

*Mendocino County*

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

*PO Box 2104, Ukiah, CA 95482 707.462.5278 Website: RRFC.net [DistrictManager@rrfc.net](mailto:DistrictManager@rrfc.net)*

**A G E N D A**

**Board of Trustees – Regular Meeting of Monday, August 5, 2024 at 5:30 pm**

**IN PERSON:** 304 North State Street, Ukiah at District office

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

**PUBLIC HEARING (5:35 PM)**

4. INTRODUCE, WAIVE READING, AND PLACE ON AGENDA FOR ADOPTION Ordinance No. 24-01 An Ordinance Establishing Regulations and Rules for Board of Trustee Compensation by the Mendocino County Russian River Flood Control & Water Conservation Improvement District.
5. WAIVE READING AND ADOPT Ordinance No. 24-01 An Ordinance Establishing Regulations and Rules for Board of Trustee Compensation by the Mendocino County Russian River Flood Control & Water Conservation Improvement District.

**ITEMS FOR DISCUSSION AND POSSIBLE ACTION**

6. Memorandum of Understanding with Redwood Valley County Water District Regarding Annexation *Board will receive report from Ad Hoc Committee and consider approval of MOU.*
7. California Class Investment Pool (6:00 PM)  
*Board will receive report and consider approval of filing an application.*
8. Financial and Retention Policy Update (6:10 PM)  
*Board will consider adoption of updated and reformatted policies.*
9. Board Business (6:20 PM)  
*Board will consider appointing a Vice President & update Trustee assignments and appointments, if needed.*

**REGULAR BUSINESS, INFORMATION, AND REPORT ITEMS (6:30 PM)**

10. Water Supply Conditions Update
11. Consent Calendar
  - a) Acceptance of the July 2024 Financial Reports
  - b) Approval of July 1, 2024 Regular Board Meeting minutes
  - c) Acceptance of preliminary Fiscal Year 2024-2025 year-end financial reports

*(Continued...)*

**President**  
*Christopher Watt*

**Trustee**  
*Tyler Rodrigue*

**Treasurer**  
*John Bailey*

**Trustee**  
*John Reardan*

**Trustee**  
*Dave Koball*

12. Trustee & Committee Reports
  - LAFCo MSR/SOI & Annexation Ad Hoc (See also Item 6)
  
13. General Manager Report & Correspondence
  - Channel Maintenance Update
  
14. Direction on Future Agenda Items

## **ADJOURNMENT**

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

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

**President**  
*Christopher Watt*

**Trustee**  
*Tyler Rodrigue*

**Treasurer**  
*John Bailey*

**Trustee**  
*John Reardan*

**Trustee**  
*Dave Koball*

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

**STAFF REPORT**

**Agenda Items 4&5: Ordinance 24-01 Establishing Regulations and Rules  
For Board of Trustee Compensation  
Monday, August 5, 2024**

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**The Strategic Plan** relevant priority is **Administration** through engaged, diverse, and knowledgeable Board leadership and sound and sustainable management of District Finances.

**Background**

AB 2329 (Obernolte), the purpose of which was to provide Board members with enhanced latitude in increasing the number of compensable meetings and the per meeting compensation amount went into effect on January 1, 2019, enabling Board members to increase the per meeting compensation by up to 5% annually. The ordinance must be adopted pursuant to the procedure used by water districts (Water Code section 20200 *et seq*) that includes multiple opportunities for the public to provide input through a public hearing and a petition process. The procedure for adopting a compensation increase is:

1. Publish a notice of the public hearing in the local newspaper once per week for two consecutive weeks.
2. Hold a public hearing (first reading), and adopt the ordinance at a subsequent meeting (second reading)
3. Within 60 days after adoption, the public may petition for reconsideration of the ordinance. In this case, the Board must reconsider the ordinance before enacting it.

If approved by the Board, the Ordinance will undergo a second reading at the September 9, 2024 meeting. If adopted upon second reading, the Ordinance will go into effect 60 days after adoption.

See the **attached** memo from District Legal Counsel Jeanne Zolezzi for further information.

**Public Notice**

Public notice of the Ordinance was published in the newspaper once a week for two weeks leading up to this first reading in accordance with Public Resources Code section 5536 and Water Code section 20203. Public notice was also posted on the website and at the District office. The notice and proof of publications are **attached**.

**PUBLIC HEARING**

The Board will hold a public hearing to introduce and waive reading of the proposed Ordinance #24-01 Establishing Regulations and Rules for Board of Trustee Compensation by the Mendocino County Russian River Flood Control & Water Conservation Improvement District.

*(Continued...)*

Recommendation:

- Move to approve proposed Ordinance #24-01 Establishing Regulations and Rules for Board of Trustee Compensation by The Mendocino County Russian River Flood Control & Water Conservation Improvement District; and
- Direct staff to prepare an agenda item for the second reading of the proposed Ordinance #24-01 Establishing Regulations and Rules for Board of Trustee Compensation by The Mendocino County Russian River Flood Control & Water Conservation Improvement District.

Attachments:

- Herum\Crabtree\Suntag Memo on Board Compensation by Legal Counsel Jeanne Zolezzi
- Public Hearing Notice and Proof of Publications
- Proposed Ordinance #24-01 Establishing Regulations and Rules for Board of Trustee Compensation by the Mendocino County Russian River Flood Control & Water Conservation Improvement District.

\* \* \* \*

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

**Date:** June 26, 2024  
**To:** ELIZABETH SALOMONE  
**From:** Jeanne M. Zolezzi  
**Subject:** Mendocino County Russian River Flood Control District/General  
**File:** 3322-002

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### **BOARD COMPENSATION**

The first place to look for rules governing board compensation is the special legislation governing the District. Water Code Appendix Section 54-78, adopted in 1953, provides that each trustee shall receive fifteen dollars (\$15) for each meeting of the board of trustees attended by him, not exceeding three meetings in any calendar month. Section 54-79 also allows the same compensation for performing duties for the improvement district other than attending board of trustee meetings, plus reimbursement of expenses.

Fortunately, Division 10 of the Water Code provides for updated compensation for “water districts,” which are defined broadly enough to include the District. Division 10 provides as follows:

1. Notwithstanding any other provision of law, the Board may provide compensation to trustees in an amount not to exceed one hundred dollars (\$100) per day for each day’s attendance at meetings of the board, or for each day’s service rendered as a member of the board by request of the board (Section 20201).
2. Compensation must be established by ordinance (Section 20201).
3. For purposes of this section, the determination of whether a director’s activities on any specific day are compensable shall be made pursuant to Article 2.3 (commencing with Section 53232) of Chapter 2 of Part 1 of Division 2 of Title 5 of the Government Code, which allows compensation for:
  - (a) A meeting of the legislative body.
  - (b) A meeting of an advisory body.
  - (c) A conference or organized educational activity conducted in compliance with subdivision (c) of Section 54952.2, including, but not limited to, ethics training required by Article 2.4 (commencing with Section 53234).
  - (d) A local agency may pay compensation for attendance at occurrences not specified in subdivision (a) only if the governing body has adopted, in a public meeting, a written policy specifying other types of occasions that constitute the performance of official duties for which a member of the legislative body may receive payment.

4. In any ordinance adopted to increase the amount of compensation above the amount of one hundred dollars (\$100) per day, the increase may not exceed an amount equal to 5 percent, for each calendar year following the operative date of the last adjustment, of the compensation which is received when the ordinance is adopted. (Section 20202).
5. No ordinance adopted pursuant to this chapter shall authorize compensation for more than a total of 10 days in any calendar month (Section 20202).
6. No ordinance shall be adopted pursuant to this chapter except following a public hearing. Notice of the hearing shall be published in a newspaper of general circulation pursuant to Section 6066 of the Government Code<sup>1</sup> (Section 20203).
7. An ordinance adopted pursuant to this chapter shall become effective 60 days from the date of its final passage. The voters of any water district shall have the right, as provided in this chapter, to petition for referendum on any ordinance adopted pursuant to this chapter (Section 20204).

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<sup>1</sup> California Government Code Section 6066 states that a notice must be published in a newspaper once a week for two weeks, with at least five days between each publication date. The notice period begins on the first day of publication and ends on the fourteenth day.

# Russian River Flood Control and Water Conservation Improvement District

## NOTICE OF PUBLIC HEARING

at a

**Regular Meeting on  
Monday, August 5, 2024 5:30pm**

NOTICE IS HEREBY GIVEN that at the Monday, August 5, 2024 Regular Meeting, the Mendocino County Russian River Flood Control & Water Conservation Improvement District is holding a Public Hearing to consider adoption of Ordinance #24-01 Establishing Regulations and Rules for Board of Trustee Compensation.

Copies of all related documents are on file and may be reviewed at the District website ([www.rrfc.net](http://www.rrfc.net)), by email request to [DistrictManager@rrfc.net](mailto:DistrictManager@rrfc.net), or the District office in Ukiah by appointment. All those interested are invited to attend, be heard, and participate in the hearing. Written comments can be submitted prior to the hearing.

By Order of  
Mendocino County Russian River Flood Control  
and Water Conservation Improvement District



Elizabeth Salomone, General Manager  
Date Posted: July 15, 2024

# Ukiah Daily Journal

617 S. State St  
Ukiah, California 95482  
(707) 468-3500  
sfullbright@ukiahdj.com

3703097

MENDO. CO. RUSSIAN RIVER FLOOD CONTROL  
PO BOX 2104  
UKIAH, CA 95482

## PROOF OF PUBLICATION (2015.5 C.C.P.)

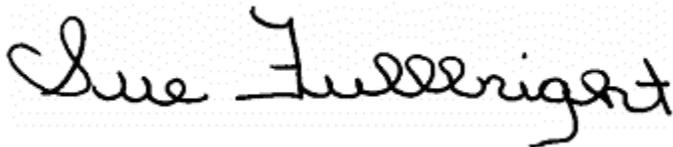
### STATE OF CALIFORNIA COUNTY OF MENDOCINO

I am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen years, and not a party to or interested in the above entitled matter. I am the principal clerk of the printer of the Ukiah Daily Journal, a newspaper of general circulation, printed and published daily in the City of Ukiah, County of Mendocino and which newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of Mendocino, State of California, under the date of September 22, 1952, Case Number 9267; that the notice, of which the annexed is a printed copy (set in type not smaller than non-pareil), has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to wit:

**07/18/2024, 07/25/2024**

I certify (or declare) under the penalty of perjury that the foregoing is true and correct.

Dated at Ukiah, California,  
July 29th, 2024



Sue Fullbright, LEGAL CLERK

Legal No. **0006841406**

NOTICE IS HEREBY GIVEN that at the Monday, August 5, 2024 Regular Meeting, the Mendocino County Russian River Flood Control & Water Conservation Improvement District is holding a Public Hearing to consider adoption of Ordinance #24-01 Establishing Regulations and Rules for Board of Trustee Compensation. Copies of all related documents are on file and may be reviewed at the District website ([www.rrfc.net](http://www.rrfc.net)), by email request to [DistrictManager@rrfc.net](mailto:DistrictManager@rrfc.net), or the District office in Ukiah by appointment. All those interested are invited to attend, be heard, and participate in the hearing. Written comments can be submitted prior to the hearing. By Order of Mendocino County Russian River Flood Control and Water Conservation Improvement District.  
Date Posted: 7-18 & 7-25/2024

## ORDINANCE NO. 24-01

### An Ordinance Establishing Regulations and Rules for Board of Trustee Compensation by the Mendocino County Russian River Flood Control & Water Conservation Improvement District

This Ordinance is adopted with reference to the following facts and circumstances:

1. The Board of Trustees (“**Board**”) of the Mendocino County Russian River Flood Control and Water Conservation Improvement District (“**District**”) previously adopted Policy #17-01 adjusting the amount of Trustee compensation.
2. The Board now desires, in accordance with Government Code section 53232 *et seq.* and Water Code section 20200 *et seq.*, to clarify the occasions, other than those listed in Government Code section 53232.1 and Water Code section 20201, that constitute the performance of official duties for which a Director of the Board may receive compensation and the rate of such compensation.
3. The Board, pursuant to California Water Code Section 20200 *et seq.*, has called and held a public hearing regarding the planned change compensation method, notice of which was published in a newspaper of general circulation pursuant to California Government Code Section 6066.

NOW, THEREFORE, the Board of Trustees of the Mendocino County Russian River Flood Control and Water Conservation Improvement District does ordain as follows:

Section 1. Trustee compensation shall be \$100 per day for four (4) or more hours and \$50 for less than four (4) hours of services rendered on behalf of the District. Services provided include attendance at:

- Any Regular, Special, Emergency, or Committee meeting of the District Board;
- Any Regular, Special, Emergency, or Committee meeting of a Joint Powers Agency of which the District is a member, and the Trustee has been appointed to represent the District;
- Any Regular, Special, Emergency, or Standing Committee meeting of an organization to which the Trustee has been liaised by the Board;
- Trainings, conferences, and educational activities that are related to the business of the District and/or service as a Trustee.
- Meetings, field visits, tours, or other events representing the District as requested by the Board or the General Manager and/or acting as an Officer of the Board or Trustee Advisor to the General Manager as assigned by the Board.

Section 2. The maximum number of days for which a Trustee may receive compensation shall not exceed ten (10) days in a calendar month, irrespective of the number of days which the Trustee attends meetings of the Board, other meets as appointed by the Board, or otherwise provides service as a Trustee at the request of the Board or the General Manager, as designated by the Board.

Section 3. In addition to the amount a Trustee may receive as daily compensation, Trustees shall also be reimbursed in accordance with the District's Expense Reimbursement Policy, as amended from time to time.

Section 5. On December 2nd of each year the per diem compensation shall increase by five percent (5%) consistent with Water Code Section 20202. The Board shall make a determination annually during the Fiscal Year Budget approval if it wishes to accept the annual increase in per diem compensation.

Section 6. This Ordinance shall become effective sixty (60) days from the date of its adoption.

**PASS AND ADOPTED** by the Board of Trustees of the Mendocino County Russian River Flood Control & Water Conservation Improvement District on 5th day of August, 2024.

John Reardan	Yes / No / Abstain / Absent
Tyler Rodrigue	Yes / No / Abstain / Absent
John Bailey	Yes / No / Abstain / Absent
Christopher Watt	Yes / No / Abstain / Absent
Dave Koball	Yes / No / Abstain / Absent

Signed: \_\_\_\_\_

Christopher Watt, President

Attest: \_\_\_\_\_

Elizabeth Salomone, General Manager

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

**STAFF REPORT**

**Agenda Item 6: Memorandum of Understanding  
With Redwood Valley County Water District  
Monday, August 5, 2024**

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The Strategic Plan relevant priority is **Use**, ensuring effective and beneficial use of water as a public resource and maximizing beneficial use of the District water right license through consideration of a boundary change to coincide with the next Local Agency Formation Commission (LAFCo) Municipal Service Review and Sphere of Influence update.

**Background**

At the April 1, 2024 Meeting, the Board ratified the appointments of Trustees Reardan and Watt to a LAFCo Ad Hoc Committee and adopted Resolution #24-01 of Commitment to Collaborate with Redwood Valley County Water District in Developing a Local Agency Formation Commission Annexation Application. Redwood Valley County Water District (RVCWD) also approved a resolution of commitment and appointed Directors Todd and Klotter to an Ad Hoc Committee.

The two Ad Hoc Committees have been meeting to discuss background, process, and items to clarify. A meeting was also held with LACO Associates who have since provided a proposed scope of work for consideration. District legal counsel was briefed, developed the draft Memorandum of Understanding (MOU) under consideration in this item, and suggested a pre-application meeting with LAFCo staff, the Ad Hoc Committees, and LACO, which has been scheduled.

**Discussion**

The LAFCo Ad Hoc Committee and General Manager met with the RVCWD Ad Hoc Committee to discuss the draft MOU including cost sharing terms. The draft document contains the recommendation reached through consensus.

It is proposed and recommended by the joint Ad Hoc Committee that RVCWD reimburse RRFC 60% of the cost of all reimbursable expenses incurred from the effective date of the MOU. RRFC will issue an invoice to RVCWD monthly specifically enumerating reimbursable expenses paid for by RRFC. RVCWD shall make payment of each invoice within sixty (60) days.

This District is developing a change petition for its main water right license and some of that work will also be used for the proposed annexation. Additionally, District staff and legal counsel continue to spend a significant amount of time on the annexation effort. The joint Ad Hoc Committee recognizes this as an informal in-kind contribution to the annexation that will greatly serve the Redwood Valley community.

The joint Ad Hoc Committee briefly discussed the option of RRFC carrying debt for RVCWD and developing a payment plan. However, the RVCWD Ad Hoc indicated cash flow ability to meet the proposed payment schedule.

The RRFC Board approved a budget of \$15,000 for a LAFCo application. In addition to the annexation of RVCWD, RRFC is preparing annexation of lands along the current boundary and licensed place of use, referred to informally as “boundary clean up.” The budgeted funds will be used for support of this portion of the annexation, as well as the RVCWD portion.

*(Continued...)*

Recommendation:

- Approve the Memorandum of Understanding between Mendocino County Russian River Flood Control & Water Conservation Improvement District and Redwood Valley County Water District regarding the development of an annexation application to the Mendocino County Local Agency Formation Commission; and
- Authorize the General Manager in consultation with the LAFCo Ad Hoc Committee, to engage LACO Associates to assist with the development of the annexation application; and
- Direct the LAFCo Ad Hoc Committee to continue development of the application with the Redwood Valley County Water District Ad Hoc, General Manager, and Consultants.

Attachments:

- DRAFT Memorandum of Understanding between Mendocino County Russian River Flood Control & Water Conservation Improvement District and Redwood Valley County Water District regarding the development of an annexation application to the Mendocino County Local Agency Formation Commission.

Linked on website:

Resolution #24-01 can be found here: <https://rrfc.specialdistrict.org/district-resolutions>

\* \* \* \*

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

**MEMORANDUM OF UNDERSTANDING**  
**BETWEEN**  
**MENDOCINO COUNTY RUSSIAN RIVER FLOOD CONTROL AND WATER**  
**CONSERVATION IMPROVEMENT DISTRICT**  
**AND**  
**THE REDWOOD VALLEY COUNTY WATER DISTRICT**  
**REGARDING**

**THE DEVELOPMENT OF AN ANNEXATION APPLICATION TO THE**  
**MENDOCINO COUNTY LOCAL AGENCY FORMATION COMMISSION**

This MEMORANDUM OF UNDERSTANDING (“**MOU**”), effective as of August 1, 2024 (“**Effective Date**”), is entered into by and between the Mendocino County Russian River Flood Control and Water Conservation Improvement District (“**RRFC**”), and the Redwood Valley County Water District (“**RVCWD**”). RRFC and RVCWD are sometimes referred to individually herein as a “**Party**” and collectively as the “**Parties**”.

RECITALS

WHEREAS, RRFC desires to collaborate with RVCWD to develop and submit an annexation application to the Mendocino County Local Agency Formation Commission (“**LAFCo**”) to extend the boundaries of RRFC to incorporate the entire service area of RVCWD (“**LAFCo Application**”); and

WHEREAS, RVCWD desires to collaborate with RRFC to develop and submit said LAFCo Application in order to be eligible to enter into a Uniform Water Supply and Purchase Agreement with RRFC; and

WHEREAS, the Parties desire by this MOU to detail the terms of their cooperation in (a) determining the feasibility of the LAFCo Application, (b) preparation of the LAFCo Application, (c) compliance with the California Environmental Quality Act (“**CEQA**”) and (d) submittal of the LAFCo Application to LAFCo (“**Work**”); and

WHEREAS, the Parties have determined RRFC shall contract with all consultants and legal counsel necessary to conduct the Work according to the terms and conditions of this MOU; and

WHEREAS, the Parties have determined RVCWD’s ad hoc committee formed to oversee preparation and submittal of the LAFCo Application shall serve as project advisor to RRFC and cooperate with RRFC and LAFCo as necessary; and

WHEREAS, RVCWD shall reimburse RRFC for all costs actually incurred by RRFC for the Work according to the terms and conditions of this MOU in an amount specified herein.

NOW, THEREFORE, the Parties agree as follows:

Section 1 – Scope of Work. The Parties agree to cooperate in the filing of the LAFCo Application by doing all of the following (“**Reimbursable Expenses**”):

(a) RRFC shall engage and contract with all third-party consultants necessary to prepare and submit the LAFCo Application. RRFC shall assume all legal and financial responsibility with respect to those third-party consultant contracts. RVCWD will cooperate as a party to the LAFCo Application and execute such documents or provide such information as necessary to process the same. Any legal fees incurred by RVCWD associated with preparation or submission of the LAFCo Application shall be borne solely by RVCWD.

(b) RRFC’s engineer shall prepare all mapping required for submittal of the LAFCo Application.

(c) RRFC’s legal counsel shall prepare all required CEQA documentation for the LAFCo Application. RRFC shall be the lead agency for CEQA purposes, and RVCWD shall be a responsible agency.

(d) RRFC shall pay all fees associated with submittal of the LAFCo Application to LAFCo.

(e) RRFC shall incur all other related fees and costs necessary to prepare and submit the LAFCo Application.

Section 2 – Reimbursement. RVCWD agrees to reimburse RRFC 60% of the cost of all Reimbursable Expenses incurred from the effective date of this MOU. RRFC will issue an invoice to RVCWD on a monthly basis specifically enumerating Reimbursable Expenses paid for by RRFC. RVCWD shall make payment of each invoice within sixty (60) days.

Section 3 – Roles. RRFC shall manage all Work necessary to prepare and submit the LAFCo Application. RVCWD’s ad hoc committee established to oversee the annexation shall serve as project advisor to RRFC with respect to the LAFCo Application.

Section 4 – Waiver. RVCWD hereby waives, as to RRFC’s directors, staff, engineer, attorney, consultants, employees or agents, any and all claims, damages, liability or losses arising from or related to review or approval of the plans, designs, specifications and other documents and data related to Work or any approval relating to Work by RRFC’s directors, staff, engineer, attorney, consultants, employees or agents. This waiver shall be binding on any and all successors to RVCWD.

Section 5 – Attorney’s Fees. In the event of controversy, claim or dispute relating to this MOU or breach thereof, the prevailing party in any judicial or arbitration proceeding shall be entitled to recover reasonable attorney fees and costs from the losing party.

Section 6 – Successors. This MOU shall not be transferred or assigned without prior written permission from RRFC.

Section 7 – No Guarantee. By entering into this MOU with RVCWD, RRFC does not and cannot guarantee that it will obtain approval of the LAFCo Application. RVCWD assumes all risk with respect to the LAFCo Application and any terms or conditions beyond the reasonable control of RRFC.

Section 8 – Termination. This MOU may be terminated by RRFC if, in RRFC’s judgment, it determines in its sole judgment to not pursue the LAFCo Application. RRFC will discuss possible termination with RVCWD before making a decision to terminate this MOU. If not otherwise terminated by RRFC, this MOU shall terminate upon approval of the LAFCo Application and the annexation of the RVCWD service area into the boundaries of RRFC. This MOU may be terminated by RVCWD upon ten (10) days written notice to RRFC, upon which RVCWD shall pay all invoices for outstanding Work completed.

Section 9 – Notice. Any notice or communication required or permitted hereunder shall be in writing and shall be delivered personally, delivered by nationally recognized overnight courier service or sent by certified or registered mail, postage prepaid, or (if an email address is provided) sent by electronic transmission (subject to confirmation of such electronic transmission). Any such notice or communication shall be deemed to have been given (i) when delivered, if personally delivered, (ii) with the day received from a nationally recognized overnight courier service, if sent by nationally recognized overnight courier service, (iii) the day of sending, if sent by email before 5:00 p.m. (PT) on any Business Day or the next succeeding Business Day if sent by email after 5:00 p.m. (PT) on any Business Day or on any day other than a Business Day or (iv) five (5) Business Days after the date of mailing, if mailed by certified or registered mail, postage prepaid, in each case, to the following address or email address, or to such other address or addresses or email address or addresses as such Party may subsequently designate to the other Party by notice given hereunder:

**To RRFC as follows:**

Elizabeth Salomone, General Manager  
P.O. Box 2104  
Ukiah, California 95482  
Email: [districtmanager@rrfc.net](mailto:districtmanager@rrfc.net)  
Phone: 707.462.5278

**To RVCWD as follows:**

Jared Walker, General Manager  
151 Laws Avenue, Suite D  
Ukiah, California 95482  
Email: [jwalker@willowc wd.org](mailto:jwalker@willowc wd.org)  
Phone: 707.485.0679

“**Business Day**” means any day other than a Saturday, Sunday, or any other day on which banking institutions in the State of California are authorized by law or executive action to close.

Section 10 – Entire Agreement. This MOU constitutes the entire agreement and understanding between the Parties. This MOU supersedes all prior agreements or understandings between the Parties with respect to the LAFCo Application.

Section 11 – Amendment. This MOU may be amended in writing by the mutual consent of the Parties and approved by each respective Party’s governing board.

Section 12 – Confidentiality. The Parties possesses certain confidential and/or proprietary information that it proposes to disclose to the other party solely for the purposes of implementing this MOU, and all such disclosures are subject to the terms and conditions set forth below.

