

(Continued...)

Public outreach continues. The contract with Mendocino County Resource Conservation District to conduct public outreach and initiate the 2021 Drought Preparedness Campaign came to an end June 30, 2021 and the County of Mendocino and the California Department of Water Resources have dedicated funding for the Campaign beginning in July. The Campaign has been recognized and supported by Sonoma Water Agency, Sonoma-Marín Water Saving Partnership, Russian River Watershed Association, the Mendocino County Board of Supervisors, the State Water Resources Control Board, and Department of Water Resources. The District continues issuing weekly water supply emails with links to articles, tips, and other resources. District customers are offered further information and regular access to GM for updates and questions. Feedback indicates customers are well informed and consider their interests well represented by the District.

Legislative advocacy continues. Senator Mike McGuire hosted a meeting with Upper Russian River stakeholders and the State Water Resources Control Board (Water Board Chair Esquivel and various staff) to provide a forum for further sharing on conditions, needed support, and funding ready projects. Follow up discussion with staff from Senator McGuire and Congressman Thompson's office were held in June.

**Regional Response:**

The Mendocino County Water Agency was provided some additional resources by the Mendocino County Board of Supervisors and a Program Manager was contracted to conduct drought response and develop a scope of work for the Agency. A Countywide Drought Task Force meeting was hosted by Supervisors McGourty and Haschak. Representatives around the county provided updates on the water supply and drought impact situations. Smaller meetings have been underway to focus on specific regions or issues, as well as site visits. The intention of the MC Water Agency is to develop a comprehensive list of funding ready projects and emergency needs as well as support in bringing the needed funding and support to the county.

Sonoma County held a Drought Town Hall with a technical presentation on drought and water supply conditions. A link can be found on Sonoma's drought page: <https://www.sonomawater.org/drought>

Various water supply agencies and cities in the watershed have implemented mandatory conservation measures and provided water users support in their conservation efforts. Updates are provided in the weekly emails from the District.

**Further Information** can be provided by the District upon request.

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

**STAFF REPORT**

To: Board of Trustees  
 From: E. Salomone, General Manager  
 Meeting: Tuesday, July 6, 2021  
 RE: Agenda Item 6: Final Fiscal Year 2021-22 Budget

The Strategic Plan relevant priority is to **Administer** agency finances to support plans and goals.

Background

An annual budget sharpens understanding and provides reflection on progress of the District's goals. It encourages effective ways of measuring, reporting, and planning while facilitating discussion of financial strategies and health. The budget helps to avoid surprises and maintain fiscal control of the public resources managed by the District.

Discussion

The proposed final FY 2021-22 Budget has several significant changes to the previous year budget due to the drought impacts, as summarized in the table below:

<i>Line</i>	<i>Description of significant change from previous fiscal year budget</i>
R-3	<p><b>\$243,000 Water Sales</b></p> <p>A 25% reduction in total contracted water sales of \$325,000 has been calculated as a placeholder. Drought conditions have led the Board to mandate significant conservation measures. The Board has discretion in setting the annual acre foot price to mitigate impacts on revenue. A report will be provided by Staff later in the year providing options once more information is available on water supply availability and use. Invoicing for 2021 is conducted in January 2022 leaving sufficient time for messaging to the customer base and Board consideration in the public forum. It is worth noting that surplus water sales are not budgeted and in FY 2020-2021, \$61,000 in additional revenue was generated through surplus water sales (shown in revenues on worksheet.) Projected surplus sales in FY 2021-2022 are \$15,000, which were incurred prior to water supply restrictions.</p>
E-6	<p><b>25,000 Legal</b></p> <p>In the State Water Board's Emergency Regulation is a requirement to jointly submit an executed agreement with Sonoma Water Agency specifying the amount of water stored in Lake Mendocino for use in 2022 and a methodology for determining how inflows are attributed to the District and Sonoma Water Agency's respective water rights. Their cost estimate for this in the Fiscal Effect on Local and State Government document was \$12,500 in legal fees for each agency. It is likely some of the costs will be for engineering consultation and have been accounted for in the consultant expense line item.</p>
E-8	<p><b>\$11,500 Memberships</b></p> <p>Staff suggests a \$5,000 budget allocation for Russian River Watershed Association membership and intends to bring forward a proposal at a future Board meeting. The RRWA has proved to be a strong ally and advocate in the drought response and well worth the consideration to join.</p>
E-10 & E-19	<p><b>\$5,000 Office Expenses</b>  <b>\$20,000 Rent &amp; Utilities</b></p> <p>Office relocation is being considered and additional expenses projected in these two line items.</p>

<i>Line</i>	<i>Description of significant change from previous fiscal year budget</i>
E-25	<b>\$2,000 Vehicle</b> Additional field work during drought conditions may result in higher fuel, maintenance, and repair costs.
E-26	<b>Water Resiliency</b> This is a suggested name change from the previous "Water Resource Management" line title. Expenses assigned to this line would be outreach, contributions to the Groundwater Sustainability Agency, projects, and contributions to Inland Water & Power Commission for the Potter Valley Project relicensing efforts. No budget has been allocated to this line item at this time, due to the revenue reduction projection. It is likely that reserve funds will be required to meet these expenses during this fiscal year.
C-1	<b>\$25,000 Meters, Capital Expense</b> A number of meter purchases are still required. This expense could also be covered by reserves.
S-4	<b>Reliability Reserves</b> This includes a transfer of \$175,000 from checking account of surplus revenue from FY 2019-20 and FY 2020-21.

**SUMMARY:**

		FY 2021/22
		<b>PROPOSED BUDGET</b>
	<b>TOTAL REVENUE</b>	\$ 293,000
	less <b>TOTAL OPERATIONAL EXPENSES</b>	\$ 306,450
	<b>equals</b>	\$ (13,450)
	less <b>TOTAL CAPITAL EXPENSES</b>	\$ 25,000
	<b>equals TOTAL DIFFERENCE</b>	\$ (38,450)

*NOTE: Negative balance indicates use of reserves.*

<b>REVENUE from Surplus Water Sales</b>	\$ 15,000.00
	<b>not budgeted</b>

<b>TOTAL RESERVES</b>	\$ 664,718.07
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Recommendations

- (1) Direct staff to provide a water supply rate review once a more data on projected 2021 water use and sales is available and;
- (2) Move to approve Resolution #21-03 Adopting the Final Budget for Fiscal Year 2021-2022.

Attachments:

- FY 2021-2022 Final Proposed Budget Worksheet
- Resolution #21-03 Adopting the Final Budget for Fiscal Year 2021-2022, including Exhibit A

Mendocino County Russian River Flood Control  
 Water Conservation Improvement District  
 FY 2021-2022 Final Proposed Budget Worksheet

Line name:	REVENUE	FY 2020/21	FY 2020/21	FY 2021/22
		ADOPTED Budget Adjustment 3/1/21	Actuals Projected to 6/30/21	PROPOSED BUDGET
R-1	Interest, LAIF & Savings	\$ 8,000	\$ 4,213.77	\$ 5,000
R- 2	Property Taxes	\$ 37,500	\$ 58,079.73	\$ 45,000
R-3	Water Sales, Contracted	\$ 300,000	\$ 365,904.49	\$ 243,000
R-Tots	<b>TOTAL REVENUE</b>	<b>\$ 345,500</b>	<b>\$ 428,197.99</b>	<b>\$ 293,000</b>

