



BOARD OF DIRECTORS MEETING AGENDA

**May 6, 2021 Regular Meeting
6:30 p.m.**

Meeting link:

<https://sweetwaterspringswaterdistrict.my.webex.com/sweetwaterspringswaterdistrict.my/j.php?MTID=m5796c73ba7a2b2acf456dde15d9cb8ab>

Meeting number: 182 342 9928
Password: tGqbjJin475

OR

Join by phone: +1-415-655-0001 US Toll
Access code: 182 342 9928
Password: 84725546

All guests that join the virtual meeting will be muted with their camera/ video turned off. Guest(s) will be unmuted and video turned on when they are speaking. Proper decorum including appearance is required.

NOTICE TO PERSONS WITH DISABILITIES: It is the policy of the Sweetwater Springs Water District to offer its public programs, services and meetings in a manner that is readily accessible to everyone, including those with disabilities. Upon request made at least 48 hours in advance of the need for assistance, this Agenda will be made available in appropriate alternative formats to persons with disabilities. This notice is in compliance with the Americans with Disabilities Act (28 CFR, 35.102-35.104 ADA Title II).

Any person who has any questions concerning any agenda item may call the General Manager or Assistant Clerk of the Board to make inquiry concerning the nature of the item described on the agenda; copies of staff reports or other written documentation for each item of business are on file in the District Office and available for public inspection. All items listed are for Board discussion and action except for public comment items. In accordance with Section 5020.40 et seq. of the District Policies & Procedures, each speaker should limit their comments on any Agenda item to five (5) minutes or less. A maximum of twenty (20) minutes of public comment is allowed for each subject matter on the Agenda unless the Board President allows additional time.

I. CALL TO ORDER (***Est. time: 2 min.***)

- A. Board members Present
- B. Board members Absent
- C. Others in Attendance

II. CHANGES TO AGENDA and DECLARATIONS OF CONFLICT
(Est. time: 2 min.)

III. CONSENT CALENDAR **(Est. time: 5 min.)**

(Note: Items appearing on the Consent Calendar are deemed to be routine and non-controversial. A Board member may request that any item be removed from the Consent Calendar and added as an “Administrative” agenda item for the purposes of discussing the item(s)).

- A. Approval of the Minutes of the April 1, 2021 Board Meeting and the April 8, 2021 Special Board Meeting
- B. Approval of Operations Warrants/Online payments/EFT payments
- C. Receipt of Item(s) of Correspondence.

Please note: Correspondence received regarding an item on the Administrative Agenda is not itemized here, but will be attached as back-up to that item in the Board packet and addressed with that item during the Board meeting

IV. PUBLIC COMMENT: The District invites public participation regarding the affairs of the District. This time is made available for members of the public to address the Board regarding matters which do not appear on the Agenda, but are related to business of the District. Pursuant to the Brown Act, however, the Board of Directors may not conduct discussions or take action on items presented under public comment. Board members may ask questions of a speaker for purposes of clarification.

V. ADMINISTRATIVE

- A. Discussion/Action re Mt. Jackson Debris Removal project – Marshall Tuberville *Est. time 15 min.)*
- B. Discussion/Action re Water Shortage and Drought Emergency – Don Seymour, P.E. *(Est. time 10 min.)*
- C. Discussion/Action re Actual vs. Budgeted Report – 3Q *(Est. time 10 min.)*
- D. Discussion/Action re FY 2021-22 Draft Budget *(Est. time 10 min.)*
- E. Discussion/Action re Tax Lien for delinquent bills *(Est. time 10 min.)*
- F. Discussion/Action re FY 2020-21 Capital Improvement project and CDBG update *(Est. time 10 min.)*
- G. Discussion/Action re Monte Rio Bridge project *(Est. time 10 min.)*
- H. Discussion/Action re Main Street Monte Rio Waterline Replacement project *(Est. time 10 min.)*
- I. Discussion/Action re Draft 2020 Urban Water Management Plan *(Est. time 10 min.)*
- J. Discussion/Action re Local Hazard Mitigation Plan update/timeline *(Est. time 10 min.)*
- K. Discussion/ Action re COVID and Vaccine Report *(Est. time 10 min.)*