(a) For the purposes of this MOU, the term, “**Confidential Information,**” shall mean confidential and/or proprietary information under the ownership or control of one of the parties. The term, “Confidential Information,” expressly excludes information that:

- i. was in the public domain at the time it was disclosed or falls within the public domain, except through a breach of this MOU; or
- ii. is or becomes known by the Receiving Party or any of its associated companies from a source other than the Disclosing Party without breach of this MOU by the Receiving Party; or
- iii. was furnished to a third party by the Disclosing Party without restrictions on the third party’s rights similar to those contained in this MOU; or
- iv. to the extent that such disclosure shall be required by law by the Receiving Party, but only after the Disclosing Party has been notified in writing by the Receiving Party and has been provided a reasonable opportunity to take appropriate action to protect its legal interest in the Confidential Information.
- v. If only a portion of any Confidential Information falls within any one of the exceptions listed above, the remainder of such Confidential Information shall continue to be subject to this MOU.

(b) For the purposes of this MOU, the term, “**Disclosing Party,**” shall mean the party owning or controlling Confidential Information and making such Confidential Information available to the other party.

(c) For the purposes of this MOU, the term, “**Receiving Party,**” shall mean the party who receives Confidential Information from the Disclosing Party.

(d) All rights, title, and interest in Confidential Information disclosed pursuant to this MOU are reserved by the Disclosing Party, and the Receiving Party will not use such Confidential Information disclosed to it by the Disclosing Party to benefit itself or others, except for the limited purposes for which the Confidential Information is disclosed within the context of this MOU. The Receiving Party will not disclose such Confidential Information to any third party unless and until expressly authorized in writing to do so by the Disclosing Party.

(e) The Receiving Party shall exercise at least the same standard of care to prevent the disclosure or misuse of the Confidential Information as it exercises to prevent the disclosure or misuse of its own Confidential Information, but in no event shall the Receiving Party exercise less than reasonable care [for example, the Receiving Party could ensure data are protected by locking spreadsheets with a password]. The Receiving Party shall limit dissemination of such Confidential Information to those persons within its organization who have a need to know such information to fulfill the purpose of this MOU and who agree to be subject to the restrictions of this MOU. Both Parties agree not to disclose the fact or content of any negotiations between them to third parties (other than outside counsel and consultants hired for purposes of fulfilling this MOU) without the written consent of the other Party.

Section 13 – Counterparts and Electronic Signatures. This MOU may be executed in two or more counterparts and, when so executed, shall have the same force and effect as though all signatures appeared in one document. This MOU and any other transaction document, and any amendments hereto or thereto, to the extent signed and delivered by means of a facsimile machine, portable document format or other electronic transmission (including any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docuSign.com), will be treated in all manner and respects as an original contract and will be considered to have the same binding legal effects as if it were the original signed version thereof delivered in person. Any such signature page will be effective as a counterpart signature page hereto without regard to page, document or version numbers or other identifying information thereon, which are for convenience of reference only.

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

**REDWOOD VALLEY COUNTY  
WATER DISTRICT**

By: \_\_\_\_\_  
Christopher Watt  
Board President

By: \_\_\_\_\_  
Adam Gaska  
Board President

Date: \_\_\_\_\_

Date: \_\_\_\_\_

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

**STAFF REPORT**

**Agenda Item 7: California Class Investment Pool**

**Monday, August 5, 2024**

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**The Strategic Plan** relevant priority is **Administration** through sound and sustainable management of District Finances.

**Background**

The California CLASS program is authorized under California Government Code Section 6509.7 and is a pooled investment option established through a joint exercise of powers agreement among California public agencies. It is a new investment pool specifically designed to meet the growing investment needs of California public agencies. The program provides an opportunity for agencies to invest cooperatively in rated pools managed in accordance with state law.

At its June 3, 2024 Meeting, the Board received a report on the California Cooperative Liquid Assets Securities System (CLASS) program (<https://californiaclass.com>) and directed the GM and Treasurer to research and prepare any recommended policy updates for Board consideration. The staff report can be found on the District website: <https://rrfc.specialdistrict.org/board-meetings>

**Discussion**

Further information was requested from CLASS and received regarding the comparison of CLASS Prime and LAIF, specifically differences in security and earnings. The following provides more information.

Any investments (not bank deposits) should be considered for safety based on the underlying investments credit ratings as well as the overall rating of the Investment Pool itself. CLASS is AAA rated by Standard & Poor's while LAIF is not rated. Comparing CLASS and LAIF is like comparing grapes and tomatoes. Both are "investment pools" but LAIF isn't run by an investment firm and isn't out actively seeking new participants. LAIF funds are invested along with the Pooled Money Investment Account (PMIA) which is made up of the state departments and agencies. The State Treasurer's Office is investing PMIA funds anyway and add the LAIF money to it and invest that as well. The goal of the PMIA is to have funds available to pay for the expenditures when needed. They invest the funds to match those due dates and try to get the best rate they can for those dates. LAIF is a voluntary pool and is open to any public entity in the state. LAIF is not credit rated but is backed by the full faith of the State of California. LAIF pays participants quarterly on the 15<sup>th</sup> day after quarter end. They charge an administrative fee just as CLASS does which fluctuates. The fee is based on the cost of the staff to administer the program.

*(Continued...)*

CLASS is managed by Public Trust Advisors (PTA) who is an investment firm that works only with public entities around the U.S. It manage pools in 12 different states with assets of more than \$90 billion under management. PTA works with more than 7,300 different public entities nationwide and is the largest provider of Local Government Investment Pools in America. The fee of 10 basis points (0.10%) is used to pay for staff, marketing, and expenses to run the various pools as well as make a profit. Earnings accrue daily and are paid out monthly on the last business day of each month. CLASS will pay interest three times before LAIF pays once so funds are compounding (interest on interest on interest) before LAIF pays the first time. Even if PTA rates/yields were the same, CLASS would generate more income for the District because of the compounding of interest again and again before LAIF pays once. Every dollar matters for public entities. Each dollar earned is one less dollar that needs to be raised by new taxes or fees.

California CLASS Senior Director of Investment Services, Jerry Legg, has offered meetings and/or to attend a future Board meeting to provide further information and answer questions.

Treasurer Bailey and General Manager Salomone recommend the District register to participate and invest in CLASS Prime as an additional investment option in the District's financial portfolio. Updated financial policies are presented in a following agenda item.

Recommended Action:

- Approval of Resolution #24-06 Authorizing Participation and Purchase of Shares of Beneficial Interest Issued by the California CLASS from Time to Time; and
- Direction to General manager to complete and submit the California CLASS Registration Packet

Attachments:

- DRAFT Resolution #24-06 Authorizing Participation and Purchase of Shares of Beneficial Interest Issued by the California CLASS from Time to Time

Linked on website:

- CA CLASS Registration Packet
- CA CLASS Participant List
- California CLASS Features & Benefits
- California CLASS Prime Rate Sheet
- California CLASS FAQ

\* \* \* \*

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

## Resolution #24-06

### of the Mendocino County Russian River Flood Control & Water Conservation Improvement District

#### Authorizing Participation and Purchase of Shares of Beneficial Interest Issued by the California CLASS from Time to Time

**WHEREAS**, the Mendocino County Russian River Flood Control & Water Conservation Improvement District (“District”) is permitted and has the power pursuant to California Government Code section(s) 53601 and/or 53635 to invest all money belonging to, or in the custody of, the District in certain specific investments, including but not limited to securities and obligations as described in California Government Code section 53601, subdivision (p); and

**WHEREAS**, the California Cooperative Liquid Asset Securities System (“California CLASS”) is a joint powers entity created by a joint exercise of powers agreement (“Agreement”) by and among California public agencies pursuant to Government Code section 6509.7; and

**WHEREAS**, the Agreement sets forth the terms of the “California CLASS Investment Program” which has been established for the purpose of consolidating investment activities of the participating public agencies (referred to in the Agreement as “Participants”) and thereby reducing duplication, taking advantage of economies of scale, and performing governmental functions more efficiently; and

**WHEREAS**, pursuant to California Government Code section 6509.7, a joint powers entity such as the California CLASS may issue shares of beneficial interest in an underlying pool of securities owned by the joint powers entity to participating public agencies such as the District; and

**WHEREAS**, the District desires to invest in one or more funds of the California CLASS Investment Program to be managed by the Investment Advisor to the California CLASS pursuant to the terms of the Agreement; and

**WHEREAS**, the Agreement and description of the California CLASS have been presented to the District and its Board of Trustees.

**BE IT RESOLVED** that:

1. The Board of Trustees does hereby find that the foregoing recitals are true and correct and hereby incorporates them into its findings.
2. The General Manager of the District is hereby authorized to complete the Participant Registration materials for the California CLASS Investment Program so that the District may become a Participant under the Agreement and purchase shares of beneficial interest issued by the California CLASS from time to time with available funds of the District, and to redeem such shares as needed.

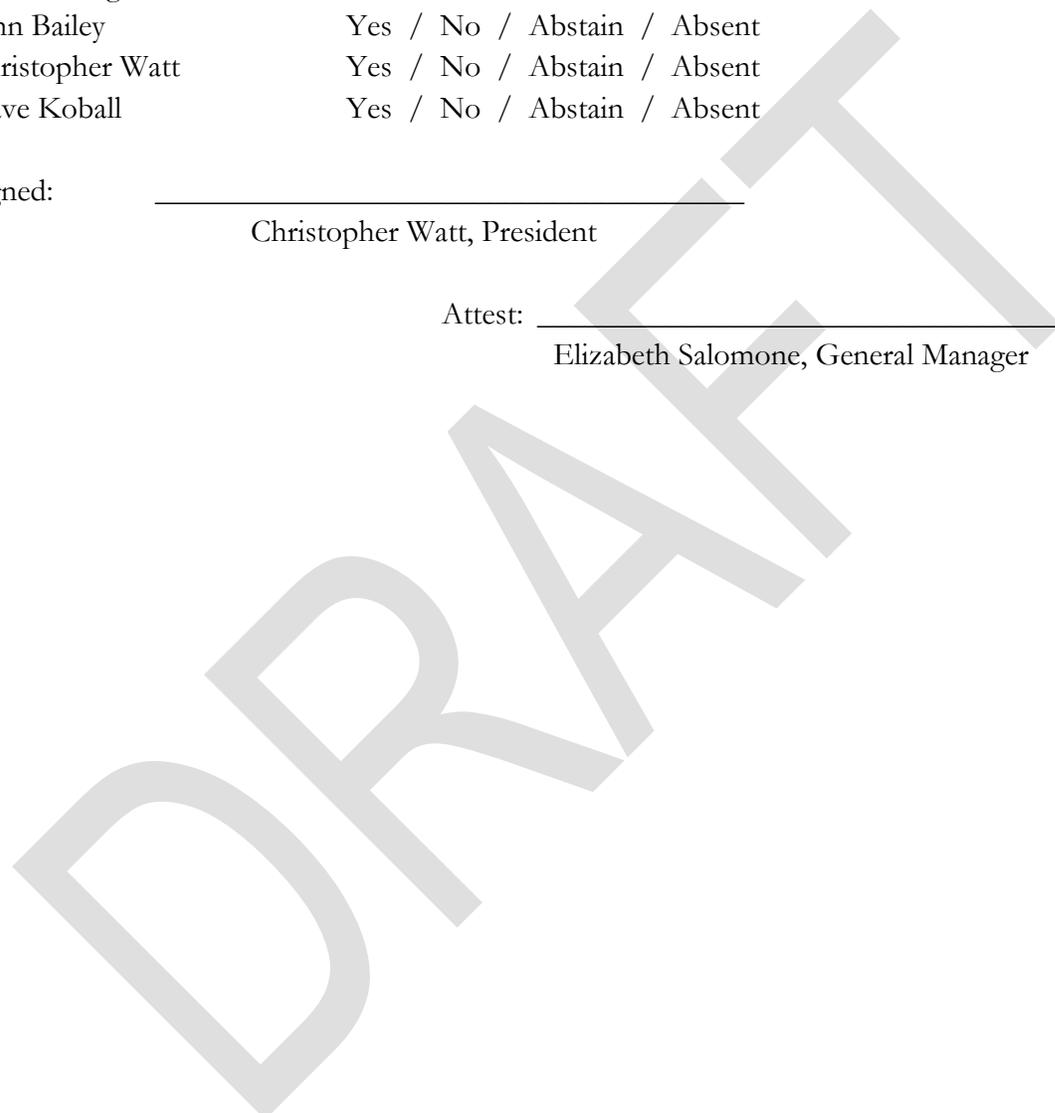
*(Continued...)*

**ADOPTED** by the Board of Trustees of the Mendocino County Russian River Flood Control & Water Conservation Improvement District on 5th day of August, 2024.

John Reardan	Yes / No / Abstain / Absent
Tyler Rodrigue	Yes / No / Abstain / Absent
John Bailey	Yes / No / Abstain / Absent
Christopher Watt	Yes / No / Abstain / Absent
Dave Koball	Yes / No / Abstain / Absent

Signed: \_\_\_\_\_  
Christopher Watt, President

Attest: \_\_\_\_\_  
Elizabeth Salomone, General Manager



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

**STAFF REPORT**

**Agenda Item 8: Financial and Records Retention Policy Update**

**Monday, August 5, 2024**

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**The Strategic Plan** relevant priority is **Administration** through sound and sustainable management of District Finances.

**Background**

Financial policies provide guidelines for financial decision making and are central to a strategic, long-term approach to financial management. A records retention schedule and policy are important to ensure that records are kept as long as legally and operationally required and that obsolete records are disposed of in a systematic and controlled manner. The District has never adopted a Retention Policy to date. The Board has historically developed and approved individual policies. This approach does not lead to a comprehensive collection of policies for the Board, management and the public.

**Discussion**

The proposed financial policies are provided to assist in the stewardship of the District's financial position. They were developed using the California Special District Association policy manual template and reviewed by the District's Certified Accountant, Legal Counsel, and Treasurer Bailey. It is recommended to adopt the financial policies by resolution, marking the implementation of a new format, and all future policies/policy updates be tracked by date of Board adoption.

It is recommended the following financial policies be repealed with the adoption of the updated financial policies:

- #23-01 Revising #18-01 Bank Account Balances & Investments
- #18-02 Reserves Policy
- #16-02 Purchasing Policy
- #02-02 Charging for Copies
- #93-01 The Loan of District Funds

The Records Retention, Electronic Document Retention, and Electronic Signature Policies have been reviewed by Legal Counsel and can be adopted by the Board without a resolution.

**Recommendation:**

- Move to approve Resolution #24-07 Adopting Financial Policies; and
- Move to repeal financial policies #93-01, #18-02, #16-02, #02-02, and #93-01; and
- Move to adopt the Records Retention, Electronic Document Retention, and Electronic Signature Policies; and
- Direct staff to finalize the approved Policies.

**Attachments:**

- Resolution #24-07 Adopting Financial Policies (Exhibit A will be only the Financial Policies )
- Proposed records related and financial policies.

\* \* \* \*

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

**Resolution #24-07**  
**of the Mendocino County Russian River Flood Control &**  
**Water Conservation Improvement District**  
**Adopting Financial Policies**

**WHEREAS**, the Mendocino County Russian River Flood Control & Water Conservation Improvement District (“District”) has a responsibility to ensure that public funds are managed in a prudent and financially sound manner; and

**WHEREAS**, written, adopted financial policies and internal controls have many benefits in assisting the Board of Trustees and General Manager with the financial management of the District; and

**WHEREAS**, financial and internal control policies that promote sound financial management practices designed to meet District goals and objectives; and

**WHEREAS**, staff has prepared Financial Policies that outlines procedures, safeguards, and internal controls for public fund management which have been reviewed by the Districts certified accountant and legal counsel; and

**WHEREAS**, the Financial Policies attached hereto as Exhibit A, have been presented to the Board of Trustees on August 5, 2024.

**BE IT RESOLVED**, that:

- (1) The Mendocino County Russian River Flood Control & Water Conservation Improvement District Financial Policies, attached hereto as Attachment A, is hereby adopted.
- (2) Any and all prior District financial policies are hereby repealed and revoked.
- (3) Future updates of financial policies will be tracked in the Policy Manual with the date of Board approval.

**ADOPTED** by the Board of Trustees of the Mendocino County Russian River Flood Control & Water Conservation Improvement District on 5th day of August, 2024.

John Reardan	Yes / No / Abstain / Absent
Tyler Rodrigue	Yes / No / Abstain / Absent
John Bailey	Yes / No / Abstain / Absent
Christopher Watt	Yes / No / Abstain / Absent
Dave Koball	Yes / No / Abstain / Absent

Signed: \_\_\_\_\_

Christopher Watt, President

Attest: \_\_\_\_\_

Elizabeth Salomone, General Manager

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

**Table of Contents:**

**2000 Administration**

**General**

	<b>Last Updated</b>
2010 Records Retention	__/__/__
2020 Electronic Document Retention	__/__/__
2020 Electronic Signature	__/__/__

**Financial Management Policies**

	<b>Last Updated</b>
2100 Accounts Receivable	__/__/__
2101 Charges for Copies	__/__/__
2105 Asset Protection and Fraud in the Workplace	__/__/__
2110 Budget Preparation	__/__/__
2115 Credit Card Use	__/__/__
2120 Employment of Outside Contractors and Consultants	__/__/__
2125 Expense Authorization	__/__/__
2130 Investment of District Funds	__/__/__
2150 Reserve Policy	__/__/__
2155 Debt Management	__/__/__
2160 Internal Controls	__/__/__

DRAFT

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

**2010 Records Retention**

The following retention schedule identifies the length of time each District record must be retained in active storage in District facility and a time period that the original record must be kept in archived storage before it can be placed in permanent storage or destroyed. The retention period is the period of time during which records must be kept before final disposition into permanent storage or destruction. The column for retention period includes description and a number. The description represents the triggering event that commences the retention period. The number represents the number of years (unless otherwise noted) that the District must keep the record.

The General Manager is authorized by the Board of Trustees to interpret and implement this policy, and to cause to be destroyed any or all such records, papers and documents that meet the qualifications governing the retention and disposal of records, specified below, after consultation with the General Counsel.

The following is the District's retention schedule:

Record	Retention Period (Years Unless Specified)	
	Active (Office)	Inactive (Archives)
<b>FINANCE</b>		
Accounting Records		
Bank Deposits	Audit	Audit + 2
Bank Statements	Audit	Audit + 5
Purchase Orders (retained copy)	Audit	Audit + 2
Warrants, Checks	Audit	Audit + 7
Journal Vouches	Audit	Audit + 7
Ledgers	Audit	Audit + 7
Trial Balance (general ledger)	Audit	Audit + 2
Balance Sheet	Audit	Audit + 2
Budget	Audit + 5	Permanent
Audits	Audit + 10	Permanent
Audit Review or Hearing Documentation	Audit	Audit + 2
Improvement Districts	Life + 5	Permanent
Loans & Grants	Life	Life + 5
Cash Receipts	Audit	Audit + 5
Security Deposits	Audit	Audit + 5
Payroll	Audit	Audit + 5
Warrant Voucher	Audit	Audit + 5
Meter Books	Audit	Audit + 5
Depreciation Schedules	Audit	AU + 5
Annual Financial Report	Closed/Completion	Closed/Completion + 2
Bonds (Final Bond Documentation)	Closed/Completion	Closed/Completion + 10
Grants	Closed/Completion	Closed/Completion + 5

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

<b>PERSONNEL</b>		
<b>Record</b>	<b>Retention Period (Years Unless Specified)</b>	
	<b>Active (Office)</b>	<b>Inactive (Archives)</b>
Payroll, personnel forms and authorizations	Current Year	Current Year + 3
Vehicle Mileage Reimbursement Rates	Record is Superseded	Record is Superseded + 2
Travel Records	Current Year + 2	Current Year + 2
Bonds and Garnishments	Date of Termination	Date of Termination + 3
Accident Reports, Injury Claims & Settlements	Closed/Completion	Closed/Completion + 3
Employee Rights (grievances, union requests, sexual harassment, civil rights, disciplinary actions, etc.)	Date of Termination	Date of Termination + 6
Benefit Plan Claims	Permanent	Permanent
Denial of Benefit Plan Enrollment	Closed/Completion	Closed/Completion + 4
DMV Reports	Closed/Completion	Closed/Completion + 7
Immigration Earning Records	Date of Termination	Date of Termination + 3
IRS Forms	Current Year	Current Year + 3
Employee Handbook	S	S + 2
Employee Programs (EAP, etc.)	Closed/Completion	Closed/Completion + 2
Medical Leave	C Closed/Completion L	Closed/Completion + 30
Negotiation (notes, correspondence, MOUs)	Record is Superseded + 2	Permanent
Employment Test Results (Non Hires)	Closed/Completion	Closed/Completion + 2
Employment Applications, Tests, Changes, Terminations	Date of Termination	Date of Termination + 3
Employee Insurance Records	Date of Termination	Date of Termination
Job Descriptions	Record is Superseded	Record is Superseded + 3
Job Announcements, Recruitment Materials, Eligibility Lists	Closed/Completion	Closed/Completion + 3
Performance Evaluations & Disciplinary Actions	Date of Termination	Date of Termination + 6
Retirements	Life	Life
Time Sheets or Cards	Closed/Completion	Closed/Completion + 5
Employee Training Records	Current Year + 7	

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

<b>OPERATIONS AND MAINTENANCE RECORDS</b>		
<b>Record</b>	<b>Retention Period (Years Unless Specified)</b>	
	<b>Active (Office)</b>	<b>Inactive (Archives)</b>
Reports and Surveys from State Agencies	Current Year	Current Year + 10
Customer Complaints	Current Year	Current Year + 2
Work Orders	Current Year	Current Year + 2
Water Rights and Water Permits and Licenses	Life	Life + 5
Master Plans	Life + 5	Permanent
Groundwater and Project Studies	Life + 5	Permanent
Construction photos and videos	Life	Life + 5
OSHA and other agency Certificates and Permits	Life	Life + 2
<b>ENGINEERING</b>		
<b>Record</b>	<b>Retention Period (Years Unless Specified)</b>	
	<b>Active (Office)</b>	<b>Inactive (Archives)</b>
Construction Project Inspection Reports	Closed/Completion	Life + 7
Construction Videos and Photos	Closed/Completion	Life + 7
Reports, Plans, Studies Contracted by District	Closed/Completion	Closed/Completion + 7
Bids, Proposals and Notices	Closed/Completion	Closed/Completion + 3
Contract and As-Built Drawings and Submittals	Closed/Completion + 7	P
Construction Related Correspondence	Closed/Completion	Closed/Completion + 7
Permits (Issued by Others)	Life	Life + 3
Environmental Impact Studies and Reports	Life	Life + 3
Maps	Life	Permanent
Easements, Encroachments and Deeds	Life	Life

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

<b>MISCELLANEOUS</b>		
<b>Record</b>	<b>Retention Period (Years Unless Specified)</b>	
	<b>Active (Office)</b>	<b>Inactive (Archives)</b>
Correspondence (To or From District)	Current Year	Current Year + 2
Staff and Committee Reports	Current Year	Current Year + 2
Agreements, Contracts, Leases	Date of Termination + 4	Permanent
Legal Opinions	Current Year	Current Year + 5
Annexations and Detachments	Record is Superseded	Permanent
Policies, Rules and Regulations	Record is Superseded	Record is Superseded + 5
Press Releases and Newsletters	Current Year	Current Year + 2
<b>PURCHASING RECORDS</b>		
<b>Record</b>	<b>Retention Period (Years Unless Specified)</b>	
	<b>Active (Office)</b>	<b>Inactive (Archives)</b>
Purchase Orders and Requisitions (with backup)	Closed/Completion	Closed/Completion + 3
Inventory Records	Current Year	Current Year + 3
Disposal of Surplus Property	Current Year	Current Year + 3
Bids and Quotes	Closed/Completion	Closed/Completion + 2
Maintenance Agreements	Life	Life + 4
<b>ADMINISTRATION</b>		
<b>Record</b>	<b>Retention Period (Years Unless Specified)</b>	
	<b>Active (Office)</b>	<b>Inactive (Archives)</b>
Agendas (Board)	Current Year + 2	Permanent
Minutes (Board)	CU + 5	Permanent
Resolutions and Ordinances	Permanent	Permanent
Public Records Act Requests	Current Year +1	Current Year +1

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

<b>ELECTIONS/POLITICAL</b>		
<b>Record</b>	<b>Retention Period (Years Unless Specified)</b>	
	<b>Active (Office)</b>	<b>Inactive (Archives)</b>
Elections Materials and Results	Election	Election + 5
Proposition 218 Ballots	Election	Permanent
Canvass	Election	Permanent
Campaign Statements, Conflict of Interest	Current Year	Current Year + 5
Campaign Disclosure (Elected)	Election	Permanent
Campaign Disclosure (Not Elected)	Election	Election + 5
Candidate Statements	Election	Election + 4
Statement of Economic Interest (Elected)	Date of Termination	Date of Termination + 7
Statement of Economic Interest (Not Elected)	Election	Election + 5
Oaths of Office	Date of Termination	Date of Termination + 6
<b>RISK MANAGEMENT</b>		
<b>Record</b>	<b>Retention Period (Years Unless Specified)</b>	
	<b>Active (Office)</b>	<b>Inactive (Archives)</b>
Insurance	Current Year	Current Year + 5
Accident Reports	Closed/Completion	Closed/Completion + 7
Bonds, Insurance	Current Year +3	Permanent
Incident Reports	Closed/Completion	Closed/Completion + 7
Insurance (Joint Powers Agreement)	Closed/Completion + 4	Permanent
Worker's Compensation Insurance and Claims	Current Year + 4	Permanent
Risk Management Reports	Current Year	Current Year + 5
Suits, Claims, Liens where District is Party	Closed/Completion + 5	Permanent

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

## **2020 Electronic Document Retention**

This policy governs the retention of text messages, voicemail messages, social media posts, and email messages sent or received in the conduct of District business.

