

AGENDA

Board of Trustees – Regular Meeting
Monday, June 4, 2018, 5:30 pm at the District Office

1. Roll Call
2. Public Expression- See End of Agenda for Information on Public Expression
3. Urgent Items
4. Approval of Agenda
5. Approval of Minutes
 - a) May 7, 2018 Regular Meeting Minutes
6. May Financial Report (Accounts Payable, Income/Expenses/%, Balance Sheet, YTD Comparison)
7. Committee Reports
 - a) Finance Committee

Items for Discussion and Possible Action:

8. Consideration of Draft Fiscal Year 2018-19 Budget
9. Update on Implementation of Ordinance #17-01 – *Strategic Plan: RA Goal 3*
10. Discussion of Upper Russian River Water Agency and Consolidation Efforts – *Strategic Plan: RWR Goal 3*
11. Master Calendar – June, July
12. Board Member Reports
13. General Manager Report
14. Direction on Future Agenda Items
15. 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. (Posted 05-31-18)

President
Matthew Froneberger

Vice President
John Reardan

Treasurer
Tyler Rodrigue

Trustee
Alfred White

Trustee
William Carson

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Mendocino County
RUSSIAN RIVER FLOOD CONTROL &
WATER CONSERVATION IMPROVEMENT DISTRICT
151 Laws Avenue, Suite D Ukiah, CA 95482
(707) 462-5278 rrfc@pacific.net

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MINUTES

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Regular Meeting
May 7, 2018

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1. Roll Call

Vice President John Reardan called the regular meeting to order at 5:32pm in the District Office.

Members Present: John Reardan, Vice President
Tyler Rodrigue, Treasurer
Alfred White, Trustee
William Carson, Trustee
Members Absent: Matthew Froneberger, President
Staff: Tamara Alaniz, General Manager

2. Public Expression: No one from the public expressed an interest in speaking.

3. Urgent Items: None

4. Approval of Agenda

Trustee Carson moved to approve the agenda as presented. Trustee White seconded the motion. The motion was approved by unanimous vote:

Ayes: 4 (Carson, Reardan, Rodrigue, White)
Absent: 1 (Froneberger)

5. Approval of the Regular Meeting Minutes

Trustee Carson moved approval of the Minutes for April 2, 2018 Regular Meeting with the following edits: Line 42, add a space between “700” and “it”. Line 105 should read: “on Agenda as line 14”. Line 61, President Froneberger abstained from the vote. Trustee White seconded the motion. The motion was approved by unanimous vote:

Ayes: 4 (Carson, Reardan, Rodrigue, White)
Absent: 1 (Froneberger)

6. April Financial Report (Accounts Payable, Profit/Loss/%, Balance Sheet)

Trustee Carson reviewed the practice of rotating Board Members to review credit card statements and bank statements and signing payable checks that GM Alaniz currently employs. GM Alaniz noted the fixed assets are now allocated properly on QuickBooks reports and other income is including liabilities paid out in previous years.

Trustee Carson moved the financial report be accepted as presented and filed. Trustee White seconded the motion. The motion was approved by unanimous vote:

Ayes: 4 (Carson, Reardan, Rodrigue, White)
Absent: 1 (Froneberger)

49 **7. Committee Report:** There were no committee reports presented.

50

51 **ITEMS FOR DISCUSSION AND POSSIBLE ACTION**

52 **8. Update on Implementation of Ordinance #17-01** (*Strategic Plan: RA Goal 3*)

53 GM Alaniz provided an update, reviewing the General Manager’s report and noting all diversions
54 are compliant with SB88 and the District’s insurance is updated for the meters.

55

56 **9. Discussion of Upper Russian River Water Agency (URRWA) and Consolidation Efforts**

57 (*Strategic Plan: RWR Goal 3*)

58 GM Alaniz reported on the May 2nd URRWA meeting, noting the four districts still within the JPA
59 do want to move forward on consolidation. A water sales based cost share proposal was
60 developed, presented to the JPA Board and direction given to return to individual member Boards
61 for approval.

62

63 GM Alaniz clarified the definitions and process of cost share in relation to rate study, specifying
64 the cost share is for the LAFCo application costs and associated studies that are needed for the
65 Plan for Services, noting the possibility for grant funding in cooperation with LAFCo. She
66 provided further clarification on the water supply permit, legal opinion on water licenses, and the
67 intentions and implications of a District Board resolution supporting the consolidation process.

