

Mendocino County

Russian River Flood Control & Water Conservation Improvement District

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A G E N D A

Board of Trustees – Regular Meeting of Monday, January 10, 2022 at 5:30 pm

IN COMPLIANCE WITH ASSEMBLY BILL 361, THIS MEETING CAN BE VIEWED LIVE VIA ON ZOOM.

Call in: (669) 900-9128 Meeting ID: 859 1254 4680 Passcode: 95482

Link: <https://us02web.zoom.us/j/85912544680?pwd=bXUvZ29DVDVPOG16dHlzemxvVFVEQT09>

1. Call to Order and Roll Call
2. Action Item: State of Emergency
Board to reconsider the circumstances of the state of emergency and determine by majority vote that (i) The state of emergency continues to directly impact the ability of the members to meet safely in person; and/ or (ii) State or local officials continue to impose or recommend measures to promote social distancing as previously passed in Board Resolution #21-04.
3. Public Expression- See End of Agenda for Information on Public Expression
4. Approval of Agenda *Urgent items added may be discussed immediately as Item 4. Time suggestions to the right of item title.*

ITEMS FOR DISCUSSION AND POSSIBLE ACTION:

5. Water Supply Conditions Update and District Response (5:40 PM)
Board will receive report and provide feedback and/ or direction to General Manager.
6. Water Resiliency Planning (5:55 PM)
Board will receive report and provide feedback and/ or direction to General Manager.
7. Mid Year Budget Review (6:10 PM)
Board will receive report and provide feedback and/ or direction to General Manager and Treasurer.

REGULAR BUSINESS, INFORMATION AND REPORT ITEMS (6:40 PM)

8. Consent Calendar
 - a) Acceptance of the December 2021 Financial Report
 - b) Approval of Minutes for the December 6, 2021 Regular Meeting
 - c) Approval of Board Officers
9. Board Member & Committee Reports
10. General Manager Report & Correspondence
11. Direction on Future Agenda Items

ADJOURNMENT

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

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

President
Christopher Watt

Vice President
Alfred White

Treasurer
Matthew Froneberger

Trustee
Tyler Rodrigue

Trustee
John Reardan

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

STAFF REPORT

To: Board of Trustees
From: E. Salomone, General Manager
Meeting: Monday, January 10, 2022
RE: Agenda Item 2: State of Emergency

The Strategic Plan relevant priority is to **Administer** District resources in alignment with the District’s Mission Statement to proactively manage the water resources of the upper Russian River for the benefit of the people and environment of Mendocino County.

Background

The Ralph M. Brown Act (Gov. Code § 54950 et seq.) generally requires local agencies meeting via teleconference, including through other virtual or electronic means, to provide public access at each location in which members of the legislative body are teleconferencing. Legislature recently enacted Assembly Bill 361, Chapter 165, Statutes of 2021 (“AB 361”), which amended Government Code section 54953 to allow local agencies to meet fully virtually during a proclaimed state of emergency if state or local officials have imposed or recommended measures to promote social distancing. The Governor of California issued a proclamation declaring a state of emergency on March 4, 2020 due to the COVID-19 pandemic, pursuant to section 8625 of the California Emergency Services Act, and this proclaimed state of emergency currently remains in effect. Additionally, on September 29, 2021, the Mendocino County Health Officer issued a Health Recommendation urging public bodies in Mendocino County to continue meeting remotely through online meetings to lower the risk of COVID-19 transmission.

On November 1, 2021, the Board of Trustees of the Mendocino County Russian River Flood Control & Water Conservation Improvement District adopted Resolution #21-04 Making Findings and Determinations Under Assembly Bill 361 For Continued Virtual Meetings. Consistent with the provisions of Government Code Section 54953(e), the Board found and determined that (1) a state of emergency related to COVID- 19 is currently in effect; and (2) state and local officials have recommended measures to promote social distancing in connection with COVID-19. Based on such facts, findings and determinations, the Board authorized staff to conduct remote teleconference meetings of the Board under the provisions of Government Code Section 54953(e). 3. This Resolution took effect immediately.

Recommended Action:

- Move to reaffirm the previously adopted Resolution #21-04 Making Findings and Determinations under Assembly Bill 361 for Continued Virtual Meetings, determining that (i) The state of emergency continues to directly impact the ability of the members to meet safely in person; and/or (ii) State or local officials continue to impose or recommend measures to promote social distancing.

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

STAFF REPORT

To: Board of Trustees
From: E. Salomone, General Manager
Meeting: Monday, January 10, 2022
RE: Agenda Item 5: Water Supply Conditions Update & District Response

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

Overview

Lake Mendocino storage has increased from around 21,000 acre feet (af) at the beginning of December 2021 to over 40,000 af by the end of the calendar year. The current storage as of January 5, 2022 is 42,500 af, with additional precipitation expected within a week.

The increase in storage has provided a slight respite yet the uncertainty of continued winter precipitation and Eel River water transfers through the Potter Valley Project leave the Russian River watershed in an incredibly vulnerable position for 2022.

It is worth remembering that a significant storage target threshold for October 1st of each year provides some security for the following year if precipitation falls short. This means water leaders are looking ahead to October 1, 2022. In 2021, desperate conditions forced the region to strive for a 20,000 af storage target by October 1, 2021 and it failed, dipping below 20,000 af weeks ahead. A target level for 2022 has not yet been identified, though Decision 1610 identifies 30,000 af and reservoir operators aim to maximize storage. This means that while the current levels indicate 42,500 af, this likely does not yet secure 2023 carryover and 2022 minimum instream flows, let alone municipal and agricultural demand.