### Definitions

1. Email Message: An electronic communication sent and received via web mail or email client.
2. Social Media: Information posted to websites and applications that enable users to create and share content or to participate in social networking, including Facebook, Twitter, Instagram, Snapchat, and LinkedIn.
3. Text Message: An electronic, written communication sent and received via telephone or Internet connection.
4. Voicemail Message: An electronic, aural communication sent or received via telephone or Internet connection.

Text messages, voicemail messages, and social media posts not saved to an archive, or a more permanent medium are intended to be ephemeral documents, not preserved in the ordinary course of business. Accordingly, they do not constitute disclosable public records, as that term is defined by Government Code section 6252, subdivision (e). Trustees and District staff are not required to retain these electronic documents. Business done on behalf of the District that requires the creation and preservation of records should be conducted in other media.

Records contained in emails shall be moved to an alternate location and stored based on their content and the associated retention period.

This policy applies only to the conduct of District business that is subject to the Public Records Act. It has no application to communications to or from Trustees in their other public and private capacities or communications to or from District staff that are personal, private, or otherwise not District business.

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

**2030 Electronic Signature (TBD)**

This Policy establishes when electronic signature technology may replace a hand-written signature, applies to all signatures used in processing various District documents, and assumes the signer has authority to sign the document. This Policy applies to documents requiring a signature of any person where the signature is intended to show authorship, approval, authorization, or certification, as allowed by law. This Policy does not require any party to use electronic signatures.

Digital or electronic signature means an electronic identifier, created by computer, intended by the party using it to have the same force and effect as the use of a manual signature

The use of electronic signatures is permitted and shall have the same force and effect as the use of a “wet” or manual signature if all the following criteria are met: 1. The electronic signature is unique to the person using it. 2. The electronic signature is capable of verification. 3. The electronic signature is under the sole control of the person using it. 4. The electronic signature is linked to the data in such a manner that if the data is changed after the electronic signature is affixed, the electronic signature is invalidated.

Electronic Records will be retained consistent with the document retention policy and all parties to the record/transaction will be provided a copy of Electronic Records.

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

## **Financial Management**

### **2100 Accounts Receivable**

It is the policy of the District that accounts receivable be reviewed monthly, as it is critical to the cash flow of the District and requires continued follow-up and attention.

Procedures:

- a) The accounts receivable balances are reviewed monthly by the General Manager and presented in a monthly financial staff report for approval by the Board of Trustees at the next Board meeting.
- b) Bills for sale and delivery of water not paid on or before the twenty-fifth (25th) day following the billing date are considered delinquent at which time notices are sent.
- c) Finance charges of 10% percent per month are assessed on all accounts past due as provided by District Ordinance #00-01.
- d) Credit memos are limited to control of the General Manager or designee.

### **2101 Charges for Copies**

The District will charge twenty five (25) cents per page requested by a member of the public or an organization. If copies are to be mailed, the requestor will provide a self-addressed stamped envelope. There is no charge for electronic file transmissions.

### **2105 Asset Protection and Fraud in the Workplace**

The District is committed to protecting its assets against the risk of loss or misuse. Accordingly, it is the policy of the District to identify and promptly investigate any possibility of fraudulent or related dishonest activities against the District and, when appropriate, to pursue available legal remedies.

This policy establishes procedures for clarifying acts that are considered to be fraudulent, describing the steps to be taken when fraud or other dishonest activities are suspected, and providing procedures to follow in accounting for missing funds, restitution, and recoveries.

Definitions:

1. Fraud – Fraud and other similar irregularities include, but are not limited to:
  - a) Claim for reimbursement of expenses that are not job-related or authorized by District policy;
  - b) Forgery, falsification, or unauthorized alteration of documents or records (including but not limited to checks, promissory notes, time sheets, independent contractor agreements, purchase orders, budgets, etc.);
  - c) Misappropriation of District assets (including but not limited to funds, securities, supplies, furniture, equipment, etc.);
  - d) Inappropriate use of District resources (including but not limited to labor, time, and materials);
  - e) Improprieties in the handling or reporting of money or financial transactions;
  - f) Authorizing or receiving payment for goods not received or services not performed;

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

- g) Computer-related activity involving unauthorized alteration, destruction, forgery, or manipulation of data or misappropriation of District-owned or –licensed software;
  - h) Misrepresentation of information;
  - i) Theft of equipment or other goods;
  - j) Any apparent violation of federal, state, or local laws related to dishonest activities or fraud;
  - k) Seeking or accepting anything of material value from those doing business with the District including vendors, consultants, contractors, lessees, applicants, and grantees. Materiality is determined by the District’s Conflict of Interest Code which incorporates the Fair Political Practices Commission’s regulations;
  - l) Any other conduct, actions or activities treated as fraud or misappropriation under any federal or state law, rule or regulation.
2. Employee – In this context, “employee” refers to any individual or group of individuals who receive compensation, either full- or part-time, including members of the Board of Trustees, from the District. The term also includes any volunteer who provides services to the District through an authorized arrangement with the District or a District organization.
  3. Management – In this context, “management” refers to any manager, supervisor, or other individual who manages or supervises District’s resources or assets.
  4. Internal Audit Committee – In this context, if the claim of fraud involves anyone other than the District’s General Manager, the Internal Audit Committee shall consist of the General Manager, the District’s Legal Counsel, and any other persons appointed to the Internal Audit Committee by the General Manager. If the claim of fraud involves the District’s General Manager, the Internal Audit Committee shall consist of the President of the Board of Trustees of the District, the District’s Legal Counsel, and those persons appointed to the Internal Audit Committee by the President of the Board. Nothing contained in this policy shall be construed as requiring the General Manager or the President of the Board to appoint other persons to the Internal Audit Committee. Individuals appointed to the Internal Audit Committee by the General Manager or the President of the Board other than the District’s Legal Counsel shall serve at the pleasure of the General Manager or the President of the Board.
  5. External Auditor – In this context, “External Auditor” refers to independent audit professionals appointed by the District’s Board of Trustees to perform annual audits of the District’s financial statements.

### Procedures

It is the District’s intent to fully investigate any suspected acts of fraud, misappropriation, or other similar irregularity. An objective and impartial investigation will be conducted regardless of the position, title, and length of service or relationship with the District of any party who might be or become involved in or become the subject of such investigation. An employee being investigated for fraud may request representation by a representative of any recognized bargaining unit that represents the employee.

The General Manager is responsible for instituting and maintaining a system of internal controls to provide reasonable assurance of the prevention and detection of fraud, misappropriations, and other irregularities.

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

For claims of fraud the Internal Audit Committee shall have primary responsibility for investigation of activity covered by this policy. The District's General Counsel shall advise the Committee, the General Manager, and/or the Board President on all such investigations. Throughout the investigation, the Internal Audit Committee will inform the General Manager of pertinent investigative findings.

An employee will be granted whistle-blower protection when acting in accordance with this policy so long as they have not engaged in activity that violates this policy. When informed of a suspected impropriety, neither the District nor any person acting on its behalf shall:

- a) Dismiss or threaten to dismiss an employee providing the information,
- b) Discipline, suspend, or threaten to discipline or suspend such an employee,
- c) Impose any penalty upon such an employee, or
- d) Intimidate or coerce such an employee.
- e) Violations of this whistle-blower protection policy will result in discipline up to and including termination.

Upon conclusion of an investigation, the results will be reported to the General Manager or, if the investigation involves the General Manager, the Board President, either of whom shall advise the Board of Trustees. Following review of investigation results, the General Manager or the Board, as the case may be, will take appropriate action regarding employee misconduct. Disciplinary action can include employment discipline up to and including termination, referral for criminal prosecution, or both.

The General Manager or the General Counsel will pursue every reasonable effort, including court-ordered restitution, to obtain recovery of District losses from the offender, other responsible parties, insurers, or other appropriate sources unless the Board should otherwise direct in consultation with General Counsel.

### Board of Directors Responsibilities

If a Board Member has reason to suspect a fraud has occurred, he or she shall immediately contact the General Manager or the Board President, if the activity involves the General Manager, and the District's Legal Counsel. The Board Member shall not attempt to investigate the suspected fraud or discuss the matter with anyone other than the General Manager or Board President, as the case may be, and the District's Legal Counsel. The alleged fraud or audit investigation shall not be discussed with the media by any person other than the General Manager or the Board President after consultation with the District's Legal Counsel and any Internal Audit Committee appointed as to the matter.

### Management Responsibilities

Management staff are responsible for being alert to and reporting fraudulent or related dishonest activities in their areas of responsibility, remain familiar with the types of improprieties that might occur, and be alert for any indication that improper activity, misappropriation, or dishonest activity did occur or is occurring. When an improper activity is detected or suspected, management should determine whether an error or mistake has occurred or if there may be dishonest or fraudulent activity. If a manager determines a suspected activity may involve fraud or related dishonest activity, the General Manager should be contacted. If the activity involves the General Manager, it shall be reported to the Board President or the District's Legal Counsel.

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

Managers should not attempt to conduct individual investigations, interviews, or interrogations other than as directed by the General Manager or General Counsel. However, management staff are responsible for taking appropriate corrective actions to implement adequate controls to prevent recurrence of improper actions.

Management staff should support the District's responsibilities and cooperate fully with the Internal Audit Committee, other involved departments, and law enforcement agencies in the detection, reporting, and investigation of criminal acts, including the prosecution of offenders. Management staff must give full and unrestricted access to all necessary records and Personnel to those responsible for identifying, investigating and remedying fraud and related dishonest acts. All District assets, including furniture, desks, and computers, are open to inspection at any time. No District officer, agent or employee has a reasonable expectation of privacy in District property and other resources to preclude such inspection.

In dealing with suspected dishonest or fraudulent activities, great care must be taken. Therefore, management staff should avoid the following:

1. Incorrect accusations;
2. Alerting suspected individuals that an investigation is underway;
3. Treating employees unfairly; and
4. Making statements that could lead to claims of false accusations or other offenses.

In handling dishonest or fraudulent activities, managers have the responsibility to:

1. Make no contact (unless requested) with the suspected individual to determine facts or demand restitution. Under no circumstances should there be any reference to "what you did", "the crime", "the fraud", "the misappropriation", etc;
2. Avoid discussing the case, facts, suspicions, or allegations with anyone outside the District, unless specifically directed to do so by the General Manager or the Board President; and
3. Avoid discussing the case with anyone inside the District other than employees who have a need to know such as the General Manager, Internal Audit Committee, or the District's Legal Counsel.
4. Direct all inquiries from the suspected individual, or their representative, to the General Manager, the Board President, or the District's Legal Counsel. All inquiries by an attorney representing a suspected individual should be directed to the General Manager or the District's Legal Counsel. All inquiries from the media should be directed to the General Manager or the Board President, if the activity involves the General Manager.
5. Take appropriate corrective and disciplinary action, up to and including dismissal, after consulting with the Board and Legal Counsel, in conformance with District policy and applicable law.

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

## Employee Responsibilities

A suspected fraudulent incident or practice observed by, or made known to, an employee must be reported to the employee's supervisor for reporting to the proper management official. When an employee believes their supervisor may be involved in inappropriate activity, the employee shall make the report to the next higher level of management and/or the General Manager. If the activity involves the General Manager, it shall be reported to the Board President or the District's Legal Counsel. A reporting employee shall refrain from further investigation of the incident, confrontation with the alleged violator, or further discussion of the incident with anyone, unless requested by the General Manager, Internal Audit Committee, the District's Legal Counsel, or law enforcement personnel.

## Internal Audit Committee Responsibilities

Upon assignment by the General Manager or the Board President, an Internal Audit Committee will promptly investigate the allegations. In all circumstances where a reason to suspect a criminal fraud has occurred, the Internal Audit Committee, in consultation with the District General Manager or the Board President and Legal Counsel, if the General Manager is suspected of involvement in the fraud, will contact the appropriate law enforcement agency. The Internal Audit Committee shall be available and receptive to relevant, confidential information to the extent allowed by law after consultation with the District's Legal Counsel.

If evidence is uncovered showing possible dishonest or fraudulent activities, the Internal Audit Committee will:

1. Discuss the findings with management and the General Manager;
2. Advise management, if the case involves District staff members, to meet with the General Manager (or their designated representative) to determine if disciplinary action should be taken;
3. Report to the External Auditor such activities to assess the effect of the illegal activity on the District's financial statements;
4. Coordinate with the General Manager regarding notification to insurers and filing of insurance claims;
5. Take immediate action, after consultation with the Legal Counsel, to prevent the theft, alteration, or destruction of evidence. Such action shall include, but is not limited to:
  - a. Removing relevant records and placing them in a secure location, or limiting access to those records
  - b. Preventing the individual suspected of committing the fraud from having access to the records.
6. In consultation with the District Legal Counsel and the local law enforcement agency, the Internal Audit Committee may disclose particulars of the investigation to potential witnesses if such disclosure would further the investigation.
7. If the Internal Audit Committee is contacted by the media regarding an alleged fraud or audit investigation, the Internal Audit Committee will refer the media to the General Manager or Board President, if the activity involves the General Manager.

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

8. At the conclusion of the investigation, the Internal Audit Committee will document the results in a confidential memorandum report to the General Manager or the Board President for action. If the report concludes that the allegations are founded and the District's Legal Counsel has determined that a crime has occurred, the report will be forwarded to the appropriate law enforcement agency.
9. The Internal Audit Committee shall make recommendations to the appropriate department as to the prevention of future similar occurrences.
10. Upon completion of the investigation, including all legal and personnel actions; all records, documents, and other evidentiary material, obtained from the department under investigation will be returned by the Internal Audit Committee to that department.

### Exceptions

There will be no exceptions to this policy unless provided and approved in writing by the General Manager or the Board President and the District Legal Counsel. The Board of Trustees reserves the right to amend, delete, or revise this policy at any time by formal action of the Board of Trustees.

### **2110 Budget Preparation**

A preliminary annual budget workshop shall be prepared by the General Manager in consultation with the Board Treasurer and reviewed by the Board at its meeting in April or May. The final annual budget shall be adopted at the Board meeting in June. Proposed budget amendments can be developed by the General Manager and Treasurer and presented to the Board for approval during any Board meeting throughout the year. Care should be taken to ensure the budget provides adequate revenues to cover expenses and maintain targeting reserve levels.

### **2115 Credit Card Use**

A credit card shall be issued to the General Manager. Credit cards shall not be issued or used by members of the Board of Trustees. Directors will use their personal credit cards for lawful expenses of the District and seek reimbursement on a form provided by the District for that purpose.

- a) All credit card bills shall be paid in a timely manner to avoid late fees and finance charges.
- b) All credit card expenses shall be reasonable and necessary for the furtherance of District business. No personal expenses shall be charged on a District credit card. If a transaction involves both personal and District business, the employee shall pay for the transaction personally and request reimbursement by the District of the appropriate portion of the expense.
- c) All credit card transactions shall have third-party documents (receipts.)
- d) The Treasurer shall review and approve credit card transactions by the General Manager through review of the monthly credit card bill and related receipts.
- e) All records of the District involving credit card use, including receipts, invoices, and requests for reimbursement are disclosable public records to be maintained consistently with the District's records management policy.

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

## **2120 Employment of Outside Contractors and Consultants**

The District employs outside contractors or consultants to support District operations and implementation of the Board approved Strategic Plan. If public bidding requirements apply under law or the terms of any grant contract, the District shall comply to those requirements. Consultants will be selected based on the consultant's experience and qualifications. Consultants for engineering, architectural, and other professional services shall be evaluated based upon qualifications and not on cost of services per state law. Every person involved in the solicitation, selection, and approval of consultants shall comply with applicable conflicts of interest laws, including Government Code section 1090, the Political Reform Act of 1974, and the District's conflict of interest code.

## **2125 Expense Authorization**

All purchases made for the District by staff shall be authorized by the General Manager and shall be in conformance with the approved District budget. Any purchase, whether operating, maintenance, or capital, which requires an expenditure of \$15,000 or less may be approved by the General Manager. Any commitment of District funds for a purchase or expense greater than \$15,000 shall first be submitted to the Board of Trustees for approval or shall be in conformance with prior Board action and/or authorizations. Payments included in a Board approved contract, which exceed the purchase approval threshold will be considered approved and may be paid by the General Manager or designee.

The General Manager shall have the authority to make payments on those monthly and recurring expenses that routinely fall below the purchase approval threshold and are considered normal business expenses.

The limits, restrictions and procedures set forth in this Policy shall be subject to any and all applicable annual budgetary amounts, contract terms and other authorizations as may be imposed by the Board of Trustees from time to time.

A "petty cash" fund may be maintained in the District office having a balance-on-hand maximum of \$200.00. Petty cash may be advanced to District staff or Directors upon their request and the execution of a receipt for same, for the purpose of procuring item(s) or service(s) appropriately relating to District business and a receipt for same shall be submitted to the General Manager with any remaining advanced funds shall be returned. No personal checks shall be cashed in the petty cash fund. The petty cash fund shall be included in the District's annual independent accounting audit.

Whenever employees or Trustees of the District incur "out-of-pocket" expenses for item(s) or service(s) appropriately relating to District business as verified by valid receipts, said expended cash shall be reimbursed upon request from the District's petty cash fund or by warrant request if needed. In those instances when a receipt is not obtainable, the requested reimbursement shall be approved by the General Manager before remuneration. The District may establish a reimbursement request form and, if it does, no reimbursement will be made without submission of a request on that form. Requests for reimbursement to the District must have a good faith basis. Submission of a request for a reimbursement without such a basis shall subject the requestor to appropriate sanctions, up to and including termination of employment and referral to an appropriate law enforcement agency for prosecution.

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

## **2130 Investment of District Funds**

The cash management system of the District will be maintained to accurately monitor and forecast expenditures and revenues, thus enabling the District to invest funds to maximize efficiency as allowed by Government Code. This investment policy applies to all financial assets of the District. These funds are accounted for in the annual audited financial statements of the District.

The Board and persons authorized to make investment decisions subject to these policies are fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a fiduciary shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the District. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

As specified in California Government Code Section 53600.5, when investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the primary objectives, in priority order, of the investment activities shall be:

1. **Safety:** Safety of principal is the foremost objective of the investment program. Investments of the District shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.
2. **Liquidity:** The investment portfolio will remain sufficiently liquid to enable the District to meet all operating requirements, which might be reasonably anticipated.
3. **Return on Investments:** The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, considering the investment risk constraints and the cash flow characteristics of the portfolio.

Funds may be invested in banks which are insured by the Federal Deposit Insurance Corporation. Savings accounts and active bank accounts will be insured and/or collateralized to the degree consistent with or exceeding the existing law or regulation. In accordance with California Government Code Section 53635.2, to be eligible to receive District deposits, a financial institution shall have received an overall rating of not less than "satisfactory" in its most recent evaluation by the appropriate federal financial supervisory agency of its record of meeting the credit needs of California's communities.

Funds may also be invested in the Local Agency Investment Fund (LAIF) and the California Cooperative Liquid Assets Securities System (CLASS.)

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

## Delegation of Authority

The Board is permitted under Government Code Section 53607 to delegate responsibility to invest or reinvest District funds or to sell or exchange securities so purchased. Management responsibility for the investment program is hereby delegated by the Board to the General Manager and Treasurer who shall make all investment decisions and transactions in strict accordance with state law and with this Policy.

If authorized by the Board, the General Manager and Treasurer may utilize an external investment advisor to assist with investment decision-making and trade execution authority. The investment advisor shall be under the supervision of the General Manager and Treasurer and shall follow this Policy and such other written instructions as are provided.

The General Manager and Treasurer shall propose balance targets for investment accounts for Board approval annually at the time of budget development, considering anticipated expenditures and the District's Reserve Policy. The Board shall receive an account balance sheet monthly and can initiate and approve changes throughout the fiscal year.

The District will comply with the reporting requirements as defined in GC §53646 et seq. and GC §53607.

## **2150 Reserve Policy**

The District shall maintain reserve funds from existing unrestricted funds as designated by the District's Reserve Policy. The Board of Trustees adopts policies to maintain a prudent level of financial resources and provide cost-effective, efficient public services through a stable rate structure and gradual rate increases. The District must be prepared for larger-scale regional investments that help to secure water resources within its service area and must be prepared for sudden emergencies and unexpected costs. This policy establishes the procedure and level of reserve funding to achieve the following specific goals:

- a) Fund replacement and major repairs for the District's physical assets.
- b) Fund regular replacement of computer hardware and software.
- c) Fund designated projects, programs, and/or other special uses not otherwise funded by grants or requiring additional monetary support;
- d) Fund capital improvements; and
- e) Maintain minimal operational sustainability in periods of economic uncertainty.

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

Use of District Reserves is limited to available “Unrestricted” Funds (not obligated by law, contract or agreement), including donations, interest earned, fees for service, or other non-grant earnings. All special use funds will be designated by formal action of the Board of Trustees. The goal of the District is to maintain reserves at a level that equals or exceeds the sum of the following components:

- a) Operating Reserve:  
Purpose: This amount is intended to mitigate funding six months of operating expenses.  
Limit: 50 percent of the annual operating expense budget.
- b) Capital Reserve:  
Purpose: This amount is intended to replace existing assets and fund future capital projects  
Limit: 15 percent of gross fixed assets as of the audit of the prior year plus 10 percent of the annual operating expense budget.
- c) Emergency Reserve:  
Purpose: This amount is intended to be protection against catastrophic loss and to provide a cushion in the event of unexpected circumstances.  
Limit: 25 percent of the value of fixed assets
- d) Water Supply Reliability Reserve:  
Purpose: Reserves set aside for the specific purpose of securing/purchasing water supply and/or infrastructure for storage or supply distribution.  
Limit: The costs associated with the District’s share of these expenses could be as high as \$100 million. However, in order to initiate a prudent policy direction, the limit of this reserve shall not exceed \$20 million without further agreement on specific project participation and reserve assignment.

The District does not have a firm value to determine a contribution factor for Water Supply Reliability Reserve. Therefore, this Reserves Policy establishes that when revenue deposits exceed the account limits specified in District Policy, those exceedances will be deposited into Water Supply Reliability Reserve.

Monitoring Reserve Levels: The General Manager, in collaboration with the Treasurer, shall perform a reserve status analysis annually, to be provided to the Board of Directors’ annual deliberation/approval of Budget and Reserve Funds.

Additional information may be provided to the Board of Trustees upon the occurrence of the following events:

- a) When a major change in conditions threatens the reserve levels established by this policy or calls into question the effectiveness of this policy;
- b) Upon General Manager and/or Board request.

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

## **2155 Debt Management**

This Debt Policy is intended to comply with Government Code Section 8855(i) and shall govern all debt issued by the District. The District hereby recognizes that a fiscally prudent debt policy is required to:

- a) Maintain the District's sound financial position.
- b) Ensure the District has the flexibility to respond to changes in future service priorities, revenues, and operating expenses.
- c) Protect the District's creditworthiness.
- d) Ensure that all debt is structured to protect current and future taxpayers, ratepayers and constituents of the District.
- e) Ensure that the District's debt is consistent with the District's planning goals and objectives and capital improvement program or budget, as applicable.

### Purposes for Which Debt May Be Issued

Long-term debt may be issued to finance the construction, acquisition, and rehabilitation of capital improvements and facilities, equipment, and land to be owned and operated by the District. Long-term debt financings are appropriate:

- a) When a project to be financed is necessary to provide District services.
- b) When the project to be financed will benefit constituents over several years.
- c) When total debt does not constitute an unreasonable burden to the District and its taxpayers or ratepayers.
- d) When the debt is used to refinance outstanding debt to reduce the total cost of the debt or to realize other benefits of a debt restructuring, such as increased flexibility in the use of cash and reserves.

Long-term debt financing will not generally be considered appropriate for current operating expenses and routine maintenance expenses. The District may use long-term debt financings subject to the following conditions:

- a) The project to be financed must be approved by the District Board.
- b) The weighted average maturity of the debt (or the portion of the debt allocated to the project) will not exceed the average useful life of the project to be financed.
- c) The District estimates that sufficient revenues will be available to service the debt through its maturity.
- d) The District determines that the issuance of the debt will comply with the applicable state and federal law.

Short-term debt may be issued to provide financing for the District's operational cash flows to maintain a steady and even cash flow balance as in anticipation of periodic receipts of property taxes and other revenues. Short-term debt may also be used to finance short-lived capital projects; for example, the District may undertake lease-purchase financing for equipment consistently with debt limit requirements of article XVI of the California Constitution, article XVI, § 18.

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

## Financings on Behalf of Other Entities

The District may also find it beneficial to issue debt on behalf of other governmental agencies or private third parties to further the public purposes of District. In such cases, the District shall take reasonable steps to confirm the financial feasibility of the project to be financed and the financial solvency of any borrower and that the issuance of such debt is consistent with this policy.