68

69 Trustee White moved to accept the water sales based cost shares agreement with the
70 understanding it will be revisited annually based on the previous calendar years’ water sales.
71 Trustee Carson seconded the motion. The motion was approved by roll call vote:

72 Ayes: 4 (Carson, Reardan, Rodrigue, White)

73 Absent: 1 (Froneberger)

74

75 Trustee White clarified his motion and this approval is not the same as a motion to consolidate,
76 which is expected to be discussed at a further date. The purpose of this cost share agreement is to
77 explore the consolidation process.

78

79 **10. Master Calendar –May and June 2018:** No comments on calendar.

80

81 **11. Board Member Reports**

82 *Treasurer Rodrigue:* Reported on the Potter Valley Project Tour he and Vice President Reardan
83 attended, hosted by the Farm Bureau.

84

85 **12. General Manager Report:** Nothing beyond the written GM Report was noted.

86

87 **13. Closed Session**

88 **Government Code 54956.9(c): Anticipated Litigation:** The Closed Session was cancelled.

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90 **14. Direction on Future Agenda Items**

91 It was noted that a reserves policy will be revisited after the budget adoption in July 2018.

92

93 **15. Adjournment**

94 Trustee White moved to adjourn at 6:43 pm. Treasurer Rodrigue seconded the motion. The
95 motion was approved by unanimous vote:

96 Ayes: 4 (Carson, Reardan, Rodrigue, White)

97 Absent: 1 (Froneberger)

Russian River Flood Control District**Accounts Payable****May 2018**

	Type	Date	Memo	Amount
Cardmember Service				
	Bill Pmt -Check	05/21/2018	May 2018 Statement	-407.44
Elizabeth Salomone				
	Bill Pmt -Check	05/07/2018	April 2018 Invoice	-820.00
Environmental Systems Research Institute				
	Bill Pmt -Check	05/21/2018	Quotation 25843365	-2,500.00
Herum/Crabtree/Suntag				
	Bill Pmt -Check	05/21/2018	04/25/18 Invoice #88409	-130.56
IWPC JPA				
	Bill Pmt -Check	05/21/2018	2018 Annual Dues & Sandoval Study Cost Share	-6,400.00
McCrometer				
	Bill Pmt -Check	05/01/2018	Invoice 509989	-9,626.17
Ricoh USA, Inc.				
	Bill Pmt -Check	05/21/2018	Invoice 100562741	-67.54
US Cellular				
	Bill	05/29/2018	Invoice #0249342663 rcvd. 05/29/2018 due 06/08/2018	-89.10
Willow County Water District				
	Bill Pmt -Check	05/07/2018	May 2018 Rent and Utilities	-607.77

Russian River Flood Control District
Income & Expense / Budget vs. Actual
July 2017 through June 2018

Accrual Basis

	Jul '17 - Jun 18	Budget	% of Budget
Ordinary Income/Expense			
Income			
Interest-SBMC	25.79	120.00	21.5%
Property Taxes			
Current Secured	36,393.71	34,000.00	107.0%
Current Unsecur	1,385.21	1,390.00	99.7%
Highway Prop. Rental	222.86	1.00	22,286.0%
HOPTR	200.49	396.00	50.6%
MCRDA Pass thru	4,171.27		
Prior Secured	-15.95	120.00	-13.3%
Prior Unsecured	18.03	90.00	20.0%
SB813	540.96	396.00	136.6%
URDA Pass thru	6,760.55	10,000.00	67.6%
Total Property Taxes	49,677.13	46,393.00	107.1%
Uncategorized Income	-151,950.01	0.00	100.0%
Water Sales			
Application Fee	1,600.00	800.00	200.0%
Water Sales - Other	261,259.84	325,000.00	80.4%
Total Water Sales	262,859.84	325,800.00	80.7%
Total Income	160,612.75	372,313.00	43.1%
Expense			
Account-Audit	3,922.00	3,000.00	130.7%
Bank Charges	60.00	0.00	100.0%
Conservation Program	0.00	6,000.00	0.0%
Consulting	13,581.65	7,000.00	194.0%
District Vehicle	1,618.11	5,000.00	32.4%
Election	489.74	36,000.00	1.4%
Fees			
County Admin. Fees	685.49		
Fees - Other	157.86	0.00	100.0%
Total Fees	843.35	0.00	100.0%
Flood Control	0.00	0.00	0.0%
Frost WDMP	6,800.00	7,000.00	97.1%
Gage	13,487.50	12,500.00	107.9%
Insurance			
Employee Life	0.00	6,078.12	0.0%
Liability Insurance	1,104.92	2,500.00	44.2%
Vehicle	0.00	0.00	0.0%
Workers Comp	5,278.81	1,056.00	499.9%
Total Insurance	6,383.73	9,634.12	66.3%
ISRP	0.00	4,526.54	0.0%
Legal	15,087.84	20,000.00	75.4%
Meeting Stipends	2,375.00	4,000.00	59.4%
Membership	8,704.72	5,500.00	158.3%
Meters Expense	106,033.74	160,000.00	66.3%
Miscellaneous	0.00		
Office Expense	2,013.05	4,000.00	50.3%
Payroll Expenses			
CalPERS Company Match	6,977.32	12,600.00	55.4%
CALPERS Fees	700.00	120.00	583.3%
CalPERS Unfunded Pns. Liability	1,485.20	1,200.00	123.8%
Employee 457 Plan	0.01	5,921.88	0.0%
Gross Wages	111,883.25	117,500.00	95.2%
Payroll Expenses - Other	412.00	24.00	1,716.7%
Total Payroll Expenses	121,457.78	137,365.88	88.4%
Payroll Taxes			
FICA	6,936.76	6,240.00	111.2%