	OPERATING EXPENSES	FY 2020/21	FY 2020/21	FY 2021/22
		ADOPTED Budget Adjustment 3/1/21	Actuals Projected to 6/30/21	PROPOSED BUDGET
E-1	Consulting, including Audit Services	\$ 19,000	\$ 17,000.00	\$ 20,000
E-2	Election	\$ 500	\$ 300.00	\$ -
E-3	Fees: Bank Charges, County Admin	\$ 1,000	\$ 1,000.00	\$ 800
E-4	Gage, Russian River nr Talmage by USGS	\$ 14,500	\$ 14,500.00	\$ 15,000
E-5	Insurance: Liability, Property, Auto & Workers Comp	\$ 11,000	\$ 10,000.00	\$ 12,000
E-6	Legal	\$ 17,000	\$ 35,000.00	\$ 25,000
E-7	Local Agency Formation Commission (LAFCo)	\$ 700	\$ 600.00	\$ 900
E-8	Memberships, ACWA, CSDA, etc.	\$ 5,600	\$ 6,000.00	\$ 11,500
E-9	Meter Expenses (maintenance, repairs, etc.)	\$ 1,200	\$ 2,000.00	\$ 2,000
E-10	Office Operating Expenses	\$ 3,000	\$ 3,500.00	\$ 5,000
E-11	PAYROLL: CalPERS Survivor Billing	\$ 100	\$ 25.00	\$ 50
E-12	PAYROLL: CalPERS GASB-68 Fees	\$ 900	\$ 700.00	\$ 900
E-13	PAYROLL: Employee Def Comp	\$ 3,500	\$ 3,300.00	\$ 3,500
E-14	PAYROLL: Employer Retirement	\$ 9,000	\$ 8,500.00	\$ 9,000
E-15	PAYROLL: Health Insurance	\$ 15,000	\$ 14,400.00	\$ 15,000
E-16	PAYROLL: Gross Wages	\$ 115,000	\$ 108,000.00	\$ 120,000
E-17	PAYROLL: Medicare	\$ 1,800	\$ 1,600.00	\$ 1,800
E-18	PAYROLL: Taxes	\$ 8,500	\$ 6,800.00	\$ 10,000
E-19	Rent & Utilities	\$ 12,400	\$ 7,500.00	\$ 20,000
E-20	Reserves to meet District Policy minimums	\$ -	\$ -	\$ -
E-21	State Water Resources Control Board Permits	\$ 12,700	\$ 13,000.00	\$ 15,000
E-22	Stipends	\$ 4,000	\$ 2,500.00	\$ 6,000
E-23	Training & Associated Costs for Board & Staff	\$ 2,000	\$ 1,300.00	\$ 5,000
E-24	Unfunded Pension Liability	\$ 6,780	\$ 6,800.00	\$ 6,000
E-25	Vehicle: Fuel, Repairs, Maintenance	\$ 500	\$ 200.00	\$ 2,000
E-26	Water Resiliency	\$ 55,000	\$ 51,000.00	\$ -
E-Tots	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 320,680</b>	<b>\$ 315,525.00</b>	<b>\$ 306,450</b>

Mendocino County Russian River Flood Control  
 Water Conservation Improvement District  
 FY 2021-2022 Final Proposed Budget Worksheet

CAPITAL EXPENSES		FY 2020/21	FY 2020/21	FY 2021/22
		ADOPTED Budget Adjustment 3/1/21	Projected to 6/30/21	PROPOSED BUDGET
C-1	Meters	\$ 20,000	\$ 4,968.00	\$ 25,000
C-Tots	<b>TOTAL CAPITAL EXPENSES</b>	<b>\$ 20,000</b>	<b>\$ 4,968.00</b>	<b>\$ 25,000</b>
		FY 2020/21	FY 2020/21	FY 2021/22
		ADOPTED Budget Adjustment 3/1/21	Projected to 6/30/21	PROPOSED BUDGET
O-1	<b>TOTAL REVENUE</b>	\$ 345,500	\$ 428,197.99	\$ 293,000
O-2	less <b>TOTAL OPERATING EXPENSES</b>	\$ 320,680	\$ 315,525.00	\$ 306,450
O-3	equals	\$ 24,820	\$ 112,672.99	\$ (13,450)
O-4	less <b>TOTAL CAPITAL EXPENSES</b>	\$ 20,000	\$ 4,968.00	\$ 25,000
O-5	equals <b>TOTAL DIFFERENCE</b>	\$ 4,820	\$ 107,704.99	\$ (38,450)
O-6	<i>NOTE: Negative balance indicates use of reserves.</i>			
O-7	<b>REVENUE from Surplus Water Sales</b>		\$ 61,000.00 included in revenue	\$ 15,000.00 not budgeted
RESERVES		FY 2020/21	FY 2020/21	FY 2021/22
		ADOPTED Budget Adjustment 3/1/21	Projected to 6/30/21	PROPOSED BUDGET
S-1	Capital (15% of fixed assets + 10% operating expense budget)	\$ 53,000.00	\$ 53,000.00	\$ 48,000.00
S-2	Emergency (Emergency: 25% of fixed assets)	\$ 32,000.00	\$ 32,000.00	\$ 28,000.00
S-3	Operating (Operating: 50% of operating expense budget)	\$ 156,000.00	\$ 156,000.00	\$ 153,000.00
S-4	Water Supply Reliability (Remainder)	\$ 248,404.60	\$ 248,718.07	\$ 435,718.07
S-Tots	<b>TOTALS:</b>	<b>\$ 489,404.60</b>	<b>\$ 489,718.07</b>	<b>\$ 664,718.07</b>



Mendocino County Russian River Flood Control  
Water Conservation Improvement District  
PROPOSED FY 2021-2022 Final Budget  
**BOARD APPROVED:** \_\_\_\_\_

REVENUE	FY 2021/22
Interest, LAIF & Savings	\$ 5,000
Property Taxes	\$ 45,000
Water Sales, Contracted	\$ 243,000
<b>TOTAL REVENUE</b>	<b>\$ 293,000</b>

OPERATING EXPENSES	FY 2021/22
Consulting	\$ 20,000
Election	\$ -
Fees	\$ 800
Gage	\$ 15,000
Insurance	\$ 12,000
Legal	\$ 25,000
Local Agency Formation Commission (LAFCo)	\$ 900
Memberships	\$ 11,500
Meter expenses	\$ 2,000
Office Operating Expenses	\$ 5,000
Payroll Expenses	\$ 160,250
Rent & Utilities	\$ 20,000
Reserves to meet District Policy	-
State Water Resources Control Board Permits	\$ 15,000
Stipends	\$ 6,000
Training & Associated Costs	\$ 5,000
Unfunded Pension Liability	\$ 6,000
Vehicle expenses	\$ 2,000
Water Resiliency	\$ -

CAPITAL EXPENSES	FY 2021/22
Meters	\$ 25,000
<b>TOTAL CAPITAL EXPENSES</b>	<b>\$ 25,000</b>

	FY 2021/22 PROPOSED BUDGET
<b>TOTAL REVENUE</b>	<b>\$ 293,000</b>
<b>less TOTAL OPERATING EXPENSES</b>	<b>\$ 306,450</b>
<b>equals</b>	<b>\$ (13,450)</b>
<b>less TOTAL CAPITAL EXPENSES</b>	<b>\$ 25,000</b>
<b>equals TOTAL DIFFERENCE</b>	<b>\$ (38,450)</b>

*NOTE: Negative balance indicates use of reserves.*

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

**STAFF REPORT**

To: Board of Trustees  
From: E. Salomone, General Manager  
Meeting: Tuesday, July 6, 2021  
RE: Agenda Item 7a: June 2021 Financial Reports Summary

---

Revenue

May 2021 Additional revenue not shown on previous report: None

June 2021: None

Expenses

May 2021 Additional expenses not shown on previous report: None

June 2021: \$28,701.08 in expenses at time of writing this report, notably:

- \$5,581.44 Legal Counsel (drought and water rights)
- \$7,748.75 Water Resource Management -Outreach Campaign
- \$808.00 County annual property tax administration fee

Other

- Reconciliations are up to date from last statement (5/31/21)
- Additional reports or information available upon request.

Recommendation:

Move to accept and file the financial reports for June 2021.