Types of Debt - The following types of debt are allowable under this Debt Policy:

- a) General obligation bonds (GO Bonds)
- b) Bond or grant anticipation notes (BANs)
- c) Lease revenue bonds, certificates of participation (COPs) and lease-purchase transactions
- d) Other revenue bonds and COPs
- e) Tax and other revenue anticipation notes (TRANs)
- f) Land-secured financings, such as special tax revenue bonds issued under the Mello-Roos Community Facilities Act of 1982, as amended, and limited obligation bonds issued under applicable assessment statutes
- g) Tax increment financing to the extent permitted under State law
- h) Refunding Obligations
- i) State Revolving Loan Funds
- j) Lines of Credit

The District Board may from time to time find that other forms of debt would be beneficial to further its public purposes and may approve such debt without an amendment of this Debt Policy. Debt shall be issued as fixed rate debt unless the District makes a specific determination as to why a variable rate issue would be beneficial to the District in a specific circumstance.

## Relationship of Debt to Capital Improvement Program and Budget

The District is committed to long-term capital planning. The District intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the District's capital budget and capital improvement plan.

The District shall strive to fund the upkeep and maintenance of its infrastructure and facilities due to normal wear and tear through the expenditure of available operating revenues ("pay as you go"). The District shall seek to avoid the use of debt to fund infrastructure and facilities improvements that are the result of normal wear and tear.

The District shall integrate its debt issuances with the goals of its capital improvement program by timing the issuance of debt to ensure that projects are available when needed in furtherance of the District's public purposes.

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

The District will comply with applicable state and federal law as it pertains to the maximum term of debt and the procedures for levying and imposing any related taxes, assessments, rates and charges.

When refinancing debt, it shall be the policy goal of the District to realize, whenever possible, and subject to any overriding non-financial policy considerations, the cost of refinancing should be less than the savings.

The District shall seek to time debt issues to avoid need for unplanned general fund expenditures for capital improvements or equipment.

### Internal Control Procedures

When issuing debt, in addition to complying with the terms of this Debt Policy, the District shall comply with any other applicable policies regarding initial bond disclosure, continuing disclosure, post-issuance compliance, and investment of bond proceeds. Without limiting the foregoing, the District will periodically review the requirements of and will remain in compliance with the following:

- a) Any continuing disclosure undertakings entered into by the District in accordance with SEC Rule 15c2-12 (17 CFR § 240.15c2-12 “Municipal securities disclosure”).
- b) Any federal tax compliance requirements, including, without limitation, arbitrage and rebate compliance.
- c) The District’s investment policies as they relate to the use and investment of bond proceeds.

Proceeds of debt will be held either (a) by a third-party trustee or fiscal agent, which will disburse such proceeds to or upon the order of the District upon the submission of one or more written requisitions by the General Manager of the District (or written designee), or (b) by the District, to be held and accounted for in a separate fund or account to ensure debt proceeds are expended only for the purposes for which the debt was issued, the expenditure of which will be carefully documented by the District in records compliance with current accounting standards and subject to the District’s annual audit.

### **2160 Internal Controls**

There will be established procedures for the adequate separation of duties, including at least the following:

- a) all invoices presented for payment must be approved by the General Manager or designee;
- b) every check must be signed by two authorized signers and be in accordance with the District’s procurement policy.
- c) all paid invoices shall be indicated as paid, and filed for reference;
- d) a monthly financial report will be presented to the Board of Trustees for approval at a public Board meeting.

All checks drawn on any District account, including but not limited to those for payroll and accounts payable, all warrants of the District, and transfers shall be signed by any two Board members or one Board member and the General Manager.

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

There will be an annual financial audit and any finding(s) shall be reported to the Board of Trustees with simultaneous notice to the General Manager.

There will be annual audits of the Property/Liability and Workers' Compensation Program claims paid by the District and those report(s) will be promptly presented to the Board of Trustees.

Excess funds may be deposited in or transferred to long-term investment accounts as the Board may, from time to time designate by resolution or policy. Funds in the investment account(s) shall only be withdrawn upon approval of the Board's Treasurer and General Manager. The requests for such transfers shall be signed by the General Manager and be supported by detailed information which shall be provided to the Treasurer approving the transfer and reported to the Board in the monthly financial reports.

To maximize interest earnings and manage District's cash flow needs, the General Manager will strive to maintain a reasonable balance in the checking accounts to off-set monthly bank charges, but at the same time recognizing that surplus funds should be transferred as appropriate to long-term investment accounts.

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

**STAFF REPORT**

**Agenda Item 9: Board Business**

**Monday, August 5, 2024**

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The Strategic Plan relevant priority is **Administration** – engaged, diverse, and knowledgeable Board leadership.

**Background**

**Vice President:** Due to the resignation of Alfred White, the Vice President seat is vacant.

**IWPC:** At the July 1, 2024 Board Meeting, President Chris Watt was reassigned to represent the Board on the Ukiah Valley Basin Groundwater Sustainability Agency Board by appointment in Resolution #24-04 and newly appointed Trustee Dave Koball was selected to represent the Board as the Alternate Commissioner to the Mendocino County Inland Water & Power Commission (IWPC).

Discussion

**Vice President:** The Board will consider selection of a Vice President for the Board.

**IWPC:** The Board will consider ratifying the appointment of Trustees to IWPC through resolution.

At this meeting, the Board may also consider Joint Powers Agency appointments and liaison assignments, if needed.

Recommended Action:

- Move to select a Vice President for the Board for the remainder of the 2024 Calendar Year.  
and
- Move to approve Resolution #24-05 ratifying John Reardan as the Regular Commissioner and Dave Koball as the Alternate Commissioner to the Mendocino County Inland Water & Power Commission.

Attachments:

- DRAFT Resolution #24-05 appointing Dave Koball as the Alternate Commissioner to the Mendocino County Inland Water & Power Commission.

\* \* \* \*

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

**Resolution #24-05**  
**of the Mendocino County Russian River Flood Control &**  
**Water Conservation Improvement District**

**Approving the Appointment of Representatives to the**  
**Mendocino County Inland Water & Power Commission**

**WHEREAS**, in 1996, the Mendocino County Inland Water and Power Commission (IWPC) was formed as a joint powers authority to serve as stewards of the Russian and Eel River watersheds, safeguarding the water that plays such a vital role to the region’s economic development, environmental quality, and general well-being of those who use this water;

**WHEREAS**, the County of Mendocino Water Agency, Potter Valley Irrigation District, Redwood Valley County Water District, City of Ukiah, and the Mendocino County Russian River Flood Control & Water Conservation Improvement District are Member Agencies of the Joint Powers Agreement (JPA) creating the Mendocino County Inland Water and Power Commission (IWPC);

**WHEREAS**, IWPC member agencies recognize the importance of providing a unified voice on water issues such as the future of the Eel River to Russian River trans basin diversion, Coyote Valley Dam modernization, and supporting environmental safeguards and beneficial water uses;

**BE IT FURTHER RESOLVED** that until further notice, **Trustee John Reardan** will continue to serve as the Regular Commissioner and **Trustee Dave Koball** will serve as the as Alternate Commissioner to represent the District on the Mendocino County Inland Water and Power Commission.

**ADOPTED** by the Board of Trustees of the Mendocino County Russian River Flood Control & Water Conservation Improvement District on 5th day of August, 2024.

Dave Koball	Yes / No / Abstain / Absent
John Reardan	Yes / No / Abstain / Absent
John Bailey	Yes / No / Abstain / Absent
Tyler Rodrigue	Yes / No / Abstain / Absent
Christopher Watt	Yes / No / Abstain / Absent

Signed: \_\_\_\_\_

Christopher Watt, President

Attest: \_\_\_\_\_

Elizabeth Salomone, General Manager

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

**STAFF REPORT**

**Agenda Item 10: Water Supply Conditions**

**Monday, August 5, 2024**

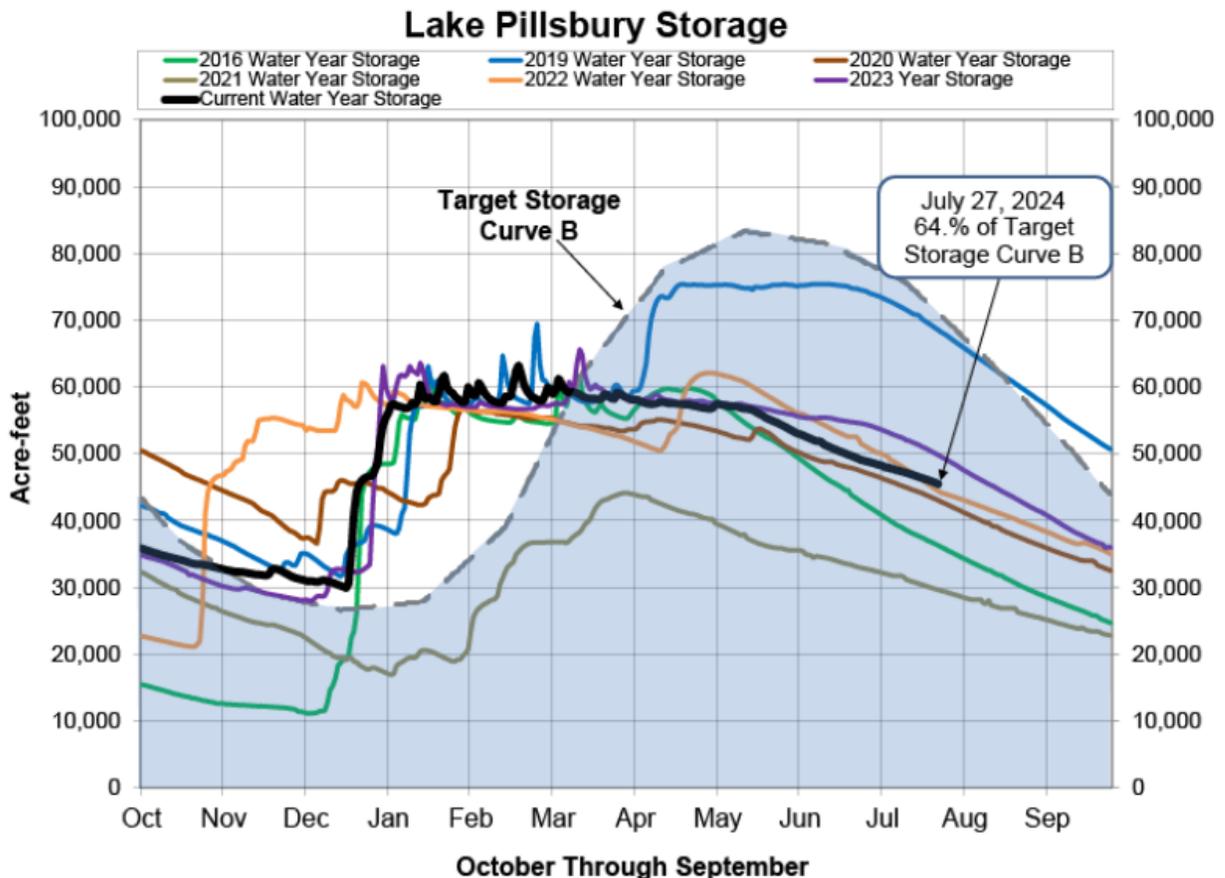
The Strategic Plan relevant priorities are: **Security** through ensuring reliable, resilient, and available sources of water; **Advocacy** in support of equitable water resource stewardship; and **Use** of water in effective and beneficial ways as a public resource, all in alignment with the District’s Mission to steward water resources for the benefit of people and the environment.

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

The Federal Energy Resources Commission (FERC) approved the 2024 flow variance submitted by PG&E in late June. PG&E has reconvened the Drought Working Group.

On July 4th, a request from the Round Valley Indian Tribes and the resource agencies was implemented, dropping the East Fork RR minimum flow requirement from 25 cfs to 5 cfs. However, due to the Potter Valley Irrigation District water supply contract with PG&E, there is currently closer to 40 cfs in the East Fork. The variance will end with Lake Pillsbury storage exceeds 36,000 acre feet after October 1 or is superseded by another variance/license change (which is being developed by PG&E.)

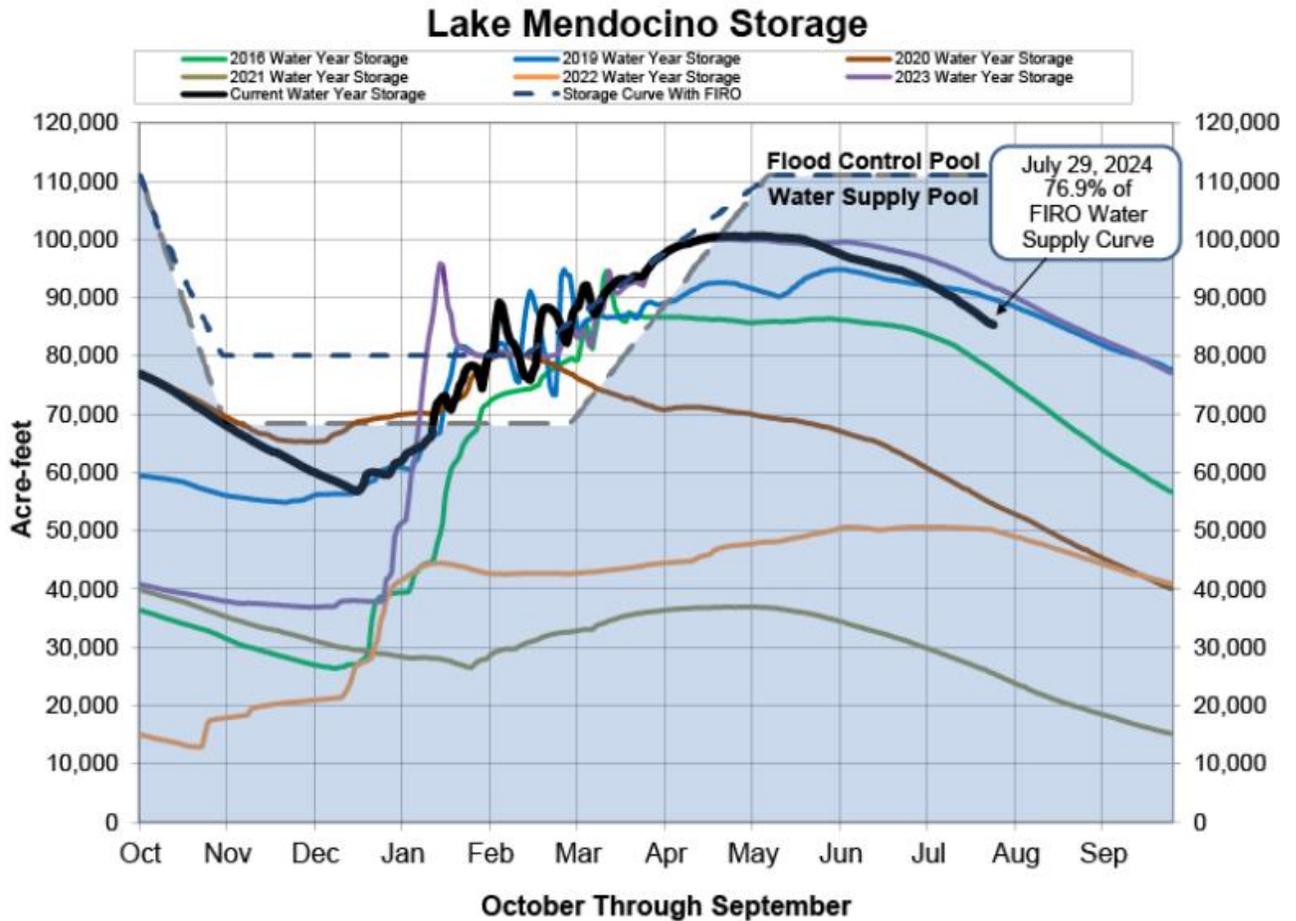
More information can be found on the District’s website: <https://www.rRFC.net/updates>



(Continued...)

### Lake Mendocino and the Mainstem Upper Russian River

Lake Mendocino storage level was 85,359 acre feet (af) on July 29, 2024, down from 95,006 af on June 24, 2024. The State Water Resources Control board approved the Sonoma Water Agency petition for temporary urgency changes on the Russian River. For more information, visit Sonoma Water’s TUCP webpage: [www.sonomawater.org/tucp](http://www.sonomawater.org/tucp).



\* \* \* \*

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

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

**STAFF REPORT**

**Agenda Item 10a: July 2024 Financial Report  
August 5, 2024**

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Revenue

June 2024 Additional revenue not shown on previous report: \$31,841.95, notably:

- \$25,990 in 2024 contract water sales
- \$5,851.95 LAIF interest

July 2024: \$0.00

Expenses

June 2024: Additional expenses not shown on previous report: \$1,128.10, notably:

- \$929.40 payroll expenses
- (remainder were small adjustments)

July 2024: \$43,740.29 ordinary and \$6,019.87 capital reserve, notably:

- \$1,940.51 Meter & Data Mgmt - last payment to RCD for FY 23/24 contract work.
- \$7,237.50 USGS for stream flow gage maintenance
- \$2,355.94 Accounting – retroactive pay and year end work.
- \$9,275.93 Liability insurance
- \$1,160.41 Annual LAFCo apportionment fee
- \$2,010.51 Annual County administration of property taxes fee
- \$6,019.87 new meters and data logging equipment

Other

- Financial reports subject to change after corrections and adjustments by Accountant and Auditor.
- Reconciliations for checking and savings are up to date as of the end of June 2024.
- Additional reports or information available upon request.
- Some account numbers were restructured in May 2024 for more precise reporting.

Recommendation:

Move to accept and file the financial reports for July 2024.

Attachments:

1. Income & Expense Report – July 2024 only  
(Income & Expense / Budget Vs Actual Report – Fiscal Year to date is same as #1)
2. Profit & Loss Previous Year Comparison Report
3. Balance Sheet Previous Year Comparison Report
4. Monthly Payment Detail Report– July 2024
5. Contracted Water Worksheet as of June 30, 2024

\* \* \* \*

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

## Income &amp; Expense / Budget vs. Actual

July 2024

	<u>Jul 24</u>
Ordinary Income/Expense	
Income	
4001 · Contract Water Sales	0.00
4050 · Property Taxes	0.00
4080 · Interest-LAIF	0.00
4081 · Interest-SBMC	0.00
Total Income	<u>0.00</u>
Expense	
Payroll Expenses	15,280.30
Water Supply Expenses	
5020 · Water Rights	
5020.05 · Meter & Data Mgmt Program	1,940.51
Total 5020 · Water Rights	<u>1,940.51</u>
5030 · USGS, streamflow gage	7,237.50
5040 · Channel Maintenance	
5040.01 · Channel Maint.-Legal	465.63
Total 5040 · Channel Maintenance	<u>465.63</u>
Total Water Supply Expenses	9,643.64
General & Administrative Exp	
5100 · Consulting	
5101 · Accounting	2,355.94
5104 · Administrative Support	1,337.70
5105 · Legal-General	126.99
Total 5100 · Consulting	<u>3,820.63</u>
5120 · Vehicle	121.33
5130 · Insurance	9,275.93
5140 · LAFCO Apportionment Fee	1,160.41
5160 · Office Operating Expenses	212.67
5170 · Training & Conferences	564.87
5180 · Stipends, Meetings	2,650.00
5190 · Property Tax Admin Fees	1,010.51
Total General & Administrative Exp	<u>18,816.35</u>
Total Expense	<u>43,740.29</u>
Net Ordinary Income	-43,740.29
Other Income/Expense	
Other Expense	
5710 · Use of Capital Reserves	6,019.87
Total Other Expense	<u>6,019.87</u>
Net Other Income	<u>-6,019.87</u>
Net Income	<u><u>-49,760.16</u></u>

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

Cash Basis

July 2024 through June 2025

	Jul '24 - Jun 25	Jul '23 - Jun 24	\$ Change	% Change
Ordinary Income/Expense				
Income	0.00	683,445.89	-683,445.89	-100.0%
Expense				
Payroll Expenses	15,280.30	182,743.28	-167,462.98	-91.6%
Water Supply Expenses				
5020 · Water Rights				
5020.01 · Annual Fees	0.00	15,144.89	-15,144.89	-100.0%
5020.02 · Legal Counsel	0.00	2,199.38	-2,199.38	-100.0%
5020.03 · WR Engineering	0.00	2,266.25	-2,266.25	-100.0%
5020.05 · Meter & Data Mgmt Program	1,940.51	13,171.60	-11,231.09	-85.3%
Total 5020 · Water Rights	1,940.51	32,782.12	-30,841.61	-94.1%
5030 · USGS, streamflow gage	7,237.50	5,912.50	1,325.00	22.4%
5031 · JPAs				
5031.01 · IWPC	0.00	6,300.00	-6,300.00	-100.0%
5031.02 · GSA	0.00	68,750.00	-68,750.00	-100.0%
Total 5031 · JPAs	0.00	75,050.00	-75,050.00	-100.0%
5040 · Channel Maintenance				
5040.01 · Channel Maint.-Legal	465.63	0.00	465.63	100.0%
Total 5040 · Channel Maintenance	465.63	0.00	465.63	100.0%
5050 · Projects				
5051 · Grants/Funding Analysis-general	0.00	6,525.00	-6,525.00	-100.0%
5054 · Addtl Water Rights	0.00	57.50	-57.50	-100.0%
5055 · RR Water Forum	0.00	2,070.08	-2,070.08	-100.0%
5056 · License Change Petition	0.00	10,912.75	-10,912.75	-100.0%
5057 · LAFCo Applications	0.00	252.45	-252.45	-100.0%
5058 · Demand Mgmt Pilot	0.00	18,275.00	-18,275.00	-100.0%
5059 · Trans Basin Diversion	0.00	88,252.42	-88,252.42	-100.0%
5060 · Coyote Valley Dam Modernizat...	0.00	7,000.00	-7,000.00	-100.0%
Total 5050 · Projects	0.00	133,345.20	-133,345.20	-100.0%
Total Water Supply Expenses	9,643.64	247,089.82	-237,446.18	-96.1%
General & Administrative Exp				
5100 · Consulting				
5101 · Accounting	2,355.94	6,834.26	-4,478.32	-65.5%
5102 · Audit	0.00	6,500.00	-6,500.00	-100.0%
5103 · Engineering- General	0.00	17,833.00	-17,833.00	-100.0%
5104 · Administrative Support	1,337.70	0.00	1,337.70	100.0%
5105 · Legal-General	126.99	7,163.64	-7,036.65	-98.2%
5109 · Human Resources	0.00	2,794.35	-2,794.35	-100.0%
Total 5100 · Consulting	3,820.63	41,125.25	-37,304.62	-90.7%
5120 · Vehicle	121.33	3,638.98	-3,517.65	-96.7%

	<u>Jul '24 - Jun 25</u>	<u>Jul '23 - Jun 24</u>	<u>\$ Change</u>	<u>% Change</u>
5130 · Insurance				
5131 · Insurance, Liability	<u>9,275.93</u>	<u>6,451.54</u>	<u>2,824.39</u>	<u>43.8%</u>
Total 5130 · Insurance	9,275.93	6,451.54	2,824.39	43.8%
5140 · LAFCO Apportionment Fee	1,160.41	1,100.37	60.04	5.5%
5150 · Memberships	0.00	6,019.00	-6,019.00	-100.0%
5160 · Office Operating Expenses	212.67	6,952.08	-6,739.41	-96.9%
5161 · Rent, Utilities	0.00	4,500.00	-4,500.00	-100.0%
5170 · Training & Conferences	564.87	4,851.46	-4,286.59	-88.4%
5180 · Stipends, Meetings	2,650.00	5,465.25	-2,815.25	-51.5%
5190 · Property Tax Admin Fees	<u>1,010.51</u>	<u>0.00</u>	<u>1,010.51</u>	<u>100.0%</u>
Total General & Administrative Exp	<u>18,816.35</u>	<u>80,103.93</u>	<u>-61,287.58</u>	<u>-76.5%</u>
Total Expense	<u>43,740.29</u>	<u>509,937.03</u>	<u>-466,196.74</u>	<u>-91.4%</u>
Net Ordinary Income	-43,740.29	173,508.86	-217,249.15	-125.2%
Other Income/Expense				
Other Expense				
5700 · Use of Wtr Reliability Reserve				
5700.1 · IWPC Contributions	0.00	46,700.00	-46,700.00	-100.0%
5700.2 · UVB GSA Contributions	<u>0.00</u>	<u>30,000.00</u>	<u>-30,000.00</u>	<u>-100.0%</u>
Total 5700 · Use of Wtr Reliability Reserve	0.00	76,700.00	-76,700.00	-100.0%
5710 · Use of Capital Reserves	<u>6,019.87</u>	<u>14,383.53</u>	<u>-8,363.66</u>	<u>-58.2%</u>
Total Other Expense	<u>6,019.87</u>	<u>91,083.53</u>	<u>-85,063.66</u>	<u>-93.4%</u>
Net Other Income	<u>-6,019.87</u>	<u>-91,083.53</u>	<u>85,063.66</u>	<u>93.4%</u>
Net Income	<u><u>-49,760.16</u></u>	<u><u>82,425.33</u></u>	<u><u>-132,185.49</u></u>	<u><u>-160.4%</u></u>