VI. GENERAL MANAGER'S REPORT

VII. BOARD MEMBERS' ANNOUNCEMENTS

VIII. ITEMS FOR NEXT AGENDA

IX. CLOSED SESSION

- A. Pursuant to Gov. Code Section 54957(b)(1) – Public Employee Performance Evaluation
Title: General Manager

ADJOURN

Sweetwater Springs Water District Mission and Goals

The mission of the Sweetwater Springs Water District (SSWD) is to provide its customers with quality water and service in an open, accountable, and cost-effective manner and to manage District resources for the benefit of the community and environment. The District provides water distribution and maintenance services to five townships adjacent to the Russian River:

- Guerneville
- Rio Nido
- Guernewood Park
- Villa Grande
- Monte Rio

GOAL 1: IMPLEMENT SOUND FINANCIAL PRACTICES TO ENSURE EFFECTIVE UTILIZATION OF DISTRICT RESOURCES

GOAL 2: PROVIDE RELIABLE AND HIGH QUALITY POTABLE WATER WITH FACILITIES THAT ARE PROPERLY CONSTRUCTED, MANAGED AND MAINTAINED TO ASSURE SYSTEM RELIABILITY

GOAL 3: HAVE UPDATED EMERGENCY PREPAREDNESS PLANS FOR ALL REASONABLE, FORESEEABLE SITUATIONS

GOAL 4: DEVELOP AND MAINTAIN A QUALITY WORKFORCE

GOAL 5: PROVIDE EXCELLENT PUBLIC OUTREACH, INFORMATION AND EDUCATION

GOAL 6: ENHANCE BOARD COMMUNICATIONS AND INFORMATION



BOARD MEETING MINUTES*

Meeting Date: April 1, 2021

(*In order discussed)

April 1, 2021
6:30 p.m.

Board Members Present:

Tim Lipinski
Gaylord Schaap
Larry Spillane
Sukey Robb-Wilder
Rich Holmer

Board Members Absent:

(None)

Staff in Attendance:

Ed Fortner, General Manager
Julie Kenny, Secretary to the Board

Others in Attendance:

Rachel Hundley, Legal Counsel
Lloyd Guccione
Abigail Seaman (Bartle & Wells)
Doug Dove (Bartle & Wells)

I. CALL TO ORDER (6:30 p.m.)

The properly agendized meeting was called to Order by President Robb-Wilder at 6:31 p.m.

II. CHANGES TO AGENDA and DECLARATION OF CONFLICT (6:30 p.m.)

(None.)

III. CONSENT CALENDAR (6:30 p.m.)

President Robb-Wilder reviewed the items on the Consent Calendar. President Robb-Wilder requested that the March 21 Minutes and Item C (Correspondence) be pulled from the Consent Calendar for discussion. Director Holmer moved to approve the Consent Calendar. Director Lipinski seconded. Motion carried 5-0. following items were approved:

- A. Approval of the Minutes of the March 4, 2021 Board Meeting (the March 21 Special Board Minutes were pulled for discussion.)
- B. Approval of Operations Warrants/Online payments/EFT payments.
- C. (Pulled for discussion.)

V. ADMINISTRATIVE (6:36 p.m.) *

- III-A. (6:33 p.m.) Discussion re Minutes of the March 21, 2021 Special Board Meeting.** Director Robb-Wilder requested that the Public Comment section of the Minutes should be amended to reflect that "Public comment was made by Lloyd Guccione." Director Lipinski moved to approve the Minutes of the March 21, 2021 Special Board Meeting as amended. Director Holmer seconded. Motion carried 5-0.
- III-B. (6:35 p.m.) Discussion re Letter dated March 14, 2021 from Debra Johnson, Owner, Riverland Resort, Guerneville.** Discussion ensued. No action was taken.

IV. PUBLIC COMMENT (6:40 p.m.)

Public comment was made by Lloyd Guccione.