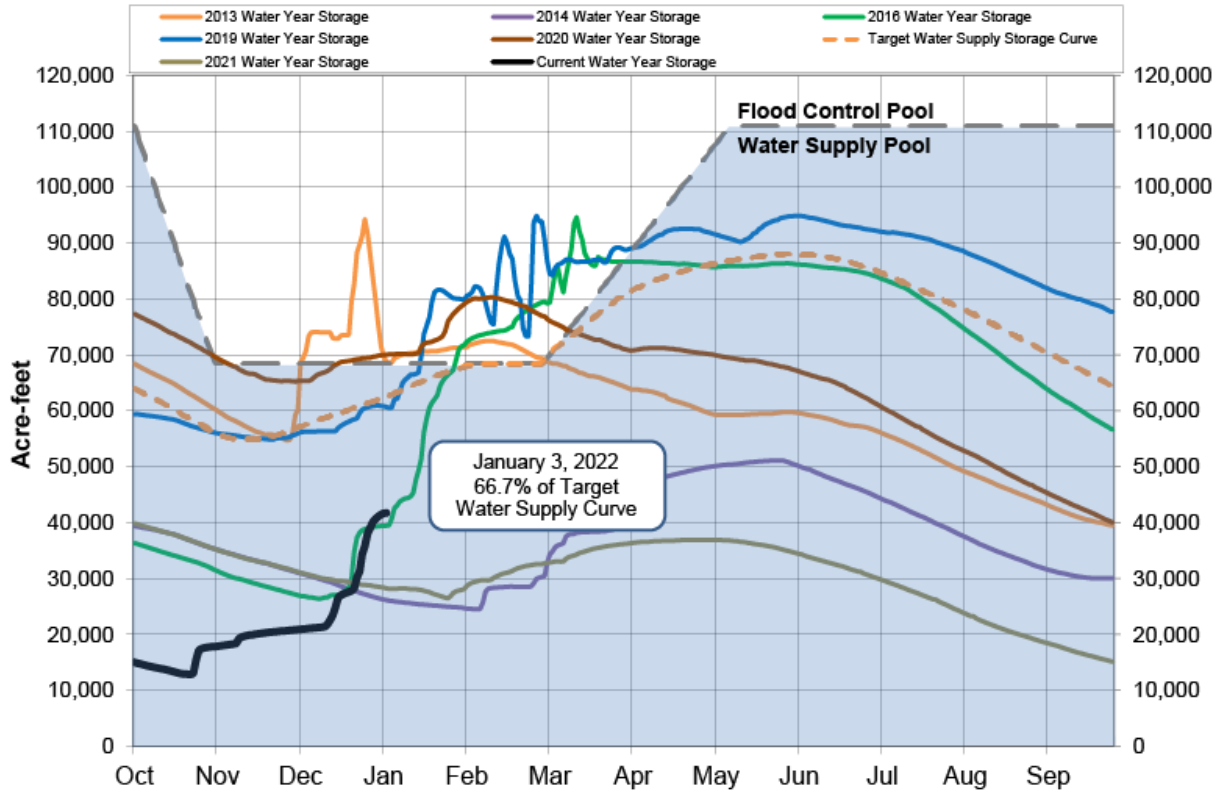
State Water Resources Control Board staff reported the temporary suspension of the current emergency regulations is expected to be extended until at least the end of January 2022. New emergency regulations are expected to be considered for approval in April, with implementation expected in May 2022. As previously reported the State Water Board is supporting a facilitated process to develop a voluntary conservation program in the Russian River watershed.

District Response

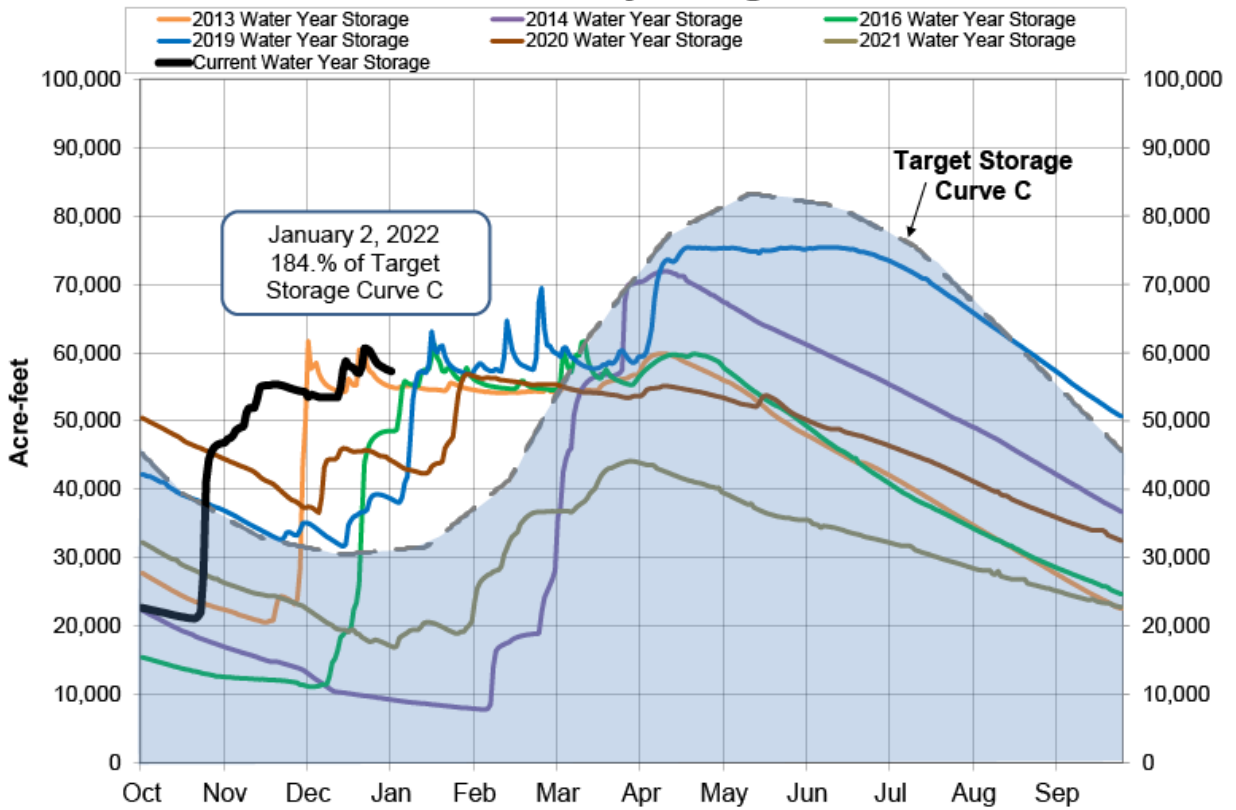
In addition to continued participation in the Russian River Drought Response Group and Steering Committee described above, the District continues to meet with Sonoma Water Agency regularly as per the jointly submitted executed agreement of the two agencies to the Deputy Director of the State Water Resources Control Board. The 2021 Emergency Regulations required this agreement to specify the amount of water stored in Lake Mendocino pursuant to License 13898, the amount of water that will remain stored in Lake Mendocino for use in 2022, and a methodology acceptable to the Deputy Director for determining how inflows to Lake Mendocino are attributed to the Flood Control District and SCWA's respective water rights.

(Continued...)

Lake Mendocino Storage



Lake Pillsbury Storage



Lake Pillsbury storage is 59,375 as of January 4, 2022.

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

STAFF REPORT

To: Board of Trustees
From: E. Salomone, General Manager
Meeting: Monday, January 10, 2022
RE: Agenda Item 6: Water Resiliency Planning

The Strategic Plan relevant priorities are to (a) **Secure** reliable and available sources of water; (b) **Use** water to its highest and best use as a public resource through management; (c) **Advocate** in the security and use of water beyond our direct authority; and (d) **Administer** District resources in alignment with the District's Mission Statement to proactively manage the water resources of the upper Russian River for the benefit of the people and environment of Mendocino County.