Attachments:

1. Income & Expense / Budget Vs Actual Report
2. Profit & Loss Previous Year Comparison Report
3. Balance Sheet Previous Year Comparison Report
4. Monthly Payment Detail Report

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

Cash Basis

July 2020 through June 2021

	Jul '20 - Jun 21	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
Interest-LAIF	4,113.47	7,900.00	-3,786.53	52.1%
Interest-SBMC	100.30	100.00	0.30	100.3%
Other Inc	0.00	0.00	0.00	0.0%
Property Taxes	58,067.73	37,500.00	20,567.73	154.8%
Reimbursed Expenses	19,570.10	0.00	19,570.10	100.0%
Water Application Fee	0.00	0.00	0.00	0.0%
Water Sales	361,392.49	300,000.00	61,392.49	120.5%
<b>Total Income</b>	<b>443,244.09</b>	<b>345,500.00</b>	<b>97,744.09</b>	<b>128.3%</b>
<b>Expense</b>				
Consulting	15,026.25	19,000.00	-3,973.75	79.1%
Election	308.75	500.00	-191.25	61.8%
Fees-inactive	0.00	0.00	0.00	0.0%
Fees, Bank Charges	102.20	0.00	102.20	100.0%
Fees, County & LAFCo	1,402.97	1,700.00	-297.03	82.5%
Frost WDMP	0.00	0.00	0.00	0.0%
Gage	21,108.75	14,500.00	6,608.75	145.6%
Groundwater Sustainability	3,000.00	3,000.00	0.00	100.0%
Insurance-inactive	0.00	0.00	0.00	0.0%
Insurance, Liability	5,687.19	5,700.00	-12.81	99.8%
Insurance, Workers Comp	3,619.38	5,300.00	-1,680.62	68.3%
Legal	29,749.38	17,000.00	12,749.38	175.0%
Memberships	5,597.00	5,600.00	-3.00	99.9%
Meters Expense	1,940.10	1,200.00	740.10	161.7%
Miscellaneous	0.00	0.00	0.00	0.0%
Office Operating Expenses	3,200.17	3,000.00	200.17	106.7%
Office Phone,Internet, Cell	0.00	0.00	0.00	0.0%
Payroll Expenses	151,134.08	160,580.00	-9,445.92	94.1%
Reconciliation Discrepancies	0.00			
Rent, Utilities	7,451.08	12,400.00	-4,948.92	60.1%
Stipends, Meetings	3,450.00	4,000.00	-550.00	86.3%
SWRCB Permits	12,661.84	12,700.00	-38.16	99.7%
Training Costs	1,268.53	2,000.00	-731.47	63.4%
Vehicle	131.66	500.00	-368.34	26.3%
Water Resource Management	60,698.75	55,000.00	5,698.75	110.4%
<b>Total Expense</b>	<b>327,538.08</b>	<b>323,680.00</b>	<b>3,858.08</b>	<b>101.2%</b>
<b>Net Ordinary Income</b>	<b>115,706.01</b>	<b>21,820.00</b>	<b>93,886.01</b>	<b>530.3%</b>
<b>Other Income/Expense</b>				
<b>Other Expense</b>				
Meter Purchase	4,968.00	20,000.00	-15,032.00	24.8%
Reserves	50,000.00	0.00	50,000.00	100.0%
<b>Total Other Expense</b>	<b>54,968.00</b>	<b>20,000.00</b>	<b>34,968.00</b>	<b>274.8%</b>
<b>Net Other Income</b>	<b>-54,968.00</b>	<b>-20,000.00</b>	<b>-34,968.00</b>	<b>274.8%</b>
<b>Net Income</b>	<b>60,738.01</b>	<b>1,820.00</b>	<b>58,918.01</b>	<b>3,337.3%</b>

**Russian River Flood Control District**  
**Profit & Loss Prev Year Comparison**  
**July 2020 through June 2021**

Cash Basis

	Jul '20 - Jun 21	Jul '19 - Jun 20	\$ Change	% Change
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
Interest-LAIF	4,113.47	11,164.35	-7,050.88	-63.2%
Interest-SBMC	100.30	94.15	6.15	6.5%
Property Taxes	58,067.73	54,069.44	3,998.29	7.4%
Reimbursed Expenses	19,570.10	0.00	19,570.10	100.0%
Water Application Fee	0.00	1,200.00	-1,200.00	-100.0%
Water Sales	361,392.49	387,716.51	-26,324.02	-6.8%
<b>Total Income</b>	<b>443,244.09</b>	<b>454,244.45</b>	<b>-11,000.36</b>	<b>-2.4%</b>
<b>Expense</b>				
Conservation Program	0.00	2,373.14	-2,373.14	-100.0%
Consulting	15,026.25	22,282.07	-7,255.82	-32.6%
Election	308.75	0.00	308.75	100.0%
Fees, Bank Charges	102.20	50.67	51.53	101.7%
Fees, County & LAFCO	1,402.97	1,123.55	279.42	24.9%
Gage	21,108.75	14,475.00	6,633.75	45.8%
Groundwater Sustainability	3,000.00	0.00	3,000.00	100.0%
Insurance, Liability	5,687.19	0.00	5,687.19	100.0%
Insurance, Workers Comp	3,619.38	3,803.65	-184.27	-4.8%
Legal	29,749.38	11,568.00	18,181.38	157.2%
Memberships	5,597.00	6,562.00	-965.00	-14.7%
Meters Expense	1,940.10	284.40	1,655.70	582.2%
Office Operating Expenses	3,200.17	4,860.74	-1,660.57	-34.2%
Office Phone,Internet, Cell	0.00	3,728.55	-3,728.55	-100.0%
<b>Payroll Expenses</b>				
CalPERS 1959 Survivor Billing	23.00	106.80	-83.80	-78.5%
CalPERS 457 Employee Def Comp	3,275.00	3,132.00	143.00	4.6%
CalPERS Company Match	8,441.12	7,820.60	620.52	7.9%
CALPERS GASB-68 Fees	700.00	700.00	0.00	0.0%
CalPERS Unfunded Pns. Liability	6,777.00	5,777.00	1,000.00	17.3%
Employee Health Insurance	14,400.00	15,600.00	-1,200.00	-7.7%
Gross Wages	107,955.18	105,000.00	2,955.18	2.8%
Medicare	1,582.92	1,522.50	60.42	4.0%
Payroll Taxes- FICA, etc	6,768.34	6,641.76	126.58	1.9%
Vacation/Sick	1,211.52	0.00	1,211.52	100.0%
Payroll Expenses - Other	0.00	0.00	0.00	0.0%
<b>Total Payroll Expenses</b>	<b>151,134.08</b>	<b>146,300.66</b>	<b>4,833.42</b>	<b>3.3%</b>
Reconciliation Discrepancies	0.00	0.00	0.00	0.0%
Rent, Utilities	7,451.08	7,279.76	171.32	2.4%
Stipends, Meetings	3,450.00	2,200.00	1,250.00	56.8%
SWRCB Permits	12,661.84	12,008.40	653.44	5.4%
Training Costs	1,268.53	3,989.07	-2,720.54	-68.2%
UC Modeling	0.00	8,000.00	-8,000.00	-100.0%
Vehicle	131.66	1,891.03	-1,759.37	-93.0%
Water Resource Management	60,698.75	519.00	60,179.75	11,595.3%
<b>Total Expense</b>	<b>327,538.08</b>	<b>253,299.69</b>	<b>74,238.39</b>	<b>29.3%</b>
<b>Net Ordinary Income</b>	<b>115,706.01</b>	<b>200,944.76</b>	<b>-85,238.75</b>	<b>-42.4%</b>
<b>Other Income/Expense</b>				
<b>Other Expense</b>				
Meter Purchase	4,968.00	17,537.09	-12,569.09	-71.7%
Reserves	50,000.00	26,500.00	23,500.00	88.7%
<b>Total Other Expense</b>	<b>54,968.00</b>	<b>44,037.09</b>	<b>10,930.91</b>	<b>24.8%</b>
<b>Net Other Income</b>	<b>-54,968.00</b>	<b>-44,037.09</b>	<b>-10,930.91</b>	<b>-24.8%</b>
<b>Net Income</b>	<b>60,738.01</b>	<b>156,907.67</b>	<b>-96,169.66</b>	<b>-61.3%</b>