V. ADMINISTRATIVE (6:36 p.m.) *

**in the order discussed*

- V-A. (6:43 p.m.) Discussion/Action re Billed Revenue Investigation.** Doug Dove made a presentation to the Board. Discussion ensued. The GM provided an overview of this item. Extensive discussion ensued. PC was made by Lloyd Guccione. Further discussion ensued. A Budget Committee meeting was scheduled for Saturday, April 3 at 10 a.m.
- V-B. (7:37 p.m.) Discussion/Action re FY 2021-22 Draft Budget.** The GM provided an overview of this item. Discussion ensued. Public comment was made by Lloyd Guccione. Comments were made by Legal Counsel Rachel Hundley. Further discussion ensued. Public comment was made by Lloyd Guccione. Further comments were made by Rachel Hundley. No action was taken. A tentative special meeting should it be necessary was scheduled for April 8 at 6:30 p.m.
- V-C. (8:18 p.m.) Discussion/Action re CIP 2020-21 and Community Development Block Grant (CDBG) Funding Status update.** The GM provided an overview of this item. Discussion ensued. No action was taken.
- V-D. (8:22 p.m.) Discussion/Action re Local Hazard Mitigation Plan Update/Timeline.** The GM provided an overview of this item. Discussion ensued.
- V-E. (8:28 p.m.) Discussion/Action re 2020 Urban Water Management Plan.** The GM provided an overview of this item. Discussion ensued. Public comment was made by Lloyd Guccione. No action was taken.

VI. GENERAL MANAGER'S REPORT (8:40 p.m.)

The GM provided a report on the following items:

1. Laboratory testing
2. Water production and sales
3. Leaks
4. Guerneville rainfall
5. In-House Construction Projects
6. Lower Russian River Community Advisory Group Governance Meeting
7. Guerneville Park Resort update
8. Monte Rio Bridget Project
9. Mt. Jackson Debris Removal

10. Monte Rio Main Street Waterline Replacement Project
11. Personnel
12. Grants Update
13. Property Tax Lien Policy Change
14. Gantt Chart
15. Covid update
16. Economic Impact of No Disconnects for Non-payment

Extensive discussion ensued, with comments made by Rachel Hundley.

VII. BOARD MEMBERS' ANNOUNCEMENTS/COMMENTS
(9:22 p.m.)

Director Robb-Wilder announced (1) correspondence from Permit Sonoma; (2) Form 700s due today; and (3) Virtual Earth Day workshop put on by Nature Conservancy on 4/21.

VIII. ITEMS FOR THE NEXT AGENDA (9:24 p.m.)

1. FY 2021-22 Budget
2. FY 2021-22 Rates
3. Urban Water Management Report update
4. General Manager evaluation
5. Monte Rio Bridge Project update

IX. CLOSED SESSION (9:45 p.m.)

At 9:45 p.m. President Robb-Wilder announced the item for discussion in Closed Session. Closed Session item B (GM evaluation) was postponed to the May meeting. At 9:45 p.m. the Board went into Closed Session. At ??? the meeting reconvened and the following action was announced:

- A. ?????Conference with Legal Counsel – Significant exposure to litigation pursuant to subdivision (d)(2) and (e)(4) of Section 54956.9 regarding 17448 River Lane property (one case)**

??????

ADJOURN

The meeting adjourned at ????? p.m.

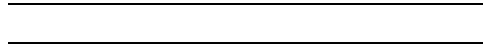
Respectfully submitted,

Julie Kenny
Clerk to the Board of Directors

APPROVED:

Gaylord Schaap: _____
 Sukey Robb-Wilder: _____
 Tim Lipinski: _____

Rich Holmer
Larry Spillane





SPECIAL BOARD MEETING MINUTES*

Meeting Date: April 8, 2021

(*In order discussed)

April 8, 2021
6:30 p.m.

Board Members Present:

Tim Lipinski
Larry Spillane
Sukey Robb-Wilder
Rich Holmer
Gaylord Schaap (arr. 6:48 p.m.; left at 7:09 p.m.)

Board Members Absent:

Staff in Attendance:

Ed Fortner, General Manager

Others in Attendance:

Abigail Seaman, Bartle & Wells

I. CALL TO ORDER (6:31 p.m.)

The properly agendized meeting was called to Order by President Robb-Wilder at 6:31 p.m.

II. PUBLIC COMMENT (6:31 p.m.)

(None.)