Grant Funding Application

In December 2021, the Board approved a Service Agreement with LACO Associates for Funding Analysis and Grant Writing, including the ratification of Exhibit A to develop funding opportunity recommendations and development of a grant application. It also authorized the Grant Application, Acceptance, and Execution for the On-Farm Groundwater Recharge Multi-Benefit Demonstration Project and directed GM Salomone to finalize and submit the grant application.

GM Salomone, President Watt, and LACO consultants met with the Department of Water Resources regarding the grant application and in addition to being notified of a submission deadline extension that was approved the prior day, received feedback on the parameters of the grant program that allowed further refinement of the application. The new deadline is January 14, 2022.

Water Storage Project

In December 2021, the Board approved an updated project description and heard a report out from the ad hoc committee on its meeting with CA Fish and Wildlife representatives. A fisheries habitat evaluation is underway and the State Water Resources Control Board Deputy Director is standing by with Permitting Team staff to meet, hopefully later in January 2022, to discuss an exception to the requirements of Section 2.4 of the State Water Resources Control Board's *Policy for Maintaining Instream Flows in Northern California*. LACO is conducting funding analysis for the first steps in the project.

Water Right Applications 12919C and 12920B

On August 20, 2021, the Administrative Hearings Office (AHO) of the State Water Resources Control Board (SWRCB) issued a Notice of Status Conference regarding the petitions for partial assignment of State-Filed Applications 12919 and 12920 and water-right Applications 12919C and 12920B of the District. The AHO held a status conference on November 2, 2021 and on November 9, 2021 issued a ruling and notice of a further status conference. In addition to meeting with identified protestants, the District is directed to develop a draft initial schedule with interim deadlines to include actions toward amendment and/or completion of the project. The next scheduled Status Conference is February 15, 2022 with additional conferences to be scheduled at regular intervals to monitor progress. GM Salomone and President Watt are working closely with Legal Counsel to move forward on the projects and prepare for the upcoming status conference.

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

STAFF REPORT

To: Board of Trustees
From: E. Salomone, General Manager
Meeting: Monday, January 10, 2022
RE: Agenda Item 7: Mid-Year Budget Review

The Strategic Plan relevant priority is to (a) **Administer** by fostering sustainability and management of agency resources.

Background

The District's current Budget was approved July 6, 2021 with one approved adjustment in December 2021. Reviewing the budget mid-year provides the Board opportunity to discuss the District's financial health and to consider adjustments, as necessary. Budget adjustments are neither mandatory nor expected but are a tool to address significant changes or unknowns during budget development.

Budget Overview

Revenue: As shown on the attached Mid Year Budget Review, Jan 2022, District revenue is under by \$370,282. Annual invoices for water sales are issued in January of each year and paid within 3 months. Additionally, surplus water sales being invoiced for 2021 equate to \$43,951.25. The majority of property tax revenue is issued by the County to the District in June of each year.

Expenses: Further expenses are expected in the following categories: Consulting, County Admin Fees, Insurance, Legal, Meter Expenses, Office Operating, Payroll, Rent, Stipends, Training costs, Vehicle, Water Resiliency, and Meter Purchases. A pass through payment is expected for the streamflow gage. The small overages in LAFCo, State Water Resources Control Board permits, and unfunded pension liability expenses were one-time annual payments and no further expenses expected in these line items. Rent and membership expenses were estimated high for potential changes that have not yet occurred and may not.

Reserves: The annual contribution for the Groundwater Sustainability Plan implementation was determined by the Groundwater Sustainability Agency in 2021 and commitment made by the District Board. The first payment covers the period of January through June of 2022 and further annual payments will be made based on the fiscal year. The Board approved initial payment from reserves, directing Staff and Treasurer to develop a recommendation for future contributions.

Potential Exceedances: Legal, consulting, and water resiliency expenses may exceed current budgeted amounts depending on the progress of the District's water right applications, water right license administration, potential water resiliency projects, and response to water supply conditions.

Analysis: Anticipated annual revenue, including sale of surplus, is approximately \$400,000 which is expected to cover operating expenses and a potential surplus of \$30-\$50,000 for reserves, offsetting some of the reserve expenditures during the fiscal year.

(Continued...)

Water Rates

As per the District's Uniform Water Sale & Purchase Agreement (contract) in place with each customer, the price per acre foot rate is determined annually by the District, subject to Ordinance No 00-1, in addition to other fees set forth in District Enactments. Customer pay the District for all Project Water made available to Customer each year, but not less than the Contract Quantity.

The current price is \$47.00 per acre foot, which has been in place since 2009 when it was raised from \$23.00 per acre foot. Due to increased costs of operations as well as short and long term water reliability, Staff and Treasurer are preparing a recommendation for the Board to consider increasing the price per acre foot to be implemented for the 2022 calendar year.

Recommendation

- Provide feedback to Staff and Treasurer.

Attachments

- Mid Year Budget Review, Jan 2022 Table

Mid Year Budget Review, Jan 2022
Mendocino County Russian River Flood Control
Water Conservation Improvement District
FY 2021-2022 Final Budget
APPROVED: July 6, 2021
ADJUSTED: December 6, 2021

| | FY 2021/22 | FY 2021/22 | FY 2021/22 | FY 2021/22 |
|--------------------------|-------------------|---------------------|------------------------|---------------------|
| REVENUE | APPROVED | Approved Adjustment | ACTUALS as of 12/31/21 | OVER/ (UNDER) |
| Interest, LAIF & Savings | \$ 5,000 | \$ 5,000 | \$ 762 | \$ (4,238) |
| Property Taxes | \$ 45,000 | \$ 45,000 | \$ 3,955 | \$ (41,045) |
| Water Sales, Contracted | \$ 325,000 | \$ 325,000 | \$ - | \$ (325,000) |
| TOTAL REVENUE | \$ 375,000 | \$ 375,000 | \$ 4,718 | \$ (370,282) |

