

***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, September 9, 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. 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.

**CLOSED SESSION**

5. Conference with Real Property Negotiators (Gov. Code § 54956.8)  
*Property:* Potter Valley Project | *Agency negotiator:* General Manager, General Counsel, Board Members  
*Negotiating parties:* Agency, Inland Water & Power Agency, PG&E | *Under negotiation:* Purchasing Entity

**ITEMS FOR DISCUSSION AND POSSIBLE ACTION**

None.

**REGULAR BUSINESS, INFORMATION, AND REPORT ITEMS (6:10 PM)**

6. Water Supply Conditions Update
7. Consent Calendar
  - a) Acceptance of the August 2024 Financial Reports
  - b) Approval of August 5, 2024 Regular Board Meeting minutes
  - c) Approval of Policy 2165 Capital Assets to be included in Policy Manual.
8. Trustee & Committee Reports
  - o LAFCo MSR/SOI & Annexation Ad Hoc
9. General Manager Report & Correspondence
10. Direction on Future Agenda Items

**ADJOURNMENT**

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

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

***President***  
*Christopher Watt*

***Vice President***  
*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: Ordinance 24-01 Establishing Regulations and Rules  
For Board of Trustee Compensation  
Monday, September 9, 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 the 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 were provided in the August 5, 2024 meeting material found on the District website.

**PUBLIC HEARING**

The Board held 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 on August 5, 2024. No public comment was offered and the Board approved scheduling the required second reading of Ordinance #24-01.

The Board will hold a second public hearing to waive reading and adopt Ordinance #24-01.

*(Continued...)*

Recommendation:

- Waive Reading and move to adopt 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

Attachments:

- 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*

## 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, Water Supply Conditions**

**Monday, September 9, 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.

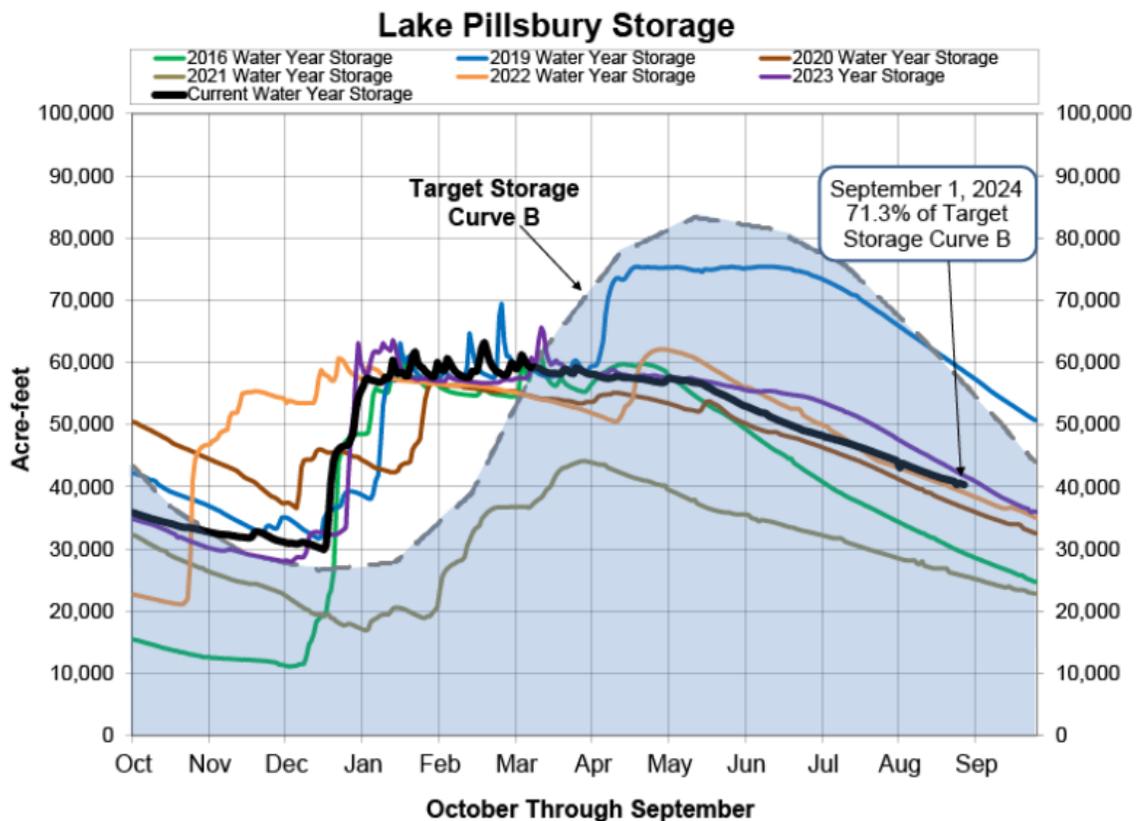
**Operations of the Trans-Basin Diversion Through PG&E Owned “Potter Valley Project”**

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 30-35 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.)

On Jul 29, 2024, the City of Ukiah filed a Request for Rehearing with FERC regarding the flow variance approval. The City “criticizes FERC and PG&E restrictions that create an unnecessary, administratively-manufactured drought, despite normal water year conditions.” (from the **attached** press release.)

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

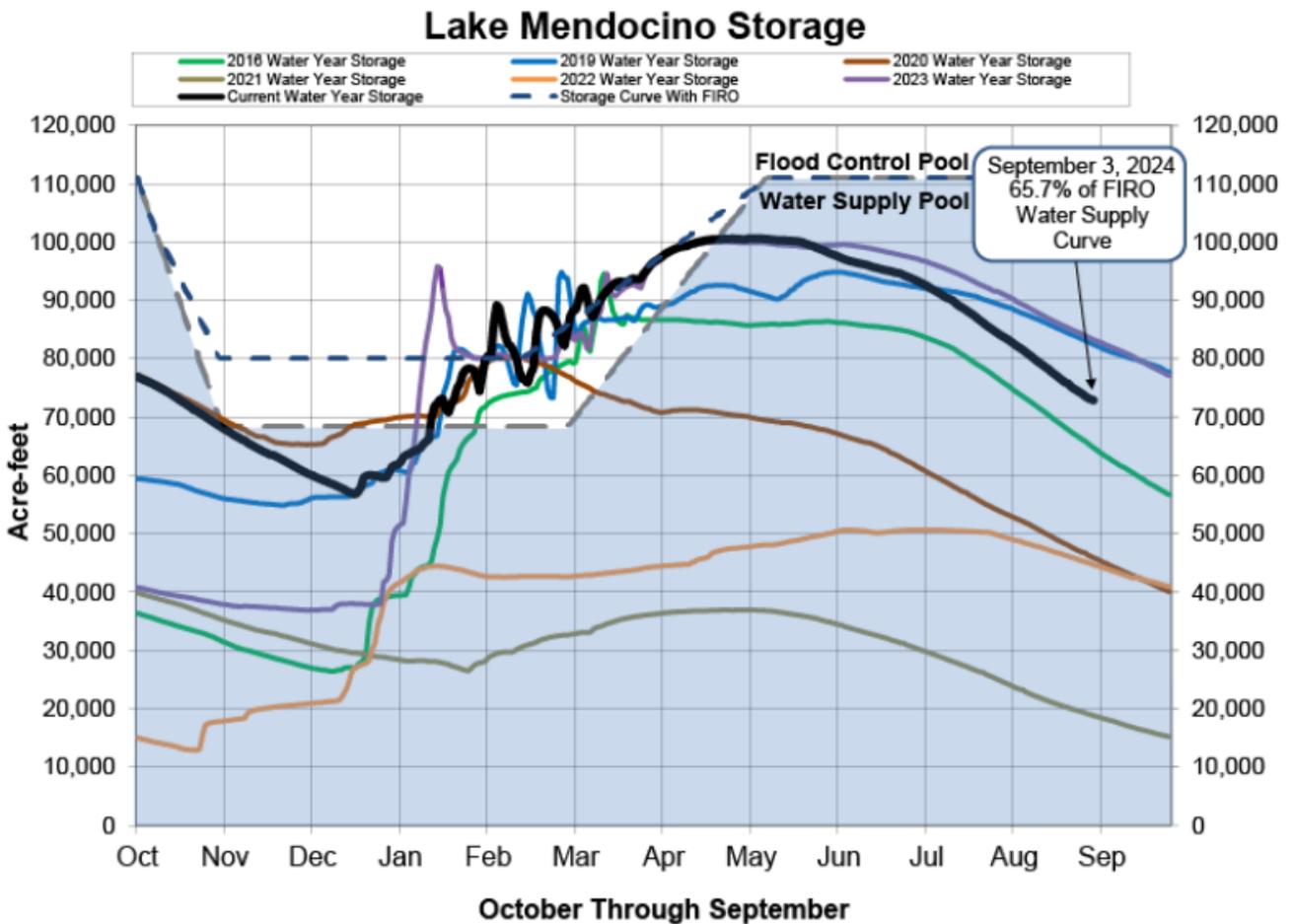


*(Continued...)*

**Lake Mendocino and the Mainstem Upper Russian River**

Lake Mendocino storage level was 72,876 acre feet (af) on September 3, 2024, down from 85,359 af on July 29, 2024. Sonoma Water filed temporary urgency change petitions with the State Water Resources Control Board Division of Water Rights requesting approval of temporary changes to water right Permits. The petitions seek authorization to implement a hydrologic index based on Lake Mendocino storage values, rather than the current index based on cumulative inflow into Lake Pillsbury, starting November 1, 2024. In the absence of the proposed changes, the applicable minimum instream flow requirements may require releases of water from Lake Mendocino and Lake Sonoma at levels that would risk significant depletions of storage levels that could cause impacts to human health and welfare and reduce water supplies needed for protection of listed salmon species in the Russian River. Therefore, Sonoma Water proposes alternative monthly storage values, in lieu of cumulative Lake Pillsbury inflow, to define the water supply conditions that determine which minimum instream flow requirements. The current Temporary Urgency Change Order is in effect until October 15, 2024 or superseded by another Order.

For more information, visit Sonoma Water’s TUCP webpage: [www.sonomawater.org/tucp](http://www.sonomawater.org/tucp).