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

Cash Basis

As of June 30, 2025

	Jun 30, 25	Jun 30, 24	\$ Change	% Change
<b>ASSETS</b>				
Current Assets				
Checking/Savings				
1000 · SBMC Checking	267,509.37	321,311.97	-53,802.60	-16.7%
1001 · SBMC Savings				
1001.02 · Savings Water Reliability Fund	150,140.23	150,140.23	0.00	0.0%
1001.01 · General Savings	100,000.00	100,000.00	0.00	0.0%
1001 · SBMC Savings - Other	81.55	81.55	0.00	0.0%
Total 1001 · SBMC Savings	250,221.78	250,221.78	0.00	0.0%
1010 · LAIF				
1011 · Capital Reserve	70,000.00	73,670.00	-3,670.00	-5.0%
1012 · Emergency Reserve	37,000.00	37,500.00	-500.00	-1.3%
1013 · Operating Reserve	250,000.00	255,850.00	-5,850.00	-2.3%
1014 · Water Reliability Reserve	161,652.92	151,632.92	10,020.00	6.6%
1010 · LAIF - Other	5,851.95	5,851.95	0.00	0.0%
Total 1010 · LAIF	524,504.87	524,504.87	0.00	0.0%
1019 · LAIF - Fair Market Value	-7,579.72	-7,579.72	0.00	0.0%
Total Checking/Savings	1,034,656.30	1,088,458.90	-53,802.60	-4.9%
Accounts Receivable				
1200 · Accounts Receivable	-5.00	-5.00	0.00	0.0%
Total Accounts Receivable	-5.00	-5.00	0.00	0.0%
Other Current Assets				
1220 · Taxes Receiveable	21,563.91	21,563.91	0.00	0.0%
Total Other Current Assets	21,563.91	21,563.91	0.00	0.0%
Total Current Assets	1,056,215.21	1,110,017.81	-53,802.60	-4.9%
Fixed Assets				
1401 · Meters & Vehicles	147,783.80	147,783.80	0.00	0.0%
1499 · Accumulated Depreciation	-100,358.05	-100,358.05	0.00	0.0%
Total Fixed Assets	47,425.75	47,425.75	0.00	0.0%
Other Assets				
1600 · Deferred Outflows	46,819.00	46,819.00	0.00	0.0%
Total Other Assets	46,819.00	46,819.00	0.00	0.0%
<b>TOTAL ASSETS</b>	<b>1,150,459.96</b>	<b>1,204,262.56</b>	<b>-53,802.60</b>	<b>-4.5%</b>

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

Cash Basis

As of June 30, 2025

	Jun 30, 25	Jun 30, 24	\$ Change	% Change
<b>LIABILITIES &amp; EQUITY</b>				
Liabilities				
Current Liabilities				
Accounts Payable	-1,135.99	-1,135.99	0.00	0.0%
Other Current Liabilities				
2030 · Vacation Accrual	24,980.77	24,980.77	0.00	0.0%
2050 · Payroll Liabilities	0.00	4,042.44	-4,042.44	-100.0%
2070 · Direct Deposit Liabilities	328.30	328.30	0.00	0.0%
Total Other Current Liabilities	25,309.07	29,351.51	-4,042.44	-13.8%
Total Current Liabilities	24,173.08	28,215.52	-4,042.44	-14.3%
Long Term Liabilities				
2600 · Deferred Inflows	2,265.00	2,265.00	0.00	0.0%
2700 · Net Pension Liability	59,381.00	59,381.00	0.00	0.0%
Total Long Term Liabilities	61,646.00	61,646.00	0.00	0.0%
Total Liabilities	85,819.08	89,861.52	-4,042.44	-4.5%
Equity				
3000 · Opening Bal Equity	541,116.95	541,116.95	0.00	0.0%
3001 · Retained Earnings	573,284.09	490,858.76	82,425.33	16.8%
Net Income	-49,760.16	82,425.33	-132,185.49	-160.4%
Total Equity	1,064,640.88	1,114,401.04	-49,760.16	-4.5%
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>1,150,459.96</b>	<b>1,204,262.56</b>	<b>-53,802.60</b>	<b>-4.5%</b>

## Mendocino County Russian River Flood Control District

## Monthly Payment Detail

Cash Basis

As of July 31, 2024

Date	Name	Memo	Paid Amount
1000 · SBMC Checking			
07/22/2024	Alfred White	Board Stipend Jan-June 2024	-1,000.00
07/02/2024	CalPERS	1959 Survivor Annual Billing	-67.60
07/11/2024	Cardmember Service	Credit card 5/14-6/12-24	-827.87
07/26/2024	Christopher Watt	Board Stipend Jan-June 2024	-550.00
07/16/2024	Eide Bailly	Accounting, addt'l May 2024 service Dates	-2,355.94
07/09/2024	Herum/Crabtree/Suntag	Legal counsel June service dates	-592.62
07/08/2024	Intuit	Monthly payroll subscription	-6.00
07/24/2024	John Reardan	Board Stipend Jan-Jun 24	-850.00
07/22/2024	McCrometer	2 new data logger adaptors for compliance	-2,540.31
07/08/2024	Mendocino County Auditor-Con...	PropertyTax Administration FY 2023-24 invoice 2427	-1,010.51
07/17/2024	Mendocino County Auditor-Con...	LAFCo Apportionment Fee for FY 2024-25 invoice 2031	-1,160.41
07/09/2024	Mendocino County Resource Co...	Meter & Data Mgmt Program, Apr-June 2024 service dat...	-1,940.51
07/09/2024	RTI "Respectech"	IT support	-65.00
07/16/2024	Special District Risk Management	Invoices #75499, Member # 6950, Program year 2024-25	-9,275.93
07/08/2024	TechnoFlo Systems	Invoices 45478 & 45474	-3,479.56
07/22/2024	Tyler Rodrigue	Board Stipend Jan-June 2024	-250.00
07/17/2024	USGS	Bill #91177724 Fed FY 2024, 3rd Qtr pymnt	-7,237.50
07/09/2024	Void	misprint	0.00
07/09/2024	Void	misprint	0.00
07/01/2024	Works, Inc	Temp service 6-17 to 6-21-24	-81.90
07/02/2024	Works, Inc	Temp service 6-24 to 6-28-24	-746.20
07/16/2024	Works, Inc	Temp services 7/17/5 & 7/8-7/12/24	-509.60
Total 1000 · SBMC Checking			-34,547.46
TOTAL			-34,547.46

## Project Water Worksheet as of July 31, 2024

*(No contract changes from previous report)*

Current 2024 totals  
in Acre Feet

<b>Project Water Licensed to MC RRFC &amp; WCID:</b>	<b>7940</b>																
<b>Contracted Non-Retail Suppliers:</b>	<b>4972</b>																
<b>Contracted Retail Suppliers:</b>	<b>2305.15</b>																
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">Calpella CWD</td><td style="text-align: center;">85</td></tr> <tr><td style="text-align: center;">Henry Station Mutual Water Co</td><td style="text-align: center;">8</td></tr> <tr><td style="text-align: center;">Hopland PUD</td><td style="text-align: center;">222</td></tr> <tr><td style="text-align: center;">Millview CWD - All Use</td><td style="text-align: center;">1171.15</td></tr> <tr><td style="text-align: center;">Rogina Water</td><td style="text-align: center;">200</td></tr> <tr><td style="text-align: center;">River Estates Mutual Water Company</td><td style="text-align: center;">26</td></tr> <tr><td style="text-align: center;">Willow CWD - All Use</td><td style="text-align: center;">593</td></tr> <tr><td style="text-align: center;"><b>Contracted Retail Suppliers Total:</b></td><td style="text-align: center;"><b>2305.15</b></td></tr> </table>	Calpella CWD	85	Henry Station Mutual Water Co	8	Hopland PUD	222	Millview CWD - All Use	1171.15	Rogina Water	200	River Estates Mutual Water Company	26	Willow CWD - All Use	593	<b>Contracted Retail Suppliers Total:</b>	<b>2305.15</b>	
Calpella CWD	85																
Henry Station Mutual Water Co	8																
Hopland PUD	222																
Millview CWD - All Use	1171.15																
Rogina Water	200																
River Estates Mutual Water Company	26																
Willow CWD - All Use	593																
<b>Contracted Retail Suppliers Total:</b>	<b>2305.15</b>																
<b>Contracted Total:</b>	<b>7277.15</b>																
<b>Current Uncontracted Water Supply for 2024:</b>	<b>662.85</b>																

**Redwood Valley County Water District 2024 Surplus Use Totals:**

Month	Water Requested, in acre feet	Water diverted, in acre feet	Remaining AF Available in 2024 only
Jan 2024	projections not yet established	13.89	
Feb 2024	projections not yet established	0.00	
Mar 2024	projections not yet established	14.46	
Apr 2024	projections not yet established	59.75	
May 2024	projections not yet established	46.47	
June 2024	projections not yet established	116.91	
July 2024			
Aug 2024			
Sept 2024			
Oct 2024			
Nov 2024			
Dec 2024			
<b>Totals:</b>		<b>251.48</b>	

Surplus water <b>OFFERED FOR TRANSFER</b> from customers in 2024:	363.00
Surplus water <b>ACTUALLY TRANSFERED</b> from customers in 2024:	0

**Total available Surplus for Redwood Valley in 2024: 1025.85**

Note: additional available surplus water can be made available.

5 **DRAFT MINUTES**  
6 **Regular Meeting of July 1, 2024**  
7 **At District Office: 304 N. State Street, Ukiah, CA 95482**

8 **1. Roll Call**

9 Vice President White called the meeting to order at 5:34 PM.

10 Trustees Present: Christopher Watt, President  
11 John Bailey, Treasurer  
12 John Reardan, Trustee

13 Trustees Absent: Tyler Rodrigue, Trustee

14 Staff: Elizabeth Salomone, General Manager  
15 Lilliana Selke, Legal Counsel

16 **2. Approval of Agenda**

17 Treasurer Bailey moved to approve the agenda. Trustee Reardan seconded the motion. The motion was  
18 approved by the following vote:

19 Ayes: 3 (Reardan, Bailey, Watt)  
20 Absent: 1 (Rodrigue)

21 **3. Public Expression:**

22 None.

23 **ITEMS FOR DISCUSSION AND POSSIBLE ACTION**

24 **4. Consider Investigation of Maintenance Obligations on Russian River and Participation in Biological  
25 Opinion**

26 Legal Counsel Silke briefed the Board.

27 In 2008 the National Marine Fisheries Service (NMFS) issued a Biological Opinion (BiOp) for channel  
28 maintenance conducted by the United States Army Corp of Engineers (USACE), Sonoma County Water  
29 Agency (SCWA), and this District in the Russian River watershed. The BiOp describes several maintenance  
30 obligations for this District without reference to where those obligations stem from. The BiOp is now being  
31 updated and NMFS has asked whether this District’s activities still need to be covered under the BiOp.

32 A 1997 Memorandum of Understanding (MOU) between USACE, NMFS, and SCWA references this  
33 District’s “contractual obligation to USACE to maintain erosion control works situated in Mendocino County  
34 pursuant to an unnumbered resolution adopted by the District Board of Directors on November 12, 1959.”  
35 It is possible that unnumbered resolution spells out the District’s obligations and efforts are underway to  
36 locate it or other relevant documents.

37 At this time with the information available, it appears the Board has two options:

- 38
- 39 1. Tell NMFS the District does not need any activities covered under the BiOp and be removed. This  
40 would require a new BiOp later if channel maintenance in that section needs to be conducted.
  - 41 2. Have the activities as described by NMFS in the draft language provided to the District included  
42 under the BiOp just in case. This would require annual reporting and inspections.
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Q&A

Q: What does “covered by the BiOp” mean?

A: When included in the BiOp, it “covers” the District if channel maintenance work results in a take of species.

Q: Is BiOp necessary for existing structures from prior channel maintenance? The District did undertake channel maintenance in the past.

A: Yes, the District needs to be covered/included in the BiOp to conduct any channel maintenance.

Q: Does being covered under the BiOp constitute a duty to perform?

A: The BiOp does not regulate or enforce the duty to conduct channel maintenance. The BiOp covers activities while conducting channel maintenance and obligations to consult and coordinate with NMFS.

Q: What is the scope of activities?

A: NMFS has told the District that updated BiOp language would have to be the same as the 2008 version. There is a two page excerpt that describes the channel maintenance.

Q: When does the Board need to make a decision on whether to be included in the updated BiOp or not?

A: NMFS would like a decision ASAP.

Q: What are the liability issues for the District?

A: Assume the District has obligations as agreed upon with the USACE and therefore liability. If the District made physical improvements along the river years ago, the BiOp coverage doesn’t remove any liability from legal actions. It simply provides regulatory coverage if channel maintenance is undertaken.

Q: Is it accurate to say that if the District made physical improvements along the river years ago, the BiOp coverage doesn’t remove any liability from legal actions.

A: Yes, that is accurate. The BiOp provides regulatory coverage if channel maintenance is undertaken but not legal liability for commitments made in the agreement with USACE.

Q: Is it accurate to say the BiOp covers the District if channel maintenance is undertaken but does not constitute an obligation to do so?

A: Until additional documentation is located, it is difficult to say with certainty. The District may have a contractual obligation. However, this is separate from being named in the BiOp. Whether included in the BiOp or not, the District could still be under contractual obligation and by not being named in the BiOp, would have to engage with NMFS at that time.

Q: What are the downsides of not being included in the BiOp?

A: If the District wants to undertake any channel maintenance, the District wouldn’t be able to do so because it would be under any type of maintenance agreement, despite any potential contractual obligations to do so.

The Board directed Staff and Legal Counsel to continue researching the issue and to notify NMFS the District wishes to continue being included in the BiOp.

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**5. Board Vacancy**

GM Salomone presented the item. The Board heard and fully considered applications for the Board vacancy and all oral and written public comment on the matter. Christine Akin and Dave Koball addressed the Board and answered questions. Both voluntarily stepped out of the meeting while the Board discussed. Legal Counsel was consulted and discovered Christine Akin was no eligible to serve on the Board due to her employment.

Trustee Reardan moved to fill the Board of Trustee vacancy by appointment. Treasurer Bailey seconded the motion. The motion was approved by the following vote:

Ayes: 3 (Reardan, Bailey, Watt)  
Absent: 1 (Rodrigue)

Treasurer Bailey moved to adopt Resolution #24-03 appointing Dave Koball to the Vacant District Board seat until the next District election in November 2024. Trustee Reardan seconded the motion. The motion was approved by the following vote:

Ayes: 3 (Reardan, Bailey, Watt)  
Absent: 1 (Rodrigue)

**6. Trustee Stipends**

GM Salomone provided a verbal report to the Board. Legal Counsel has advised GM on the requirements to pass an ordinance to establish Trustee Stipends and the item will return to the Board in the future.

**7. Trustee Assignments & Appointments**

The Board discussed and reached consensus for the following appointments:

Mendocino County Inland Water & Power Commission

Regular: John Reardan  
Alternate: Dave Koball

Ukiah Valley Basin Groundwater Sustainability Agency

Regular: Christopher Watt  
Alternate: John Bailey

Trustee Reardan moved to adopt Resolution #24-04 Approving Appointments to Ukiah Valley Basin Groundwater Sustainability Agency as follows: Chrisopher Watt as the Regular Board member, John Bailey as the Alternate Board member, and General Manager Elizabeth Salomone on the Technical Advisory Committee. Treasurer Bailey seconded the motion. The motion was approved by the following vote:

Ayes: 3 (Reardan, Bailey, Watt)  
Absent: 1 (Rodrigue)

**8. California Class Investment Pool**

Treasurer Bailey presented the item, reviewing CLASS investment options, pros, and cons. The Board provided feedback and directed GM Salomone and Treasurer Bailey to update the relevant policy(s) and return to the Board for final approval of participation in CLASS.

(Continued...)

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

**9. Water Supply Conditions Update**

GM noted that in addition to the staff report, the Federal Energy Regulatory Commission (FERC) approved PG&E’s flow variance and diversions from the Eel River to the East Fork Russian River will be reducing. GM briefed the Board on impacts in the Russian River watershed with the reduced diversions and actions available to the State Water Resources Control Board (SWRCB) to regulate and enforce the water rights priority system based on reduced water availability. GM asked for Board feedback on sending a letter to the SWRCB to highlight water availability for appropriation in the Russian River. Board consensus was reached to send the letter if GM determined it beneficial to do so.

**10. Consent Calendar**

- a) Acceptance of the June 2024 Financial Reports
- b) Approval of June 3, 2024 Regular Board Meeting minutes

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

Ayes: 3 (Reardan, Bailey, Watt)  
 Absent: 1 (Rodrigue)

**11. Trustee & Committee Reports**

- a) LAFCo MSR/SOI & Annexation Ad Hoc: No updates.
  - *Trustees Reardan and Watt* provided an update on the LAFCo Ad Hoc recent meeting with the Redwood Valley County Water District Ad Hoc to discuss a potential annexation.
  - *President Watt* reported on the Inland Water and Power Commission meeting.
  - *Treasurer Bailey* reported on the Groundwater Sustainability Meeting and the approval of the Rate and Fee proposal.

**12. General Manager Report & Correspondence**

GM presented report.

**13. Direction on Future Agenda Items**

Preliminary FY 23-24 Year End Reports, Stipend Ordinance, Policy updates, appointment of a Vice President, Channel Maintenance and Biological Opinion, IWPC appointment by resolution.

**ADJOURNMENT**

Trustee Reardan moved to adjourn the meeting at 6:51 PM. seconded the motion. The motion was approved by the following vote:

Ayes: 3 (Reardan, Bailey, Watt)  
 Absent: 1 (Rodrigue)

***APPROVED by Board of Trustees on August 5, 2024***

\_\_\_\_\_  
President of the Board of Trustees

\_\_\_\_\_  
Secretary of the Board of Trustees

<b><i>President</i></b> <i>Christopher Watt</i>	<b><i>Vice President</i></b> <i>Alfred White</i>	<b><i>Treasurer</i></b> <i>John Bailey</i>	<b><i>Trustee</i></b> <i>Tyler Rodrigue</i>	<b><i>Trustee</i></b> <i>John Reardan</i>
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*Mendocino County Russian River Flood Control  
& Water Conservation Improvement District*

**STAFF REPORT**

**Agenda Item 11c Fiscal Year 2023-24 Year End Reports (unaudited)**

**Monday, August 5, 2024**

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**The Strategic Plan** relevant priority is **Administration**-fostering sustainable leadership and management of agency resources through sound and sustainable management of District finances.

**Background**

The 2023-2024 Fiscal Year was July 1, 2023 to June 30, 2024. The District has engaged Nigro and Nigro to undertake the Financial Statements and Independent Auditor's Report which is scheduled to be completed in the next few months. The information provided in this report is from the unaudited financial records the District keeps in QuickBooks, overseen by Eide Bailly LLP certified public accountants.

These reports provide various snapshots of District finances that are designed to inform further discussion by the Board regarding rate setting, project development, reserves, etc. The Board is encouraged to request additional information and/or request an agenda item at a future meeting to discuss more thoroughly.

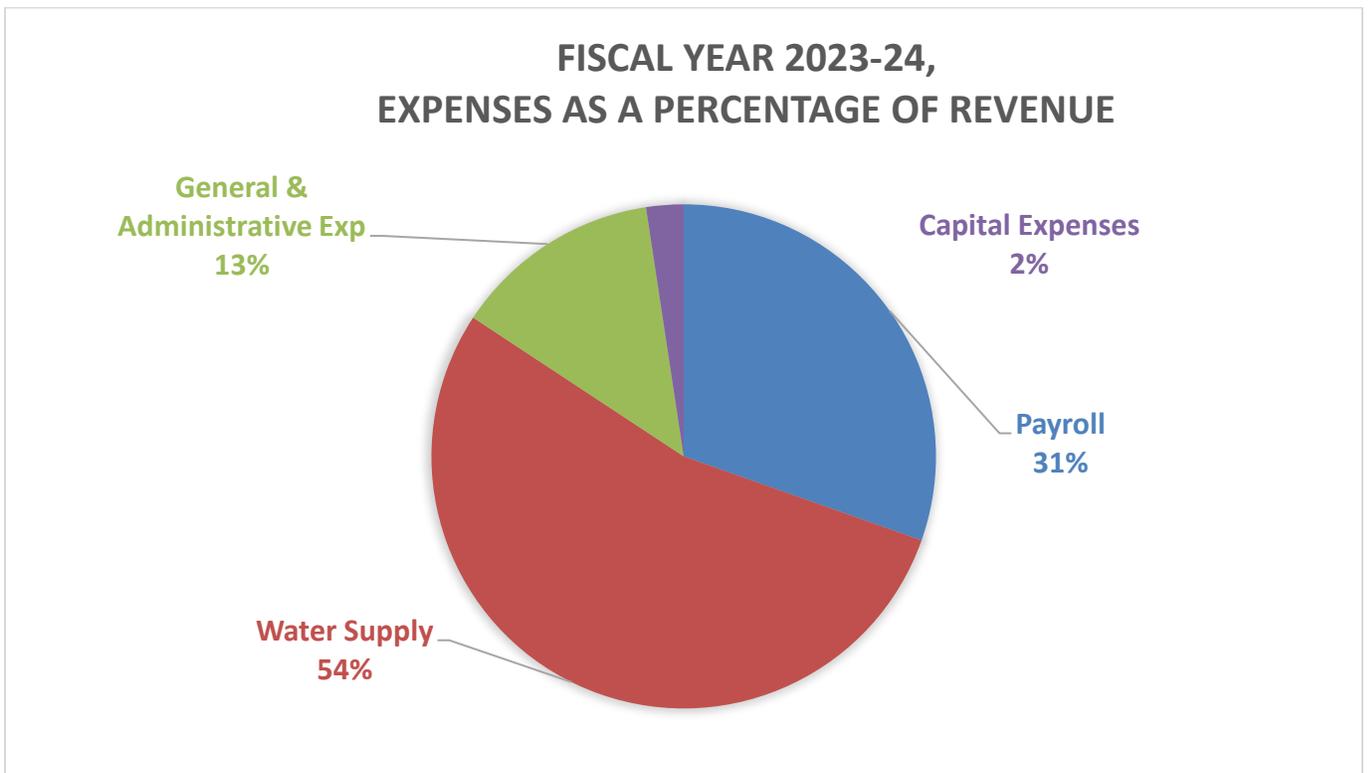
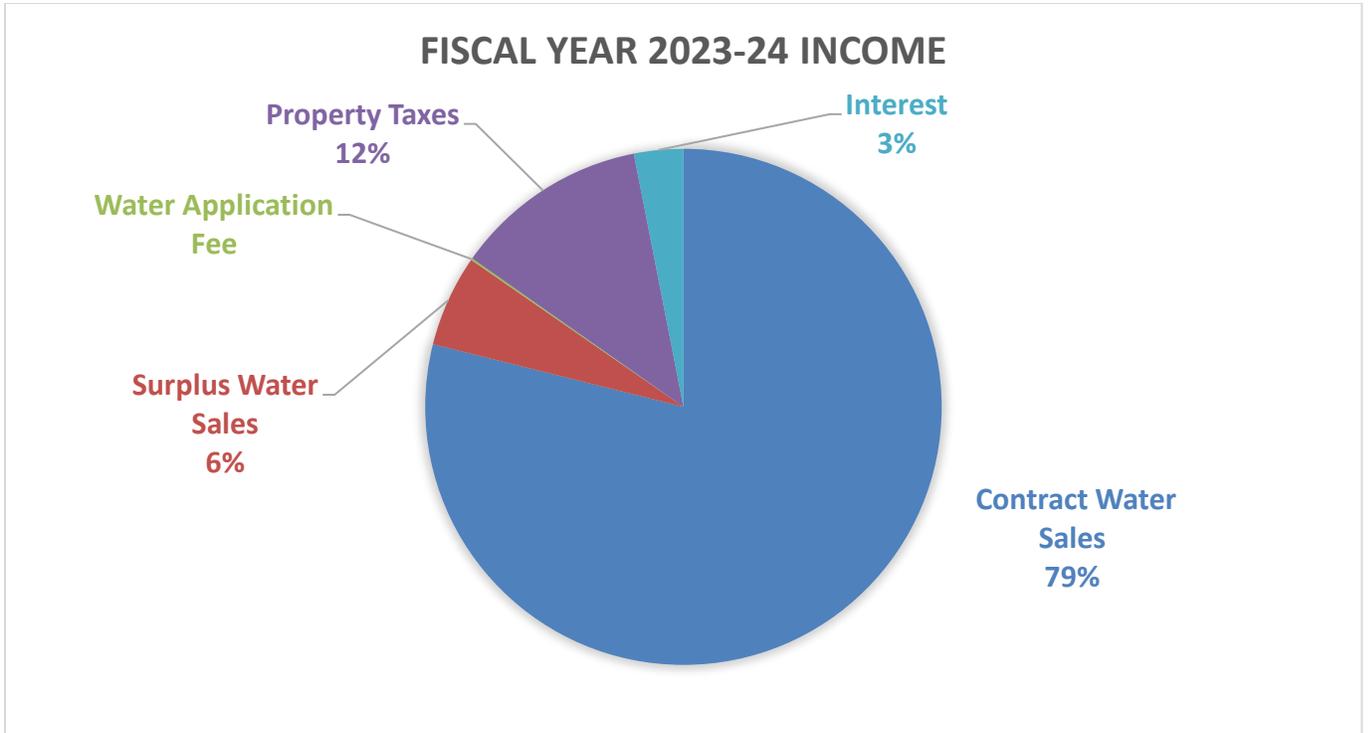
**Recommended Action**

- Accept the unaudited Fiscal Year 2023-24 Year End Reports; and
- Provide feedback to the Treasurer and GM for future agenda items, if any.