| OPERATING EXPENSES | APPROVED | Approved Adjustment | ACTUALS as of 12/31/21 | OVER/ (UNDER) |
|---|-------------------|---------------------|------------------------|---------------------|
| Consulting | \$ 20,000 | \$ 20,000 | \$ 4,950 | \$ (15,050) |
| Election | \$ - | \$ - | \$ - | \$ - |
| Fees | \$ 800 | \$ 800 | \$ 10 | \$ (790) |
| Gage | \$ 15,000 | \$ 15,000 | \$ 19,901 | \$ 4,901 |
| Insurance | \$ 12,000 | \$ 12,000 | \$ 5,768 | \$ (6,232) |
| Legal | \$ 25,000 | \$ 25,000 | \$ 15,894 | \$ (9,106) |
| Local Agency Formation Commission (LAFCo) | \$ 900 | \$ 900 | \$ 1,386 | \$ 486 |
| Memberships | \$ 11,500 | \$ 11,500 | \$ 5,670 | \$ (5,830) |
| Meter expenses | \$ 2,000 | \$ 2,000 | \$ 54 | \$ (1,946) |
| Office Operating Expenses | \$ 5,000 | \$ 5,000 | \$ 1,648 | \$ (3,352) |
| Payroll Expenses | \$ 160,250 | \$ 160,250 | \$ 73,462 | \$ (86,788) |
| Rent & Utilities | \$ 20,000 | \$ 20,000 | \$ 3,727 | \$ (16,273) |
| Reserves to meet District Policy | - | \$ - | \$ - | \$ - |
| State Water Resources Control Board Permits | \$ 15,000 | \$ 15,000 | \$ 15,930 | \$ 930 |
| Stipends | \$ 6,000 | \$ 6,000 | \$ 1,800 | \$ (4,200) |
| Training & Associated Costs | \$ 5,000 | \$ 5,000 | \$ 875 | \$ (4,125) |
| Unfunded Pension Liability | \$ 6,000 | \$ 6,000 | \$ 8,419 | \$ 2,419 |
| Vehicle expenses | \$ 2,000 | \$ 2,000 | \$ 104 | \$ (1,896) |
| Water Resiliency | \$ - | \$ 40,000 | \$ 11,397 | \$ (28,603) |
| TOTAL EXPENSES | \$ 306,450 | \$ 346,450 | \$ 170,995 | \$ (175,455) |

| | APPROVED | Approved Adjustment | ACTUALS as of 12/31/21 | OVER/ (UNDER) |
|--------------------------------------|-------------------|---------------------|------------------------|---------------------|
| TOTAL REVENUE | \$ 375,000 | \$ 375,000 | \$ 4,718 | \$ (370,282) |
| less TOTAL OPERATING EXPENSES | \$ 306,450 | \$ 346,450 | \$ 170,995 | \$ (175,455) |
| equals | \$ 68,550 | \$ 28,550 | \$ (166,277) | \$ (194,827) |

| EXPENSES from RESERVES | EXPECTED | | ACTUALS as of 12/31/21 | OVER/ (UNDER) |
|---|-----------|--|------------------------|-----------------|
| Capital: Meters | \$ 25,000 | | \$ 1,885 | \$ 1,885 |
| Water Resiliency: Groundwater Sustainability Agency | | | \$ 68,750 | |
| TOTAL EXPENSES FROM RESERVES | | | \$ 70,635 | \$ 1,885 |

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

STAFF REPORT

To: Board of Trustees
From: E. Salomone, General Manager
Meeting: Monday, January 10, 2022
RE: Agenda Item 8a: December 2021 Financial Reports Summary

Revenue

November 2021: Additional revenue not shown on previous report: None

December 2021: \$0.00 (Note: Annual invoices for water sales are issued in early 2022 and majority of property tax revenue received in June.)

NOTE: \$167,816.83 Funds transfer from Savings Account to Checking account on 12/17/21

Ordinary Expenses

November 2021 Additional expenses not shown on previous report: None

December 2021: \$30,060.56 in ordinary expenses at time of writing this report, notably:

- \$15,930 to State Water Resources Control Board (SWRCB) for water right license annual fee.
- \$385 in training costs for Association of Water Agencies (ACWA) conference.

Reserve Expenses

A \$68,750 payment from Reserves for the Groundwater Sustainability Agency 2020-2021 Annual Contribution for Plan Implementation was made in December 2021 and is not yet shown on the Reserve balances. (Check was written from checking account.)

Other

- Reconciliations are up to date from last statements. (December 2021)
- Additional reports or information available upon request.

Recommendation:

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

Attachments:

1. Income & Expense / Budget Vs Actual Report – December 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

Russian River Flood Control District
Income & Expense / Budget vs. Actual
December 2021

Cash Basis

| | Dec 21 | Budget | \$ Over Budget | % of Budget |
|--------------------------------|-------------------|-------------|-------------------|---------------|
| Ordinary Income/Expense | | | | |
| Income | | | | |
| Interest-LAIF | 0.00 | 0.00 | 0.00 | 0.0% |
| Interest-SBMC | 0.00 | 0.00 | 0.00 | 0.0% |
| Property Taxes | 0.00 | 0.00 | 0.00 | 0.0% |
| Water Application Fee | 0.00 | 0.00 | 0.00 | 0.0% |
| Water Sales | 0.00 | 0.00 | 0.00 | 0.0% |
| Total Income | 0.00 | 0.00 | 0.00 | 0.0% |
| Expense | | | | |
| Consulting | 0.00 | 0.00 | 0.00 | 0.0% |
| Election | 0.00 | 0.00 | 0.00 | 0.0% |
| Fees, Bank Charges | 0.00 | 0.00 | 0.00 | 0.0% |
| Fees, County & LAFCo | 0.00 | 0.00 | 0.00 | 0.0% |
| Gage | 0.00 | 0.00 | 0.00 | 0.0% |
| Groundwater Sustainability | 0.00 | 0.00 | 0.00 | 0.0% |
| Insurance, Liability | 0.00 | 0.00 | 0.00 | 0.0% |
| Insurance, Workers Comp | 429.91 | 0.00 | 429.91 | 100.0% |
| Legal | 0.00 | 0.00 | 0.00 | 0.0% |
| Memberships | 0.00 | 0.00 | 0.00 | 0.0% |
| Meters Expense | 0.00 | 0.00 | 0.00 | 0.0% |
| Office Operating Expenses | 166.34 | 0.00 | 166.34 | 100.0% |
| Payroll Expenses | 12,533.39 | 0.00 | 12,533.39 | 100.0% |
| Rent, Utilities | 615.87 | 0.00 | 615.87 | 100.0% |
| Stipends, Meetings | 0.00 | 0.00 | 0.00 | 0.0% |
| SWRCB Permits | 15,930.05 | 0.00 | 15,930.05 | 100.0% |
| Training Costs | 385.00 | 0.00 | 385.00 | 100.0% |
| Unfunded Pension Liability | 0.00 | 0.00 | 0.00 | 0.0% |
| Vehicle | 0.00 | 0.00 | 0.00 | 0.0% |
| Water Resiliency | 0.00 | 0.00 | 0.00 | 0.0% |
| Total Expense | 30,060.56 | 0.00 | 30,060.56 | 100.0% |
| Net Ordinary Income | -30,060.56 | 0.00 | -30,060.56 | 100.0% |
| Other Income/Expense | | | | |
| Other Expense | | | | |
| Meter Purchase | 0.00 | 0.00 | 0.00 | 0.0% |
| Reserves | 0.00 | 0.00 | 0.00 | 0.0% |
| Total Other Expense | 0.00 | 0.00 | 0.00 | 0.0% |
| Net Other Income | 0.00 | 0.00 | 0.00 | 0.0% |
| Net Income | -30,060.56 | 0.00 | -30,060.56 | 100.0% |