## Russian River Flood Control District Balance Sheet Prev Year Comparison

Cash Basis

As of June 30, 2021

	Jun 30, 21	Jun 30, 20	\$ Change	% Change
<b>ASSETS</b>				
<b>Current Assets</b>				
Checking/Savings				
<b>LAIF</b>				
Capital Reserve	53,000.00	52,000.00	1,000.00	1.9%
Emergency Reserve	32,000.00	25,000.00	7,000.00	28.0%
Operating Reserve	156,000.00	195,000.00	-39,000.00	-20.0%
WaterSupplyReliability Reserve	247,411.40	213,604.60	33,806.80	15.8%
LAIF - Other	1,306.67	0.00	1,306.67	100.0%
<b>Total LAIF</b>	489,718.07	485,604.60	4,113.47	0.9%
SBMC Checking	308,689.77	253,518.20	55,171.57	21.8%
SBMC Savings	267,749.70	267,649.40	100.30	0.0%
<b>Total Checking/Savings</b>	1,066,157.54	1,006,772.20	59,385.34	5.9%
<b>Other Current Assets</b>				
Prepaid Expenses	7,068.00	7,068.00	0.00	0.0%
Taxes Receivable	3,968.00	3,968.00	0.00	0.0%
<b>Total Other Current Assets</b>	11,036.00	11,036.00	0.00	0.0%
<b>Total Current Assets</b>	1,077,193.54	1,017,808.20	59,385.34	5.8%
<b>Fixed Assets</b>				
Accumulated Depreciation	-24,542.00	-24,542.00	0.00	0.0%
<b>Meters &amp; Vehicles</b>				
At Cost	98,265.89	98,265.89	0.00	0.0%
Meters & Vehicles - Other	35,845.36	32,670.00	3,175.36	9.7%
<b>Total Meters &amp; Vehicles</b>	134,111.25	130,935.89	3,175.36	2.4%
<b>Total Fixed Assets</b>	109,569.25	106,393.89	3,175.36	3.0%
<b>Other Assets</b>				
Deferred Outflows	64,366.00	64,366.00	0.00	0.0%
<b>Total Other Assets</b>	64,366.00	64,366.00	0.00	0.0%
<b>TOTAL ASSETS</b>	<b>1,251,128.79</b>	<b>1,188,568.09</b>	<b>62,560.70</b>	<b>5.3%</b>
<b>LIABILITIES &amp; EQUITY</b>				
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Other Current Liabilities				
Payroll Liabilities	3,022.69	1,200.00	1,822.69	151.9%
<b>Total Other Current Liabilities</b>	3,022.69	1,200.00	1,822.69	151.9%
<b>Total Current Liabilities</b>	3,022.69	1,200.00	1,822.69	151.9%
<b>Long Term Liabilities</b>				
Net Pension Liability	36,024.00	36,024.00	0.00	0.0%
<b>Total Long Term Liabilities</b>	36,024.00	36,024.00	0.00	0.0%
<b>Total Liabilities</b>	39,046.69	37,224.00	1,822.69	4.9%
<b>Equity</b>				
Opening Bal Equity	541,116.95	541,116.95	0.00	0.0%
Retained Earnings	610,227.14	453,319.47	156,907.67	34.6%
Net Income	60,738.01	156,907.67	-96,169.66	-61.3%
<b>Total Equity</b>	1,212,082.10	1,151,344.09	60,738.01	5.3%
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>1,251,128.79</b>	<b>1,188,568.09</b>	<b>62,560.70</b>	<b>5.3%</b>

**Russian River Flood Control District**  
**Monthly Payment Detail**

Cash Basis

As of June 30, 2021

Type	Date	Name	Memo	Original Amount	Paid Amount
<b>SBMC Checking</b>					
Bill Pmt -Check	06/02/2021	State Compensation Insurance Fund	2021-22 FY Policy charges for 5/9/21-6/9/22	-634.15	-634.15
Bill Pmt -Check	06/02/2021	Cardmember Service	Credit card 4/12 - 5/12/21	-702.61	-702.61
Bill Pmt -Check	06/03/2021	Comcast Business	Internet services for May 13- June 12, 2021	-29.95	-29.95
Bill Pmt -Check	06/08/2021	Intuit	Monthly Payroll Subscription	-2.00	-2.00
Bill Pmt -Check	06/18/2021	US Cellular	Cell service 5/14-6/13/21	-50.08	-50.08
Bill Pmt -Check	06/21/2021	Mendocino County Resource Conserv...	Media & Outreach for Water Supply & Drought Eme...	-7,748.75	-7,748.75
Bill Pmt -Check	06/21/2021	Performance Pump	Meter purchase for O'Bergin contract	-818.00	-818.00
Bill Pmt -Check	06/21/2021	Willow County Water District	Invoice #492 Rent and Utilities June2020	-596.21	-596.21
Bill Pmt -Check	06/21/2021	Mendocino County Auditor-Controller	Property Tax Administration 2019-20	-808.88	-808.88
Bill Pmt -Check	06/29/2021	Herum/Crabtree/Suntag	Legal Counsel	-5,581.44	-5,581.44
Total SBMC Checking					-16,972.07
<b>TOTAL</b>					<b>-16,972.07</b>

5 **DRAFT MINUTES**  
6 **Regular Meeting**  
7 **May 3, 2021**  
8

9 IN COMPLIANCE WITH THE DIRECTIVES OF THE COUNTY HEALTH OFFICER, STATE AND CENTERS FOR DISEASE  
10 CONTROL AND PREVENTION (CDC), THIS MEETING WAS HELD VIA ZOOM.  
11

12 **1. Roll Call**

13 President Watt called the meeting to order at 4:48 pm.

- 14 Trustees Present: Christopher Watt, President  
15 Alfred White, Vice President  
16 Matthew Froneberger, Treasurer  
17 John Reardan, Trustee  
18 Tyler Rodrigue, Trustee  
19

- 20 Staff: Elizabeth Salomone, General Manager  
21 Jeanne Zolezzi, Legal Counsel  
22

23 **2. Public Expression -** No one from the public indicated interest in public expression.

24 **3. Approval of Agenda**

25 Vice President White moved to approve the agenda as presented. Trustee Reardan seconded the motion.  
26 The motion was approved by the following unanimous vote:  
27 Ayes: 5 (Froneberger, Reardan, Rodrigue, White, Watt)  
28

29 **CLOSED SESSION**

30 **4. CONFERENCE WITH LEGAL COUNSEL- ANTICIPATED LITIGATION**

31 Gov. Code § 54956.9(d) *Significant exposure to litigation:* (1 potential case)  
32 The Board entered closed session at 4:52 pm and returned to open session at 5:31 pm. President Watt  
33 reported the Board took no reportable action.  
34  
35 The Closed Session was reconvened after Items 5, 8, 9, & 10 at 6:12 pm and the Board returned to open  
36 session at 7:21 pm. President Watt reported that the Board is not passing the proposed Declaration, allowing  
37 the District time to meet with the State Water Resources Control Board to further confer.  
38

39 **PUBLIC HEARING**

40 **5. Water Supply Conditions Update and District Response**

41 The Public Hearing was opened at 5:32 pm by President Watt.  
42  
43 GM Salomone presented the item, noting the Board will consider comments from the public regarding a  
44 potential declaration by the Board on pursuant to California Water Code Section 350 declaring a water  
45 shortage emergency condition within its boundaries and a finding and determination that the ordinary  
46 demands and requirements of water consumers cannot be satisfied without depleting the water supply of the  
47 distributor to the extent that there would be insufficient water for human consumption, sanitation, and fire

48 protection. The hearing will provide an opportunity for consumers to be heard to protest against the  
49 declaration and to present their respective needs to the Board.

50  
51 No one from the Public indicated a desire to speak.

52  
53 The Public Hearing was closed at 5:37 pm by President Watt.

54  
55 The Public Hearing was reopened at 5:43 pm to accommodate technical difficulties by President Watt.

56  
57 Mike Hildreth, District constituent and customer, addressed the Board asking for advocacy to support  
58 agricultural use of water under the District licensed right to stored water. He also stressed the need to know  
59 water supply availability soon for planning purposes. Mr. Hildreth asked for clarification on the place of use  
60 and points of diversion of contracted water.

61  
62 Devon Jones, Mendocino County Farm Bureau, addressed the Board making the following points: (1) No  
63 clear public health water allocation has yet been made public; (2) There are many operational questions in  
64 providing public health water allocation; (3) Still a need to clarify the “colors of the water” and assumptions  
65 made that all water in the system is stored that needs to be vetted, noting water rights senior to the District’s  
66 that need to be addressed by the State Water Resources Control Board; (4) Low flows restrict direct  
67 diversions; (5) there is going to be significant public reception on how this water is allocated and agriculture is  
68 going to get the brunt of it; and (6) Asked for creativity to offset municipal demand from the District by  
69 coordinating with other regional water suppliers and therefore potentially making more water available to  
70 agriculture.