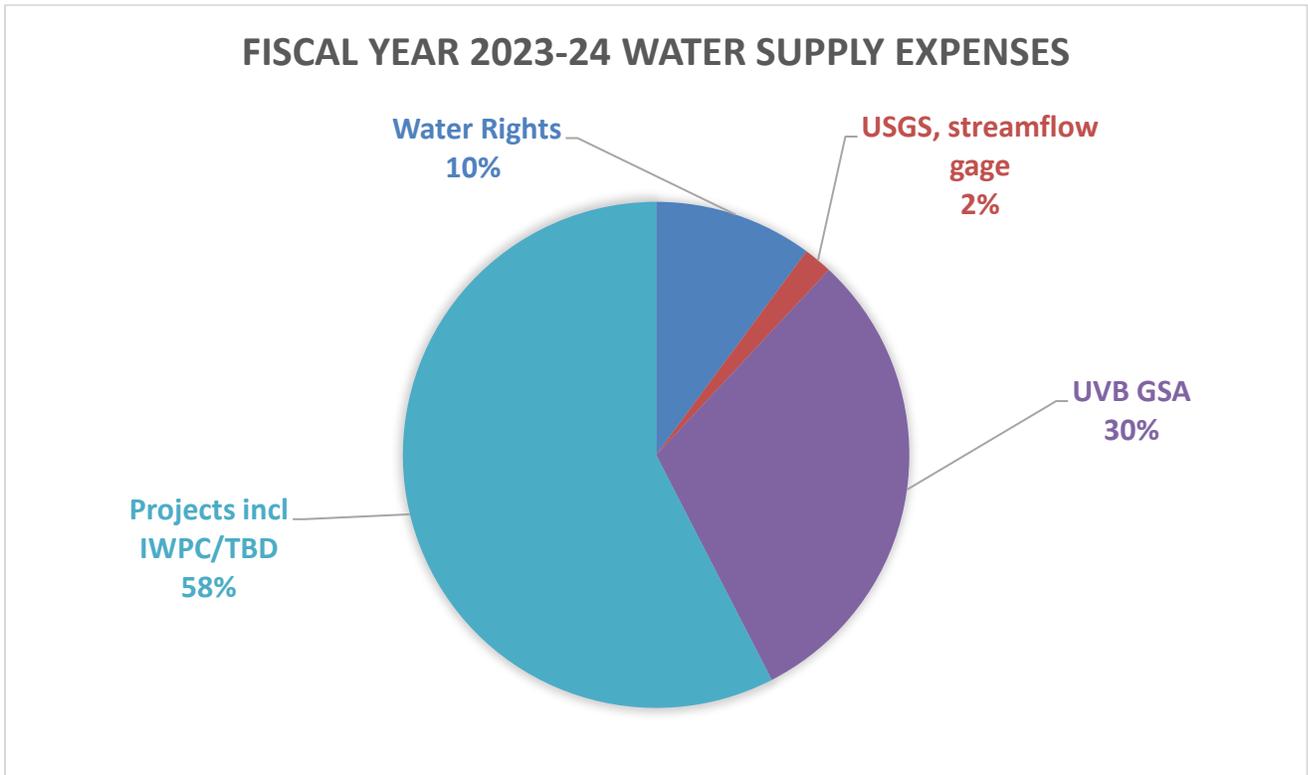
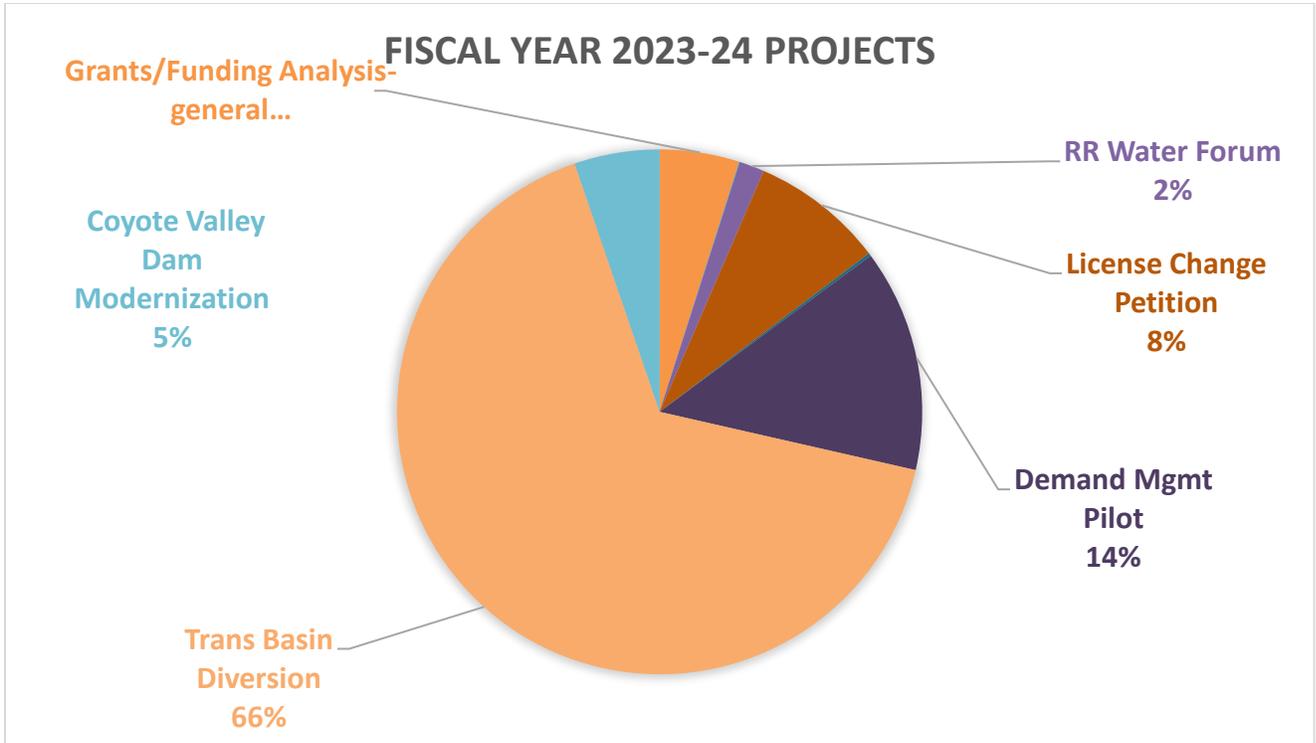
**Attached Graphs:**

- Fiscal Year 2023-2024 Income
- Fiscal Year 2023-2024 Expenses as a percentage of revenue
- Fiscal Year 2023-2024 Projects
- Fiscal Year 2023-2024 Water Supply Expenses
- Fiscal Year 2019/20 through Fiscal Year 2023/24 Income & Expense

*(Continued...)*



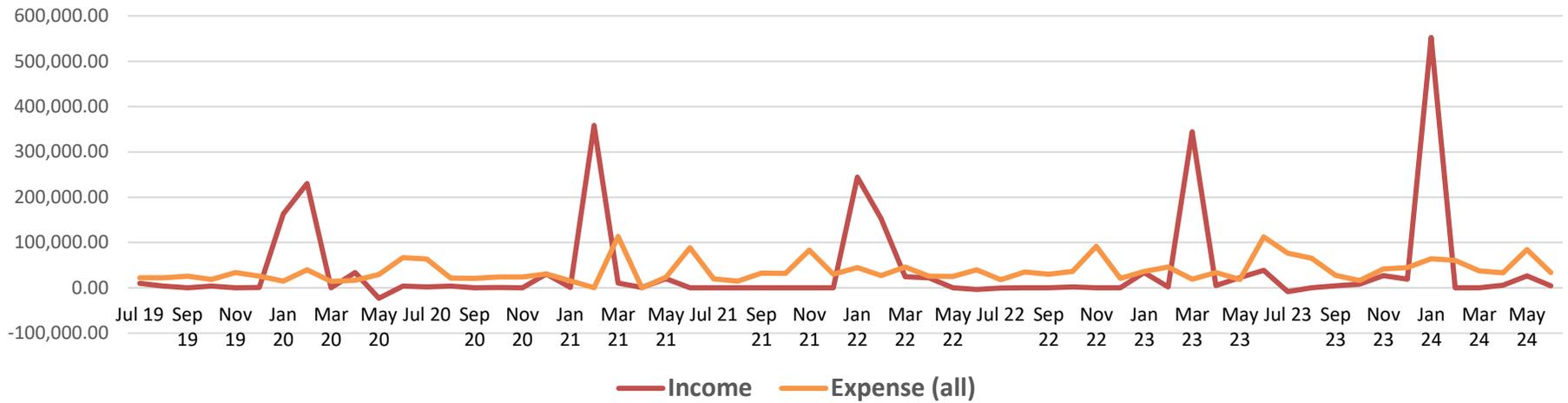
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Includes use of reserves for IWPC and UVB GSA JPAs

(Continued...)

### FY 2019/20 through FY 2023/24 Income & Expense



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

**General Manager's Report for July 2024**

*Presented at Regular Meeting of Monday, August 5, 2024*

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

(1: Improved river & reservoir operations. 2: Fair & reliable inter-basin. 3: Expanded water sources. 4: Increased storage capacity)

**2-Trans Basin Diversion future:** The Federal Energy Resources Commission (FERC) approved PG&E's Revised Schedule for Filing Surrender Application on July 1, 2024, issuing an acknowledgement and acceptance of PG&E's request to delay the submission of the Potter Valley Project decommissioning plan by six months.

The Round Valley Indian Tribes filed a motion to intervene regarding the ongoing development of the Final Draft Surrender Agreement and the Final Surrender Application and Decommissioning Plan by PG&E. "Despite ... extensive measures, the Tribe currently is not party to any of the major discussions or proceedings regarding the Project." "The Tribe has now chosen to move for intervention in an exhaustive effort to be fairly included in the conversations that determine the divestment of the facilities and waters on their ancestral lands."

More information can be found on the District's website: <https://www.rrfc.net/updates>

**2-Eel River flows & variance:** The Federal Energy Resources Commission (FERC) approved the 2024 flow variance submitted by PG&E in late June. PG&E has reconvened the Drought Working Group.

On July 4th, a request from the Round Valley Indian Tribes and the resource agencies was implemented, dropping the East Fork RR minimum flow requirement from 25 cfs to 5 cfs. However, due to the Potter Valley Irrigation District water supply contract with PG&E, there is currently closer to 40 cfs in the East Fork. The variance will end with Lake Pillsbury storage exceeds 36,000 acre feet after October 1 or is superseded by another variance/license change (which is being developed by PG&E.)

More information can be found on the District's website: <https://www.rrfc.net/updates>

**Priority 2: Collaboration ~ Work with partners to achieve aligned goals for a common benefit.**

(1: Trusted relationships with community partners for regional water security. 2: Improved diversity, equity, and inclusion in the stewardship of water resources. 3: Expanded relationships with non-traditional partners and stakeholders in pursuit of enhanced Environmental Stewardship.)

Nothing to note.

**Priority 3: Advocacy ~ Influence outreach, education, funding, regulation, and legislation in support of equitable water resource stewardship.**

(1: Improved public awareness and understanding of the importance of water issues. 2: State and Federal governmental policy and funding support for the region.)

Nothing to note.

*(Continued...)*

**Priority 4: Use ~ Ensure effective and beneficial use of water as a public resource.**

(1: Maximum beneficial use of water under District water right license. 2: Strategic use of water by customers.)

Nothing to note.

**Priority 5: Administration ~ Foster sustainable leadership and management of agency resources.**

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

Nothing to note.

**Community Meetings**

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

**Local Agency Formation Commission (LAFCo) (7/1/24):** During the Work Plan agenda items, Executive Officer Hinman received questions regarding how the proposed annexation of the Redwood Valley County Water District into RRFC relates to the recently formed Ukiah Valley Water Authority JPA.

**Ukiah Valley Water Authority Special meeting (7/9/24):** A planning grant will be applied for through the SWRCB SAFER program, getting to 10% engineering design study, estimated to take 6 months. This information will be necessary to apply for the remaining funding from SAFER. An update was provided on the Master Tax Sharing Agreement between Mendocino County and the Cities of Fort Bragg, Point Arena, Ukiah, and Willits. This will be necessary at the LAFCo level at such time annexation, consolidation, and/or dissolution applications are filed. Consolidation of services is progressing including a consultant assisting with the combining of billing systems. Service teams are beginning to cross train. The next meeting is August 6, 2024 at 5 PM.

**City of Ukiah (7/17/24):** The Council approved to resubmit the amended Western Hills Annexation Application to LAFCo. The Council consideration of a contract for the Riverside Park Regeneration Project item was pulled by staff for further consideration. The approval of a proposal for the engineering services for the development of an additional municipal well and corresponding budget amendment was not heard and possibly held for a future meeting.

\* \* \* \*

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

SARA PIERCE  
ACTING AUDITOR-CONTROLLER/  
TREASURER TAX-COLLECTOR



501 LOW GAP ROAD, RM. 1080  
UKIAH, CALIFORNIA 95482  
PHONE (707) 234-6860 FAX (707) 467-2503  
[www.mendocinocounty.gov](http://www.mendocinocounty.gov)

June 27, 2024

Mendocino County Russian River Flood Control District  
PO Box 2104  
Ukiah, CA 95482

TO: District Board of Directors

RE: FY 2024-25 Estimated Tax Revenue

The following are this office's estimates of taxes to be paid to your district for the 2024-25 fiscal year. An estimated value increase of 1.5% has been applied, based on the Assessor's most recent report. The actual value fluctuation could be more or less.

Current Secured	48556.00
Current Unsecured	1969.00
Prior Unsecured	87.00
Homeowner Exemption	358.00
Timber Tax	0.00
SB813 Supplemental	566.00
Total Estimate	\$51536.00

Please contact the Auditor's Office with any questions you may have regarding the above estimates.

707-234-6874  
[auditortax@mendocinocounty.gov](mailto:auditortax@mendocinocounty.gov)

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

**STAFF REPORT**

**Agenda Item 13: Mendocino County Russian River Channel Maintenance  
Monday, August 5, 2024**

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**The Strategic Plan** relevant priority is **Administration** – engaged, diverse, and knowledgeable Board leadership.

**Background**

At its July 1, 2024 meeting, the Board received a report from Legal Counsel regarding investigation of maintenance obligations on Russian River and participation in an update of the 008 Biological Opinion. The Board directed Staff and Legal Counsel to continue researching the issue and to notify the National Marine Fisheries Service (NMFS) that the District wishes to be included in the Biological Opinion update. The **attached** report by Legal Counsel provides more detailed information.

**Discussion**

GM Salomone and Legal Counsel Lilly Selke met with United States Army Corp of Engineers (USACE) representatives on July 31, 2024 to discuss and clarify the District's maintenance obligations. A proposal for District action based on information gained will be developed and brought to the Board at a future meeting.

**Recommended Action:**

- None.

**Links:**

1965 USACE Channel Improvement Operations & Maintenance Manual and the District 1959 Resolutions regarding channel stabilization work:  
<https://www.rrfc.net/russian-river-channel-maintenance>

\* \* \* \*

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

**Date:** July 17, 2024  
**To:** Elizabeth Salomone, RRFC Board of Trustees  
**From:** Lilliana Selke  
**Subject:** Russian River Channel Maintenance  
**File:** 3322-028

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## **BACKGROUND**

The National Marine Fisheries Service is in the process of producing an update to a 2008 Biological Opinion for operations and maintenance conducted by the U.S. Army Corps of Engineers (USACE), the Sonoma County Water Agency (SCWA), and the Mendocino County Russian River Flood Control and Water Conservation Improvement District (RRFC) in the Russian River Watershed (2008 BO).

NMFS reached out to staff at SCWA to determine the extent of RRFC's channel maintenance and annual reporting activities in order to include and cover those activities in the updated 2008 BO. SCWA staff stated neither SCWA nor USACE perform RRFC's maintenance obligations and put NMFS in contact with RRFC's General Manager.

At this time, RRFC is not aware of any channel maintenance activities *currently* being conducted, nor of any coordination with the USACE. The purpose of this memo is to discuss the apparent obligations of RRFC as written in the documentation provided in order to prepare for possible consultation with USACE to determine responsibilities going forward.

## **1959 RESOLUTION**

In 1959 the RRFC's Board of Trustees passed a resolution assuring USACE that, in consideration for channel stabilization work in the portion of the Russian River lying within Mendocino County, RRFC would:

- Furnish free of cost to the US all lands, easements and rights of way necessary for the construction of channel stabilization works;
- Make all necessary road and bridge revisions and utility alterations and relocations required for the channel stabilization works;
- Hold and save the US free from damages due to the said construction works;
- Maintain the channel stabilization works after completion in accordance with regulations prescribed the Secretary of the Army;
- Prevent any encroachment on the stream channel which would interfere with the proper functioning of the improvements or lessen their beneficial effects.

## **1965 OPERATION AND MAINTENANCE MANUAL FOR RUSSIAN RIVER CHANNEL IMPROVEMENT**

The purpose of the 1965 O+M manual is to assist the responsible local authorities in carrying out their obligations by providing information and advice as to operation and maintenance requirements of the project.

The manual details Section 208.10, Title 33 of the Code of Federal Regulations which contains rules for the maintenance and operation of local flood protection works by local agencies. In sum, these regulations require establishing a permanent committee headed by an official, called the “Superintendent,” who is responsible for the efficient operation and maintenance of all of the structures and facilities during flood periods, and for continuous inspection and maintenance of the project works during periods of low water. The regulations require coordination between said Superintendent and the District Engineer and semi-annual reporting on behalf of the Superintendent.

The manual purports to include drawings of each improvement RRFC is responsible for. The plans include works at the following river miles: 94.2R, 93.9R, 93.6L, 93.6R, 93.3L, 92.8L, 91.9L, 91.6L, 90.4R, 89.5L, 87.6R, 87.3L, 87.1R, 86.5L, 86.2L, 85.8R, 85.6L, 84.9L, 83.5L. See maps attached as **EXHIBIT A**.

### **2008 BIOLOGICAL OPINION**

In 2008, the National Marine Fisheries Service issued a 15-year Biological Opinion for water supply, flood control operations, and channel maintenance conducted by USACE, SCWA, and RRFC in the Russian River watershed.

The BO states RRFC assumed the responsibility to perform stream bank maintenance consisting of obstacle removal, stream bank repair, and preventive maintenance over a 36-mile reach of the Russian River in Mendocino County from the county line north of Cloverdale upstream along the river north to the town of Calpella. RRFC also is responsible for any channel maintenance actions in the East Branch Russian below CVD downstream to the confluence with the Russian River, a one mile reach.

In general, RRFC’s maintenance activities include removing loose anchor jacks and large woody debris from the river, repairing and replacing loose grout or riprap, adding bank erosion protection at sites found to be eroding, and managing vegetation and removing flood debris to reduce blockage of the river channel that is causing bank erosion or preventing inspection of channel improvement sites.

The BO states RRFC is responsible for maintaining channel flood control improvements installed for the Coyote Valley Dam Project in Mendocino County and inspecting and maintaining channel flood control sites constructed between 1956 and 1963. This includes channel maintenance related to Federal sites and inspection of levees under Public Law 84-99 (nonfederal) sites.

The BO details the specific channel maintenance activities RRFC is authorized to perform in fulfilling its obligations, attached as **EXHIBIT B**. Further, the BO details the terms and conditions RRFC is required to comply with when conducting maintenance activities to avoid incidental take, attached as **EXHIBIT C**.

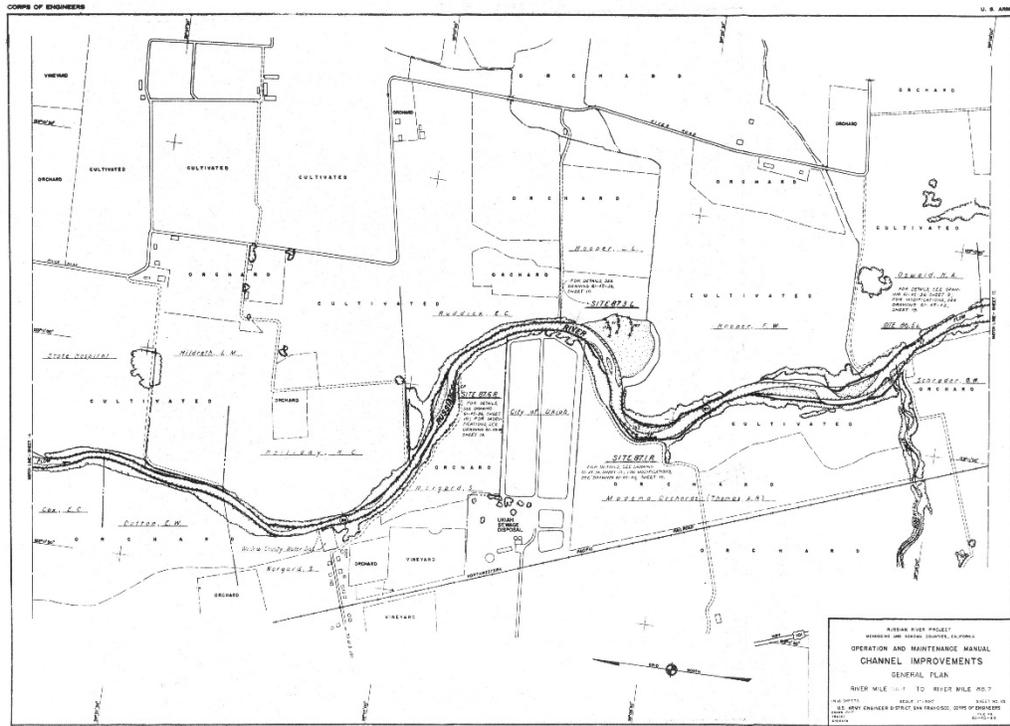
## **RECOMMENDATION**

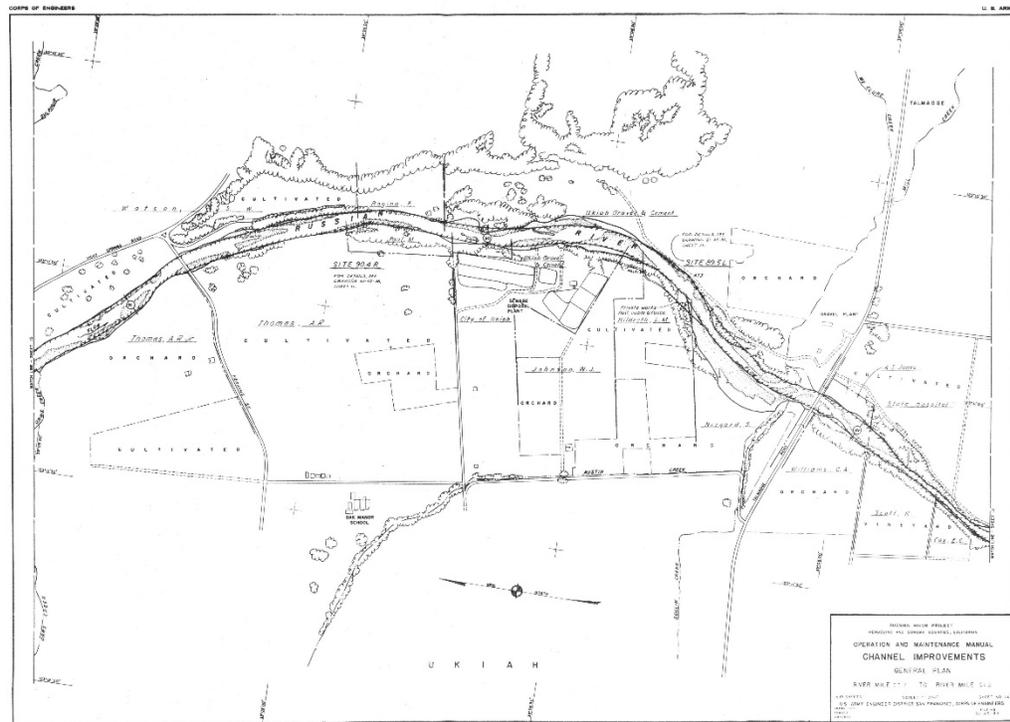
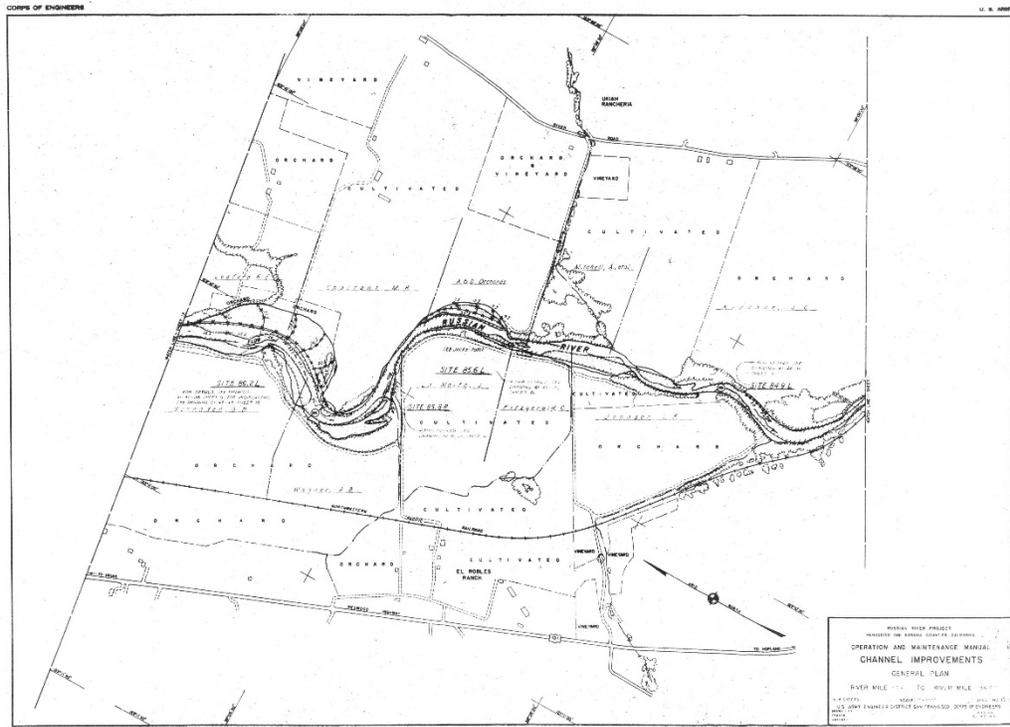
Given the information above, it is clear RRFC assumed some obligation in the past for channel maintenance activities on a portion of the Russian River associated with the Coyote Valley Dam Project. However, at this time, the District is unclear on its current day obligations and which improvements those obligations extend to.