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

Cash Basis

July through December 2021

| | Jul - Dec 21 | Budget | \$ Over Budget | % of Budget |
|--------------------------------|--------------------|-----------------|--------------------|------------------|
| Ordinary Income/Expense | | | | |
| Income | | | | |
| Interest-LAIF | 698.29 | 4,800.00 | -4,101.71 | 14.5% |
| Interest-SBMC | 64.06 | 200.00 | -135.94 | 32.0% |
| Property Taxes | 3,955.41 | 45,000.00 | -41,044.59 | 8.8% |
| Water Application Fee | 0.00 | 0.00 | 0.00 | 0.0% |
| Water Sales | 0.00 | 325,000.00 | -325,000.00 | 0.0% |
| Total Income | 4,717.76 | 375,000.00 | -370,282.24 | 1.3% |
| Expense | | | | |
| Consulting | 4,950.00 | 20,000.00 | -15,050.00 | 24.8% |
| Election | 0.00 | 0.00 | 0.00 | 0.0% |
| Fees, Bank Charges | 0.00 | 0.00 | 0.00 | 0.0% |
| Fees, County & LAFCo | 1,396.13 | 1,700.00 | -303.87 | 82.1% |
| Gage | 19,901.25 | 15,000.00 | 4,901.25 | 132.7% |
| Groundwater Sustainability | 0.00 | 0.00 | 0.00 | 0.0% |
| Insurance, Liability | 6,144.80 | 7,000.00 | -855.20 | 87.8% |
| Insurance, Workers Comp | -376.91 | 5,000.00 | -5,376.91 | -7.5% |
| Legal | 15,893.64 | 25,000.00 | -9,106.36 | 63.6% |
| Memberships | 5,670.00 | 11,500.00 | -5,830.00 | 49.3% |
| Meters Expense | 54.15 | 2,000.00 | -1,945.85 | 2.7% |
| Office Operating Expenses | 1,647.76 | 5,000.00 | -3,352.24 | 33.0% |
| Payroll Expenses | 73,462.71 | 160,250.00 | -86,787.29 | 45.8% |
| Rent, Utilities | 3,727.34 | 20,000.00 | -16,272.66 | 18.6% |
| Stipends, Meetings | 1,800.00 | 6,000.00 | -4,200.00 | 30.0% |
| SWRCB Permits | 15,930.05 | 15,000.00 | 930.05 | 106.2% |
| Training Costs | 875.00 | 5,000.00 | -4,125.00 | 17.5% |
| Unfunded Pension Liability | 8,419.00 | 6,000.00 | 2,419.00 | 140.3% |
| Vehicle | 103.52 | 2,000.00 | -1,896.48 | 5.2% |
| Water Resiliency | 11,397.32 | 40,000.00 | -28,602.68 | 28.5% |
| Total Expense | 170,995.76 | 346,450.00 | -175,454.24 | 49.4% |
| Net Ordinary Income | -166,278.00 | 28,550.00 | -194,828.00 | -582.4% |
| Other Income/Expense | | | | |
| Other Expense | | | | |
| Meter Purchase | 1,884.53 | 25,000.00 | -23,115.47 | 7.5% |
| Reserves | 68,750.00 | 0.00 | 68,750.00 | 100.0% |
| Total Other Expense | 70,634.53 | 25,000.00 | 45,634.53 | 282.5% |
| Net Other Income | -70,634.53 | -25,000.00 | -45,634.53 | 282.5% |
| Net Income | -236,912.53 | 3,550.00 | -240,462.53 | -6,673.6% |

Russian River Flood Control District
Profit & Loss Prev Year Comparison
July through December 2021

Cash Basis

| | Jul - Dec 21 | Jul - Dec 20 | \$ Change | % Change |
|--------------------------------|--------------------|--------------------|-------------------|---------------|
| Ordinary Income/Expense | | | | |
| Income | | | | |
| Interest-LAIF | 698.29 | 2,806.80 | -2,108.51 | -75.1% |
| Interest-SBMC | 64.06 | 67.29 | -3.23 | -4.8% |
| Property Taxes | 3,955.41 | 34,925.15 | -30,969.74 | -88.7% |
| Reimbursed Expenses | 0.00 | 19,570.10 | -19,570.10 | -100.0% |
| Total Income | 4,717.76 | 57,369.34 | -52,651.58 | -91.8% |
| Expense | | | | |
| Consulting | 4,950.00 | 10,410.00 | -5,460.00 | -52.5% |
| Fees, County & LAFCo | 1,396.13 | 594.09 | 802.04 | 135.0% |
| Gage | 19,901.25 | 7,237.50 | 12,663.75 | 175.0% |
| Groundwater Sustainability | 0.00 | 3,000.00 | -3,000.00 | -100.0% |
| Insurance, Liability | 6,144.80 | 5,687.19 | 457.61 | 8.1% |
| Insurance, Workers Comp | -376.91 | 684.08 | -1,060.99 | -155.1% |
| Legal | 15,893.64 | 14,076.72 | 1,816.92 | 12.9% |
| Memberships | 5,670.00 | 5,597.00 | 73.00 | 1.3% |
| Meters Expense | 54.15 | 1,107.28 | -1,053.13 | -95.1% |
| Office Operating Expenses | 1,647.76 | 1,788.75 | -140.99 | -7.9% |
| Payroll Expenses | | | | |
| CalPERS 1959 Survivor Billing | 74.40 | 11.00 | 63.40 | 576.4% |
| CalPERS 457 Employee Def Comp | 1,725.00 | 1,575.00 | 150.00 | 9.5% |
| CalPERS Company Match | 4,364.52 | 4,059.36 | 305.16 | 7.5% |
| CALPERS GASB-68 Fees | 0.00 | 700.00 | -700.00 | -100.0% |
| Employee Health Insurance | 5,400.00 | 7,200.00 | -1,800.00 | -25.0% |
| Gross Wages | 57,500.04 | 52,096.16 | 5,403.88 | 10.4% |
| Medicare | 833.75 | 767.11 | 66.64 | 8.7% |
| Payroll Taxes- FICA, etc | 3,565.00 | 3,280.04 | 284.96 | 8.7% |
| Vacation/Sick | 0.00 | 807.68 | -807.68 | -100.0% |
| Total Payroll Expenses | 73,462.71 | 70,496.35 | 2,966.36 | 4.2% |
| Rent, Utilities | 3,727.34 | 3,068.62 | 658.72 | 21.5% |
| Stipends, Meetings | 1,800.00 | 2,075.00 | -275.00 | -13.3% |
| SWRCB Permits | 15,930.05 | 12,661.84 | 3,268.21 | 25.8% |
| Training Costs | 875.00 | 565.00 | 310.00 | 54.9% |
| Unfunded Pension Liability | 8,419.00 | 6,777.00 | 1,642.00 | 24.2% |
| Vehicle | 103.52 | 39.67 | 63.85 | 161.0% |
| Water Resiliency | 11,397.32 | 0.00 | 11,397.32 | 100.0% |
| Total Expense | 170,995.76 | 145,866.09 | 25,129.67 | 17.2% |
| Net Ordinary Income | -166,278.00 | -88,496.75 | -77,781.25 | -87.9% |
| Other Income/Expense | | | | |
| Other Expense | | | | |
| Meter Purchase | 1,884.53 | 2,484.00 | -599.47 | -24.1% |
| Reserves | 68,750.00 | 50,000.00 | 18,750.00 | 37.5% |
| Total Other Expense | 70,634.53 | 52,484.00 | 18,150.53 | 34.6% |
| Net Other Income | -70,634.53 | -52,484.00 | -18,150.53 | -34.6% |
| Net Income | -236,912.53 | -140,980.75 | -95,931.78 | -68.1% |