**Attachments:**

- City of Ukiah press release on rehearing request
- Sonoma Water Agency hydrological report (partial)

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



## FOR IMMEDIATE RELEASE

**CONTACT:** Shannon Riley, Deputy City Manager  
City of Ukiah  
300 Seminary Avenue  
Ukiah, CA 95482  
Email: sriley@cityofukiah.com

### **CITY OF UKIAH CRITICIZES FERC AND PG&E RESTRICTIONS THAT CREATE AN UNNECESSARY, ADMINISTRATIVELY-MANUFACTURED DROUGHT, DESPITE NORMAL WATER YEAR CONDITIONS**

**Ukiah, CA. August 9, 2024.** – The City of Ukiah is taking action over impacts to the Upper Russian River, including environmental and economic harm to the region, caused by PG&E dramatically reducing flows to the Russian River from the Potter Valley Project. In a formal “Request for Rehearing” filed July 29<sup>th</sup>, the City again underscored how the Federal Energy Regulatory Commission’s (FERC) approval for PG&E’s reduction in water flows was made without fairly or adequately considering the harmful impacts to the Upper Russian River.

For 120 years, abandoned flows diverted from the Eel through the Potter Valley Project have been the foundation for progress in the Upper Russian River. But in the past few years PG&E has made yearly requests for a “variance” to reduce these flows. This year PG&E requested to reduce flows to the East Branch Russian River to match the dry water year minimum flow requirement of 25 cfs, with the “flexibility” to drop all the way down to 5 cfs. FERC granted the request.

FERC approved the request, despite the fact that this 2024 water-year is on track for a normal water-year. Eight days after FERC’s approval, PG&E immediately dropped flows all the way down to the extremely restricted 5 cfs level – as if we were in a dry or critical water year.

“Water is being diverted into the Russian River as if we were in a serious drought year, despite the fact that both water basins are clearly in at least normal conditions,” said Mari Rodin, City Council Member for the City of Ukiah. “This dramatic reduction risks creating a manufactured drought for our entire region reminiscent of the real drought in 2021, all without analyzing the impacts to our ecology, economy, and community. They dismissed our interests and took away our region’s water. It’s untenable.”

The National Environmental Policy Act requires federal agencies to carefully review the impacts of a proposed federal action on the human environment. But FERC’s Order did not include such an analysis, instead referencing a 24 year-old environmental impact statement (EIS) that is outdated and incomplete. FERC did not meaningfully discuss or consider how its approval would impact water users dependent on the Russian River and abandoned PVP flows, Ukiah’s ability to generate clean electricity through its hydropower facility, or endangered salmonids in the Russian River.

The City's Request for Rehearing asked FERC to comply with NEPA and conduct a new or supplemental analysis of the impacts to the Upper Russian River from reduced imports of PVP water. While this analysis is conducted, and acknowledging the interests of the Eel River, the City has only asked that in the meantime PG&E be allowed to reduce flows to no lower than 25 cfs, rather than down to 5 cfs.

Following the Order, Sonoma Water notified the State Water Resources Control Board that FERC's Order means that Lake Mendocino storage would be about 12,000 acre-feet lower by the end of this water year than it would be without the Order. This may have major impacts to the entire Upper Russian River – despite the second consecutive year of healthy rainfall.

"We recognize and acknowledge the needs our neighbors on the Eel have, but our needs must be recognized as well," said Glenn McGourty, Mendocino County Supervisor. "There is so much at stake for our community in the greater Ukiah Valley, and yet a thoughtful consideration of our interests is entirely lacking in PG&E's request and in FERC's decision. It's as if we don't matter to them."

"The fish and habitat in the Russian River deserve protection too," said Sean White, a fisheries biologist who filed a successful lawsuit against the Army Corps of Engineers and National Marine Fisheries Service for failure to protect endangered salmon below Coyote Valley Dam. "There is a pattern – a systemic, institutionalized pattern by federal agencies – of disregarding the interests of the Upper Russian River. It is time for our community to say, 'Enough – we are done being ignored.' "

"Our farms and businesses will suffer from the acceptance of this dramatic and unnecessary reduction," said Jazzmynn Randall, Executive Director of the Mendocino Farm Bureau. "We have worked hard to survive during dry years while waiting for the rains to return, but now in a good water year we are facing a manufactured drought that creates a standard that will harm agricultural output and cause long term economic damage."

The City of Ukiah's Request to FERC observes "The entire focus [of FERC's analysis] is on the Eel at the expense of the Russian.... To be clear, we ask for nothing more than that our interests be given equal weight to others' and that the impacts to our community: our families, our schools, our businesses, our orchards and vineyards, our listed species, and our environment, simply be identified and analyzed in accordance with the mandates of the National Environmental Policy Act."

For more information, contact Deputy City Manager, Shannon Riley, at [sriley@cityofukiah.com](mailto:sriley@cityofukiah.com).



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Shannon Riley, Deputy City Manager

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State Water Resources Control Board  
 Temporary Urgency Change Orders (6/6/2024)  
 Russian River Hydrologic & Water Quality Report  
 August 23, 2024 - August 29, 2024

Prepared as a requirement of the Orders approving Sonoma Water's Petition for Temporary Urgency Change in Permits 12947A, 12949, 12950, and 16596 (Applications 12919A, 15736, 15737, and 19351).

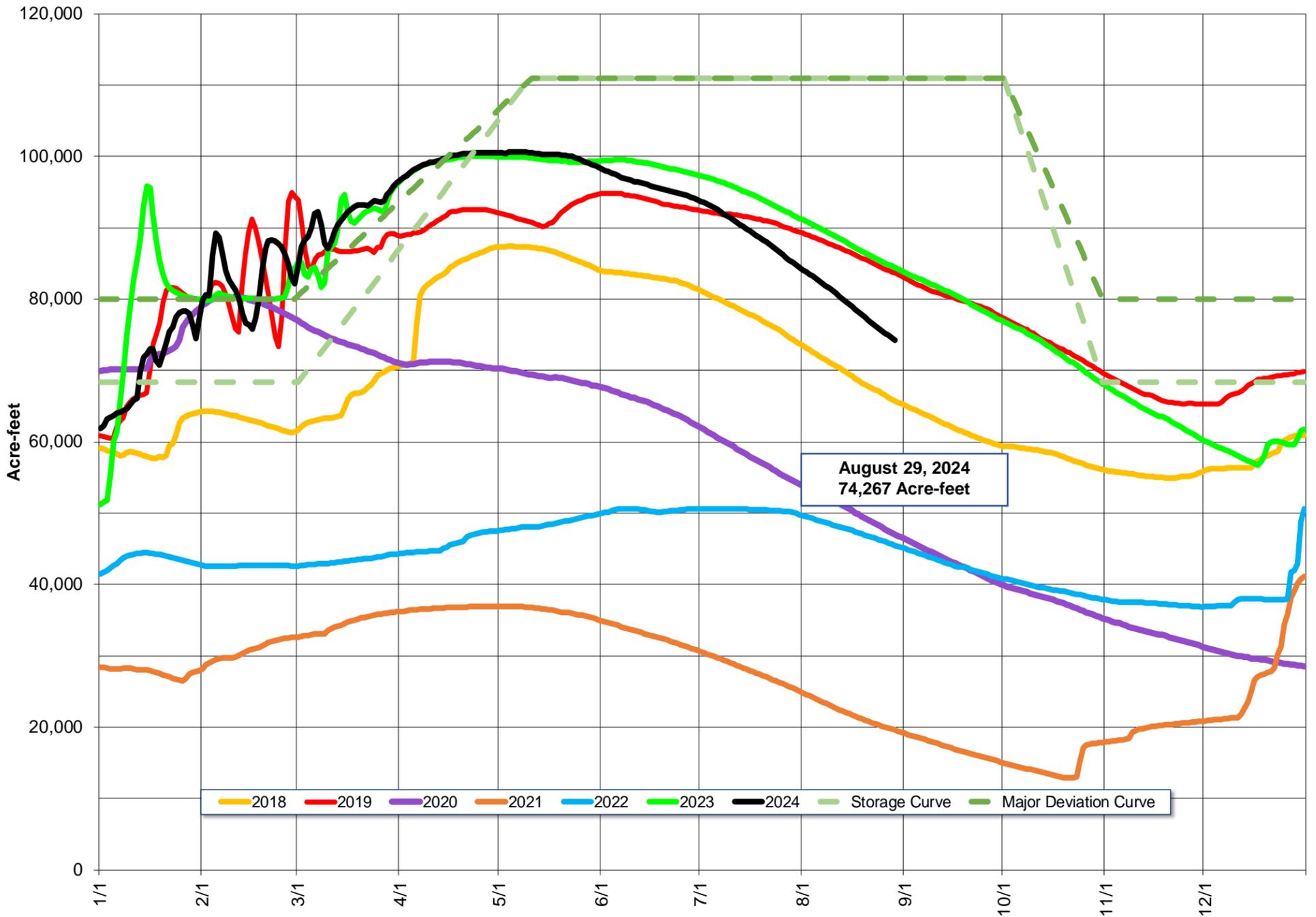
**Instream Flow Requirements as of August 29, 2024**

Basis	Reach	Instantaneous (cfs)	5-day Average (cfs)
Modified Per Order: Normal Condition	Upper Russian River	110	125
D-1610: Normal Condition	Dry Creek	80	-
Modified Per Order: Normal Condition	Lower Russian River	60	70

Upper and Lower Russian River are based on criteria as established in the Order issued 6/6/2024.