71  
72 Devon Jones asked for clarification of the Redwood Valley allocations in the proposed Declaration. GM  
73 Salomone explained that any water provided to Redwood Valley County Water District will only be done so in  
74 coordination with the State Water Resources Control Board to provide water for human health and safety as  
75 well as recharging the pond for fire suppression purposes in an emergency situation.

76  
77 Devon Jones asked if an emergency declaration is needed to redistribute contracted water supply to meet  
78 human health and safety needs. Jeanne Zolezzi explained that this Declaration is needed to override the  
79 contractual terms in order to meet human health and safety needs in an emergency. She noted there is no legal  
80 authority for the District to relinquish some of its water right for human health and safety [outside of  
81 contractual commitments] but can be done in an action from the Board in recognizing the emergency.

82  
83 Bree Klotter, Redwood Valley County Water District Board, addressed the Board regarding water theft from  
84 RVCWD’s fire hydrants. Jeanne Zolezzi, legal counsel, suggested the District could assist in coordination with  
85 local law enforcement regarding the value of the water. GM Salomone noted the Countywide Drought Task  
86 Force is being reconvened and will be an appropriate forum for discussion on water theft, enforcement, etc.

87  
88 Trustee Reardan noted the District position is to support constituents and customers in receiving the benefits  
89 they have been investing in through annual contractual payments. President Watt thanked the public for their  
90 time and comments.

91  
92 The Public Hearing was closed at 6:07 pm by President Watt.

## 93 94 **ITEMS FOR DISCUSSION AND POSSIBLE ACTION**

95 **Note: By consensus from the Board, Items 6 & 7 were deferred to after the reconvening of the**  
96 **Closed Session.**

### 97 98 **6. Consider adoption of Declaration #21-03: Stage IV – Water Crisis**

99 The Board did not take action on adoption of the Declaration at this meeting.

100 **7. Discussion of other Potential Actions required to address drought emergency**

101 No further reports or discussion offered on this item.

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

103 **8. Consent Calendar**

- 104 a) Approval of Minutes for the April 5, 2021 Regular Meeting  
105 b) Approval of Minutes for the March 29, 2021 Special Meeting  
106 c) Acceptance of the April 2021 Financial Reports and Project Water Worksheet  
107

108 It was noted in the monthly payment details, the credit card bill was listed twice and noted that it has now  
109 been corrected by staff.  
110

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

113 Ayes: 5 (Froneberger, Reardan, Rodrigue, White, Watt)  
114

115 **9. Board Member and Committee Reports**

116 *Vice President White* reported on a recent Millview Water District meeting, noting a rate study was  
117 discussed but not pursued. A CEQA exemption was received for Well 35 and going forward with the  
118 filtration project and hoping to have the well operational by July 2021. The District also proceeded with a  
119 water supply shortage declaration.

120 **10. General Manager Report & Correspondence**

121 GM Salomone presented the item, noting the items of correspondence.

122 **11. Direction on Future Agenda Items**

123 None  
124

125 **ADJOURNMENT**

126  
127 Vice President White moved to adjourn the meeting at 7:24 pm. Trustee Reardan seconded the motion.  
128 The motion was approved by the following unanimous vote:

129 Ayes: 5 (Froneberger, Reardan, Rodrigue, White, Watt)

5 **DRAFT MINUTES**  
6 **Special Meeting**  
7 **May 17, 2021**  
8

9 IN COMPLIANCE WITH THE DIRECTIVES OF THE COUNTY HEALTH OFFICER, STATE AND CENTERS FOR DISEASE  
10 CONTROL AND PREVENTION (CDC), THIS MEETING WAS HELD VIA ZOOM.

11 **1. Roll Call**

12 President Watt called the meeting to order at 4:31 pm.

- 13  
14 Trustees Present: Christopher Watt, President  
15 Alfred White, Vice President  
16 Matthew Froneberger, Treasurer (arrived at 5:40 pm)  
17 Tyler Rodrigue, Trustee  
18 John Reardan, Trustee  
19

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

22 **2. Public Expression**

23 No one from the public indicated an interest in speaking.

24 **3. Approval of Agenda**

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

- 27 Ayes: 4 (Reardan, Rodrigue White, Watt)  
28 Absent: 1 (Froneberger)

29 **CLOSED SESSION**  
30

31 **4. CONFERENCE WITH LEGAL COUNSEL- ANTICIPATED LITIGATION**

32 Gov. Code § 54956.9(d) *Significant exposure to litigation:* (1 potential case)  
33 The Board entered closed session at 4:33 pm and returned to open session at 5:17 pm. President Watt  
34 reported the Board took no reportable action.  
35

36 **ITEMS FOR DISCUSSION AND POSSIBLE ACTION**

37 **5. Water Supply Conditions Update & District Response**  
38

39 GM Salomone shared information provided on the same day by Sonoma Water Agency showing  
40 projections of Lake Mendocino storage based on varying levels of demand reduction and a discussion  
41 was held.  
42

43 Devon Jones, Mendocino County Farm Bureau, asked what response from other stakeholders and/or the  
44 State Water Resources Control Board was expected and how much of the stated reservation amount  
45 would be allocated to agricultural use.  
46

47 GM Salomone explained a drought management plan is being implemented by the District which includes  
48 the following: (1) Demand analysis with each customer to develop a diversion schedule specifying a date  
49 and time; (2) Reduction in diversion rates; and (3) Weekly meter read reporting and site visits. The District  
50 believes these practices will assist in stabilizing the river flow and potentially reduce the needed buffer on  
51 the minimum instream flow requirement. In addition, a five day running average for compliance on the  
52 minimum flow requirement was requested in Sonoma Water's recent Temporary Urgency Change  
53 Petition. It was clarified that the action to reserve a specific amount of stored water for the District's use  
54 in June through October does not guarantee that water will be available.  
55

56 Trustee Reardan moved to approve Declaration #21-03 Stage IV Water Crisis. Vice President White  
57 seconded. The motion was approved by the following vote:

58 Ayes: 5 (Froneberger Reardan, Rodrigue White, Watt)  
59

60 **6. Preliminary Fiscal Year 2021-2022 Budget**

61 This item was postponed to a future meeting.

62 **7. Comment Letter to Federal Energy Regulatory Commission (FERC)**

63 GM Salomone presented the item. The comment letter is regarding the temporary variance on the Potter  
64 Valley hydroelectric project 77 releases from Lake Pillsbury and diversion to the Russian River watershed.  
65 The Board directed GM Salomone to work with Trustee Reardan and Treasurer Froneberger to draft, sign,  
66 and submit the comment letter to FERC in coordination with other stakeholders with aligned interests.  
67

68 Devon Jones, Mendocino County Farm Bureau, asked  
69

70 **8. Office Space Rental Agreement**

71 GM Salomone presented the item and a discussion was held.

72 Vice President White moved to authorize President Christopher Watt to sign the commercial rental  
73 agreement with Mountanos Properties for new office premises at 456 North State Street, Unit D, Ukiah, CA  
74 95482 and authorize GM Salomone to incur unbudgeted expenses to relocate and settle into the new office  
75 location. Treasurer Froneberger seconded. The motion was approved by the following vote:

76 Ayes: 5 (Froneberger Reardan, Rodrigue White, Watt)  
77

78 **OTHER ITEMS**

79  
80 **9. Board Member and Committee Reports**

81 *Treasurer Froneberger* reported on the recent Local Agency Formation Commission Policies & Procedures  
82 Committee meeting.  
83

84 **10. General Manager Report**

85 No report.  
86

87 **11. Direction on Future Agenda Items**

88 None noted  
89

90 **ADJOURNMENT**

91  
92 Vice President White moved to adjourn the meeting at 6:15 pm. Trustee Reardan seconded the motion.  
93 The motion was approved by the following unanimous vote:

94 Ayes: 5 (Froneberger Reardan, Rodrigue White, Watt)

**President**  
*Christopher Watt*

**Vice President**  
*Alfred White*

**Treasurer**  
*Matthew Froneberger*

**Trustee**  
*Tyler Rodrigue*

**Trustee**  
*John Reardan*

5 **DRAFT MINUTES**  
6 **Regular Meeting**  
7 **June 7, 2021**  
8

9 IN COMPLIANCE WITH THE DIRECTIVES OF THE COUNTY HEALTH OFFICER, STATE AND CENTERS FOR DISEASE  
10 CONTROL AND PREVENTION (CDC), THIS MEETING WAS HELD VIA ZOOM.