Russian River Flood Control District Balance Sheet Prev Year Comparison

As of December 31, 2021

Cash Basis

| | Dec 31, 21 | Dec 31, 20 | \$ Change | % Change |
|--|---------------------|---------------------|-------------------|--------------|
| ASSETS | | | | |
| Current Assets | | | | |
| Checking/Savings | | | | |
| LAIF | | | | |
| Capital Reserve | 48,000.00 | 53,000.00 | -5,000.00 | -9.4% |
| Emergency Reserve | 28,000.00 | 32,000.00 | -4,000.00 | -12.5% |
| Operating Reserve | 153,000.00 | 156,000.00 | -3,000.00 | -1.9% |
| WaterSupplyReliability Reserve | 259,411.40 | 247,411.40 | 12,000.00 | 4.9% |
| LAIF - Other | 2,004.96 | 0.00 | 2,004.96 | 100.0% |
| Total LAIF | 490,416.36 | 488,411.40 | 2,004.96 | 0.4% |
| SBMC Checking | 236,397.21 | 112,935.78 | 123,461.43 | 109.3% |
| SBMC Savings | 100,063.69 | 267,716.69 | -167,653.00 | -62.6% |
| Total Checking/Savings | 826,877.26 | 869,063.87 | -42,186.61 | -4.9% |
| Other Current Assets | | | | |
| Taxes Receivable | 3,984.00 | 3,984.00 | 0.00 | 0.0% |
| Total Other Current Assets | 3,984.00 | 3,984.00 | 0.00 | 0.0% |
| Total Current Assets | 830,861.26 | 873,047.87 | -42,186.61 | -4.8% |
| Fixed Assets | | | | |
| Accumulated Depreciation | -24,542.00 | -24,542.00 | 0.00 | 0.0% |
| Meters & Vehicles | 134,111.25 | 130,935.89 | 3,175.36 | 2.4% |
| Total Fixed Assets | 109,569.25 | 106,393.89 | 3,175.36 | 3.0% |
| Other Assets | | | | |
| Deferred Outflows | 64,366.00 | 64,366.00 | 0.00 | 0.0% |
| Total Other Assets | 64,366.00 | 64,366.00 | 0.00 | 0.0% |
| TOTAL ASSETS | 1,004,796.51 | 1,043,807.76 | -39,011.25 | -3.7% |
| LIABILITIES & EQUITY | | | | |
| Liabilities | | | | |
| Current Liabilities | | | | |
| Other Current Liabilities | | | | |
| Accrued Expenses | 10,263.00 | 10,263.00 | 0.00 | 0.0% |
| Payroll Liabilities | 383.94 | 4,472.42 | -4,088.48 | -91.4% |
| Total Other Current Liabilities | 10,646.94 | 14,735.42 | -4,088.48 | -27.8% |
| Total Current Liabilities | 10,646.94 | 14,735.42 | -4,088.48 | -27.8% |
| Long Term Liabilities | | | | |
| Net Pension Liability | 36,024.00 | 36,024.00 | 0.00 | 0.0% |
| Total Long Term Liabilities | 36,024.00 | 36,024.00 | 0.00 | 0.0% |
| Total Liabilities | 46,670.94 | 50,759.42 | -4,088.48 | -8.1% |
| Equity | | | | |
| Opening Bal Equity | 541,116.95 | 541,116.95 | 0.00 | 0.0% |
| Retained Earnings | 653,921.15 | 592,912.14 | 61,009.01 | 10.3% |
| Net Income | -236,912.53 | -140,980.75 | -95,931.78 | -68.1% |
| Total Equity | 958,125.57 | 993,048.34 | -34,922.77 | -3.5% |
| TOTAL LIABILITIES & EQUITY | 1,004,796.51 | 1,043,807.76 | -39,011.25 | -3.7% |

Russian River Flood Control District
Monthly Payment Detail

Cash Basis

As of December 31, 2021

| Type | Date | Name | Memo | Original Amount | Paid Amount |
|----------------------|------------|-------------------------------------|---|-----------------|-------------------|
| SBMC Checking | | | | | |
| Bill Pmt -Check | 12/03/2021 | State Compensation Insurance Fund | 2021-22 FY Policy charges for 11/9/21-12/9/22 | -429.91 | -429.91 |
| Bill Pmt -Check | 12/03/2021 | Comcast Business | Internet services for 11/13-12/12/21 | -74.86 | -74.86 |
| Bill Pmt -Check | 12/08/2021 | Intuit | Monthly Payroll Subscription | -2.00 | -2.00 |
| Bill Pmt -Check | 12/09/2021 | Cardmember Service | Credit card 910-14 to 11-13-21 | -424.52 | -424.52 |
| Bill Pmt -Check | 12/15/2021 | State Water Resources Control Board | VOID: Letter IDs: L0012638494, L0012682674, L0... | 0.00 | 0.00 |
| Bill Pmt -Check | 12/15/2021 | Willow County Water District | Rent and Utilities Dec 2021 | -615.87 | -615.87 |
| Bill Pmt -Check | 12/15/2021 | State Water Resources Control Board | Statement IDs: L0012518667, L0012762273, L0012... | -15,930.05 | -15,930.05 |
| Bill Pmt -Check | 12/19/2021 | US Cellular | Cell service 11/14-12/13/21 | -49.96 | -49.96 |
| Total SBMC Checking | | | | | -17,527.17 |
| TOTAL | | | | | -17,527.17 |

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

9 IN COMPLIANCE WITH ASSEMBLY BILL 361, THIS MEETING WAS HELD VIA ZOOM.

10
11 **1. Roll Call**

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

13
14 Trustees Present: Christopher Watt, President
15 Alfred White, Vice President
16 John Reardan, Trustee
17 Tyler Rodrigue, Trustee
18