**Lake Mendocino**

**Lake Mendocino Storage 2018 - 2024 and Storage Curve**



Storage (acre-feet)	August 29, 2024	<b>74,267</b>	
Change in Storage (acre-feet)	Last 30 days	<b>-10,499</b>	<b>-350</b>
	Last 7 days	<b>-2,010</b>	<b>-287</b>
Daily Inflow (cfs)	Last 7 days	Min	<b>28</b>
		Max	<b>59</b>
		Mean	<b>49</b>
Release (cfs)	Last 7 days	Min	<b>197</b>
		Max	<b>219</b>
		Mean	<b>205</b>

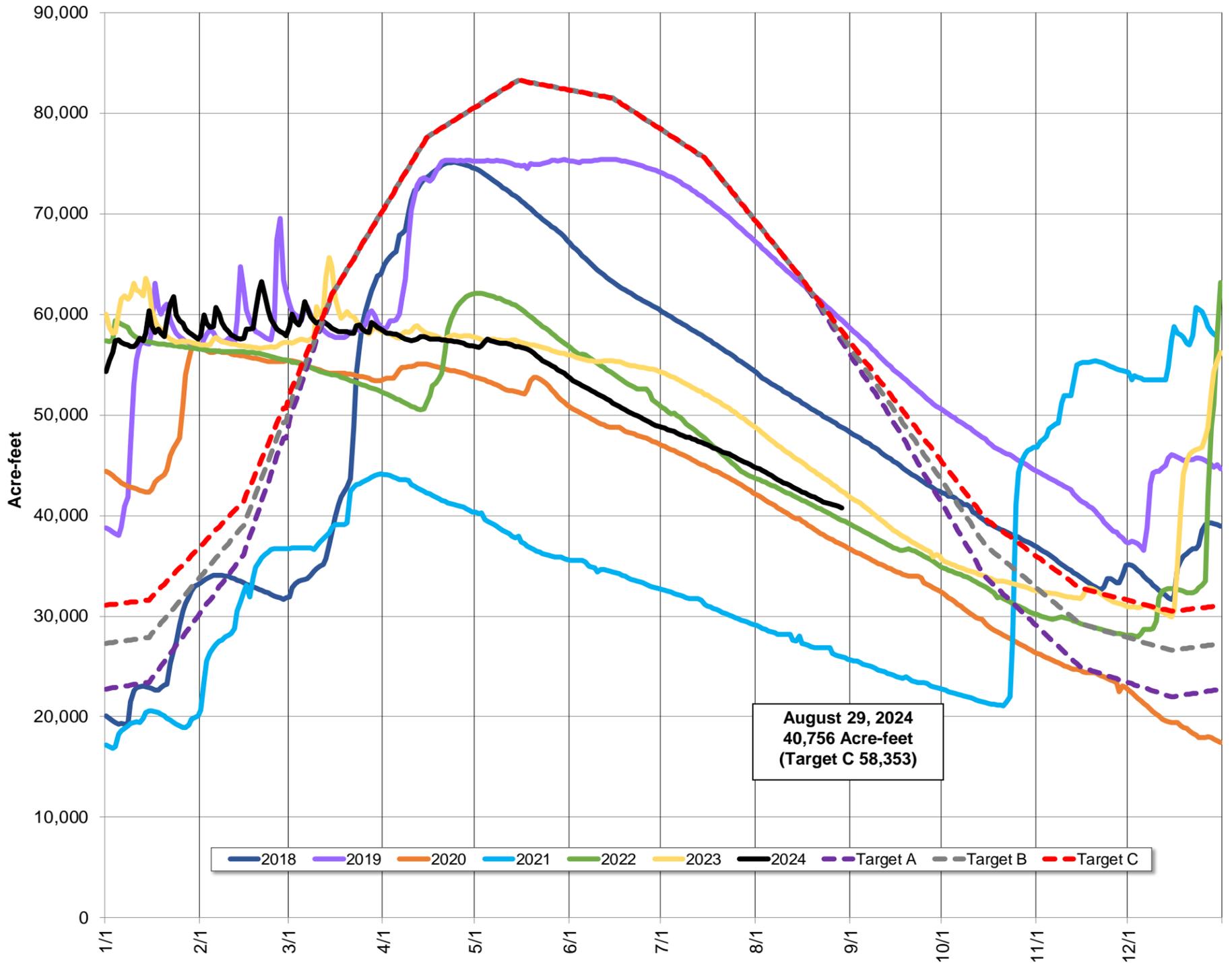
# Potter Valley Project

PVP Diversion (cfs)	August 29, 2024	47
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Parameter	Date Range	Cumulative	Daily Average
Inflow* (acre-feet)	October 1, 2023 - August 30, 2024	487,132	1,458
	Last 7 days	257	37

\*Inflow calculation based on criteria established in D1610

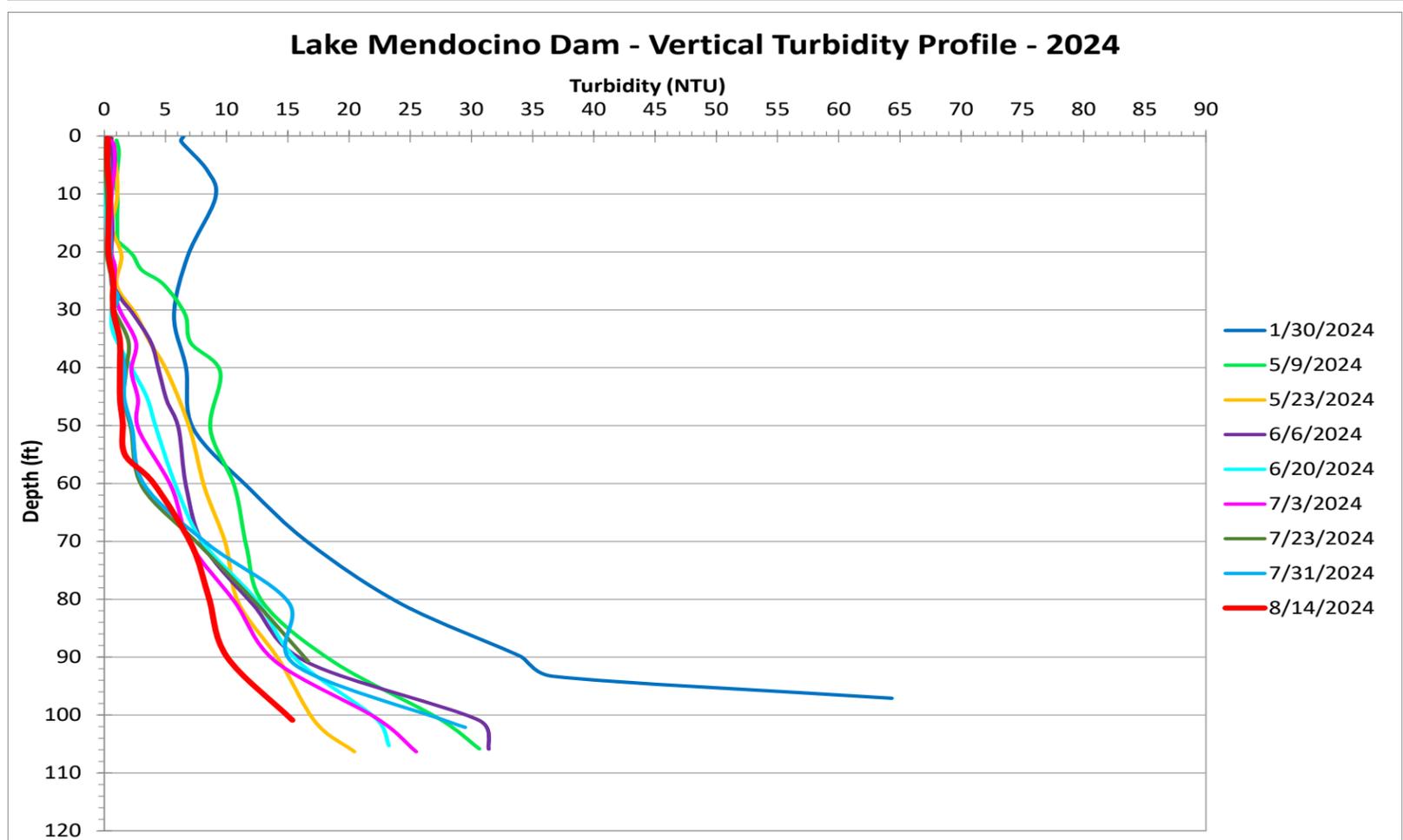
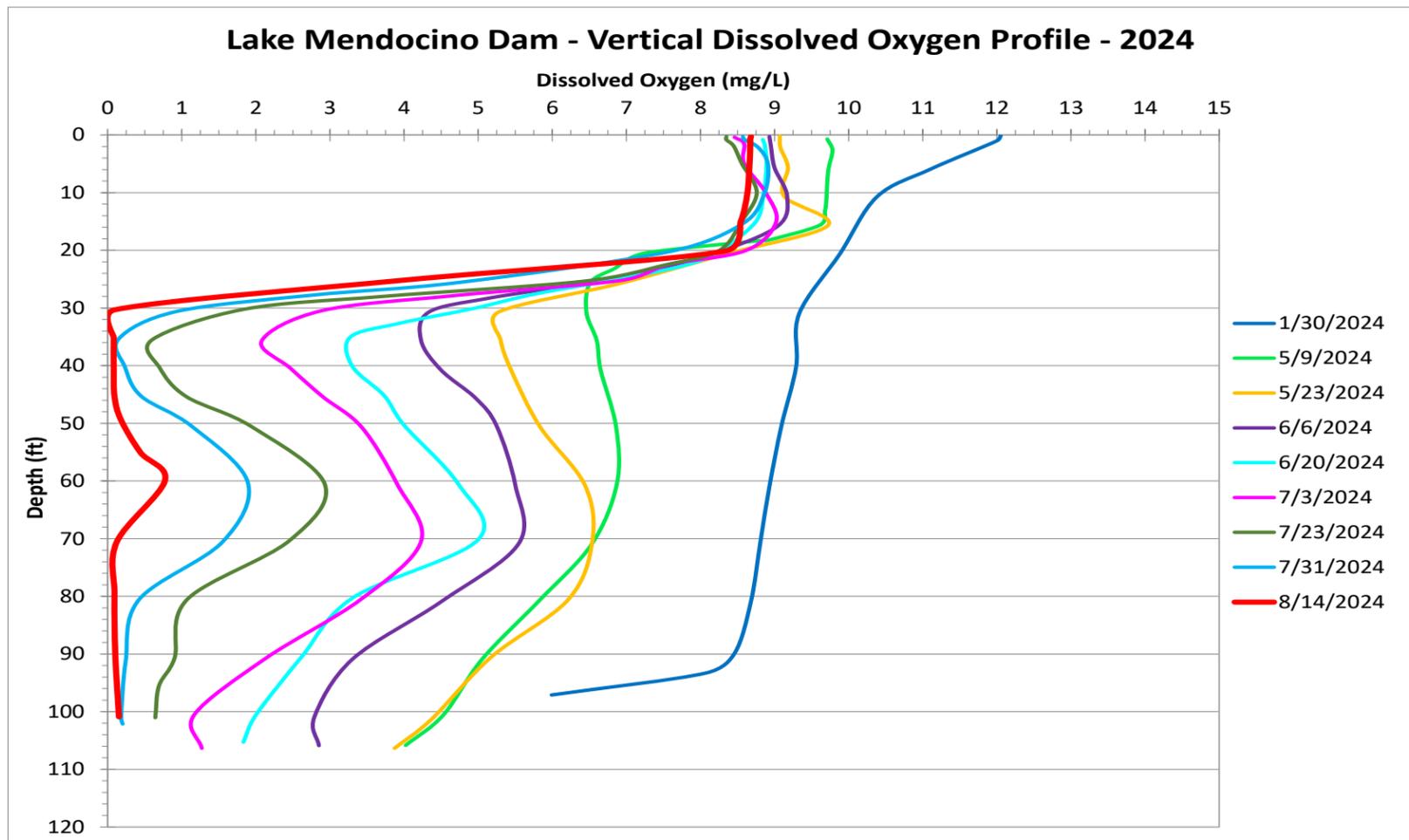
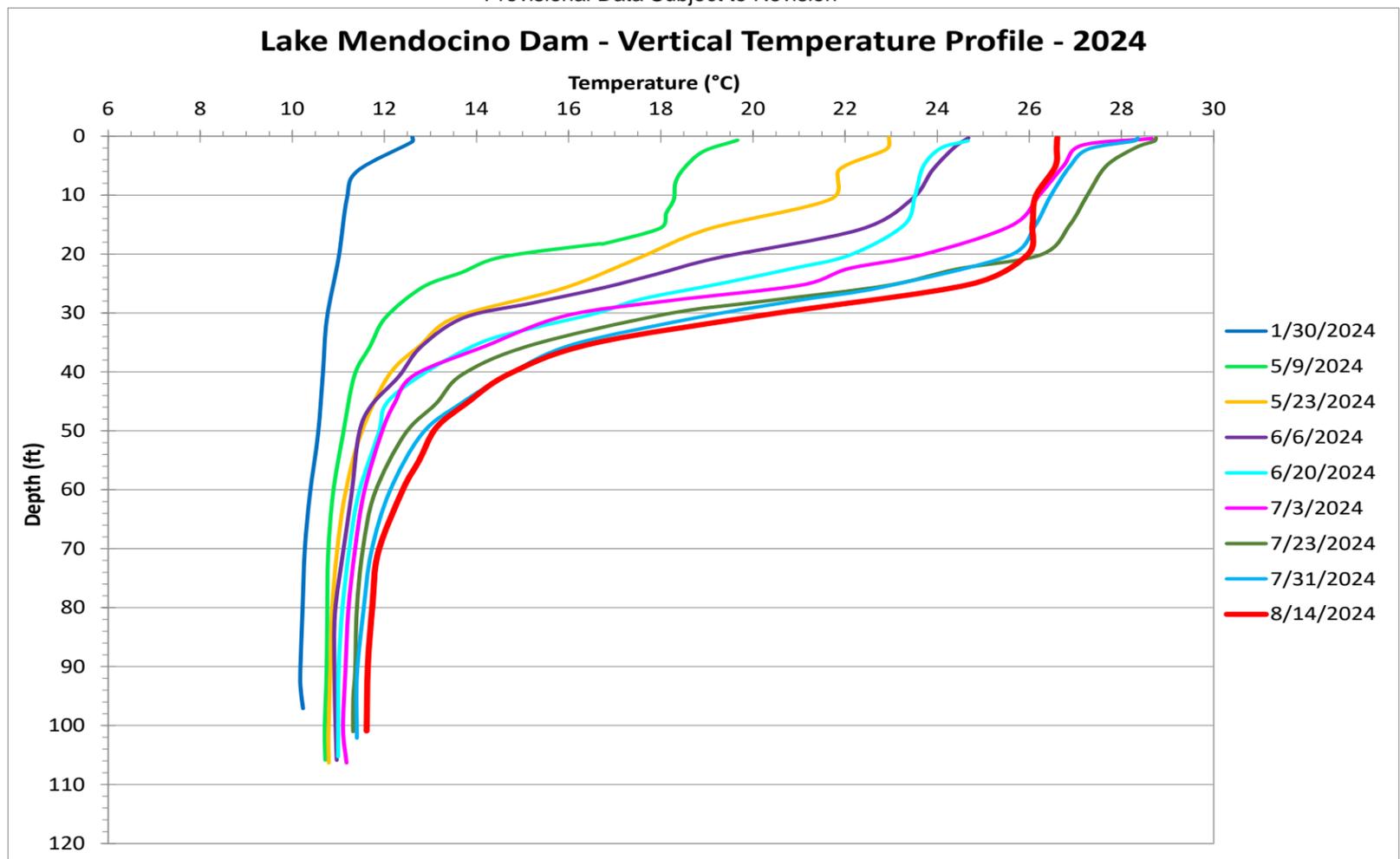
### Lake Pillsbury Storage 2018 - 2024 and Target Storage Scenarios