11 **1. Roll Call**

12 President Watt called the meeting to order at 5:00 pm.

- 13  
14 Trustees Present: Christopher Watt, President (Recused 5:50 pm -7:32 pm)  
15 Alfred White, Vice President  
16 Matthew Froneberger, Treasurer  
17 John Reardan, Trustee  
18 Tyler Rodrigue, Trustee  
19  
20 Staff: Elizabeth Salomone, General Manager  
21 Jeanne Zolezzi, Legal Counsel

22 **2. Public Expression** - No one from the public indicated interest in public expression.

23 **3. Approval of Agenda**

24 Trustee Reardan moved to approve the agenda as presented. Treasurer Froneberger seconded the motion.  
25 The motion was approved by the following unanimous vote:  
26 Ayes: 5 (Froneberger, Reardan, Rodrigue White, Watt)  
27

28 **4. CLOSED SESSION**

29 **CONFERENCE WITH LEGAL COUNSEL- ANTICIPATED LITIGATION**  
30 **Gov. Code § 54956.9(d) Significant exposure to litigation: (1 potential case)**

31 The Board entered closed session at 5:01 pm and returned to open session at 5:36 pm. President Watt  
32 reported the Board directed GM to provide comments during the State Water Board meeting on June 15, 2021  
33 regarding the proposed Curtailment of Diversions to Protect Water Supplies and Threatened and Endangered  
34 Fish in the Russian River Watershed item.  
35

36 **5. Public Expression** - No one from the public indicated interest in public expression.

37 **ITEMS FOR DISCUSSION AND POSSIBLE ACTION**

38 **6. Water Supply Conditions Update and District Response**

39 GM Salomone presented the item, noting the only addition to the written staff report is the State Water  
40 Resources Control Board release of the proposed Curtailment of Diversions to Protect Water Supplies  
41 and Threatened and Endangered Fish in the Russian River Watershed, commonly known as Emergency  
42 Regulations. Devon Jones of the Mendocino County Farm Bureau asked for clarification on the terms to  
43 the section regarding the District's redirection of water previously stored in Lake Mendocino. Bree  
44 Klotter, Board member of the Redwood Valley County Water District, asked for clarification of  
45 reductions to the Eel River diversion and impacts to water supply. GM Salomone noted any abandoned  
46 water from the Eel diversion reaching Lake Mendocino does not factor into the amount of stored water  
47 available to the District.  
48

49 **7. Associated California Water Agencies (ACWA) Region 1 Board Nominations**

50 GM Salomone presented the item and comments and questions were offered by Trustees.

51

52 Vice President White moved to approve Resolution #21-02 nominating General Manager Elizabeth  
53 Salomone to the ACWA Region 1 Board for the 2022-2023 term. Trustee Reardan seconded the motion.  
54 The motion was approved by the following unanimous vote:

55 Ayes: 5 (Froneberger, Reardan, Rodrigue White, Watt)

56

57 **8. Proposed Final Fiscal Year 2021-2022 Budget**

58 GM Salomone asked to postpone this item to the next Board Meeting and received Board consensus.

59

60 **9. Groundwater Sustainability Agency (GSA) Contribution Proposal**

61 President Watt recused himself from the item noting a potential perceived conflict as he may be reviewing  
62 the GSA plan on an advisory level in his professional work. Vice President White assumed chairing the  
63 meeting during this item.

64

65 GM Salomone presented the item, reviewing the information provided in the meeting materials. Laura  
66 Foglia from Larry Walker Associates Inc., the consultants engaged by the GSA, provided further  
67 information and addressed comments and questions.

68

69 Vice President White, the District's appointed representative to the GSA, opened a discussion to consider  
70 the District's level of continued participation with the GSA. The Board directed staff to bring an agenda  
71 item to the next Board meeting.

72

73 President Watt returned to the meeting at the completion of this item.

74

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

76 **10. Consent Calendar**

- 77 a) Approval of Minutes for the May 3, 2021 Regular Meeting  
78 b) Acceptance of the May 2021 Financial Reports

79

80 Consent Item 10a was not complete in time for the Board meeting and therefore removed from the  
81 consent calendar.

82

83 Vice President White moved to approve Consent Calendar 10b Acceptance of the May 2021 Financial  
84 Reports. Trustee Reardan seconded the motion. The motion was approved by the following unanimous  
85 vote:

86 Ayes: 5 (Froneberger, Reardan, Rodrigue White, Watt)

87

88 **11. Board Member and Committee Reports**

89 *Vice President White* reported on a recent Upper Russian River Water Agency (URRWA) meeting, adding to  
90 the GM Report. URRWA and the City of Ukiah have had an introductory meeting and will continue  
91 meeting. The Groundwater Sustainability Agency financial contributions were discussed and each member  
92 agreed to discuss with their individual Boards. Consolidation efforts were discussed and Staff to return  
93 with reports on process and costs.

94 *Treasurer Froneberger* reported on the Local Agency Formation Commission noting consensus between the  
95 City of Ukiah, Ukiah Valley Sanitation District, and LAFCo staff to meet and build consensus on several  
96 projects.

97

98

99 *President Chris Watt* reported on meeting with an URRWA Board member and a City Council member in a  
100 get-to-know-one-another approach.

101 **12. General Manager Report & Correspondence**

102 GM Salomone presented the item, noting the proposed office rental was abandoned for various reasons.

103 **13. Direction on Future Agenda Items**

104 Items identified included:

- 105 ○ Groundwater Sustainability participation.
- 106 ○ Closed Session on information received from participation in IWPC closed sessions.

107

108 **ADJOURNMENT**

109

110 Trustee Reardan moved to adjourn the meeting at 7:32 pm. Vice President White seconded the motion.

111 The motion was approved by the following unanimous vote:

112 Ayes: 5 (Froneberger, Reardan, Rodrigue White, Watt)

113

DRAFT

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

## **General Manager's Report for June 2021**

*Presented at Regular Meeting of Tuesday, July 6, 2021*

**See also Agenda Item 5: Water Supply Condition Update & District Response.**

**Priority 1: Secure** (Water rights license, Reservoir, PVP)

**Potter Valley Project:** The Project has been in local press providing background and updates to the public.

**Priority 2: Use** (Contracts & water sales, monitor & respond to regional water issues)

**Customers & Water Sales:** "30 Min Thursday" with District GM continues to provide customers a forum to receive updates, ask questions, and offer feedback.

**Priority 3: Advocate** (Stakeholder positions, participation with community partners, website, legislation)

(See last page of this report for updates on all community partner meetings attended this month.)

**Associated California Water Agencies (ACWA):** \* Application for GM Salomone continued service on the Region 1 Board was submitted. \* Region 1 held a virtual event on drought with panelists focusing on the upper Russian River watershed including Potter and Redwood Valleys.

**California Special District Association:** Regional CSDA Representative met with GM Salomone at Lake Mendocino to discuss the water supply system for our region and the impacts of various CSDA member districts, as well as offer feedback on what support is needed from CSDA.

**Groundwater Sustainability Agency (GSA):** \*The Technical Advisory Committee (TAC) met and reviewed comments on draft chapters 3&4 as well as timelines and a public meeting proposal. \*The GSA Board met. An Ad Hoc Committee was formed to research and present options for GSA funding.

<https://www.mendocinocounty.org/government/affiliated-agencies/ukiah-valley-basin-gsa>

**Priority 4: Administer** (GM, Trustees, systems, financial)

**Operations:** The District Office continues to be closed to the public. The proposed lease agreement was dropped due to unsuitability for the District's needs. Alternative locations are being explored.

**Public Meeting Regulations:** Governor Newsom's Executive Order N-29-20 temporarily amending the Brown Act to allow public agencies to hold remote meetings without in-person public participation since last March will be lifted on September 30. Any local agency meetings taking place after that time must ensure physical public access to all meeting locations. This does not preclude agencies from allowing the public to participate in meetings by telephone or through online systems like Zoom.

**GM Professional Development:** Attended Associated California Water Agencies (ACWA) Drought Messaging webinar, Water Audit, Groundwater Recharge webinar, California Water Boards 6 th Annual Water Data Science Symposium (all virtual.)