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

July 2017 through June 2018

Accrual Basis

	Jul '17 - Jun 18	Budget	% of Budget
Medicare	1,622.31	2,000.00	81.1%
Payroll Taxes - Other	0.00	0.00	0.0%
Total Payroll Taxes	8,559.07	8,240.00	103.9%
Postage, Copies & Reproductions	147.00	400.00	36.8%
Reconciliation Discrepancies	-46.01		
Reimbursed Expense	-42,300.00		
Rent	5,720.00	6,400.00	89.4%
SGMA			
USGS Modeling	0.00	8,300.00	0.0%
SGMA - Other	5,000.00	5,000.00	100.0%
Total SGMA	5,000.00	13,300.00	37.6%
SWRCB Permits	9,465.43	11,500.00	82.3%
Telephone	1,839.06	1,700.00	108.2%
Training	2,176.07	2,500.00	87.0%
Travel/Mileage	788.09	2,500.00	31.5%
UC Modeling	16,400.00	19,340.50	84.8%
Uncollectable Accounts	0.00		
Utilities	1,018.84	1,700.00	59.9%
Total Expense	311,625.76	489,107.04	63.7%
Net Ordinary Income	-151,013.01	-116,794.04	129.3%
Other Income/Expense			
Other Expense			
Operating Reserves	0.00	25,000.00	0.0%
Total Other Expense	0.00	25,000.00	0.0%
Net Other Income	0.00	-25,000.00	0.0%
Net Income	-151,013.01	-141,794.04	106.5%

Russian River Flood Control District

Balance Sheet

As of May 31, 2018

Accrual Basis

	May 31, 18	May 31, 17
ASSETS		
Current Assets		
Checking/Savings		
LAIF		
FERC	1.00	1.00
LAIF - Other	461,251.68	151,978.56
Total LAIF	461,252.68	151,979.56
Operating Reserve	0.00	33,881.77
SBMC Checking	223,028.29	424,366.76
SBMC Savings	67,468.60	217,415.41
Total Checking/Savings	751,749.57	827,643.50
Accounts Receivable		
Accounts Receivable	24,225.77	10,640.77
Total Accounts Receivable	24,225.77	10,640.77
Other Current Assets		
Interest Receivable	560.86	588.26
Taxes Receivable	3,515.19	3,515.19
Total Other Current Assets	4,076.05	4,103.45
Total Current Assets	780,051.39	842,387.72
Fixed Assets		
Meters		
At Cost	98,265.89	19,635.04
Total Meters	98,265.89	19,635.04
Total Fixed Assets	98,265.89	19,635.04
TOTAL ASSETS	878,317.28	862,022.76
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
*Accounts Payable	135.11	46.01
Total Accounts Payable	135.11	46.01
Other Current Liabilities		
Dental	0.00	-9,372.00
Health	0.00	-140,098.11
Payroll Liabilities		
CalPERS	-199.43	-199.43
CalPERS 457 Def Comp	-10,124.90	-3,176.91
CalPERS Match	573.56	573.56
Health	0.00	-2,479.90
Life Insurance	-526.95	-588.60
State Withholding CA	-676.36	-676.36
Total Payroll Liabilities	-10,954.08	-6,547.64
Total Other Current Liabilities	-10,954.08	-156,017.75
Total Current Liabilities	-10,818.97	-155,971.74
Total Liabilities	-10,818.97	-155,971.74
Equity		
Opening Bal Equity	541,116.95	462,253.39
Retained Earnings	499,032.31	421,376.41
Net Income	-151,013.01	134,364.70