V. ADMINISTRATIVE (6:31 p.m.) *

**in the order discussed*

V-A. (6:31 p.m.) Discussion/Action re FY 2021-22 Draft Budget. The GM provided an overview of this item. Comments were made by Abigail Seaman, Bartle & Wells. Discussion ensued. Director Spillane made a motion to move forward with a 5% rate increase for FY 2021-22. Director Lipinski seconded. Motion carried 5-0. Further discussion ensued.

ADJOURN

The meeting adjourned at 7:13 p.m.

Respectfully submitted,

Julie Kenny

APPROVED:

Gaylord Schaap: _____

Sukey Robb-Wilder: _____

Tim Lipinski: _____

Rich Holmer _____

Larry Spillane _____

SWEETWATER SPRINGS WATER DISTRICT

TO: Board of Directors

AGENDA NO. V-A

FROM: Ed Fortner, General Manager

Meeting Date: May 6, 2021

SUBJECT: Discussion/ Action re Debris Removal at Mt. Jackson Site by Cal Fire

RECOMMENDED ACTION: Receive report on the status of Emergency work at Mt. Jackson by Cal Fire for Debris Removal.

FISCAL IMPACT: none

DISCUSSION:

The Walbridge Wildfire in August of 2020 burned the Mt. Jackson site owned by the District. A portion of the site is leased to AT&T and other entities and is critical infrastructure for communications for West Sonoma County. CA DR 4558 is a Federally declared disaster with 75% reimbursement from FEMA. FEMA and CalOES have not finalized the window of completion from the start date that should complete approval of FEMA funding to the District for debris removal. The District will have to match the project cost at 25%. Investigation into the lessees' insurance coverage showed no coverage for this type of damage.

The Mt. Jackson site is critical infrastructure for both the District and the County as all West Sonoma County's radio and cellular communications towers and equipment are located at the site. This infrastructure includes County emergency personnel radio communications. The District also collects over \$8,000 a month as rental income from the communications tower lessees.

The District solicited bids for debris removal at the Mt. Jackson site. Piazza Construction was the low bidder for constructing the project at \$128,735.00. This lowered amount is due to Cal Fire undertaking approximately 40% of the original area for debris removal. They rely on the radio tower and volunteered to clear that portion of the site at no cost to the District. We continue to work with FEMA for the removal project funding.

CalFire is proceeding with its work on the site. The attached documents show the progress made on the debris removal to date. Marshall Turbeville with Cal Fire is on tonight's agenda to update the progress of the work.