August 29, 2024  
40,756 Acre-feet  
(Target C 58,353)

# Lake Mendocino Water Quality Vertical Profiles (January 30 – August 14, 2024)

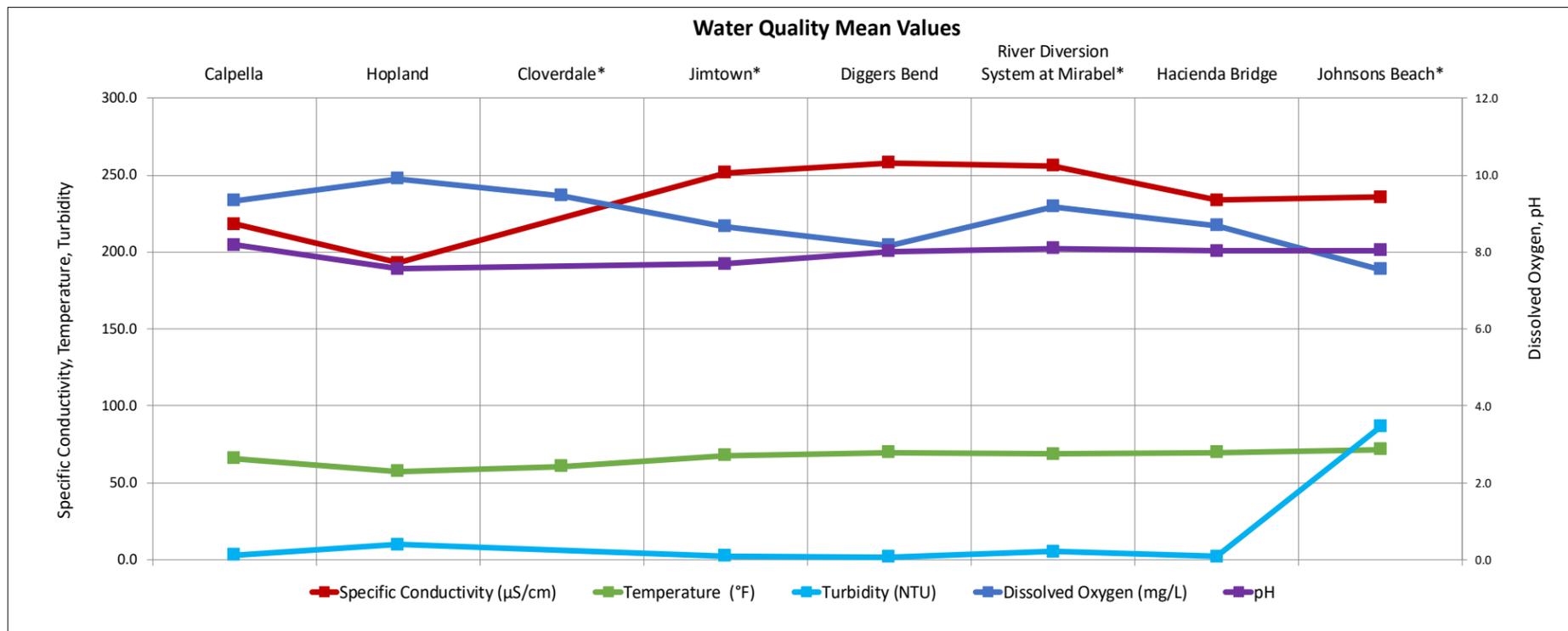
Provisional Data Subject to Revision



## Russian River Flows (August 23, 2024 - August 29, 2024)

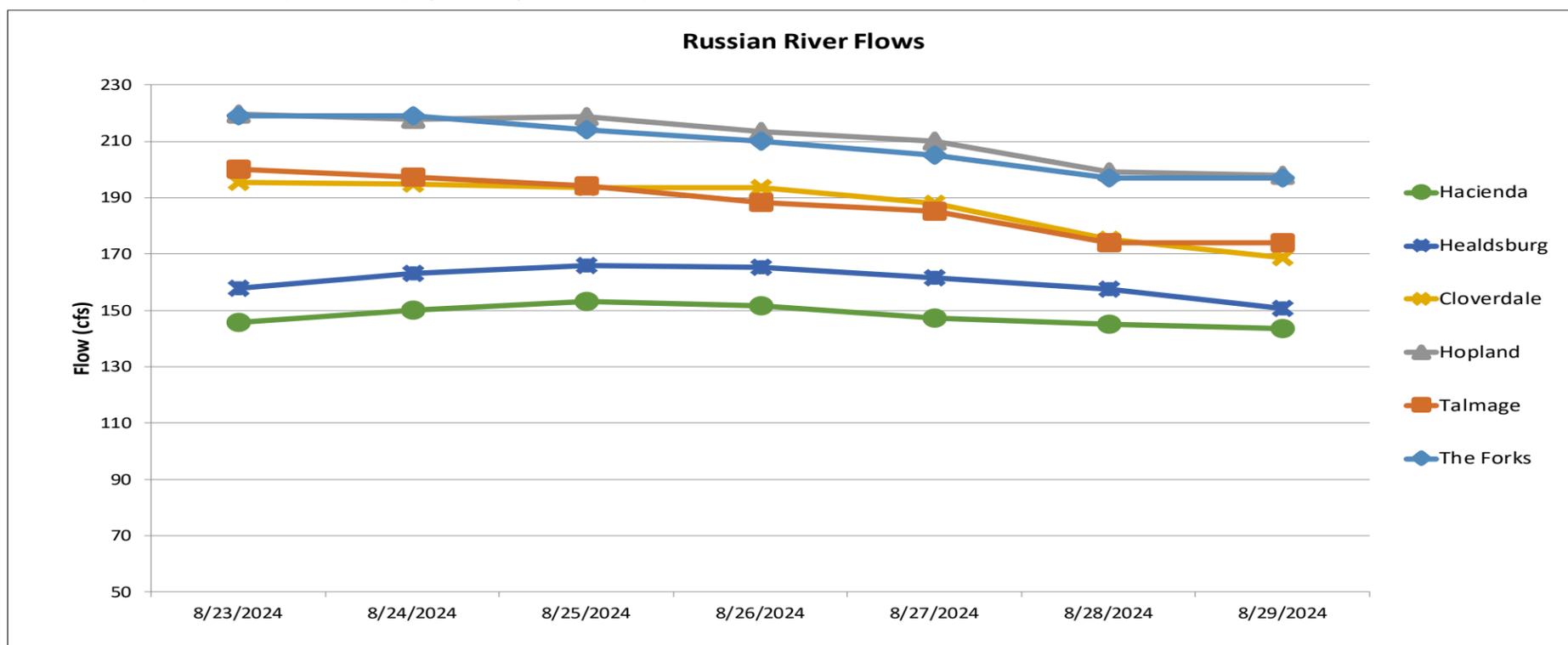
Parameter		Calpella	Hopland	Cloverdale*	Jimtown*	Diggers Bend	River Diversion System at Mirabel*	Hacienda Bridge	Johnsons Beach*
		USGS 11461500	USGS 11462500	USGS 11463000	USGS 11463682	USGS 11463980	SCWA	USGS 11467000	SCWA
Temperature (°F)	Min	62.1	54.9	57.6	64.2	66.2	66.7	65.8	70.1
	Max	70.7	60.3	65.1	72.0	74.1	71.2	74.1	74.3
	Mean	65.6	57.4	60.6	67.6	69.7	68.5	69.6	71.4
Specific Conductivity (µS/cm)	Min	214.0	191.0		249.0	256.0	238.6	231.0	135.4
	Max	223.0	195.0		257.0	261.0	276.8	237.0	249.6
	Mean	218.4	193.0		251.4	258.1	256.2	233.7	235.7
Dissolved Oxygen (mg/L)	Min	8.3	8.9	8.7	7.0	7.2	8.3	6.8	4.7
	Max	11.0	11.2	10.4	11.0	9.2	10.1	9.5	8.2
	Mean	9.3	9.9	9.5	8.7	8.2	9.2	8.7	7.5
Dissolved Oxygen (% Saturation)	Min	91.7	87.3	89.2	75.7	79.5	91.8	73.9	54.2
	Max	117.0	111.5	109.2	121.9	106.5	113.1	109.2	93.6
	Mean	100.0	96.4	95.7	95.0	91.6	101.6	97.6	86.2
pH	Min	8.0	7.4		7.4	7.8	7.9	7.4	7.8
	Max	8.5	7.9		8.1	8.2	8.2	8.5	8.1
	Mean	8.2	7.6		7.7	8.0	8.1	8.0	8.0
Turbidity (NTU)	Min	1.7	7.5		1.3	1.0	3.1	1.1	7.1
	Max	5.2	12.1		4.0	2.4	52.1	3.4	1484.1
	Mean	2.8	9.7		2.2	1.6	5.1	2.0	86.3