Russian River Flood Control District

Balance Sheet

As of May 31, 2018

Accrual Basis

	May 31, 18	May 31, 17
Total Equity	889,136.25	1,017,994.50
TOTAL LIABILITIES & EQUITY	878,317.28	862,022.76

Russian River Flood Control District

Fiscal Year Comparison

July 2017 through May 2018

Accrual Basis

	Jul '17 - May 18	Jul '16 - May 17	% Change
Retained Earnings	509,196.66	431,540.76	18.0%
Interest-SBMC	25.79	193.30	-86.7%
Property Taxes			
Current Secured	36,393.71	34,898.59	4.3%
Current Unsecur	1,385.21	1,432.24	-3.3%
Highway Prop. Rental	222.86	0.00	100.0%
HOPTR	200.49	407.00	-50.7%
MCRDA Pass thru	4,171.27	10,309.45	-59.5%
Prior Secured	-15.95	-0.65	-2,353.9%
Prior Unsecured	18.03	53.10	-66.1%
SB813	540.96	173.58	211.7%
Supplement Roll	0.00	356.55	-100.0%
URDA Pass thru	6,760.55	0.00	100.0%
Total Property Taxes	49,677.13	47,629.86	4.3%
Uncategorized Income	-151,950.01	0.00	-100.0%
Water Sales			
Application Fee	1,600.00	1,600.00	0.0%
Water Sales - Other	261,259.84	287,465.96	-9.1%
Total Water Sales	262,859.84	289,065.96	-9.1%
Account-Audit	-3,922.00	-2,060.00	-90.4%
Bank Charges	-60.00	-30.00	-100.0%
Conservation Program	0.00	-1,300.50	100.0%
Consulting	-13,581.65	-8,754.24	-55.1%
District Vehicle	-1,618.11	0.00	-100.0%
Election	-489.74	0.00	-100.0%
Engineering			
Water Accounting	0.00	-750.00	100.0%
Total Engineering	0.00	-750.00	100.0%
Fees			
County Admin. Fees	-685.49	-612.49	-11.9%
Fees - Other	-157.86	-716.53	78.0%
Total Fees	-843.35	-1,329.02	36.5%
Frost WDMP	-6,800.00	0.00	-100.0%
Gage	-13,487.50	-26,550.00	49.2%
Insurance			
Liability Insurance	-1,104.92	-2,517.67	56.1%
Workers Comp	-5,278.81	1,055.24	-600.3%
Total Insurance	-6,383.73	-1,462.43	-336.5%
ISRP	0.00	-10,227.67	100.0%
Legal	-15,087.84	-7,137.60	-111.4%
Meeting Stipends	-2,375.00	-1,450.00	-63.8%
Membership	-8,704.72	-4,902.00	-77.6%
Meters Expense	-106,033.74	-10,580.06	-902.2%
Miscellaneous	0.00	0.00	0.0%
Office Expense	-2,013.05	-2,568.43	21.6%
Payroll Expenses			
CalPERS Company Match	-6,977.32	-5,849.95	-19.3%
CALPERS Fees	-700.00	-701.60	0.2%
CalPERS Unfunded Pns. Liability	-1,485.20	-1,065.50	-39.4%
Employee 457 Plan	-0.01	0.00	-100.0%
Gross Wages	-111,883.25	-99,713.48	-12.2%
Roth IRA	0.00	-500.00	100.0%
Traditional IRA	0.00	-1,400.00	100.0%
Payroll Expenses - Other	-412.00	0.00	-100.0%
Total Payroll Expenses	-121,457.78	-109,230.53	-11.2%
Payroll Taxes			
FICA	-6,936.76	-6,071.33	-14.3%