Mt. Jackson Clearance Project

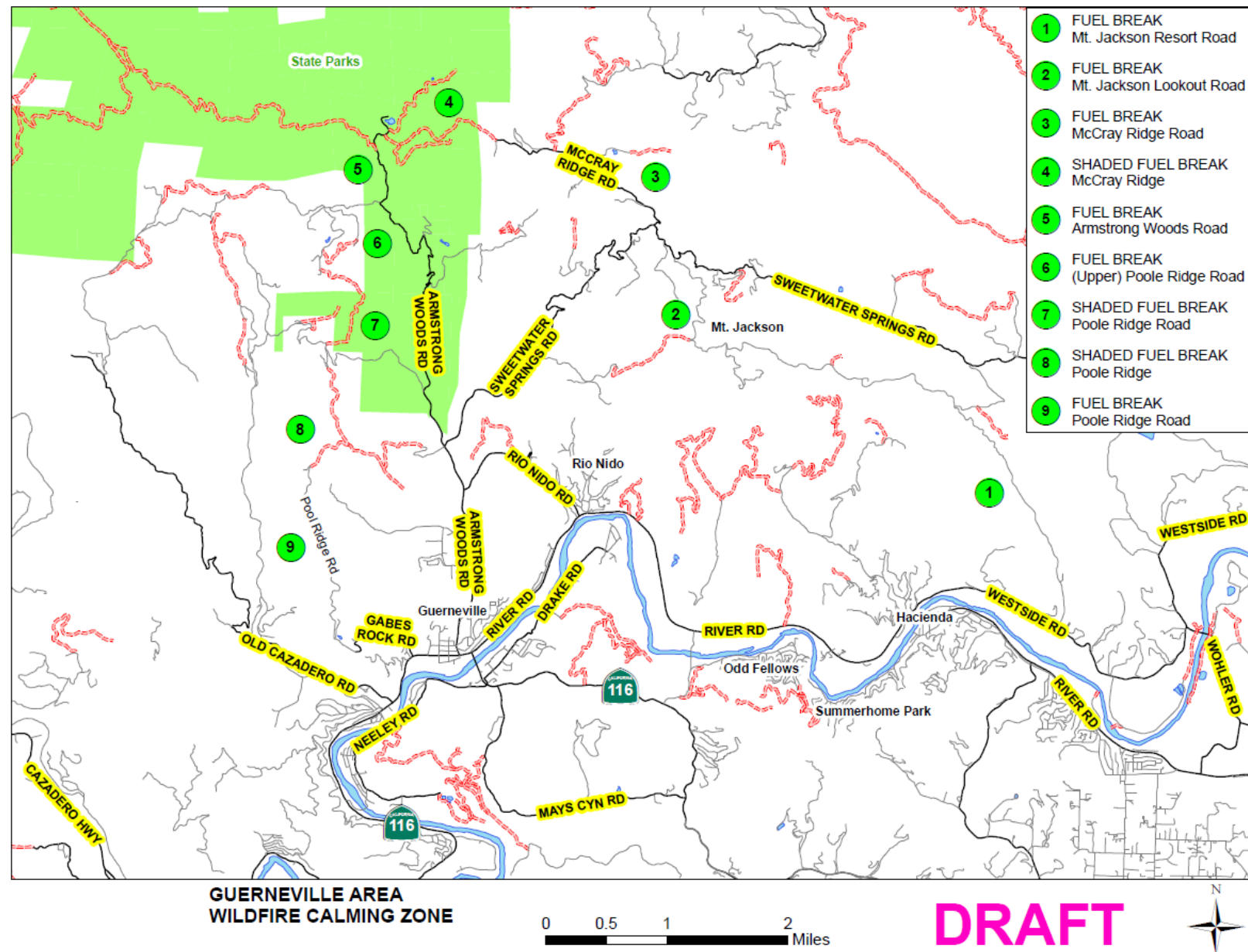
All Photographs Taken on February 6, 2021

CAL FIRE BC Marshall Turbeville

Phase I (Priority Project)	Vegetation Management Near Public Safety Towers
Phase II	Vegetation Management Along Access Road on SSWD Property
Phase III	Clearing Along Access Road from SSWD Property to Sweetwater Springs Road
Phase IV	Clearing Along Access Road from SSWD Property to Westside Road

Project Importance

- All phases are part of a larger geographic project to create a continuous vegetation management project around the community of Guerneville
- These phases are identified as #1 and #2 on the Guerneville Area Wildfire Calming Zone



Non Public
Safety Tower



Public Safety
Tower
(County)

Public Safety
Tower
(State)

