

Mendocino County

Russian River Flood Control & Water Conservation Improvement District

P.O. Box 2104, Ukiah, CA 95482 707.462.5278 Website: RRFC.net DistrictManager@rrfc.net

APPROVED MINUTES

Special Meeting of July 18, 2023

At District Office: 304 N. State Street, Ukiah, CA 95482

1. Roll Call

Vice President White called the meeting to order at 5:32 PM.

Trustees Present: Alfred White, Vice President
John Bailey, Treasurer
Tyler Rodrigue, Trustee
John Reardan, Trustee

Trustees Absent: Christopher Watt, President

Staff: Elizabeth Salomone, General Manager

2. Approval of Agenda

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

Ayes: 4 (Reardan, Bailey, White, Rodrigue)
Absent: 1 (Watt)

3. Public Expression

No one indicated interest in speaking.

ITEMS FOR DISCUSSION AND POSSIBLE ACTION

4. Fiscal Year 2023-2024 Budget and Rate Setting

Treasurer Bailey presented the item. This year's budget is accounting differently for consultant expenses related to projects. In the past, these expenses were layered into the operating expenses line items. This year, water supply reliability project expenses have been separated out from the main operational budget. Personnel budget items have been increased to fund a 2nd member of staff. Water rates have maintained at \$47 per acre foot since 2009. Reserve balances are outlined in District Policy. The Board indicated at a previous meeting the desire to consider using District reserves to 'smooth out' rate increases and directed the GM and Ad Hoc Committee to provide proposals.

In addition to the scenarios provided in the Staff Report for the agenda item, Treasurer Bailey and GM Salomone presented an alternative showing only the rate increase needed to address the operational budget deficit, not including any water supply reliability projects. Treasurer Bailey proposed an option to approve an interim budget, setting an interim rate until further proposals and discussion regarding the water supply reliability projects. [See table below.]

(Continued...)

President
Christopher Watt

Vice President
Alfred White

Treasurer
John Bailey

Trustee
Tyler Rodrigue

Trustee
John Reardan

Rate setting to cover operational expenses: DOES NOT ADDRESS ANY WATER SUPPLY PROJECTS

EXPENSES:	2023	2024	2025	2026	2027
Est Total Operating Expenses	\$ 511,700	\$ 537,285	\$ 564,149	\$ 592,357	\$ 621,975
REVENUE:					
Annual water rate increase per af	\$ 14	\$ 3	\$ 3	\$ 4	\$ 3
Total per af rate	\$ 61	\$ 64	\$ 67	\$ 71	\$ 74
Water Sales Revenue w/rate increase	\$ 457,500	\$ 480,000	\$ 502,500	\$ 532,500	\$ 555,000
Est Tax Revenue	\$ 55,000	\$ 57,750	\$ 60,638	\$ 63,669	\$ 66,853
Est Revenue Subtotal	\$ 512,500	\$ 537,750	\$ 563,138	\$ 596,169	\$ 621,853

Vice President White shared concerns regarding the use of a 5% Consumer Price Index (CPI) for the projected expense calculator. Trustee Rodrigue noted ways in which it can be helpful and noted the calculation can be changed year to year.

Bree Klotter, Board Member of the Redwood Valley County Water District provided comments including questions regarding water supply costs to Redwood Valley County Water District.

Trustee Reardan moved to approve an Interim Fiscal Year 2023-24 Budget of Revenue at \$515,426, Operating Expenses (not including water supply reliability projects) \$511,700 including a rate increase of \$14 per acre foot to bring the interim water rate to \$61 per acre foot, with direction to the GM and Ad Hoc Committee to provide a proposed final FY 23-24 Budget at a future meeting. Trustee Rodrigue seconded the motion. The motion was approved by a roll call vote:

- Ayes: 4 (Reardan, Bailey, White, Rodrigue)
- Absent: 1 (Watt)

	FY 2022/23	FY 2022/23	Change	FY 2023/24	Amt Change	% Change
	APPROVED BUDGET	Actuals Projected to 6/30/23	Budget to Actual in %	DRAFT Budget	From previous FY Budget	From previous FY Budget
TOTAL REVENUE	\$ 407,000	\$ 430,868	6%	\$ 515,426	\$ 108,426	27%
less TOTAL OPERATING EXPENSES	\$ 416,475	\$ 441,300	6%	\$ 511,700	\$ 95,225	23%
equals TOTAL DIFFERENCE	\$ (9,475)	\$ (10,432)	10%	\$ 3,726		
WATER SUPPLY PROJECTS				\$ 250,000	N/A	N/A
USE OF WATER SUPPLY RELIABILITY RESERVE FUND				(ALL BUT 30K)	N/A	N/A

The Board continued to discuss Water Supply Reliability Project expenses and options to use a combination of reserve funds and a further rate increase to meet these expenses. The Ad Hoc Committee was directed to return with a proposed Final Fiscal Year 2023-2024 Budget and Rate Setting agenda item.

(Continued...)

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REGULAR BUSINESS, INFORMATION, AND REPORT ITEMS

5. Water Supply Conditions Update and District Response

Bree Klotter, Board Member of the Redwood Valley County Water District asked for clarification on surplus water availability to Redwood Valley County Water District. GM Salomone asked for updated monthly request amounts from Redwood Valley County Water District.

6. Consent Calendar

- a) Acceptance of the June 2023 Financial Report
- b) Approval of June 5, 2023 Regular Board Meeting minutes
- c) Approval of Mendocino County Inland Water & Power Commission Invoice for Contributions
- d) Customer Surplus Water Request of 15 acre feet for 2023.

Trustees Rodrigue and Reardan asked for more information on Consent Calendar Item 6d which GM Salomone provided.

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

- Ayes: 4 (Reardan, Bailey, White, Rodrigue)
- Absent: 1 (Watt)

7. Trustee & Committee Reports

- (a) Budgeting for Strategic Plan Implementation – see Agenda Item 5.
- (b) GM Evaluation – The evaluation has been on pause and will be discussed at a future meeting.

Trustee Reardan provided a report on a recent Mendocino County Inland Water & Power Commission meeting: PG&E's flow variance application to Federal Energy Regulatory Commission (FERC) has been filed, a comment period is open and closes August 4, 2023 after which FERC will consider approval. FERC's response is not expected before the end of August, perhaps in September.

8. General Manager Report & Correspondence

GM Salomone provided a written report for Board review. Direction given to GM to issue an availability poll to change the date of the July Board meeting.

9. Direction on Future Agenda Items

None noted

ADJOURNMENT


Vice President White moved to adjourn the meeting at 7:38 PM. Trustee Rodrigue seconded the motion. The motion was approved by the following vote:

- Ayes: 4 (Reardan, Bailey, White, Rodrigue)
- Absent: 1 (Watt)

APPROVED by Board of Trustees on July 18, 2023



President of the Board of Trustees



Secretary of the Board of Trustees

President
Christopher Watt

Vice President
Alfred White

Treasurer
John Bailey

Trustee
Tyler Rodrigue

Trustee
John Reardan