Russian River Flood Control District

Fiscal Year Comparison

July 2017 through May 2018

Accrual Basis

	Jul '17 - May 18	Jul '16 - May 17	% Change
Medicare	-1,622.31	-1,419.91	-14.3%
Total Payroll Taxes	-8,559.07	-7,491.24	-14.3%
Postage, Copies & Reproductions	-147.00	-35.55	-313.5%
Reconciliation Discrepancies	46.01	0.00	100.0%
Reimbursed Expense	42,300.00	14,680.40	188.1%
Rent	-5,720.00	-5,720.00	0.0%
SGMA	-5,000.00	0.00	-100.0%
SWRCB Permits	-9,465.43	-9,077.33	-4.3%
Telephone	-1,839.06	-1,802.59	-2.0%
Training	-2,176.07	-1,437.50	-51.4%
Travel/Mileage	-788.09	-2,458.54	67.9%
UC Modeling	-16,400.00	0.00	-100.0%
Uncollectable Accounts	0.00	0.00	0.0%
Utilities	-1,018.84	-849.59	-19.9%
Operating Reserves	0.00	0.00	0.0%
TOTAL	358,183.65	565,905.46	-36.7%

MCRRFC&WCID FY 2018-19 PROPOSED BUDGET

as of 05/22/18

EXPENSE	FY 2014/2015 ACTUAL	FY 2015/2016 ACTUAL	FY 2016/2017 ADOPTED	FY 2016/2017 ACTUAL	FY 2017/2018 ADOPTED	FY 2017/2018 ACTUAL	FY 2018/2019 PROPOSED
AUDIT	\$1,475.00	\$2,650.00	\$3,000.00	\$2,060.00	\$ 3,000.00	\$3,922.00	\$ 4,000.00
BANK CHARGES	\$0.00	\$859.86	\$300.00	\$30.00	\$ -	\$60.00	\$ 60.00
CONSULTING	\$5,977.00	\$63,380.00	\$11,000.00	\$2,500.00	\$ 7,000.00	\$13,581.65	\$ 10,000.00
DISTRICT VEHICLE	\$0.00	\$0.00	\$8,000.00	\$24,902.09	\$ 5,000.00	\$1,618.11	\$ 3,000.00
ELECTION	\$0.00	\$35,624.00	\$36,000.00	\$0.00	\$ 36,000.00	\$489.74	\$ -
FEES	\$611.01	\$1,600.00	\$2,000.00	\$1,330.00	\$ 500.00	\$843.35	\$ 1,000.00
FROST WDMP SUPPORT					\$ 7,000.00	\$6,800.00	\$ 7,000.00
GAGE	\$11,300.00	\$19,100.00	\$12,500.00	\$12,500.00	\$ 12,500.00	\$12,775.00	\$ 12,950.00
LIFE INSURANCE					\$ 6,078.12	\$5,379.99	\$ 6,100.00
CALPERS 457					\$ 5,921.88	\$6,059.21	\$ 8,900.00
LIABILITY INSURANCE	\$2,220.00	\$2,039.00	\$2,500.00	\$0.00	\$ 2,500.00	\$1,104.92	\$ 2,500.00
WORKERS COMP	\$750.48	\$1,020.00	\$1,050.00	\$1,055.00	\$ 1,050.00	\$5,278.81	\$ 3,000.00
LEGAL	\$49,248.00	\$12,500.00	\$20,000.00	\$8,000.00	\$ 20,000.00	\$15,087.84	\$ 20,000.00
MEETING STIPEND	\$2,400.00	\$4,000.00	\$4,000.00	\$2,900.00	\$ 4,000.00	\$2,375.00	\$ 4,000.00
MEMBERSHIP +IWPC	\$2,349.00	\$6,000.00	\$6,000.00	\$4,902.00	\$ 5,500.00	\$8,704.72	\$ 9,000.00
METERS	\$8,784.00	\$10,500.00	\$30,000.00	\$10,580.00	\$ 160,000.00	\$106,033.74	\$ 60,000.00
OFFICE	\$2,655.00	\$3,250.00	\$6,500.00	\$3,000.00	\$ 4,000.00	\$2,013.05	\$ 6,500.00
CALPERS	\$12,414.00	\$11,500.00	\$14,000.00	\$9,000.00	\$ 14,000.00	\$6,609.84	\$ 9,000.00
WAGES	\$120,500.00	\$120,100.00	\$105,000.00	\$105,000.00	\$ 105,000.00	\$106,004.99	\$ 150,000.00
MEDICARE	\$1,540.00	\$1,200.00	\$2,000.00	\$1,900.00	\$ 2,000.00	\$1,537.07	\$ 2,000.00
POSTAGE COPIES	\$124.00	\$645.00	\$816.00	\$36.00	\$ 400.00	\$147.00	\$ 400.00
RENT	\$6,240.00	\$6,240.00	\$6,400.00	\$6,400.00	\$ 6,400.00	\$6,400.00	\$ 6,400.00
SWRCB PERMITS	\$8,050.00	\$11,500.00	\$11,500.00	\$9,100.00	\$ 11,500.00	\$9,465.43	\$ 11,500.00
TELEPHONE	\$877.00	\$600.00	\$1,750.00	\$1,750.00	\$ 1,700.00	\$1,749.96	\$ 1,800.00
TRAINING	\$675.00	\$3,150.00	\$4,000.00	\$1,438.00	\$ 2,500.00	\$2,176.07	\$ 2,500.00
TRAVEL	\$0.00	\$6,400.00	\$3,000.00	\$2,459.00	\$ 2,500.00	\$788.09	\$ 2,500.00
SGMA					\$ 5,000.00	\$5,000.00	\$ 13,000.00
UC MODELING	\$3,128.00	\$19,350.00	\$10,000.00	\$0.00	\$ 8,300.00	\$16,400.00	\$ 7,000.00
UTILITIES	\$601.00	\$1,680.00	\$1,680.00	\$1,000.00	\$ 1,700.00	\$1,200.00	\$ 1,700.00
OPERATING RESERVE	\$0.00	\$20,000.00	\$25,000.00	\$25,000.00	\$ 25,000.00	\$25,000.00	\$ 25,000.00
GRANT MATCH	\$0.00	\$0.00	\$20,000.00	\$1,301.00	\$ 6,000.00	\$0.00	\$ -
TOTAL EXPENSES	\$241,918.49	\$364,887.86	\$347,996.00	\$238,143.09	\$ 472,050.00	\$374,605.58	\$ 390,810.00
Wage Reimbursement						\$45,000.00	\$ 120,000.00
REVENUE	\$293,476.21	\$314,672.20	\$385,103.25	\$ 336,695.82	\$ 373,000.00	\$ 312,536.97	\$ 312,536.97
			DIFFERENCE	Actual Difference	DIFFERENCE	Actual Difference	DIFFERENCE
			\$37,107.25	\$ 98,552.73	\$ (99,050.00)	\$ (17,068.61)	\$ 41,726.97