Without this knowledge, the District faces potential liability for failure to fulfill its maintenance obligations and potential liability for injuries sustained on improvements under RRFC's responsibility.

As a result, at this time we would recommend consultation with USACE to determine if they can provide a list of improvements and river miles RRFC is directly responsible for maintaining and whether an updated MOU can be produced to clarify RRFC's obligations both with regard to operation and maintenance and reporting and coordination. If they cannot, we would likely recommend that an engineering firm be hired to inventory the River in relation to the originally listed improvements to determine which are still in place, and what condition they are in.

# EXHIBIT A MAPS FROM 1965 O+M MANUAL

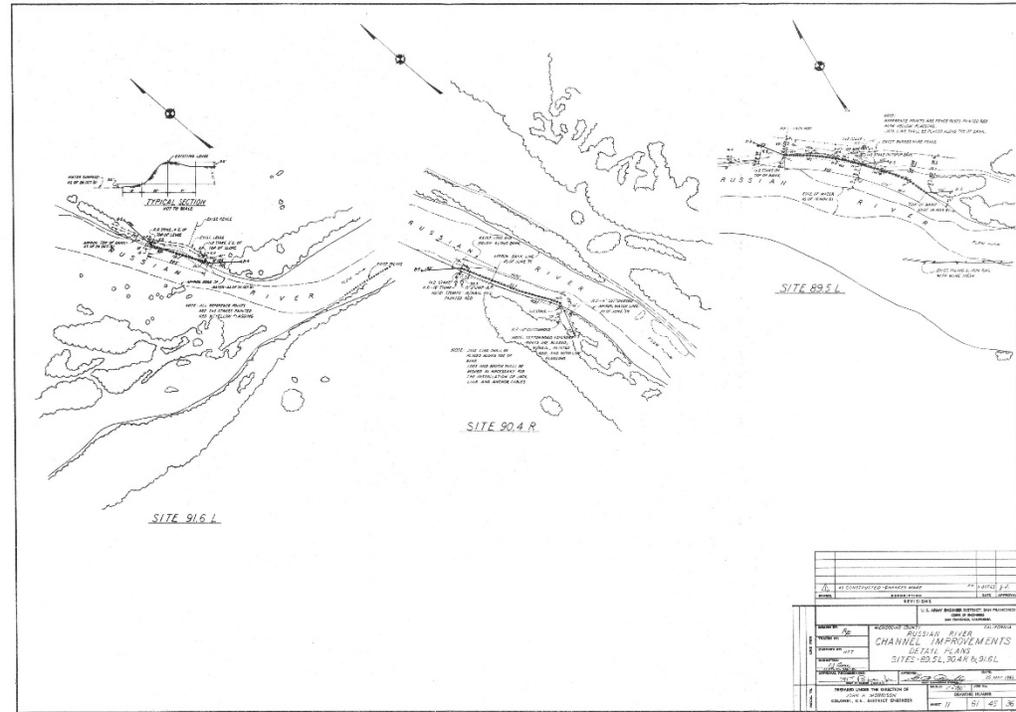
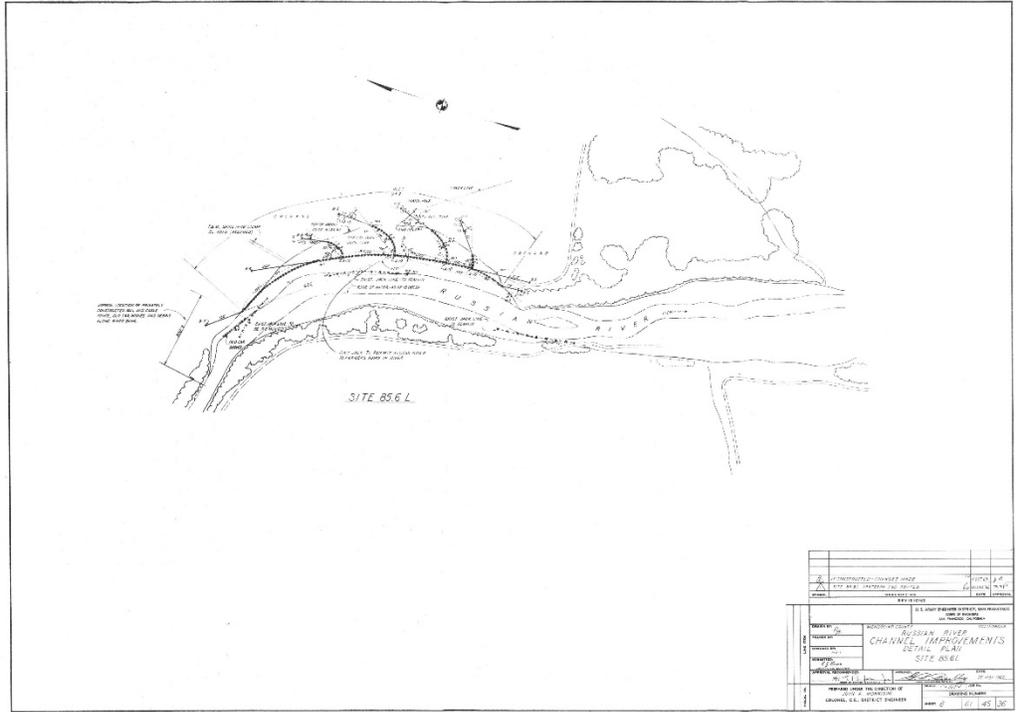




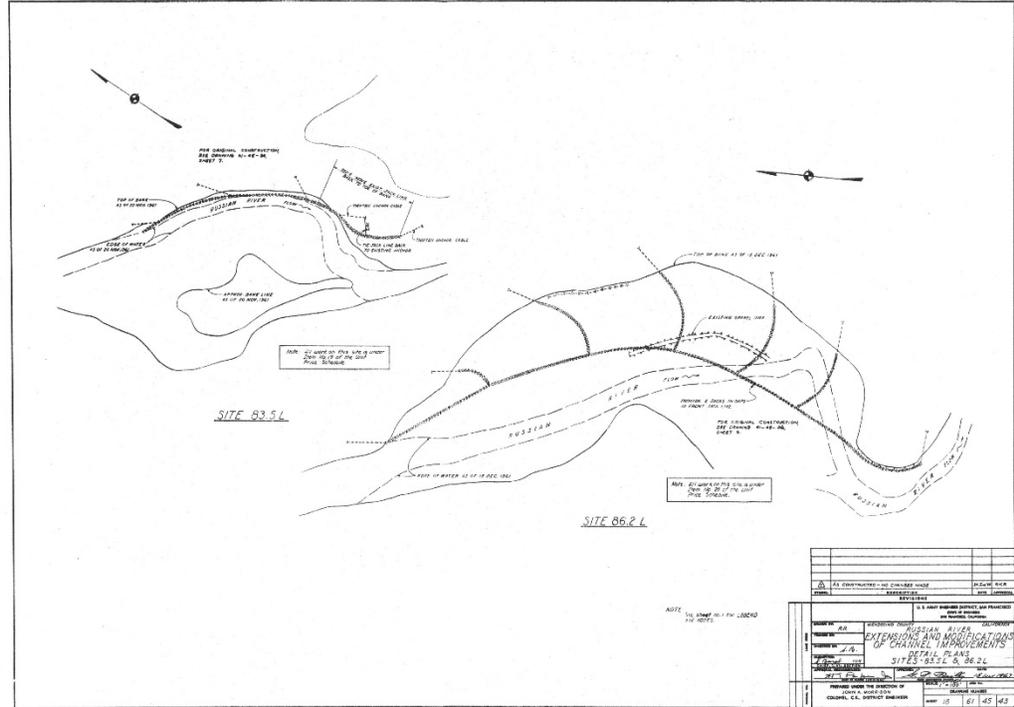
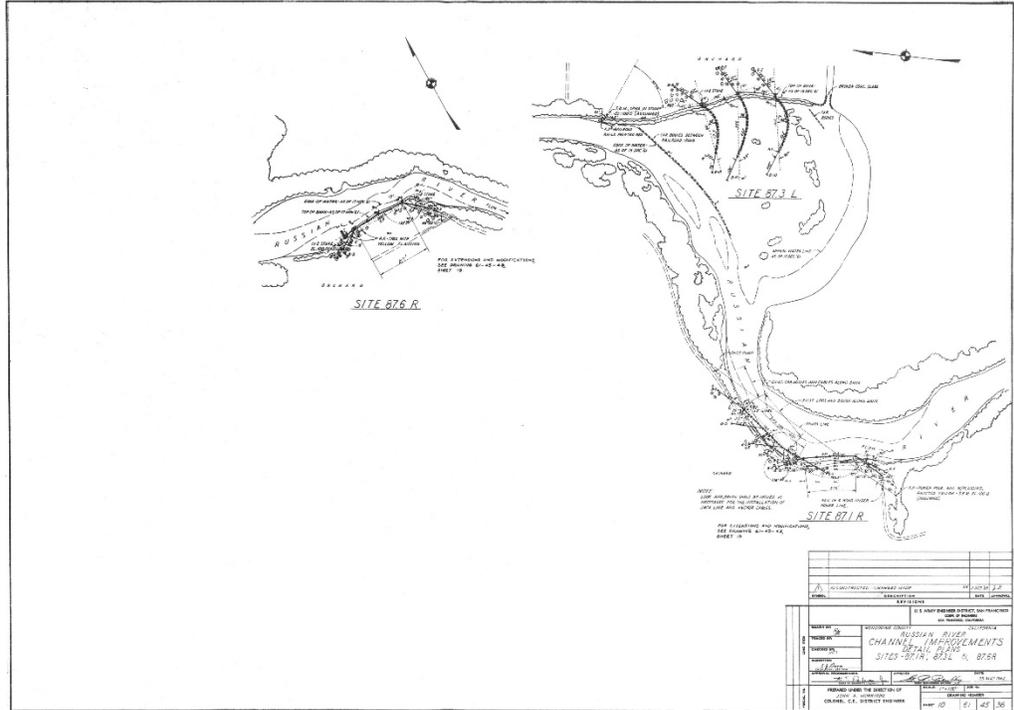














## **EXHIBIT B**

### **2008 BO CHANNEL MAINTENANCE ACTIVITIES APPROVED**

#### *(1). Gravel Bar and Overflow Channel Maintenance in the Main stem Russian River*

Certain conditions may warrant some degree of gravel bar grading. Grading activities may be conducted if one or more of these conditions exist:

- Occurrence of severe bank erosion.
- Recent substantial changes in channel morphology likely to lead to severe bank erosion.
- Evidence of weakened levees.
- Threats of flooding to infrastructure or private property.

SCWA and MCRRFCD will implement protocols described in the BA (Corps and SCWA 2004) to limit the potential for negative effects on salmonids or their habitat. For example:

- Gravel bar grading will only occur between July 1 and October 1.
- A buffer of at least 25 feet or 10 percent of the maximum bar width, whichever is less, will be maintained along the edge of the low flow channel, whether vegetation is present or not.
- The elevation of post graded bars will be at least 1.5 feet higher than the elevation of the edge of the low flow channel
- Sediment will be contoured to create a slope that runs up and away from the centerline of the main low-flow channel that is at least a 2 percent grade from the water surface elevation at low flow, or baseline elevation at the water surface, whichever is higher.
- Large woody debris removed or extracted will be placed either on the upstream buffer area or along the low flow channel buffer where it can be redistributed in the high flows of the next rainy season. If it poses a risk to property, it may be anchored or placed elsewhere in the river.

#### *(2) Vegetation Maintenance in the Mainstem Russian River*

Under the proposed Project, MCRRFCD will continue to perform vegetation maintenance to control bank erosion. Vegetation can be removed from river banks, levees, or gravel bars that contribute to bank erosion, consistent with protocols described in the BA (Corps and SCWA 2004) that limit the potential for negative effects on salmonids or their habitat. For example:

- Vegetation removal will occur outside of a 25 foot buffer zone next to the low-flow channel.
- Vegetation within the buffer will be cropped (mowed).
- In channels that are wider than 200 feet, a vegetated buffer of no less than 50 feet will be maintained.
- All vegetation removal work will occur during low flows, between July 1 and October 1.
- Native vegetation that is removed will be relocated to the extent possible.

Vegetation maintenance work may be conducted if one or more of these conditions exist:

- Encroachment by Giant Reed (*Arundo donax*) or other exotic pest plant species.

- Occurrence of severe bank erosion.
- Recent substantial changes in channel morphology that are likely to lead to severe bank erosion.
- Evidence of weakened levees.
- Threats of flooding to infrastructure or private property.

SCWA manages vegetation on the bed or banks of the Russian River from the Mendocino County line downstream to just above the confluence with Brooks Creek several miles upstream of the City of Headsburg, and several miles of the lower river just upstream from the estuary (as shown on Figure 3-5 in Corps and SCWA (2004). In these locations, SCWA manages the Russian River mainstem as a natural waterway. This management approach is described below in the Zone 1A description.

*(3) Site-Specific Bank Stabilization in the Russian River.*

Past channel maintenance areas, including those identified in the Corps Maintenance Manual for Dry Creek and Mainstem Channel Improvements, where frequent and/or extensive channel maintenance actions are required to prevent bank erosion will be identified. These sites may be candidates for bank stabilization projects by SCWA and MCRRFCD during the next fifteen years.

In addition, SCWA will conduct bank stabilization projects in the Mirabel or Riverfront Park sites in response to flood damage. SCWA anticipates flood damage may occur two to three times during the 15 year duration of the BO. When needed, this bank work will be included in the amount of work per year anticipated above (*i.e.*, the length of banks worked for these projects will be subtracted from 2,000 feet, leaving a smaller length of other bank work that may be done that year). Unless damage necessitates emergency repairs, remediation of bank failures will entail isolation and dewatering of the site using coffer dams. To avoid impacts to listed salmonids, fish would be removed from the site and construction would occur between July 1 and August 15.

Bank stabilization techniques employed by SCWA will favor a bioengineering approach with rock rip-rap placed only at the toe of banks upslope to the ordinary high water line. Any such project would heavily feature native vegetation re-planted on fill that is protected by erosion control fabric. Bank stabilization activities conducted by MCRRFCD will follow the methods described below for Dry Creek (*Methods 5 - 15*).

***Dry Creek.*** SCWA Channel maintenance activities on Dry Creek are mostly limited to maintaining Corps channel flood control improvements at 15 locations that were installed to prevent bank erosion following construction of WSD. The total length of these sites is 5,800 feet and includes rock banks (3180 feet) and board fences (1600 feet). Other sites include concrete weirs, concrete sills and one rock sill and bank. There were no lengths provided for these other sites (Table 1).

Under the proposed project, SCWA will continue to maintain these 15 channel flood control improvement sites. Maintenance work associated with these sites can involve incidental

sediment removal, vegetation removal, removal of debris, and bank stabilization. Vegetation removal will only occur to improve bank stability if trees are leaning or otherwise directing high flows against the bank, causing erosion, and/or to visually inspect a bank stabilization structure. Bank stabilization work typically will involve replacing lost riprap and, if necessary, regrading the bank slope to its previous contours in order to provide a stable base for the riprap. SCWA anticipates that bank stabilization work will be limited to 10% per year of the total length of the 15 sites (Ron Benkert, SCWA, personal communication, 2-5-2008). Riparian vegetation on the channel banks and bars will be left in place, if not threatening bank stability, to maintain shade for aquatic habitat. The BMPs used in natural waterways described below (in *b. Zone 1A*) will apply to maintenance practices on Dry Creek as well.

**Table 1.** Channel improvement sites on Dry Creek. Source: Corps and SCWA 2004.

<b>Site</b>	<b>Type</b>	<b>Length (feet)</b>
1	Rock Bank	600
2	Rock Bank	750
3	Board Fence	700
4	Rock Bank	200
5	Concrete Weir	
6	Rock Bank	450
7	Board Fence	900
8	Rock Bank	480
9	Concrete Weir	
10	½ Rock Sill and Bank	
11	Rock Bank	200
12	Concrete Sill	
13	Concrete Sill	
14	Concrete Sill	
15	Rock Bank	500

Some of these sites only require annual inspections while others may require repair. The methods of repair for these sites are described below.

The following is the Corps and SCWA (2004) description of the methods of bank repair in Dry Creek:

“Standardized maintenance methods and BMPs have been developed in conjunction with the Bay Area Storm Water Management Agencies Association (BASMAA) to minimize negative environmental effects (SCWA 1996b). (Method numbers not discussed in this section apply to sediment and debris removal, vegetation control, or activities in constructed channels).”

“*Method 5:* A dump truck, or excavator with an extended arm, is used to repair rock riprap or place rock in areas of slope undercutting, scour hole or bank slope erosion. Rock is dumped directly on the bank from a dump truck. If the face of the slope has eroded, the excavator digs a 2- to 3-foot-deep trench at the toe of the bank for the width of the eroded area. The excavating

equipment places 2 to 3 feet of rock into the toe, and rock riprap is placed up the bank from the toe. Smaller rock may be dumped to fill voids in the larger riprap.

*Method 6* is used to repair large and long erosion areas. In addition to activities in Method 5, the excavating equipment may fill the area farthest from the channel slope with native soil or road-base shale and then compact the area. Rock riprap is placed up the bank from the toe. Smaller rock may be dumped to fill the voids.

*Method 7:* Erosion areas around culverts are repaired by excavating the trench containing the culvert with excavating equipment, dumping sand, or native soil on the bank, and then using the excavating equipment to place the material into the trench. Portable compactors compact the fill. Six inches of road base is dumped into the excavated area and compacted using a roller/compactor.

*Method 9:* Dirt or rock access roads are repaired by dumping dirt or rock from a dump truck over the areas of road, spreading the material with a grader, and using a roller/compactor to compact the surface.

*Method 10:* Undercut pipe outfalls are repaired by replacing rock in scour holes below the pipe and reshaping the channel to direct flows away from the affected areas. If the erosion is deep, Method 6 is applied.

*Method 11:* Grouted rock is repaired by clearing the area of broken or damaged material with an excavator with an extended arm or a backhoe operated from the service road. Bank disturbance is kept to a minimum because equipment is not operated on the bank. Deeply eroded areas are repaired if necessary with Method 6. Rock riprap is placed on the bank of the stream channel bottom with Method 5 and grouted with ready-mix concrete from a shoot or a concrete pump.

*Method 12:* Minor underlining of a lined channel is repaired by accessing the area behind the lining from the top of the bank using hand tools or a backhoe to open a small access. A concrete/sand slurry ready mix would be distributed using a shoot or a concrete pumper.

*Method 13:* Major undermining repair would be contracted out. Historically, significant undermining has not occurred.

*Method 15:* When drop structures or check dams are repaired, water is diverted around the affected area. Isolation from flow would minimize sediment input and direct injury to fish. If the diversion is large, a dozer with a blade brings in or moves on-site material for construction of a berm or diversion dam.

#### *b. Zone 1A*

There are two types of channels managed by the SCWA in Zone 1A: constructed flood control channels and natural waterways. Most of the creeks in this zone are managed as both constructed flood control channels and natural waterways (Table 2). The upper portions of the creeks are usually managed as natural waterways and the lower portions, found in the more

urban areas, are typically constructed flood control channels. The activities implemented by SCWA for flood control purposes in the Zone 1A area (see Figure 3) include sediment removal, channel debris clearing, vegetation maintenance, and bank stabilization (on natural waterways only).

Constructed flood control channels (many of which are part of the Central Sonoma Watershed Project) are channels that have been altered (mainly by widening and straightening) based on flood control criteria. The purpose of the alterations is to increase hydraulic capacity. These channels have been straightened and in some places lined with concrete or riprap, converting the channel shape to a trapezoid. Also, these streams have been disconnected from their floodplains.

Natural waterways are waterways that have not recently been modified for flood control purposes by SCWA or USACE. Between 1958 and 1983 some of the natural waterways were straightened, shaped and stabilized. Regular maintenance on natural channels was historically performed with the objective of maximizing the hydraulic capacity without enlarging the channels. In the 1980's, SCWA staff would use heavy equipment and hand crews with chainsaws to clear vegetation from the bottom of natural channels. The use of heavy equipment ended in 1987, with clearing continuing to be performed by four-man crews using hand labor.

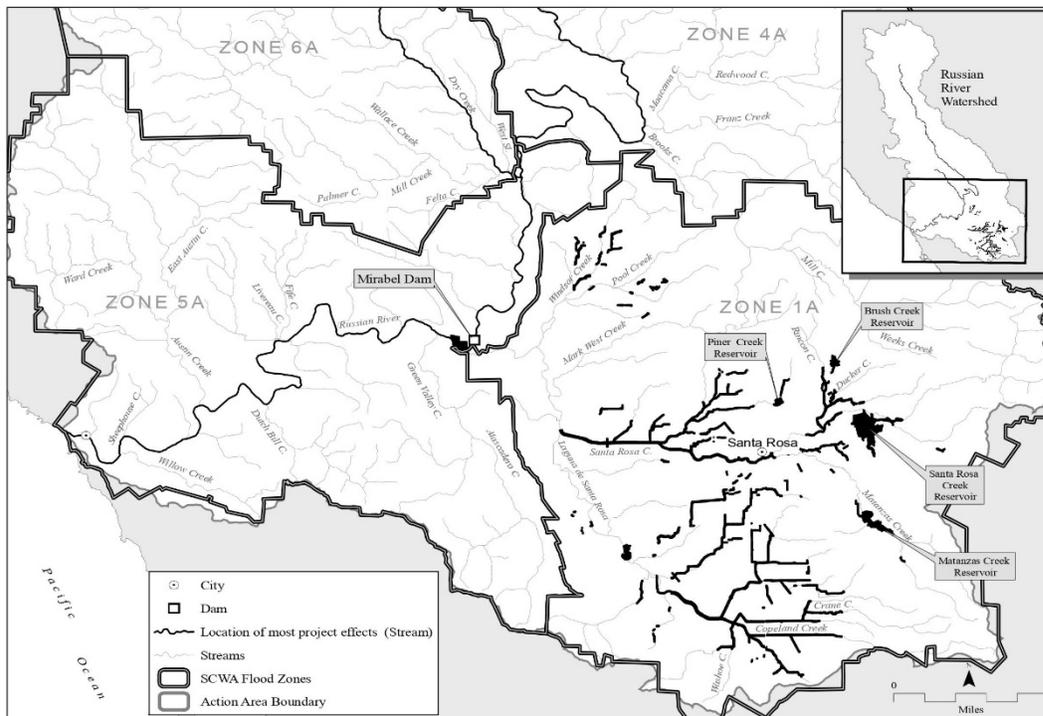


Figure 3. Detail of Action Area for Lower Russian River and Zone 1A

Table 2. Streams in Zone 1A where SCWA has proposed channel maintenance activities. F = flood control channels; N = natural waterways; S = known to contain steelhead (Corps and SCWA 2004, NMFS 2005d, CDFG 2006d). Streams are placed in three geographic groups: Rohnert Park – Cotati area streams, Santa Rosa Creek and its tributaries, and tributaries of Mark West Creek downstream of the confluence with the Laguna de Santa Rosa. Note: some streams have both channel types. Source: Modified from Corps and SCWA 2004.