\*Station operated seasonally



Gage	24-hr Average Flow (cfs)						
	Aug 23, 2024	Aug 24, 2024	Aug 25, 2024	Aug 26, 2024	Aug 27, 2024	Aug 28, 2024	Aug 29, 2024
The Forks*	219	219	214	210	205	197	197
Talmage USGS 11462080	200	197	194	188	185	174	174
Hopland USGS 11462500	220	218	219	214	210	199	198
Cloverdale USGS 11463000	195	195	194	194	188	175	169
Healdsburg USGS 11464000	158	163	166	165	162	157	151
Hacienda USGS 11467000	146	150	153	152	147	145	143

\*West Fork(USGS 11461000) + East Fork (Coyote Valley Dam Release)



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

**STAFF REPORT**

**Agenda Item 7a: August 2024 Financial Report**

**September 9, 2024**

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Revenue

July 2024 Additional revenue not shown on previous report: none

August 2024: \$8,002.80 - property taxes

Expenses

July 2024: \$8,927.50 Additional expenses not shown on previous report:

- \$7,172.00 payroll, late recording of tax payments
- \$1547.00 consulting - temporary administrative support
- \$208.50 office operating, late recording

August 2024: \$35,182.78 ordinary, notably:

- \$3,888.75 Legal counsel regarding Channel Maintenance
- \$3,838.34 Legal Counsel regarding LAFCo annexation application
- \$5,000 Second and last installment for FY 2023-2024 Audit
- \$968 in office operating included annual PO Box fee and Intuit (Payroll) subscription.

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 August 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 August 2024.

Attachments:

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

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

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

August 2024

Aug 24**Ordinary Income/Expense****Income**

4050 · Property Taxes	8,002.80
Total Income	<u>8,002.80</u>

**Expense**

Payroll Expenses	14,747.04
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## Water Supply Expenses

5040 · Channel Maintenance	
5040.01 · Channel Maint.-Legal	3,497.07
Total 5040 · Channel Maintenance	<u>3,497.07</u>

## 5050 · Projects

5056 · License Change Petition	
5056.01 · Chg Pet- Legal Counsel	3,888.75
Total 5056 · License Change Petition	<u>3,888.75</u>

## 5057 · LAFCo Applications

5057.01 · LAFCo Apps - Legal Counsel	3,383.34
Total 5057 · LAFCo Applications	<u>3,383.34</u>

5059 · Trans Basin Diversion	169.32
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Total 5050 · Projects	<u>7,441.41</u>
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Total Water Supply Expenses	10,938.48
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## General &amp; Administrative Exp

5100 · Consulting	
5101 · Accounting	1,353.19
5102 · Audit	5,000.00
5105 · Legal-General	1,928.82
Total 5100 · Consulting	<u>8,282.01</u>

5120 · Vehicle	247.08
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5160 · Office Operating Expenses	968.17
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Total General & Administrative Exp	<u>9,497.26</u>
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<b>Total Expense</b>	<u><u>35,182.78</u></u>
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Mendocino County Russian River Flood Control District

Income & Expense / Budget vs. Actual

Cash Basis

July 2024 through June 2025

	<u>Jul '24 - Jun 25</u>	<u>Budget</u>
Ordinary Income/Expense		
Income		
4001 · Contract Water Sales	0.00	457,326.00
4050 · Property Taxes	8,002.80	65,000.00
4080 · Interest-LAIF	0.00	15,000.00
4081 · Interest-SBMC	0.00	50.00
Total Income	<u>8,002.80</u>	<u>537,376.00</u>
Expense		
Payroll Expenses	37,199.34	199,400.00
Water Supply Expenses		
5020 · Water Rights	1,940.51	31,500.00
5030 · USGS, streamflow gage	7,237.50	15,000.00
5031 · JPAs	0.00	3,000.00
5040 · Channel Maintenance		
5040.01 · Channel Maint.-Legal	3,962.70	0.00
Total 5040 · Channel Maintenance	<u>3,962.70</u>	<u>0.00</u>
5050 · Projects		
5051 · Grants/Funding Analysis-general	0.00	5,000.00
5056 · License Change Petition		
5056.01 · Chg Pet- Legal Counsel	3,888.75	
5056 · License Change Petition - Other	0.00	40,000.00
Total 5056 · License Change Petition	<u>3,888.75</u>	<u>40,000.00</u>
5057 · LAFCo Applications		
5057.01 · LAFCo Apps - Legal Counsel	3,383.34	
5057 · LAFCo Applications - Other	0.00	15,000.00
Total 5057 · LAFCo Applications	<u>3,383.34</u>	<u>15,000.00</u>
5058 · Demand Mgmt Pilot	0.00	2,000.00
5059 · Trans Basin Diversion	169.32	100,000.00
Total 5050 · Projects	<u>7,441.41</u>	<u>162,000.00</u>
Total Water Supply Expenses	<u>20,582.12</u>	<u>211,500.00</u>

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

Cash Basis

July 2024 through June 2025

	<u>Jul '24 - Jun 25</u>	<u>Budget</u>
General & Administrative Exp		
5100 · Consulting		
5101 · Accounting	5,276.26	8,000.00
5102 · Audit	5,000.00	9,000.00
5104 · Administrative Support	2,884.70	5,000.00
5105 · Legal-General	2,055.81	10,000.00
5109 · Human Resources	0.00	2,000.00
5110 · Strategic Planning	0.00	2,000.00
	<u>15,216.77</u>	<u>36,000.00</u>
5120 · Vehicle	368.41	2,000.00
5130 · Insurance	9,275.93	7,000.00
5140 · LAFCO Apportionment Fee	1,160.41	1,100.00
5150 · Memberships	0.00	6,000.00
5160 · Office Operating Expenses	1,389.34	3,000.00
5161 · Rent, Utilities	1,125.00	5,000.00
5170 · Training & Conferences	564.87	6,000.00
5180 · Stipends, Meetings	2,650.00	13,000.00
5190 · Property Tax Admin Fees	1,010.51	1,000.00
5200 · Election	0.00	300.00
	<u>32,761.24</u>	<u>80,400.00</u>
Total General & Administrative Exp		
	<u>32,761.24</u>	<u>80,400.00</u>
Total Expense	<u>90,542.70</u>	<u>491,300.00</u>
Net Ordinary Income	-82,539.90	46,076.00
Other Income/Expense		
Other Expense		
5710 · Use of Capital Reserves	6,019.87	
	<u>6,019.87</u>	
Total Other Expense	<u>6,019.87</u>	
Net Other Income	<u>-6,019.87</u>	0.00
Net Income	<u><u>-88,559.77</u></u>	<u><u>46,076.00</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				
4001 · Contract Water Sales	0.00	540,241.26	-540,241.26	-100.0%
4002 · Surplus Water Sales	0.00	39,278.38	-39,278.38	-100.0%
4010 · Water Application Fee	0.00	800.00	-800.00	-100.0%
4050 · Property Taxes	8,002.80	61,703.31	-53,700.51	-87.0%
4080 · Interest-LAIF	0.00	20,979.74	-20,979.74	-100.0%
4081 · Interest-SBMC	0.00	111.29	-111.29	-100.0%
4100 · Other Income	0.00	-1,232.00	1,232.00	100.0%
4130 · Unrealized Gain(Loss) Invstment	0.00	5,669.02	-5,669.02	-100.0%
<b>Total Income</b>	<b>8,002.80</b>	<b>667,551.00</b>	<b>-659,548.20</b>	<b>-98.8%</b>
Expense				
Payroll Expenses	37,199.34	182,743.28	-145,543.94	-79.6%
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%
<b>Total 5020 · Water Rights</b>	<b>1,940.51</b>	<b>32,782.12</b>	<b>-30,841.61</b>	<b>-94.1%</b>
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%
<b>Total 5031 · JPAs</b>	<b>0.00</b>	<b>75,050.00</b>	<b>-75,050.00</b>	<b>-100.0%</b>
5040 · Channel Maintenance				
5040.01 · Channel Maint.-Legal	3,962.70	0.00	3,962.70	100.0%
<b>Total 5040 · Channel Maintenance</b>	<b>3,962.70</b>	<b>0.00</b>	<b>3,962.70</b>	<b>100.0%</b>
5050 · Projects				
5051 · Grants/Funding Analysis-general	0.00	6,525.00	-6,525.00	-100.0%
5054 · Add'l Water Rights				
5054.02 · Engineering	0.00	57.50	-57.50	-100.0%
<b>Total 5054 · Add'l Water Rights</b>	<b>0.00</b>	<b>57.50</b>	<b>-57.50</b>	<b>-100.0%</b>
5055 · RR Water Forum				
5055.01 · RR Water Forum-Legal	0.00	1,840.08	-1,840.08	-100.0%
5055.02 · RR Water Forum-Engineering	0.00	230.00	-230.00	-100.0%
<b>Total 5055 · RR Water Forum</b>	<b>0.00</b>	<b>2,070.08</b>	<b>-2,070.08</b>	<b>-100.0%</b>
5056 · License Change Petition				
5056.01 · Chg Pet- Legal Counsel	3,888.75	5,970.00	-2,081.25	-34.9%
5056.02 · Chg Pet - Engineering	0.00	4,680.25	-4,680.25	-100.0%
5056.03 · Chg Pet - Mapping	0.00	262.50	-262.50	-100.0%
<b>Total 5056 · License Change Petition</b>	<b>3,888.75</b>	<b>10,912.75</b>	<b>-7,024.00</b>	<b>-64.4%</b>
5057 · LAFCo Applications				
5057.01 · LAFCo Apps - Legal Counsel	3,383.34	252.45	3,130.89	1,240.2%
<b>Total 5057 · LAFCo Applications</b>	<b>3,383.34</b>	<b>252.45</b>	<b>3,130.89</b>	<b>1,240.2%</b>
5058 · Demand Mgmt Pilot				
5058.02 · Demand Pilot- Engineering	0.00	1,265.00	-1,265.00	-100.0%