w/GASB Reports

w/North Gualala Reimbursement

2% + \$5,900 of in lieu health benefit

remaining meters

new computer

Reimbursed \$27,000 w/\$18,000 left this FY

w/reimbursement below as revenue

(\$4k&\$4.4k to UC Davis+\$8k to USGS S-GW)

General Manager's Report – June 4, 2018

Agenda Item 8. Consideration of Draft Fiscal Year 2018-19 Budget

The Finance Committee met and reviewed previous years' budgets and actuals, including FY 2017-18 actuals through May 22, 2018. The draft budget is based on expected expenses and revenues, including shared general manager services wage reimbursement from Millview and Redwood Valley County Water Districts. Notes have been provided on some line items in the draft budget to identify unique characteristics of proposed expenses. *A Reserves Policy, based on feedback from the Board at previous meetings and discussion by the Finance Committee, will be brought back for Board consideration at the July 2018 Regular Board Meeting.* A motion is recommended below:

A motion to approve the Fiscal Year 2018-19 budget.

Agenda Item 9. Update on Implementation of Ordinance #17-01 – Strategic Plan: RA Goal 3

The District received verification from the State that our measurement and reporting compliance plan is accepted.

Agenda Item 10. Discussion of Upper Russian River Water Agency and Consolidation Efforts – Strategic Plan: RWR Goal 3

On June 12, there will be a stakeholder outreach meeting at the Mendocino College McMillan Hall Conference Room. The agenda will include a brief presentation on the status of consolidation efforts followed by a question and answer discussion with stakeholders in attendance.

Grants for up to \$100,000 from CalLAFCo in Mendocino County may cover our LAFCo fees and CEQA costs, relieving a significant portion of the financial burden associated with funding our consolidation efforts. An associated legislative act could begin during the upcoming 2019, 2-year legislative session. A terms sheet with stakeholder must-haves is being developed and will include feedback from the June 12 outreach meeting.

Staff recommends that we continue to work with the remaining URRWA districts to develop a LAFCo application for consolidation. Staff also recommends that the Board consider a resolution for consolidation this summer.

OTHER ITEMS

Potter Valley Project and Regional Water Supply Reliability