[https://www.waterboards.ca.gov/resources/data\\_databases/docs/2021\\_SciSymp\\_Agenda\\_20210605.pdf](https://www.waterboards.ca.gov/resources/data_databases/docs/2021_SciSymp_Agenda_20210605.pdf)

**Financial:** The Auditor continues to work on the FY 2019-2020 Audit with delays being attributed to changes in the tax season and an office move. A draft is expected at the August meeting. With the close of the fiscal year on June 30, 2021, Treasurer and GM will begin working on preparing for the FY 2020-2021 Audit.

## Community Meetings Attended This Month

**City of Ukiah (6/2/21):** Council received a water supply update from staff under the City Manager report. Conducted a Public Hearing to Discuss the City Of Ukiah's 2020 Urban Water Management Plan, and Adopt Resolutions Approving the 2020 Urban Water Management Plan and Water Shortage Contingency Plan. <http://www.cityofukiah.com/meetings/>

**Upper Russian River Water Agency (URRWA) (6/2/21):** \*The Board discussed Groundwater Sustainability Agency funding options and agreed to return to each of their respective Boards for input. \*Updates were provided on drought impacts and responses to the member agencies. \*Consolidation efforts were discussed. \*The Board directed the GM to submit comment letters to the Federal Energy Regulatory Commission (FERC) regarding the Order Modifying and Approving Temporary Variance of Flow Requirements Under License Article 52, which reduces diversions into the Russian River during 2021 by approximately 5,000 acre feet. <http://willowcountywaterdistrict.org/urrwa>

**Local Agency Formation Commission (LAFCo) (6/7/21):** \*The LAFCo staff recommendation to postpone three agenda items was approved when Ukiah Valley Sanitation District and City of Ukiah managers agreed to meet and potentially resolve issues. These items were: 5a) Development of Sphere of Influence Policy; 5b) City of Ukiah Appeal of Executive Officer Determination for 2014 Amended Ukiah Valley Sanitation District Detachment Application; and 5c) Update on the City of Ukiah and Ukiah Valley Sanitation District Consultant Prepared Municipal Service Review and Sphere of Influence Update Process. \*Amended budget was approved (see attached.) \* Update on drought and water supply conditions was given by GM Salomone and Commissioners. <https://www.mendolafco.org/>

**Redwood Valley County Water District Special Mtg (6/8/21):** Public Hearing on the proposed rate increase was held. The Board received public comment, counted protests, and passed the rate study recommendations to increase rates. <http://willowcountywaterdistrict.org/redwood-valley>

**UV Sanitation District Meeting (6/9/21):** General business, budget, and discussion on URRWA participation. Legal Counsel will meet with URRWA member agencies to establish interest in consolidation efforts and potential next steps. <https://www.uvzd.org/>

**Hopland Public Utility District (6/10/21):** Not able to attend – same time as IWPC. <http://willowcountywaterdistrict.org/hopland>

**Inland Water & Power Commission (IWPC) (6/10/21):** Updates were provided on: Groundwater Sustainability Agency, Cal Cannabis, and member agency drought impacts to water supply. No significant updates on the PVP relicensing. <https://mendoiwpc.com/>

**Willow County Water (6/14/21):** \*Updates on drought impacts and water supply conditions was given. \*Groundwater Sustainability Agency funding was discussed. \*The Board directed staff to place an item on a future agenda regarding a potential rate study and increase. \*A draft FY 2021-22 Budget was reviewed. \*A request to co-fund a water supply verification study was discussed but with revenue projections down due to water conservation and expenses up, the agreement was not passed. Alternative payment plans were discussed. \*Board beginning in person meetings in July. <http://willowcountywaterdistrict.org/willow>

**Millview County Water District (6/15/21):** \*Board Member James Green is resigning and moving out of the area. \* Supply chain issues are slowing the well 35 filtration project, so operation not expected until the end of July. \*Further discussion on funding for GSA through URRWA. No conclusions but seemed interested in supporting the effort. <http://willowcountywaterdistrict.org/millview>

**Calpella County Water District (6/16/21):** Meeting cancelled due to lack of quorum. <http://willowcountywaterdistrict.org/calpella>

**City of Ukiah (6/16/21):** Nothing to note.

**Redwood Valley County Water District (6/17/21):** \*Staff report on significant infrastructure leak on the agriculture line that impacts West Road fire suppression water delivery. \*Discussion on progress of water use reductions. \*Update on retrofit project indicating all loops have now been eliminated. Board members to help staff conduct public outreach on the benefits of the project and potentially expand the project again. \*Draft budget reviewed. <http://willowcountywaterdistrict.org/redwood-valley>

**Willow CWD (6/22/21):** Special meeting to engage consultant for rate study.

**Ukiah Valley Sanitation District (6/23/21):** Special meeting to review budget.

\* \* \* \*

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

# MENDOCINO

## Local Agency Formation Commission

Ukiah Valley Conference Center | 200 South School Street | Ukiah, California 95482  
Telephone: (707) 463-4470 | E-mail: [eo@mendolafco.org](mailto:eo@mendolafco.org) | Web: [www.mendolafco.org](http://www.mendolafco.org)

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### COMMISSIONERS

**Tony Orth, Chair**

Brooktrails Township CSD

**Scott Ignacio, Vice-Chair**

Point Arena City Council

**Gerald Ward, Treasurer**

Public Member

**Matthew Froneberger**

Regular Special District

**Gerardo Gonzalez**

Willits City Council

**Glenn McGourty**

County Board of Supervisors

**Maureen Mulheren**

County Board of Supervisors

**Jenifer Bazzani, Alternate**

Ukiah Valley Fire District

**John Haschak, Alternate**

County Board of Supervisors

**Mari Rodin, Alternate**

City Member

**Richard Weinkle, Alternate**

Public Member

### STAFF

**Executive Officer**

Uma Hinman

**Analyst**

Larkyn Feiler

**Commission Clerk**

Kristen Meadows

**Counsel**

Scott Browne

### REGULAR MEETINGS

First Monday of each month  
at 9:00 AM in the  
Mendocino County  
Board of Supervisors  
Chambers  
501 Low Gap Road, Ukiah

**Date:** June 18, 2021

**To:** Mendocino County, Cities, and Independent Special Districts

**From:** Uma Hinman, Executive Officer

**Subject:** Notice of Adopted Final Budget for Fiscal Year 2021-2022

The Mendocino Local Agency Formation Commission (LAFCo) is responsible under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 to adopt a proposed budget by May 1<sup>st</sup> and a final budget by June 15<sup>th</sup>. A mandatory review by local funding agencies is required between the two adoption periods. The legislation also specifies the proposed and final budgets shall, at a minimum, be equal to the budget adopted for the previous fiscal year unless LAFCo finds any reduced costs that will nonetheless allow the agency to meet its regulatory and planning duties.

In order to meet operational expenses, an increase in apportionment fees was necessary for Fiscal Year 2021-2022. Higher operating expenses are due to increased staff workloads; a considerable increase in application processing that necessitates outsourcing the preparation of state-mandated MSR/SOI studies at higher consultant rates; increases in technology costs and insurance rates; and an increase to legal reserves.

Enclosed is the adopted budget for Fiscal Year 2021-22, as approved by the Commission at a public hearing held during its regular meeting on June 7, 2021.

Copies of all related documents are on file and may be reviewed at the LAFCo office. Please direct comments, questions, and requests to review documents to Mendocino LAFCo, 200 South School Street, Ukiah, CA 95482; e-mail: [eo@mendolafco.org](mailto:eo@mendolafco.org); phone: (707) 463-4470.

Enc.