	Jul '24 - Jun 25	Jul '23 - Jun 24	\$ Change	% Change
5058.03 · Demand Pilot-Funding Analysis	0.00	1,437.50	-1,437.50	-100.0%
5058.04 · Demand Pilot-Grant Writing	0.00	15,572.50	-15,572.50	-100.0%
Total 5058 · Demand Mgmt Pilot	0.00	18,275.00	-18,275.00	-100.0%
5059 · Trans Basin Diversion				
5059.01 · TBD - Legal Counsel	0.00	22,393.12	-22,393.12	-100.0%
5059.02 · TBD- Engineering	0.00	15,257.50	-15,257.50	-100.0%
5059.03 · TBD- IWPC	0.00	50,000.00	-50,000.00	-100.0%
5059 · Trans Basin Diversion - Other	169.32	601.80	-432.48	-71.9%
Total 5059 · Trans Basin Diversion	169.32	88,252.42	-88,083.10	-99.8%
5060 · Coyote Valley Dam Modernization				
5060.01 · COY via IWPC	0.00	7,000.00	-7,000.00	-100.0%
Total 5060 · Coyote Valley Dam Modernization	0.00	7,000.00	-7,000.00	-100.0%
Total 5050 · Projects	7,441.41	133,345.20	-125,903.79	-94.4%
Total Water Supply Expenses	20,582.12	247,089.82	-226,507.70	-91.7%
General & Administrative Exp				
5100 · Consulting				
5101 · Accounting	5,276.26	6,834.26	-1,558.00	-22.8%
5102 · Audit	5,000.00	6,500.00	-1,500.00	-23.1%
5103 · Engineering- General	0.00	17,833.00	-17,833.00	-100.0%
5104 · Administrative Support	2,884.70	0.00	2,884.70	100.0%
5105 · Legal-General	2,055.81	7,163.64	-5,107.83	-71.3%
5109 · Human Resources	0.00	2,794.35	-2,794.35	-100.0%
Total 5100 · Consulting	15,216.77	41,125.25	-25,908.48	-63.0%
5120 · Vehicle	368.41	3,638.98	-3,270.57	-89.9%
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	1,389.34	6,952.08	-5,562.74	-80.0%
5161 · Rent, Utilities	1,125.00	5,625.00	-4,500.00	-80.0%
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	1,010.51	0.00	1,010.51	100.0%
Total General & Administrative Exp	32,761.24	81,228.93	-48,467.69	-59.7%
Total Expense	90,542.70	511,062.03	-420,519.33	-82.3%
Net Ordinary Income	-82,539.90	156,488.97	-239,028.87	-152.7%
Other Income/Expense				
Other Expense				
5700 · Use of Wtr Reliability Reserve	0.00	76,700.00	-76,700.00	-100.0%
5710 · Use of Capital Reserves	6,019.87	14,383.53	-8,363.66	-58.2%
Total Other Expense	6,019.87	91,083.53	-85,063.66	-93.4%
Net Other Income	-6,019.87	-91,083.53	85,063.66	93.4%
Net Income	-88,559.77	65,405.44	-153,965.21	-235.4%

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	228,720.45	321,311.97	-92,591.52	-28.8%
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	0.00	5,851.95	100.0%
Total 1010 · LAIF	524,504.87	518,652.92	5,851.95	1.1%
1019 · LAIF - Fair Market Value	-1,910.70	-1,910.70	0.00	0.0%
Total Checking/Savings	1,001,536.40	1,088,275.97	-86,739.57	-8.0%
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				
1210 · Interest Receivable	0.00	5,851.95	-5,851.95	-100.0%
Total Other Current Assets	0.00	5,851.95	-5,851.95	-100.0%
Total Current Assets	1,001,531.40	1,094,122.92	-92,591.52	-8.5%
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>1,095,776.15</b>	<b>1,188,367.67</b>	<b>-92,591.52</b>	<b>-7.8%</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				
2000 · Accounts Payable	-10.99	-10.99	0.00	0.0%
Total Accounts Payable	-10.99	-10.99	0.00	0.0%
Other Current Liabilities				
2030 · Vacation Accrual	24,980.77	24,980.77	0.00	0.0%
2050 · Payroll Liabilities				
2057.1 · CalPERS 457 Pretax, Employer Lb	0.00	168.75	-168.75	-100.0%
2051 · Federal Withholding	0.00	657.00	-657.00	-100.0%
2052 · State Withholding CA	0.00	342.10	-342.10	-100.0%
2053 · FICA	0.00	806.38	-806.38	-100.0%
2054 · Medicare	0.00	188.58	-188.58	-100.0%
2055 · ER PERS Payable	10.69	442.69	-432.00	-97.6%
2056 · EE PERS Payable	0.00	435.94	-435.94	-100.0%
2058 · 1959 Survivor Benefits (Liab)	0.00	1.00	-1.00	-100.0%
2050 · Payroll Liabilities - Other	0.00	1,000.00	-1,000.00	-100.0%
Total 2050 · Payroll Liabilities	10.69	4,042.44	-4,031.75	-99.7%
2070 · Direct Deposit Liabilities	328.30	328.30	0.00	0.0%
Total Other Current Liabilities	25,319.76	29,351.51	-4,031.75	-13.7%
Total Current Liabilities	25,308.77	29,340.52	-4,031.75	-13.7%
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	86,954.77	90,986.52	-4,031.75	-4.4%
Equity				
3000 · Opening Bal Equity	541,116.95	541,116.95	0.00	0.0%
3001 · Retained Earnings	556,264.20	490,858.76	65,405.44	13.3%
Net Income	-88,559.77	65,405.44	-153,965.21	-235.4%
Total Equity	1,008,821.38	1,097,381.15	-88,559.77	-8.1%
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>1,095,776.15</b>	<b>1,188,367.67</b>	<b>-92,591.52</b>	<b>-7.8%</b>

Mendocino County Russian River Flood Control District  
Monthly Payment Detail

Cash Basis

As of August 31, 2024

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<u>Date</u>	<u>Name</u>	<u>Memo</u>	<u>Paid Amount</u>
1000 · SBMC Checking			
08/06/2024	Cardmember Service	Credit card 6/13-7/12/24	-450.75
08/02/2024	Eide Bailly	Accounting, June 2024 service Dates	-1,353.19
08/02/2024	Herum/Crabtree/Suntag	Legal counsel June service dates	-12,867.30
08/08/2024	Intuit	Annual fee & Monthly payroll subscription	-556.00
08/23/2024	Nigro & Nigro PC	FY 2023-2024 Audit final pymt, inv 20601	-5,000.00
08/14/2024	Team Mobile	Monthly cell phone service	-208.50
			<hr/>
Total 1000 · SBMC Checking			-20,435.74
			<hr/>
TOTAL			-20,435.74
			<hr/> <hr/>

# 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>
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 used in 2023, in acre feet	Water diverted, in acre feet	Remaining AF Available in 2024 only
Jan 2024	0.00	13.89	
Feb 2024	0.00	0.00	
Mar 2024	0.00	14.46	
Apr 2024	31.60	59.75	
May 2024	42.72	46.47	
June 2024	94.48	116.91	
July 2024	173.04	265.15	
Aug 2024	174.10		
Sept 2024	81.91		
Oct 2024	37.54		
Nov 2024	25.46		
Dec 2024	16.13		
<b>Totals:</b>	<b>676.98</b>	<b>516.63</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 August 5, 2024**  
7 **At District Office: 304 N. State Street, Ukiah, CA 95482**

8 **1. Roll Call**

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

10  
11 Trustees Present: Christopher Watt, President  
12 John Bailey, Treasurer  
13 Tyler Rodrigue, Trustee  
14

15 Trustees Absent: John Reardan, Trustee  
16 Dave Koball, Trustee  
17

18 Staff: Elizabeth Salomone, General Manager  
19  
20

21 **2. Approval of Agenda**

22 Trustee Rodrigue moved to approve the agenda. Treasurer Bailey seconded the motion. The motion was  
23 approved by the following vote:

24 Ayes: 3 (Rodrigue, Bailey, Watt)  
25 Absent: 2 (Reardan, Koball)  
26

27 **3. Public Expression: None.**  
28  
29

30 **PUBLIC HEARING**

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

34 The Board of Trustees introduced Ordinance No. 24-01 Establishing Regulations and Rules for Board of  
35 Trustee Compensation by reading of the title only (waived reading) and approved placing it on the agenda for  
36 adoption at the next regularly scheduled meeting. The Board held a public hearing with no comments  
37 submitted by the public. The Board approved the Ordinance and directed Staff to schedule the required  
38 second reading at the September 9, 2024 Board Meeting.  
39

40 Treasurer Bailey moved to introduce, waive reading, and place on the agenda for adoption Ordinance No. 24-  
41 01. Trustee Rodrigue seconded the motion. The motion was approved by the following vote:

42 Ayes: 3 (Rodrigue, Bailey, Watt)  
43 Absent: 2 (Reardan, Koball)  
44

45 **5. WAIVE READING AND ADOPT Ordinance No. 24-01 An Ordinance Establishing Regulations and**  
46 **Rules for Board of Trustee Compensation by the Mendocino County Russian River Flood Control &**  
47 **Water Conservation Improvement District**  
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Trustee Rodrigue moved to 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 and direct staff to prepare an agenda item for the second reading. Treasurer Bailey seconded the motion. The motion was approved by the following vote:

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

**ITEMS FOR DISCUSSION AND POSSIBLE ACTION**

**6. Memorandum of Understanding with Redwood Valley County Water District Regarding Annexation**

GM Salomone presented the proposed Memorandum of Understanding (MOU) and answered clarifying questions. Trustee Bailey asked how the cost share was negotiated and members of the Ad Hoc Committee responded.