19 Trustees Absent: Matthew Froneberger, Treasurer

20
21 Staff: Elizabeth Salomone, General Manager
22

23 **2. Action Item: State of Emergency**

24 Vice President White moved to reaffirm previously adopted Resolution #21-04 Making Findings and
25 Determinations under Assembly Bill 361 for Continued Virtual Meetings, determining that (i) The state of
26 emergency continues to directly impact the ability of the members to meet safely in person; and/or (ii) State or
27 local officials continue to impose or recommend measures to promote social distancing. Trustee Rodrigue
28 seconded the motion. The motion was approved by the following vote:

29 Ayes: 4 (Reardan, Rodrigue, White, Watt)
30 Absent: 1 (Froneberger)
31

32 **3. Public Expression – No one from the public indicated interest in public expression**
33

34 **4. Approval of Agenda**

35 Vice President White moved to approve the agenda as presented. Trustee Rodrigue seconded the motion.
36 The motion was approved by the following vote:

37 Ayes: 4 (Reardan, Rodrigue, White, Watt)
38 Absent: 1 (Froneberger)
39

40 **ITEMS FOR DISCUSSION AND POSSIBLE ACTION**

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

42 GM Salomone presented the item. An update was requested on the status of Eel River water transfers
43 through the Potter Valley Project now that PG&E's power generation is offline. GM Salomone noted
44 there was not an official update from PG&E, though representatives from the relicensing Partnership,
45 which includes Inland Water & Power Commission (IWPC) and Sonoma Water Agency and others, were
46 coordinating efforts to gain support from Eel River stakeholders to divert high winter flows from the Eel
47 River to the Russian River watershed.
48

51 Bree Klotter, Board member of Redwood Valley County Water District, asked if support had been
52 requested from Legislative representatives.

53

54 6. Water Resiliency Planning

55 GM Salomone presented the item, reviewing the staff report.

56

57 *Grant Funding Application:* Vice President White voiced concerns regarding the District rather than the
58 Groundwater Sustainability Agency (GSA) applying for and implementing this project. Discussion was
59 held in which the governance and workload of the GSA was considered. It was noted this proposed
60 project specifically concerns RRFC by using District customers and water available under the District
61 license to determine how the system behaves under various conditions. Additionally, the funding is
62 available now; the District is in a position to meet the application deadline whereas the GSA is not.

63

64 Trustee Reardan moved to approve

65 (1) the Service Agreement with LACO Associates for Funding Analysis and Grant Writing, including the
66 ratification of Exhibit A to develop funding opportunity recommendations and the approval of
67 Amendment No. 1 to include services in development of the application;

68 (2) the Resolution #21-05 Authorizing the Grant Application, Acceptance, and Execution for the On-
69 Farm Groundwater Recharge Multi-Benefit Demonstration Project and direct GM Salomone to finalize
70 and submit the grant application; and

71 (3) direction to GM Salomone, in consultation with Legal Counsel, to file for a temporary water recharge
72 permit from the State Water Board for the proposed On-Farm Groundwater Recharge Multi-Benefit
73 Demonstration Project.

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

75 Ayes: 4 (Reardan, Rodrigue, White, Watt)

76 Absent: 1 (Froneberger)

77

78 *Water Storage Project:* GM Salomone, President Watt, and Trustee Reardan presented the item, providing an
79 update on the ad hoc committee work, including a meeting with CA Fish and Wildlife representatives on the
80 impacts to fisheries, the environment, and Tribal interests. Comments and questions were offered. There was
81 Board consensus to proceed with the fisheries habitat evaluation and to develop a plan for water availability
82 analysis that will also benefit the water right applications. A revised project description was presented that
83 expands on the fisheries habitat enhancement (changes shown in grey highlight below.)

84

85 Trustee Reardan moved to approve the revised Preliminary Feasibility Study for Water Storage Project:

86

87 In the 1990's the RRFC commissioned a feasibility study for developing an approximately 5,000 – 12,000
88 acre foot reservoir within the larger of two forks of Hensley Creek, a tributary of the Upper Russian
89 River. Water to be stored in the reservoir would originate as run-off within its watershed and wet-season
90 releases from Lake Mendocino. The value of this project is to create a strategic reserve during wet periods
91 to release during dry periods and enhance fisheries within the lower reach of Hensley Creek. RRFC is
92 reviewing this potential project and considering the retention of a Special Projects Manager to oversee a
93 consulting team charged with preparing an updated Preliminary Feasibility Study for the project. Initial
94 focus will be on regulatory limitations/requirements, fisheries habitat evaluation, water availability,
95 funding, water rights, and property acquisition.

96

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

98 Ayes: 4 (Reardan, Rodrigue, White, Watt)

99 Absent: 1 (Froneberger)

100

(Continued...)

102 **7. Fiscal Year 2021-2022 Budget Adjustment**

103 Vice President White moved to approve Resolution #21-07 Adopting the Adjusted Final Budget for
104 Fiscal Year 2021-2022. Trustee Reardan seconded the motion. The motion was approved by the following
105 unanimous vote:

106 Ayes: 4 (Reardan, Rodrigue, White, Watt)
107 Absent: 1 (Froneberger)

108
109 **REGULAR BUSINESS, INFORMATION, AND REPORT ITEMS**

110 **8. Consent Calendar**

- 111 a) Acceptance of the November 2021 Financial Report
- 112 b) Approval of Minutes for the November 1, 2021 Regular Meeting
- 113 c) Acceptance of the fiscal year-end reports for FY 2020-2021
- 114 d) Approval of the Regular Meeting Calendar for 2022

115
116 Vice President White moved to approve Consent Calendar Items a-d. Trustee Reardan seconded the motion.
117 The motion was approved by the following unanimous vote:

118 Ayes: 4 (Reardan, Rodrigue, White, Watt)
119 Absent: 1 (Froneberger)

120
121 **9. Board Member & Committee Reports**

122 *President Watt* reported an anomaly in the West Fork stream flow gage that was reported to the US
123 Geological Survey staff, who addressed it.

124 *President Watt* also noted that Willow County Water District held a Special Meeting to approve their
125 contribution to the Upper Russian River Water Agency for the Groundwater Sustainability Agency.

126 *Trustee Reardan* noted he filed a request for Sonoma Water Agency to provide more information on Lake
127 Pillsbury storage levels.

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

129 GM Salomone presented the written report and asked the Board for direction on Board Officers for
130 2022. Consensus was to keep the slate as is and approval will be on the January consent calendar.