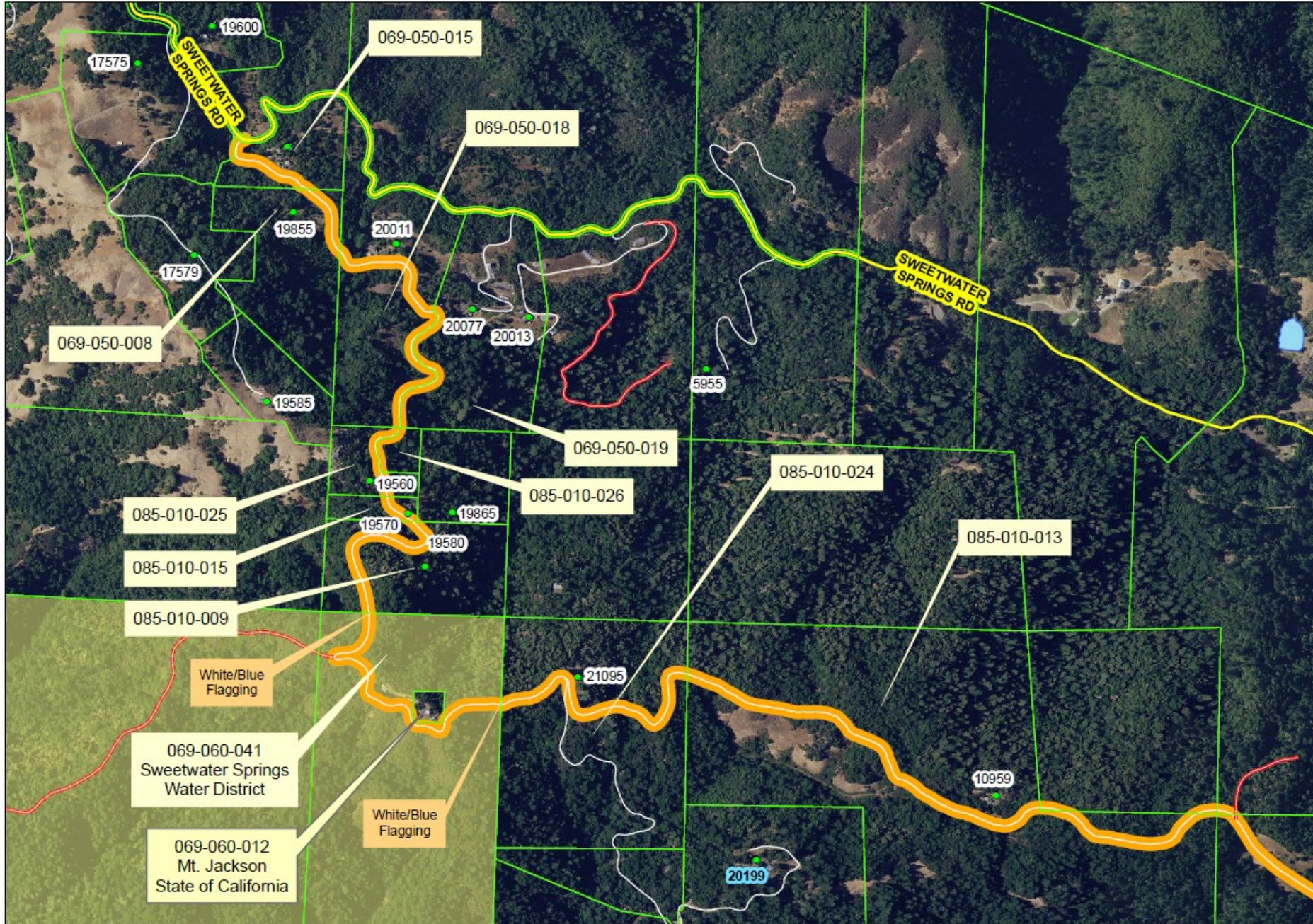


Phase I (Priority Project)

Vegetation Management Near Public Safety Towers

Phase I

- On State property and adjacent Sweetwater Springs Water District (SSWD) property
- Also involves cut vegetation that was left along the access roads from Walbridge on SSWD property
- Nearing completion



**MT. JACKSON
VEGETATION MANAGEMENT
MAP 1**



DRAFT



Increase
Understory
Vegetation
Management
Downhill with
Pile/Burning
on Flat Ground



Remove
Limb(s)


Remove
Tree

Limb Up
Tree to
Minimum
of 10 feet

Remove
Tree

Remove
Tree





Remove any
Small/Dead
Trees within
our Capability

Increase
Understory
Vegetation
Management
Downhill with
Pile/Burning
on Flat Ground

Remove any
Small/Dead
Trees within
our Capability

Public
Safety
Tower
(State)