Treasurer Bailey moved to 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. Trustee Rodrigue seconded the motion. The motion was approved by the following vote:

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

Trustee Rodrigue moved to ratify GM Salomone’s authorization in signing the engagement agreement with LACO Associates to assist with the development of the annexation application. Treasurer Bailey seconded the motion. The motion was approved by the following vote:

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

The Board directed the LAFCo Ad Hoc Committee to continue development of the application with the Redwood Valley County Water District Ad Hoc, General Manager, and Consultants

**7. California Class Investment Pool**

GM Salomone and Treasurer Bailey presented. Fees for LAIF and CLASS were reviewed.

Trustee Rodrigue moved to approval of Resolution #24-06 Authorizing Participation and Purchase of Shares of Beneficial Interest Issued by the California CLASS from Time to Time; Treasurer Bailey seconded the motion. The motion was approved by the following vote:

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

The Board provided direction to the General manager to complete and submit the California CLASS Registration Packet

**8. Financial and Retention Policy Update**

GM Salomone presented the proposed policy updates

Trustee Rodrigue moved to approval Resolution #24-07 Adopting Financial Policies; Treasurer Bailey seconded the motion. The motion was approved by the following vote:

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

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Trustee Rodrigue moved to repeal financial policies #23-01, #18-02, #16-02, #02-02, and #93-01; Treasurer Bailey seconded the motion. The motion was approved by the following vote:

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

Trustee Rodrigue moved to adopt the Records Retention, Electronic Document Retention, and Electronic Signature Policies; The motion was approved by the following vote:

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

The Board directed staff to finalize the approved Policies and post them on the District website.

### 9. Board Business

President Watt moved to appoint Tyler Rodrigue as the Vice President; Treasurer Bailey seconded the motion. The motion was approved by the following vote:

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

## REGULAR BUSINESS, INFORMATION, AND REPORT ITEMS

### 10. Water Supply Conditions Update

GM presented the report.

### 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

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

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

The Board reviewed the preliminary FY 24-25 reports and offered feedback for final to be posted on the website.

### 12. Trustee & Committee Reports

#### LAFCo MSR/SOI & Annexation Ad Hoc:

*President Watt* reported that the Ad Hoc met with its Redwood Valley County Water District counterpart and developed the draft MOU (previously approved in this meeting in agenda item 6.) The two Ad Hoc Committees also met with LACO and LAFCo to allow everyone to ask questions and clarify annexation issues.

*Treasurer Bailey* reported meeting with GM Salomone to develop the fiscal year end reports.

### 13. General Manager Report & Correspondence

GM presented report.

(Continued...)

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**14. Direction on Future Agenda Items**

Reserves Policy review, Stipend Ordinance, Channel Maintenance and Biological Opinion.

**ADJOURNMENT**

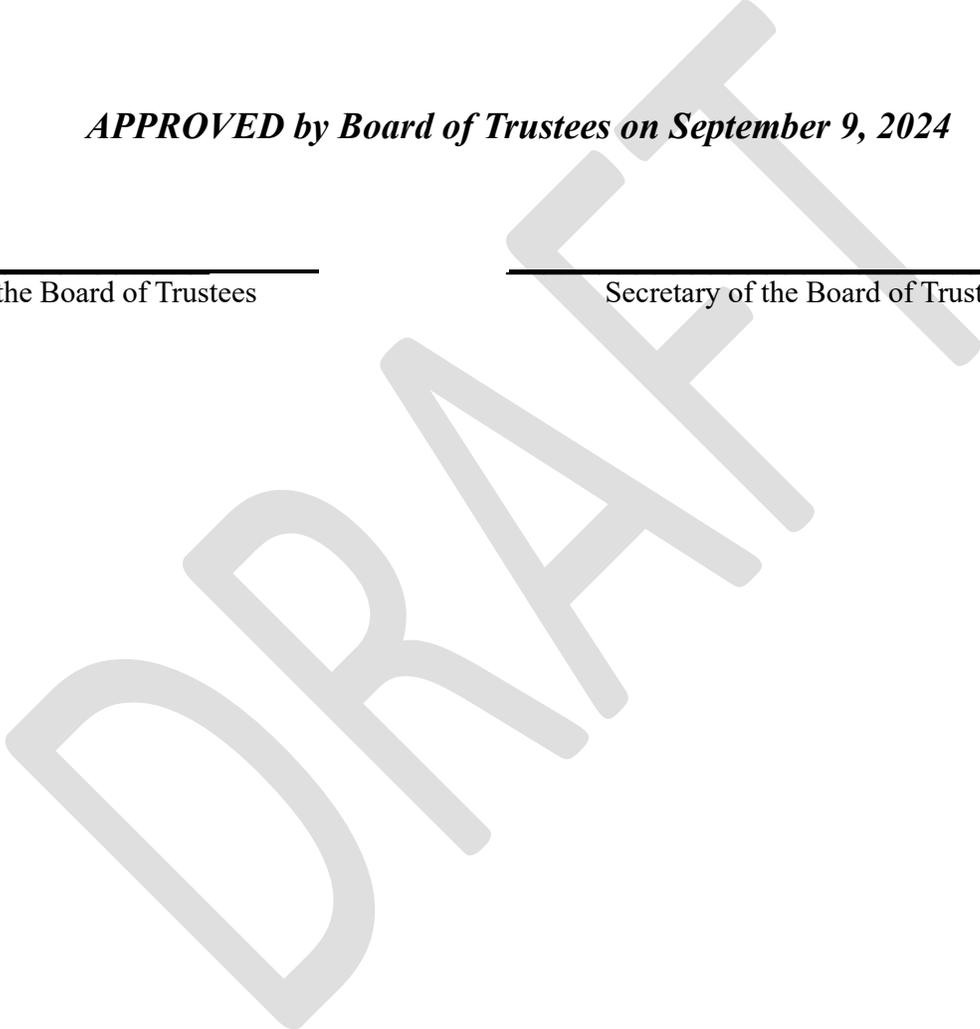
Trustee Rodrigue moved to adjourn the meeting at 6:30 PM. Treasurer Bailey seconded the motion. The motion was approved by the following vote:

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

***APPROVED by Board of Trustees on September 9, 2024***

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

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



<b>President</b>	<b>Vice President</b>	<b>Treasurer</b>	<b>Trustee</b>	<b>Trustee</b>
<i>Christopher Watt</i>	<i>Tyler Rodrigue</i>	<i>John Bailey</i>	<i>John Reardan</i>	<i>Dave Koball</i>

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

**STAFF REPORT**

**Agenda Item 7: Financial Policy Update  
Monday, September 9, 2024**

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

**Background**

The Board approved updated Financial Policies on August 5, 2024 including the reformatting into a Policy Manual.

**Discussion**

In 2022, the District's Auditor, Nigro & Nigro, recommended adoption of a capital assets policy. The Board adopted Policy #22-01 Capital Assets at the August 8, 2022 Board Meeting.

This policy was inadvertently excluded from the updated financial policies. Therefore, Staff recommends adoption of the Capital Assets policy into the new Financial Policies manual and repealing Policy #22-01 Capital Assets.

**Recommendation:**

- Move to adopt 2165 Capital Assets into the Financial Policy section of District policies; and
- Move to repeal Policy #22-01 Capital Assets.

**Attachments:**

- Policy 2165 Capital Assets

\* \* \* \*

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

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

## **Table of Contents:**

**Financial Management Policies**  
2165 Capital Assets

**Last Updated**  
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### **2165 Capital Assets**

The District has an investment in capital assets such as equipment and one vehicle. To improve financial reporting, accountability, and operational efficiencies in managing these assets, the District has established policies for the accounting and reporting of capital assets.

Accurate records of capital assets and their associated accumulated depreciation can also help identify potentially needed replacement and renovation of existing assets. This type of management information is useful in making budgetary decisions for specific requests and long-term capital planning.

#### Statements of Principle

This policy provides a basis for maintaining and reporting auditable information on the District's capital assets in conformity with generally accepted accounting principles (GAAP)<sup>1</sup> and with Governmental Accounting Standards Board Statement No. 34 (GASB 34)<sup>2</sup>, Basic Financial Statements – and Management's Discussion and Analysis for State and Local Governments, (effective fiscal year 2003 for the District,) which outlines the three basic statements of accounting principles:

- a) Reporting Capital Assets
- b) Valuation of Capital Assets
- c) Depreciation of Capital Assets

#### Two Classes of Capital Assets

The District has two classes of capital assets listed below. These are reported in the District's annual financial report and, as may be applicable, their respective capitalization thresholds for external financial reporting are as follows:

1. Equipment, including renovations and improvements that cost more than \$2,000 each is a tangible asset, which may include:
  - a) Is not attached permanently to land, buildings, or land improvements
  - b) Has unique serial numbers
  - c) Is capable of being moved (although some disassembly may be required)
  - d) Can be acquired under a capital lease.

Costs of equipment include the total purchase price, net of purchase discounts, plus any trade-in allowances, transportation charges, installation costs, taxes, and any other costs required to prepare the asset for its intended use. Equipment should be reported as acquisitions when the District physically receives the asset, not at the time when it pays the vendor for the acquisition.

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

2. Vehicles, including renovations and improvements that cost more than \$10,000 each and are capable of being licensed through the California Department of Motor Vehicles.

Vehicle costs include the total purchase price after any purchase discounts, plus any trade-in allowances, transportation charges, taxes, and any other costs required to prepare the vehicle for its intended use.

### **Acquisition Methods and Valuation**

#### Direct Purchase

Acquisition costs and costs to place the asset in use should be capitalized.

#### Exchanges or Trade-ins with Outside Parties

This section covers direct exchanges of assets, whether similar (i.e., assets within the same major class, such as one parcel of land for another similar parcel) or non-similar, between the District and a party external to the District's primary government (i.e., vendors, non-profit organizations, general public, etc.).

When no consideration is involved in the exchange of similar assets, the asset received should be reported at the net book value (historical cost net of accumulated depreciation) of the asset traded or exchanged. When the exchange is for dissimilar assets, however, the fair value of the newly acquired asset should be used for reporting the cost of the asset.