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

132 General Manager evaluation, Board Officers for 2022, Mid Year Budget Review & rate review.

133
134 **ADJOURNMENT**

135
136 Vice President White moved to adjourn the meeting at 7:12 PM. Trustee Reardan seconded the motion. The
137 motion was approved by the following unanimous vote:

138 Ayes: 4 (Reardan, Rodrigue, White, Watt)
139 Absent: 1 (Froneberger)

140
141
142
143
144
145 **President** **Vice President** **Treasurer** **Trustee** **Trustee**
146 *Christopher Watt* *Alfred White* *Matthew Froneberger* *Tyler Rodrigue* *John Reardan*

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

STAFF REPORT

To: Board of Trustees
From: E. Salomone, General Manager
Meeting: Monday, January 10, 2022
RE: Agenda Item 8c: Approval of Board Officers

The Strategic Plan relevant priority is to **Administer**, fostering sustainable leadership through continued development of the Board and its governance role.

Background

District Policy indicates the President, Vice President, and Treasurer of the Board shall be elected annually at the last regular meeting of each calendar year. At the December 6, 2021 Board Meeting, general consensus of Trustees in attendance was to maintain the current slate of officers:

Christopher Watt, President
Alfred White, Vice President
Matthew Froneberger, Treasurer

Recommended Action:

- Move to approve the continuation of the 2021 Board Officers for the 2022 calendar year (listed above.)

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

General Manager's Report for December 2021

Presented at Regular Meeting of Monday, January 10, 2022

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

Priority 1, Secure: Ensure reliable and available sources of water. (Water rights license, Reservoirs, PVP)

Potter Valley Project Relicensing: Nothing new to report.

Potter Valley Project Surplus Eel River Flows to Russian River: A number of water agencies in the Russian River watershed submitted letters to PG&E requesting high winter flows in the Eel River be transferred to the Russian River. As of writing this report, staff is unaware of any response from PG&E.

Reservoir Operations: (See Item 5: Water Supply Conditions for more information) Sonoma County Water Agency filed a Temporary Urgency Change Petition which was approved by the State Water Resources Control Board in December. See <https://www.sonomawater.org/tucp> for more information. As of January 1, 2022, Lake Mendocino storage levels put the reservoir operations in a "normal" year increasing minimum instream flow requirements from 25 cfs to 150 cfs. During the first week of January, a 5 cfs supplemental storage release has been required though is expected to be repealed if forecasted precipitation occurs.

Priority 2, Use: Ensure water is managed to its highest and best use as a public resource.

(Contracts & water sales, monitor & respond to regional water issues)

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

Water Sales: Meter data downloads are being conducted. This data is shared with the customers for their own water rights reporting as well as the District's (due April 1, 2022.) The District remains under Declaration #21-03: Water Shortage Emergency which established a moratorium on increased contract quantities to existing Agreements and no surplus water availability.

Groundwater Sustainability: The Ukiah Valley Groundwater Sustainability Agency (GSA) approved the Groundwater Sustainability Plan for submission. Sonoma County's three GSAs all approved their Plans, as well.

Priority 3, Advocate: Participate as an active stakeholder in the security and use of water beyond our direct authority. (Stakeholder positions, participation with community partners, website, legislation)

Association of California Water Agencies (ACWA): *The Fall Conference was held virtually and in person. Both the State Water Board Chair and Vice Chair presented, among other prominent California water leaders.

Priority 4: Administer: Foster sustainable leadership and management of agency resources.

(GM, Trustees, systems, financial)

General Manager Professional Development: A number of the conferences, webinars, and workshops were attended this month: (1) ACWA Conference and committee meetings. (2) CALAFCO: Throw out the historic water framework: What do LAFCOs do now? (3) FIRO Project workshop on science and technology advancements. (4) State Water Board meetings, including offering of public comment. (5) Zoom webinar on how to conduct successful zoom meetings. (6) US Bureau of Reclamation stakeholder meetings reviewing funding opportunities.

Operations: The District Office continues to be closed to the public. The District was closed December 23-29 and December 31 through January 3. The District will be closed Monday, January 17, 2022 in recognition of Dr. Martin Luther King Jr. Day.

Community Meetings Attended This Month

Upper Russian River Water Agency (12/1/21): *Staff reported that the Groundwater Sustainability Agency monitoring wells are being installed by DWR. The one at Willow's Norgaard well field is completed to 270 feet. The Redwood Valley well is being finished as of the meeting. The monitoring infrastructure will be installed next. * Concern was expressed about the lack of full participation in the funding of the GSA. "Non-members of URRWA are getting a free ride. What happens if URRWA pulls out of GSA. How can the GSA be funded in a more equitable fashion." No movement in the direction of leaving the GSA, just expressions of concern about the apparent lack of fairness. *It was reported Willow held a special meeting to approve paying their portion of the member contributions for URRWA on the GSA. All members have approved and contributed now. *Staff was directed to send a letter of support for Sonoma Water's TUCP.

Local Agency Formation Commission (12/6/21): *Progress has been made on the Millview annexation of the Masonite area pre-application. *Staff is still working on the City of Ukiah and Ukiah Valley Sanitation District Sphere of Influence updates.

Millview CWD SPECIAL Meeting (12/7/21): Millview moved their December meeting to December 7th for the public hearing for the Adoption of a Negative Declaration for the Millview County Water District Annexation Project of property comprised of former Masonite Property to the District, and for the Adoption of a Resolution adopting an Initial Study/Negative Declaration for the MCWD Annexation Project. The Public Hearing was continue to the Feb. 15th meeting due to letters received that need to be evaluated in closed session (anticipated litigation and potential initiation of litigation). Other updates: Only three Board members are active. One has moved out of the area and another, while appointed, has yet to attend. Both GSA monitoring wells are done and test pumping is underway and the December 21st meeting was cancelled.

UV Sanitation District (12/8/21): The Board is sending a letter to LAFCo to formally request the current Sphere of Influence for the District.

IWPC (12/9/21): Nothing to note.

Hopland PUD (12/9/21): No one from the District attended.

City of Ukiah Council: The December 1, 2021 meeting was cancelled. A Special Meeting for a Capital Financing Plan Workshop was held on December 13, 2021. At the December 15, 2021 meeting, Jim Brown was appointed Mayor. The Council adopted resolutions authorizing grant applications related to the emergency intertie pump project, the groundwater resiliency project, and Phase 4 of the recycled water project. It was noted the City staff and Mayor planned to submit a letter to PG&E to request Eel River high water flows to be transferred to the Russian River watershed.

Willow County Water District (12/13/21): *The Board held a public meeting and approved a rate increase. *Staff provided updates on various operational and water supply issues.

Mendocino County Drought Task Force (12/16/21): Updates were provided by various stakeholders in the County. <https://www.youtube.com/watch?v=OIVyecYwOWA>

Calpella County Water District (12/15/21): No one from RRFC attended.

Redwood Valley County Water District (12/16/21): Cancelled due to lack of quorum. One Director resigned and the Board has a small window of time to appoint a new Board member.

* * * *

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