Rohnert Park-Cotati Area		Santa Rosa Creek		Mark West Creek	
Blucher Creek	N, S	Austin Creek	F, S	Airport Creek	F
Coleman Creek	F, N, S	Brush Creek	F, S	Faught Creek	F
Colgan Creek	F, N	College Creek	F	Redwood Creek	F
Copeland Creek	F, N, S	Ducker Creek	F	Starr Creek	F
Cook Creek	F	Forestview Creek	F	Windsor Creek	F, N, S
Cotati Creek	F	Fountain Grove	N		
Crane Creek	F, N, S	Hood Mountain	N		
Five Creek	F	Indian Creek	F		
Gossage Creek	F, N	Lornadell Creek	F		
Hessel Creek	N	Matanzas Creek	N, S		
Hinebaugh Creek	F, S	Oakmont Creek	F, S		
Hunter Lane Channel	F	Paulin Creek	F, N, S		
Kawana Creek	F	Peterson Creek	F, S		
Laguna de Santa Rosa	F, N, S	Piner Creek	F, N, S		
Moorland Creek	F	Rinconada Creek	F, S		
Roseland Creek	F, N	Russel Creek	F		
Spivok Creek	F	Santa Rosa Creek	F, N, S		
Todd Creek	N	Sierra Park Creek	F, S		
Washoe Creek	N	Spring Creek	F, N, S		
Wilfred Creek	F, N	Steele Creek	F, N		
		Wendell Creek	F		

In addition to constructed flood control channels and natural waterways (discussed in the following section), SCWA maintains four flood control reservoirs built in the late 1960s to reduce flooding in the Santa Rosa area. Part of the Central Sonoma Watershed Project, these four flood control reservoirs are located on Santa Rosa, Brush, Paulin, and Matanzas creeks. The Santa Rosa Creek Reservoir (Spring Lake) is located off-stream. A diversion structure at the inlet allows relatively low flows to bypass the reservoir, routing the flow downstream into Santa Rosa Creek, while a portion of the higher flows are diverted into the reservoir. A diversion structure on Spring Creek also diverts water to Spring Lake. Spring Lake drains back to Santa Rosa Creek through a stand pipe when water levels become too high. Other than the Santa Rosa Creek Reservoir, the other flood control reservoirs are situated on-stream and are equipped with facilities (low-flow bypass and principal spillway) that allow minimum streamflows to be released. All of these reservoirs operate passively and are not equipped with flood control gates.

Facilities are not provided for anadromous fish passage above the in-stream flood control reservoirs or the diversion on Spring Creek. However, a fish ladder and vortex weir are located on Santa Rosa Creek to assist anadromous fish passage around Spring Lake.

Sediment removal and vegetation removal activities are necessary to maintain channel capacity and control stream bank erosion. Many of the constructed flood control channels maintained by the SCWA were designed to provide 100-year-flood capacity. The original design capacity assumed that stream banks will be predominantly grass, with little or no tree growth, and the streambed will be maintained clear of vegetation and sediment.

Under the proposed project, SCWA will continue to conduct channel maintenance activities within constructed flood control channels and natural waterways in Zone 1A, and maintain the four flood control reservoirs described above. Because emergency channel maintenance actions may occur when adult and smolt salmonids are in streams, and because the frequency and magnitude of these actions cannot be reliably estimated, NMFS is not addressing emergency actions in this biological opinion that occur during times when adult and smolt salmonids may be present in streams (November 1 through June 14). These emergency actions will need to be addressed by the Corps and SCWA through the separate emergency consultation procedures available under section 7 of the ESA.

***Constructed Flood Control Channels in Zone 1A.*** Excessive sediments tend to be deposited during winter and spring flows at locations where the channel gradient significantly decreases and as the channel traverses from the steep gradient headwaters to the low-gradient valley plain. In these areas, and others, vegetation can also reduce channel capacity. Sediment and vegetation removal are conducted on an as-needed basis. For example, some of the constructed flood control channels require annual sediment removal, some require sediment removal less frequently, and some have never required sediment removal. Culverts (box culverts and metal culverts), culvert outfalls, and bridges also may require sediment removal.

These channels generally have service roads to facilitate maintenance access. SCWA will schedule stream sediment removal when field inspections indicate that the invert elevation of outfall structures is generally less than 12 inches above the streambed elevation. Sediment removal will be performed during summer or fall months until October 31. Only segments of constructed flood control channels that have become hydraulically impaired will have sediment removed. Sediment removal will consist of 1) excavation of bars that have accumulated bed material and have become enlarged by deposition over time, and 2) removal of sediment at road crossings and culvert outfalls.

A hydraulic assessment of selected Zone 1A constructed flood control channels was performed in 2000 to identify flood capacity under various vegetation management scenarios (Entrix 2002). The hydraulic assessment showed that for many of the channels, moderately dense shrubby vegetative growth with young developing willows (approximately 5 years old) on portions of the stream bank, and tule growth on the streambed, will cause impairment of hydraulic capacity, so that the 100-year flood might not be contained. To maintain original-design-flood capacity in these channels, SCWA will keep vegetation from growing into a dense brushy stage. Should the amount of vegetation in these channels be greater than that described above, these channels will likely not be able to accommodate the flows necessary to prevent floods.

Since the early 1990s, access roads have been cleared with aquatic contact herbicides (which are effective only at the time of application [*i.e.*, early spring]) and mowing. SCWA uses a truck

mounted tank and spray bar to apply Aquamaster® (EPA Reg. No. 524-343). The spray bar is eight feet wide and set one foot above the road surface to minimize drift. For road applications, the surfactant Agri-Dex®, Cal. Reg No. 5905-50094-AA, is added to the herbicide. The concentration is 1.5 gallons of Aquamaster® per 100 gallons of water. The concentration of Agri-Dex® is 0.5 gallons per 100 gallons of water. Spraying occurs during the early morning hours and is discontinued if wind speed exceeds 5 mph (SCWA 2008a).

*(1) Sediment Maintenance and Channel Debris Clearing Practices.* Sediment removal will be conducted with excavators with extended arms, and in some areas, with bulldozers and front-end loaders as well. Excavating equipment with a reach appropriate for the channel being cleared will be used. The equipment will be driven along the access road, and sediment removal will be done perpendicular to the channel length. Bulldozers will be used in high width/depth ratio channels where excavators cannot reach the channel bottom from the service road. A bulldozer will stockpile sediment to a closer area and then stockpiles will be removed with an excavator.

Before large woody debris is to be removed, it will be evaluated by SCWA staff. If it is determined to be stable (*i.e.*, not likely to be dislodged, washed downstream, and threaten the integrity of a structure), it will be left in place. For example, a piece of large woody debris was left in place on Brush Creek recently because it was downstream of the Highway 12 bridge and was not in a position to float downstream and cause a debris jam at any bridges. Loose pieces of large woody debris may be anchored in place if found in an area where they are not likely to pose a threat. If large woody debris appears in a constructed channel in downtown Santa Rosa, particularly if it is 20 feet or longer, it is likely to become lodged at a bridge and create a blockage. Large woody debris presenting this kind of threat to infrastructure will be removed. If large woody debris is determined to pose a hazard, it will be removed in consultation with CDFG and NMFS. Large woody debris will be removed with a winch from the top of the bank, cut up with chain saws, and transported away. Brush will be chipped and put on landscaped areas.

*(2) Sediment removal at road crossings and culvert outfalls.* Removing sediment from culverts (metal and concrete box), under bridges, and transition areas near these road crossings will typically be accomplished with small sized construction equipment (a Bobcat or powershovel, for example) working within the structure or channel. The in-channel equipment will move material to an excavator positioned at the top of the bank. Sediment will then be transferred to a dump truck for offsite disposal. Transition areas will typically extend 25-50 feet upstream and downstream from the structure, depending on the volume of material being removed.

Removing sediment at culvert outfalls will involve the use of a backhoe at the top of a channel bank to extract accumulated sediment within 5 to 10 feet adjacent to the outfall. Similar to sediment removal at road crossings, sediment removed from outfalls will be disposed off-site. Sediment removal at road crossings and culvert outfalls will be done during the summers when streambeds are dry.

*(3) Vegetation Maintenance Zones.* To manage vegetation in constructed flood control channels, SCWA has apportioned the vegetation maintenance activities into five “zones”: top-of-bank, upper channel bank, middle channel bank, lower channel bank, and the channel bottom. Maintenance activities in top-of-bank and upper channel are consistent among all constructed

flood control channels. Maintenance activities in the lower three zones (middle, lower channel bank and channel bottom) will vary depending on channel capacity and flood risk.

- **Top-of-Bank.** The top-of-bank zone maintenance includes:
  - landscape maintenance
  - fence/gate maintenance
  - V-ditch and drop inlet maintenance
  - service road maintenance
- **Upper, Middle, and Lower Banks.** The upper and middle channel bank zones typically consist of the upper two-thirds of the channel bank (which is generally everything above 5 feet higher than the channel bed). The lower channel bank zone comprises the area in the lower third of the channel bank (typically lower than approximately 5 feet above the channel bed), including the toe of the channel.

### (3) *Vegetation Maintenance Levels*

The level of vegetation maintenance applied will depend on the hydraulic capacity required in the constructed flood control channel. One of three vegetation management practices will be applied, maintenance of the original design capacity, intermediate vegetation maintenance, or mature riparian vegetation maintenance.

- **Original Design Capacity Maintenance.** In site-specific areas where the hydraulic assessment (Entrix 2002) indicates that simulated flows are near or just over-bank, vegetation will be maintained at the original-design-capacity scenario. Vegetation maintenance practices may include limiting vegetation on stream banks to predominantly grass with little or no woody stem growth; maintaining the channel bottom clear of vegetation; and frequent maintenance.
- **Intermediate Vegetation Maintenance.** Channel maintenance practices in the lower channel zone will consist of the removal of understory vegetation. Understory vegetation removal (*e.g.*, blackberries) will be accomplished by hand-clearing and use of aquatic herbicides. Small, mechanized equipment may be used to transport the cut vegetation to the top-of-bank so that it may be efficiently removed from the channel. Removal of plants will be selective, based on the species present, with an emphasis on protecting native riparian species wherever possible. Native trees (typically willows) that are growing along the lower one-third of the bank, including the toe of the bank where it intersects the channel bed, will be allowed to colonize as young trees. Herbicides are applied directly to cut stumps below top of bank. A 100% concentration of Aquamaster® mixed with Turf Mark®, a blue dye spray indicator, is applied using a paint brush.
- **Mature Riparian Vegetation Maintenance.** In some channels, complete canopy cover could be achieved by allowing the development of mature, single-trunk trees with most of the canopy above the floodway elevation. Native trees will be

maintained (*i.e.*, thinning or pruning) or planted. Vegetation at the channel toe and in the lower third of the bank will be maintained parallel with the flow and spaced 15 to 25 feet, depending on the species. Lower limbs will be pruned to maintain channel capacity. To achieve a mature canopy cover, adequate flood capacity must exist in the channel both during the period when young trees are growing within the floodway and at later mature stages when these trees have canopies that rise above the floodway elevation.

- **Channel Bottom.** The channel bottom of constructed flood control channels will be cleared of vegetation through the use of spray aquatic contact herbicides and hand clearing. Future selected vegetation clearing from the channel banks may be necessary to allow access to the channel bottoms for silt removal operations. Small, mechanized equipment may be used to transport the cut vegetation to the top-of-bank so that it may be efficiently removed from the channel. SCWA will utilize backpack sprayers containing Aquamaster® without a surfactant to control invasive non-native species. Backpack spraying would also help control established nuisance species such as cattails (*Typha sp.*) and blackberry (*Rubus sp.*) that compromise channel hydraulic capacity.

#### *(4) Application of Vegetation Maintenance Levels in Constructed Flood Control Channels*

Portions of some channels with potential salmonid habitat will require design-capacity maintenance practices. An adaptive management approach will be implemented to assess which channels may in the future have maintenance protocols that allow more vegetation to grow.

For bridges and culverts that do not have the capacity to pass the 100-year discharge under intermediate maintenance, it will be necessary to implement design capacity vegetation maintenance practices near the bridge structures. These may include removing all vegetation except grasses within approximately a distance equal to the channel top-width both upstream and downstream from the bridge.

**Natural Waterways in Zone 1A.** SCWA has hydraulic maintenance easements that are permissive, and SCWA will continue to access various natural creeks to remove debris (LWD and trash) or vegetation to restore hydraulic capacity. SCWA will not perform routine sediment removal activities in natural waterways. In addition, SCWA will not perform any flood control maintenance activities in the Mark West Creek mainstem or tributaries of Mark West Creek upstream of the confluence with its largest tributary, the Laguna de Santa Rosa. This latter area is the only portion of Zone 1A with high potential to support coho salmon.

SCWA has developed BMPs and other guidelines for planning and implementing sediment removal and bank stabilization work performed in natural waterways to protect listed species and to minimize the potential for significant habitat alterations. SCWA will continue to use the BMPs and guidelines summarized below:

- Bank stabilization projects are not to exceed 1,000 feet in length for any single project.
- Projects cannot occur within 1,000 feet of a previously armored site.
- Construction will occur during the summer to avoid salmonid spawning and incubation periods.

- A qualified fisheries biologist will consult on the project design prior to implementation to consider all feasible alternatives. Habitat and biological resources in the area will be evaluated.
- Projects will develop in consultation with CDFG.
- Bio-engineering bank stabilization methods will be given priority where they will provide effective erosion control.
- Where bio-engineering bank stabilization methods are not deemed to be practical, priority will be given to incorporating vegetative plantings into the hard-armoring techniques that are implemented.
- Fish habitat restoration elements (such as native material revetments) will be incorporated into bank stabilization practices where they are feasible with the intention of replacing lost habitat.
- Large woody debris will be removed from the channel only if it threatens to de-stabilize a section of stream bank.

*(1). Vegetation Management Practices in Natural Waterways*

For the natural channels within Zone 1A where vegetation removal may occur, SCWA does not have routine or regularly implemented maintenance obligations. Maintenance on natural waterways (Table 2) will consist of clearing vegetation from the bottom of natural waterways to restore hydraulic capacity. Hand labor is the typical clearing method. Heavy equipment will only be used to lift out or clear debris jams not accessible to hand crews.

***Flood Control Reservoirs.*** Flood control reservoirs are designed to impound water during the rainy season to reduce the potential for flooding in downstream urbanizing areas. Brush Creek Reservoir (130-AF capacity), Piner Creek Reservoir (230-AF capacity), and Spring Creek diversion (negligible capacity) are relatively small reservoirs. Both Brush Creek Reservoir and Spring Creek reservoir typically dry up by the summer (B. Oller, SCWA, personal communication 2001). Matanzas and Spring Lake reservoirs have larger capacities (1,500 AF and 3,500 AF, respectively). Spring Lake is located offstream of Santa Rosa Creek and does not dry up or release water downstream during the summer. Matanzas Creek Reservoir is a flow through reservoir that does not impound water in the summer.

Maintenance activities in the flood control reservoirs include desiltation and removal of noxious pondweeds. Desiltation, debris removal, and vegetation removal will also be performed at the inlets and outfalls to the reservoirs. Sediments will be excavated to restore the flood control capacity.

## **Exhibit C**

### **2008 BO Terms and Conditions**

**RPM 5: Undertake measures to ensure that harm and mortality to listed salmonids resulting from Dry Creek and tributary habitat enhancements and channel maintenance activities in the mainstem Russian River, Dry Creek, and Zone 1A, are low.**

Purpose:

The purpose of the following terms and conditions are to provide additional measures to reduce take of listed salmonids from direct losses due to in-channel construction and fish relocation, and indirect harm and mortality due to reduction in habitat complexity from removal of sediment, thermal cover, and hiding cover. The proposed channel maintenance and enhancement activities are likely to result in injury and mortalities to listed salmonids due to construction equipment working in flowing water in some areas, fish relocation, and, in-channel maintenance areas, reductions in hiding cover and thermal cover in some of these waters. In Zone 1A constructed channels, migration opportunities will be more limited, resulting in loss of a small number of salmonid migrants.

Objective:

Reduce harm and mortality to listed salmonids from crushing by construction equipment, relocation efforts, and loss of habitat elements important to salmonid survival.

Terms and Conditions:

- A. The Corps, SCWA, or MCRRFCD shall isolate work areas located in aquatic habitat from the flowing stream and relocate listed salmonids prior to proceeding with in-channel work for flood control maintenance or habitat enhancement:

(1) The Corps, SCWA, MCRRFCD or their designees shall retain a qualified biologist with expertise in the areas of anadromous salmonid biology, including the handling, collecting, and relocating salmonids, salmonid/habitat relationships, and biological monitoring of salmonids. The Corps, SCWA, or MCRRFCD shall ensure that all biologists working on their projects are qualified to conduct fish collections in a manner that minimizes all potential risks to ESA-listed salmonids. Electrofishing, if used, shall be performed by a qualified biologist and conducted according to NMFS Guidelines for Electrofishing Waters Containing Salmonids Listed under the Endangered Species Act, June 2000.

(2) The biologist shall be on site during all dewatering events to capture, handle, and safely relocate ESA-listed salmonids. The biologist shall notify NMFS biologist Tom Daugherty at 707-468-4057 or Tom.Daugherty@noaa.gov one week prior to capture activities in order to provide an opportunity for NMFS staff to observe the activities.

(3) ESA-listed fish shall be handled with extreme care and kept in water to the maximum extent possible during rescue activities. All captured fish shall be kept in cool, shaded, aerated water protected from excessive noise, jostling, or overcrowding any time they are not in the stream, and fish shall not be removed from this water except when released. To avoid predation, the biologist shall have at least two containers and segregate young-of-year fish from larger age-classes and other potential aquatic predators. Captured salmonids will be relocated, as soon as possible, to a suitable instream location in which suitable habitat conditions are present to allow for adequate survival of transported fish and fish already present.

(4) If any salmonids are found dead or injured, the biologist shall contact NMFS biologist Tom Daugherty by phone immediately at (707) 468-4057 or the NMFS Santa Rosa Area Office at TTY 866-327-8877 (enter number 707-578-8555). The purpose of the contact is to review the activities resulting in take and to determine if additional protective measures are required. All salmonid mortalities shall be retained, placed in an appropriately-sized sealable plastic bag, labeled with the date and location of collection, fork length, and be frozen as soon as possible. Frozen samples shall be retained by the biologist until specific instructions are provided by NMFS. The biologist may not transfer biological samples to anyone other than the NMFS Santa Rosa Area Office without obtaining prior written approval from the NMFS Santa Rosa Area Office, Supervisor of the Protected Resources Division. Any such transfer will be subject to such conditions as NMFS deems appropriate.

(5) The Corps, SCWA, and MCRRFCD shall allow any NMFS employee(s) or any other person(s) designated by NMFS, to accompany field personnel to visit the project site during activities described in this opinion.

B. At all channel maintenance sites in Dry Creek, the mainstem, and Zone 1A, and at all instream enhancement sites in the Dry Creek watershed: the Corps, SCWA, or MCRRFCD shall:

- (1) Check construction equipment used within the creek channel each day prior to work within the creek channel (top of bank to top of bank) and, if necessary, take action to prevent fluid leaks. If leaks occur during work in the channel (top of bank to top of bank), the Corps, SCWA, MCRRFCD or their designee will contain the spill and remove the affected soils.
- (2) Ensure that if coffer dams are used to isolate work areas, fill material for cofferdams will be fully confined with the use of plastic sheeting, sheetpiles, sandbags, or with other non-porous containment methods, such that sediment does not come in contact with stream flow or in direct contact with the natural streambed. All loose fill material for cofferdams shall be completely removed from the channel by October 31. Alternatively, clean gravel or clean crushed stone may be used without plastic sheeting, sandbags, etc. to separate worksites from aquatic habitat.
- (3) Ensure that all pumps used to divert live stream flow, outside the dewatered work area<sup>91</sup>, will be screened and maintained throughout the construction period to comply with NMFS' and CDFG's Fish Screening Criteria for Anadromous Salmonids. See: <http://swr.ucsd.edu/hcd/fishscrn.pdf>.
- (4) Ensure that coffer dams are constructed as close as practicable to the size of the work area. If coffer dams are across the channel such that they impound the channels flow, flows shall be diverted through a suitably-sized pipe from upstream of the upstream coffer dam and discharged downstream of the downstream coffer dam. Cofferdams and the stream diversion system shall remain in place and functional throughout the construction period. Normal flows shall be restored to the affected stream immediately upon completion of work at that location.
- (5) Ensure that once construction is completed, all project introduced material (pipe, gravel, cofferdam, etc.) is removed, leaving the creek as it was before construction (except for the channel maintenance work). Excess materials will be disposed of at an approved disposal site.

C. For all channel maintenance and instream enhancement construction activities described in the preceding biological opinion and RPA, the Corps, SCWA, or MCRRFCD shall provide NMFS and DFG reports by February 15 of the year following construction. The report shall be submitted to NMFS Santa Rosa Area Office, Attention: Supervisor of Protected Resources Division, 777 Sonoma Avenue, Room 325, Santa Rosa, California, 95404 6528. The report will be submitted to the Regional Manager for

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<sup>91</sup> Pumps used in the area to be dewatered must be screened as described until salmonids are relocated.

CDFG Region 3, headquartered in Yountville, CA. The report shall contain, at a minimum, the following information:

(1) Construction related activities -- The report shall include the dates construction began and was completed; a discussion of any unanticipated effects or unanticipated levels of effects on salmonids, a description of any and all measures taken to minimize those unanticipated effects and a statement as to whether or not the unanticipated effects had any affect on ESA-listed fish; the number of salmonids killed or injured during the project action; and photographs taken before, during, and after the activity from photo reference points.

(2) Fish Relocation -- If fish relocation was necessary, the report shall include a description of the location from which fish were removed and the release site including photographs; the date and time of the relocation effort; a description of the equipment and methods used to collect, hold, and transport salmonids; if an electrofisher was used for fish collection, a copy of the logbook must be included; the number of fish relocated by species; the number of fish injured or killed by species and a brief narrative of the circumstances surrounding ESA-listed fish injuries or mortalities; and a description of any problems which may have arisen during the relocation activities and a statement as to whether or not the activities had any unforeseen effects.

D. The Corps, SCWA, or MCRRFCD shall implement the following measures to reduce the impacts of channel maintenance on habitat complexity at their respective channel maintenance sites:

- (1) Because the project description provided to NMFS does not provide specific work windows for Dry Creek and Natural Waterway bank stabilization, all work within the stream/riparian corridor in Dry Creek and in Natural waterways shall be confined to the period June 15 to October 15. Revegetation work is not confined to this time period.
- (2) No phase of the project may be started if that phase and its associated erosion control measures cannot be completed prior to the onset of a storm event if that construction phase may cause the introduction of sediments into the stream. Seventy-two (72) hour weather forecasts from the National Weather Service shall be consulted prior to start up of any phase of the project that may result in sediment run-off to the stream.
- (4) Vehicles may be driven on the dry stream/lake bed to traverse the distance to the work site from the access point and in the immediate vicinity (within 50 feet) of the work area, and only as necessary to accomplish authorized work.
- (5) All exposed/disturbed areas on upper stream banks or adjacent uplands within the project site shall be stabilized. Erosion measures such as silt fences, straw hale bales, gravel or rock lined ditches, water check bars, and broadcasted straw shall be used wherever silt laden water has the potential to leave the work site.

- (6) Erosion control measures shall ensure that run-off from steep, erodable upland surfaces will be diverted into stable areas with little erosion potential or contained behind erosion control structures.
- (7) All new riprap shall be planted with willows or other native tree species, spaced appropriately to provide improved thermal cover for listed salmonids.
- (8) No grouted riprap shall be installed at channel maintenance sites to avoid complete loss of hiding cover in riprap areas.
- (9) Bioengineering techniques shall be incorporated into all bank protection projects to reduce the amount of riprap used and provide better hiding and thermal cover for listed salmonids.
- (10) LWD in the mainstem shall not be disturbed unless it spans the mainstem and is causing bank erosion. LWD that spans and causes bank erosion can be cut and cabled to the banks.
- (11) When grading gravel bars in the mainstem, a buffer of at least 25 feet or 10 percent of the maximum bar width, whichever is greater, shall be maintained along the edge of the low flow channel, whether vegetation is present or not.
- (12) In the mainstem, gravel bar vegetation removal shall only occur outside of a 25 foot buffer zone next to the low-flow channel. On banks and levees, vegetation removal shall only occur on the upper portion of the bank outside of 25 foot buffer zone next to the channel. Vegetation within the buffers shall not be disturbed, unless it is non-native (non-native vegetation may be removed).
- (13) At sediment removal sites in Zone 1(A), SCWA shall construct a low flow channel to provide enhanced migration habitat through sediment removal areas.

Sediment removal project designs will be transmitted to NMFS and CDFG 60 days prior to implementation for approval. NMFS and CDFG shall respond within 30 days with either project approval, or a list of changes needed.

The low flow channel shall be monitored at least two times in-between large storms during the winter period to assess its function as a migration corridor and impact on stream stability.

**RPM 6: Undertake measures to ensure that harm and mortality to listed salmonids from diversion operations, maintenance, and fish screen replacement at Wohler and Mirabel are low.**

Purpose:

The purpose of the following terms and conditions are to provide additional measures to reduce take of listed salmonids from direct losses due to inflation and deflation of the rubber dam at Wohler, entrapment of salmonids in water infiltration ponds, and installation of new fish screens at Mirabel. These activities are expected to result in entrapment, injury, and loss of salmonids as described above. Injury and loss due to stranding and entrapment can be minimized by rescuing