LAFCo Resolution No. 2020-21-08: FY 2021-22 LAFCo Budget & Work Program

**Resolution No. 2020-21-08**  
**of the Local Agency Formation Commission of Mendocino County**

**Adopting the**  
**Final Budget and Work Program for Fiscal Year 2021-22**

WHEREAS, in accordance with the Cortese Knox Hertzberg Act of 2000, the Mendocino Local Agency Formation Commission, hereinafter referred to as the "Commission", annually adopts a budget pursuant to Government Code Section 56381(a) to fulfill its purposes and functions that are set by State law; and

WHEREAS, at a minimum, the proposed and final budget shall be equal to the budget adopted for the previous fiscal year unless the Commission finds that reduced staffing or program costs will nevertheless allow the Commission to fulfill the purposes and program of this chapter pursuant to Government Code Section 56381(a); and

WHEREAS, the Commission adopted a Proposed Budget and Work Program and held a duly noticed hearing as required by law on May 3, 2021 for the purposes of developing a Final Budget and Work Program for Fiscal Year 2021-22; and

WHEREAS, the Proposed Fiscal Year 2021-22 Budget and Work Program has been circulated to all affected agencies pursuant to Government Code Section 56381(a); and

WHEREAS, the Commission hereby advises member agencies of the potential necessity to incrementally increase agency apportionment rates in the fiscal years to follow in order for the Commission to achieve its expanding state mandated responsibilities, consistent with Government Code Section 56381; and

WHEREAS, the Commission heard and fully considered all evidence presented at a duly noticed public hearing held on the Fiscal Year 2021-22 Final Budget and Work Program on June 7, 2021.

NOW, THEREFORE, the Mendocino Local Agency Formation Commission does hereby RESOLVE, DETERMINE, and ORDER as follows:

1. The Commission hereby adopts the Final Budget for Fiscal Year 2021-22 as set forth in Exhibit A, attached hereto; and
2. Establishes the Fiscal Year 2021-22 Work Program priorities as identified in Exhibit B, attached hereto; and
3. Establishes the agency apportionment fees at \$265,000, which provides for an increase of legal reserves to \$50,000; and
4. Finds that the Fiscal Year 2021-22 Final Budget and Work Program allows the Commission to fulfill its prescribed regulatory and planning duties.

BE IT FURTHER RESOLVED that aforementioned Fiscal Year 2021-22 Final Budget and Work Program is officially adopted and ordered to be circulated to all affected agencies pursuant to Government Code Section 56381(a).


PASSED and ADOPTED by the Local Agency Formation Commission of Mendocino County this 7th day of June 2021 by the following vote:

AYES: Mulheren, McGourty, Ignacio, Froneberger, Gonzalez, Orth

NOES: Ward

ABSTAIN:

ABSENT:

  
\_\_\_\_\_  
CHARLES A. ORTH, Commission Chair

ATTEST:

  
\_\_\_\_\_  
UMA HINMAN, Executive Officer

## Exhibit A

### Mendocino Local Agency Formation Commission Final Budget for FY 2021-2022

7-Jun-21

ACCOUNT #	DESCRIPTION	FY 2020-21 Adopted	FY 2020-21 Amended	FY 2021-22 Final
<b>REVENUE</b>				
<i>Anticipated Cash Balance</i>				
4000	LAFCO Apportionment Fees	\$ 150,000	\$ 150,000	\$ 265,000
4100	Service Charges			
4800	Miscellaneous			
4910	Interest Income	\$ 450	\$ 450	\$ 100
<b>Revenue Subtotal</b>		<b>\$ 150,450</b>	<b>\$ 150,450</b>	<b>\$ 265,100</b>
<b>EXPENSES</b>				
5300	Basic Services	\$ 72,060	\$ 92,060	\$ 108,000
5500	Rent	\$ 5,568	\$ 5,568	\$ 5,775
5600	Office Expenses	\$ 3,450	\$ 3,550	\$ 3,300
5700	Internet & Website Costs	\$ 1,300	\$ 1,550	\$ 2,500
5900	Publication and Legal Notices	\$ 2,000	\$ 2,000	\$ 2,000
6000	Televising Meetings	\$ 2,000	\$ 2,000	\$ 2,000
6100	Audit Services	\$ 3,500	\$ 3,380	\$ 3,500
6200	Bookkeeping	\$ 4,500	\$ 4,500	\$ 4,500
6300	Legal Counsel	\$ 10,200	\$ 14,700	\$ 19,000
6400	A-87 Costs County Services	\$ 2,131	\$ 2,093	\$ 2,100
6500	Insurance-General Liability	\$ 3,000	\$ 2,815	\$ 2,450
6600	Memberships (CALAFCO/CSDA)	\$ 3,691	\$ 3,727	\$ 3,525
6670	GIS Contract with County (Counsel training, IT support)	\$ 2,500	\$ 2,500	\$ 2,500
6740	In-County Travel & Stipends	\$ 3,000	\$ 1,000	\$ 4,000
6750	Travel & Lodging Expense	\$ 100	\$ 100	\$ 6,250
6800	Conferences (Registrations)	\$ 150	\$ 150	\$ 4,100
7000	Work Plan (MSRs and SOIs)	\$ 42,500	\$ 34,500	\$ 51,500
<b>Operating Expense Total</b>		<b>\$ 161,650</b>	<b>\$ 176,193</b>	<b>\$ 227,000</b>
<b>REVENUE/EXPENSE DIFFERENCE</b>		<b>\$ (11,200)</b>	<b>\$ (25,743)</b>	<b>\$ 38,100</b>
<i>(Negative balance indicates use of fund balance and/or reserves)</i>				

## Exhibit B

### Work Program (Basic Services and Work Plan) FY 2021-22 Final Budget

Tasks	Description & Assumptions	Estimated Budget
<b>Basic Services</b>		
Office Hours & Administrative Duties	Clerk duties not related to projects; office hours; public assistance; PRA requests; budget development, tracking, amendments; accounts payable, QuickBooks; annual audit; EO correspondence; response to requests for Agency Comments for projects and/or environmental documents routed to LAFCo for review, etc.; carrying out Commission direction.	\$ 58,000
Commission & Committee Meetings	Commission & Committee meeting attendance (12 Regular and 8 Committee); agenda packet development, staff reports, presentations, minutes.	\$ 34,000
Work Plan Support	Prepare and distribute Public Notices, development of staff reports specifically related to MSR/SOI studies, presentation at Commission meetings for Public Workshops and Public Hearings.	\$ 4,500
Consult Legal Counsel	Contract allows for a minimum of 5 hours per month.	Existing Contract
Application Processing	Process change of organization or reorganization applications initiated by landowner petition or resolution of application from Cities and Special Districts to modify existing powers, annex and/or detach territory from agency boundaries, and create, dissolve, or consolidate/merge local agencies.	Paid by applicant
Policy Development	Prepare expedited process for out-of-area fire services; outreach and update SOI policy; policy amendment and development as needed.	\$ 10,000
Grants	Participation in the Sustainable Agricultural Lands Commission (SALC) grant project.	Match accounted for in Basic Services (\$4,000)
Application Forms	Overhaul LAFCo application forms.	\$ 800
Transparency Improvements to Website	Assess/implement website improvements (JPAs, Special Districts, etc.); Post JPA Agreements on website (SB 1266).	\$ 700
<b>Total</b>		<b>\$ 108,000</b>
<b>Work Plan</b>		
MSR/SOI Update	Prepare and adopt combined Municipal Service Review and Sphere of Influence (MSR/SOI) Update studies pursuant to GOV \$56425 and \$56430, either in-house or by contract.	\$ 51,500
<p>The agencies listed below have priority for preparation of a LAFCo-initiated MSR/SOI Update in Fiscal Year 2021-22.</p> <p><b>The actual completion of a specific study may span multiple fiscal years. The budget allocation for each agency is based on estimated costs. Actual costs for study completion may be higher or lower than estimated below.</b></p> <p>Work Plan implementation is subject to change due to various factors, such as: (a) agency responsiveness and timely provision of requested information, (b) complexity of issues involved, (c) level of public and affected agency controversy, (d) changing needs and priorities, (e) overall staff workload, and (f) higher than anticipated costs.</p> <p>The Work Plan budget assumes minimal costs for CEQA compliance related to filing a Notice of Exemption (NOE). Agencies requesting a non-coterminous SOI may expedite a potential multi-fiscal year process by contributing to the cost of preparing an Initial Study and associated environmental document (ND/MND, EIR, etc.).</p>		
<b>The total Work Plan Budget of \$51,500 is not limited to the following designations. These budget allocations may shift to other agencies as needed during the year.</b>	City of Ukiah	\$ 12,500
	Ukiah Valley Sanitation District	\$ 20,000
	Ukiah Valley Fire District	\$ 6,000
	County Service Area No. 3	\$ 10,000
	Covelo Community Services District	\$ 3,000
<b>Total</b>		<b>\$ 51,500</b>