When consideration is either given or received in exchange of similar assets, then the asset received should be recorded at its fair value. Fair value in this case is defined as the sum of the cash paid plus the lesser of either the trade-in value given for the relinquished assets or the net book value of the relinquished asset at the time of the trade. When the exchange is for dissimilar assets, however, fair value is defined as the sum of the cash paid plus the trade-in value of the relinquished asset at the time of the trade.

#### Donations

Capital assets may be acquired by gift from individuals or organizations that are external to the District. In such cases, donated assets should be valued at their estimated fair value at the time of acquisition plus ancillary charges.

#### Capital Assets Acquired through Grants or Contributions

Capital assets acquired through grants or contributions should be reported at historical cost or fair value and depreciated as appropriate. Policy updates will be required if assets do not fall within current asset classes.

#### Depreciation

In keeping with the third basis statement of principle of reporting capital assets, capital assets should be depreciated over their estimated useful lives unless they are inexhaustible. Inexhaustible assets, such as land, should not be depreciated. Accordingly, the District should depreciate capital assets reporting in Equipment and Vehicles Classes.

Depreciation is the process of allocating the cost of tangible property over a period of time, rather than deducting the cost as an expense in the year of acquisition. Generally, at the end of an asset's life, the sum of

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

the amounts charged for depreciation in each accounting period (accumulated depreciation) will equal original cost less salvage value.

### Depreciation Methods

There are many different methods used to calculate depreciation. Some methods allow more depreciation in early years than in later years. Some apply the same percentage each year while the basis declines. Others apply different percentages each year while the basis remains the same.

The District uses the straight-line method (straight-line depreciation is the recommended depreciation method for all government entities.) Under this method, the basis of the asset is written off evenly over the useful life of the asset. The same amount of depreciation is taken each year. In general, the amount of annual depreciation is determined by dividing an asset's depreciable cost by its estimated life.

The total amount depreciated can never exceed the asset's historic cost less salvage value. At the end of the asset's estimated life, the salvage value will remain.

Fixed Asset Class	Minimum Amount	Depreciation Period
Equipment	\$2,000	5-10 years
Vehicles	\$10,000	10-15 years

### **Retirements**

#### Reasons for Retirement

A capital asset should be reported as retired when it is:

- a) Scrapped or razed
- b) Sold or traded in
- c) Donated
- d) Lost, stolen, or destroyed

An asset should be retired or disposed of when it no longer serves its intended purpose. This can result from technological advances, normal wear-and-tear, destruction through natural causes, or theft.

In cases where a capital asset has been damaged, and management intends to restore the functionality of the asset, the net book value of the portion of the asset that is being replaced should be removed from the total net book value of the asset. This amount, net any insurance proceeds, should be reflected as a loss. The cost to restore the asset to functionality should then be capitalized and depreciated over the remaining life of the asset.

#### Declaring an Excess or Surplus

When the District no longer has use for a capital asset, it should be declared as excess or surplus. After such declaration, the District should either transfer the capital asset to another agency, sell the asset at auction, or retire it.

#### Retention of Documentation

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

A resolution of surplus declaration or some other form of documentation on the declaration of surplus should be placed in the capital asset's permanent file.

## Expeditious Retirement

Capital assets that are no longer needed for District operations should be expeditiously identified and retired.

## Authorization for Retirement

The appropriate releasing authorization, and if necessary, receiving authorization, should be obtained when the District retires a capital asset.

## Disposition Records

Disposition records should include:

- a) Disposition method and date
- b) Date of sale (if sold)
- c) Sale price (if sold)
- d) Method of determining fair value (if sold)

## Record Retention

Records on disposed or retired assets should be maintained to comply with record retention schedules established for accounting records. If litigation involving capital assets has been initiated, the related records should be retained until the litigation is resolved.

## Accounting Treatment for Retirements

A capital asset retirement should be recorded by crediting the appropriate capital asset account for the estimated historical cost of the asset, and by debiting the related accumulated depreciation account. Any net book value (remaining at the time of disposal should be offset against any proceeds received from the disposition of the asset to determine a gain or loss on the disposition. A gain results when proceeds received exceed the asset's book value; a loss results when the asset's book value exceeds the proceeds received.

## Replacement

For an asset replacement, the original asset replaced should be reported as a retirement, and the replacement should be reported as a capital asset addition.

## ***References***

- General Accepted Accounting Principles (GAAP) – The conventions, rules, and procedures that serve as the norm for the fair presentation of financial statements.
- Governmental Accounting Standards Board (GASB) – The ultimate authoritative accounting and financial reporting standard-setting body for state and local governments.

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

**General Manager's Report for August 2024**  
*Presented at Regular Meeting of Monday, September 9, 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)

**1-Russian River Flows:** Sonoma Water filed temporary urgency change petitions with the State Water Resources Control Board Division of Water Rights requesting approval of temporary changes to water right Permits. The petitions include seeking authorization to implement a hydrologic index based on Lake Mendocino storage values, rather than the current index based on cumulative inflow into Lake Pillsbury, starting November 1, 2024. In the absence of the proposed changes, the applicable minimum instream flow requirements may require releases of water from Lake Mendocino and Lake Sonoma at levels that would risk significant depletions of storage levels that could cause impacts to human health and welfare and reduce water supplies needed for protection of listed salmon species in the Russian River. Therefore, Sonoma Water proposes alternative monthly storage values, in lieu of cumulative Lake Pillsbury inflow, to define the water supply conditions that determine which minimum instream flow requirements. For more information:

<https://www.sonomawater.org/tucp>

**2-PG&E 2024 flow 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 which has met twice to receive condition updates. The City of Ukiah filed a Request for Rehearing of the Commission's Order granting PG&E's 2024 variance request without analyzing the impacts to the Upper Russian River and in violation of the most basic tenets of NEPA. At the end of August, FERC published a Notice of Denial of Rehearing by Operation of Law and Providing for Further Consideration re Pacific Gas and Electric Co. under P-77. 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.)

**1: Redwood Valley Annexation:** LACO Associates has been engaged to assist with the annexation application and a verbal update will be provided in the meeting. The District Engineer is working on mapping. For more information: <https://rrfc.specialdistrict.org/lafco-msr-soi-update-annexation-application-2024>

**3: North Coast Resource Partnership:** The Technical Peer Review Committee met to review the CAL Fire Forest Health Pilot applications and develop a recommendation for the Leadership Council. GM is appointed by the County Board of Supervisors to represent Mendocino County.

*(Continued...)*

**1-Groundwater Sustainability Agency (GSA):** The Staffing Ad Hoc Committee met with GSA legal counsel to pose questions regarding potential staffing changes. A special meeting of the GSA Board was held to consider a recommendation from the GSA Staffing Ad Hoc Committee to engage the City of Ukiah for Executive Director and administrative staffing services. The Board took the following actions: 1. Directed the Staffing Ad Hoc Committee to work with the City of Ukiah to develop a scope and budget for providing administrative services (in place of the current contractor West Yost); 2. Approved the extension of the current contract with West Yost to provide longer transition period (if City is engaged to provide admin services.) An additional approximately \$100k was also approved for the West Yost budget. 3. Direction for the well inventory study to be started by Larry Walker & Associates. This will be a multistep project and is necessary for compliance in implementing the Groundwater Sustainability Plan. The next meeting is scheduled for October.

**1-US Army Corp of Engineers (USACE) Channel Maintenance:** Legal Counsel and GM met with USACE staff to discuss District obligations for channel maintenance. This will be brought back to the Board in future agenda items.

**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.)

**1/2-ACWA:** The Sustainable Groundwater Management Act (SGMA) Implementation subcommittee of the ACWA Groundwater Committee met and discussed Groundwater Sustainability Agency's (GSA's) in probationary status, recently published reports and their impact on SGMA water budgets, and the climate resilience bond groundwater funding. The State Legislative Committee met and reviewed positions on several items.

**2-State Water Resources Control Board (SWRCB) Funded Telemetry Pilot:** Trustees Reardan and Koball attended the Santa Rosa in-person workshop on the pilot this week. GM provided feedback on the written draft report.

**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.)

**1: Change Petition:** Legal Counsel and Engineers are moving quickly, and it is possible Board approval will be sought in October or November to file the application.

**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.)

**1: Executive Leadership:** Attended: (1) a webinar by the District's website host company regarding increased requirements for website ADA Compliance; (2) ADA compliance training by website hosts.

**2-Board Leadership:** Trustees Rodrigue and Koball were the only two who filed for the two open seats on the Board so they will continue their seats, and the District will have no election fees (just a small admin fee to the County.)

(Continued...)

**3-Website compliance:** GM met with a representative of website host. ADA compliance requirements are increasing. The website host company, which specializes in special districts and compliance, is improving features to assist in compliance, therefore rates are increasing. A feature for District customers to pay online via the website was negotiated which will hopefully be set up for the next payment cycle.

**4-Finances:** The updated 23024 fiscal year end report is on website:  
<https://rrfc.specialdistrict.org/finances#/> (scroll down below the budgets and audits.)

<b>Community Meetings</b>
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**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.**

**Redwood Valley Water District (7/18/24):** Press covered it well:  
<https://mendofever.com/2024/08/07/redwood-valleys-water-future-board-addresses-consolidation-and-challenges/> Trustee Reardan reported that the RVCWD board approved the MOU with RRFC.

**Ukiah Valley Water Authority JPA (8/6/24):** Report on Status of Application for SAFER Planning Grant. Submitted SAFER application to SWRCB last week assisted by Carollo Engineers who will be coming to Ukiah soon to observe existing facilities. Not too late for other districts to join the application but time is of the essence. Report on Expected Services Start Date of January 1, 2025, and Progress Report. Had cross training days with CWDs (Willow CWD staff) and City staff. Accounting, administrative, and HR coordination is ongoing. Will provide an update at next UVWA meeting. Goal to make sure to support Willow CWD staff that want to make the transition to City employment. Report on Status of Secretary of State and State Controller Filing. Phil Williams reports that filing submitted but not processed by State. He will stay on tracking status of filing. Report on Master Tax Sharing Agreement between Mendocino County and the Cities of Fort Bragg, Point Arena, Ukiah, and Willits. UVWA JPA agreement contemplates annexation and LAFCo cannot approve annexation without tax sharing agreement. All parties have approved agreement. Transition in tax revenue will occur over 10 years (weaning). Tax sharing has been an impediment to annexation and community progress for decades. Next meeting date: 4pm, September 12, 2024 at UVCC.

\* \* \* \*

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