Complete
Understory
Vegetation
Management
Downhill to
Road



Limb Up
Tree to
Minimum
of 10 feet

Limb Up
Tree to
Minimum
of 10 feet

Limb Up
Tree to
Minimum
of 10 feet

Remove

Remove
Tree



Chip
and/or
Pile/Burn

Clear Tree
Chip
and/or
Pile/Burn

Chip
and/or
Pile/Burn



Chip
and/or
Pile/Burn

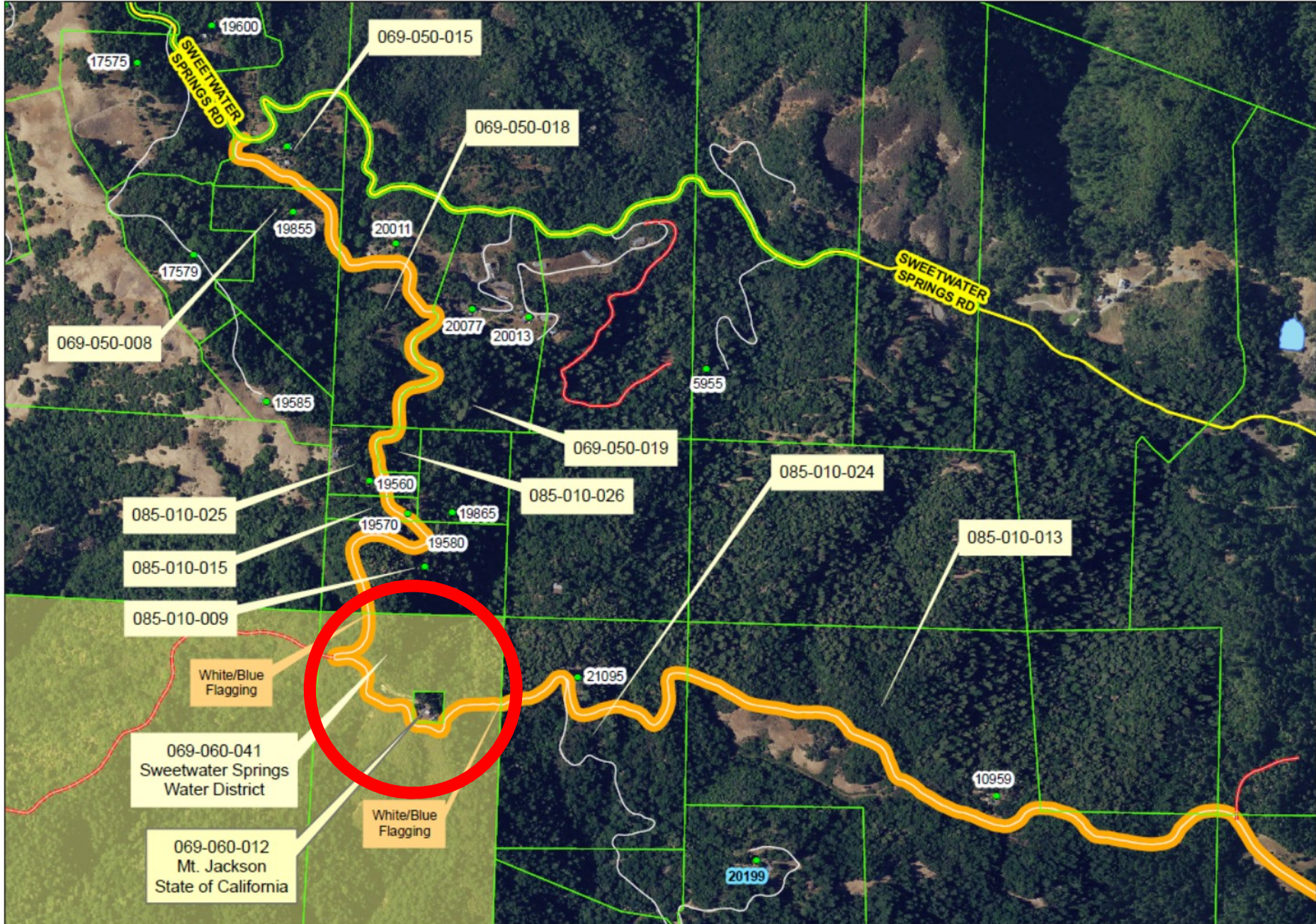


Phase II

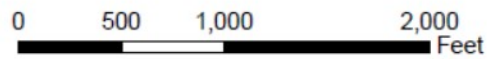
Vegetation Management Along Access Road on SSWD Property

Phase II

- Completed where work was also part of Phase I
- More work to be done
- SSWD property marked with blue/white checkered flagging along road



**MT. JACKSON
VEGETATION MANAGEMENT
MAP 1**



DRAFT

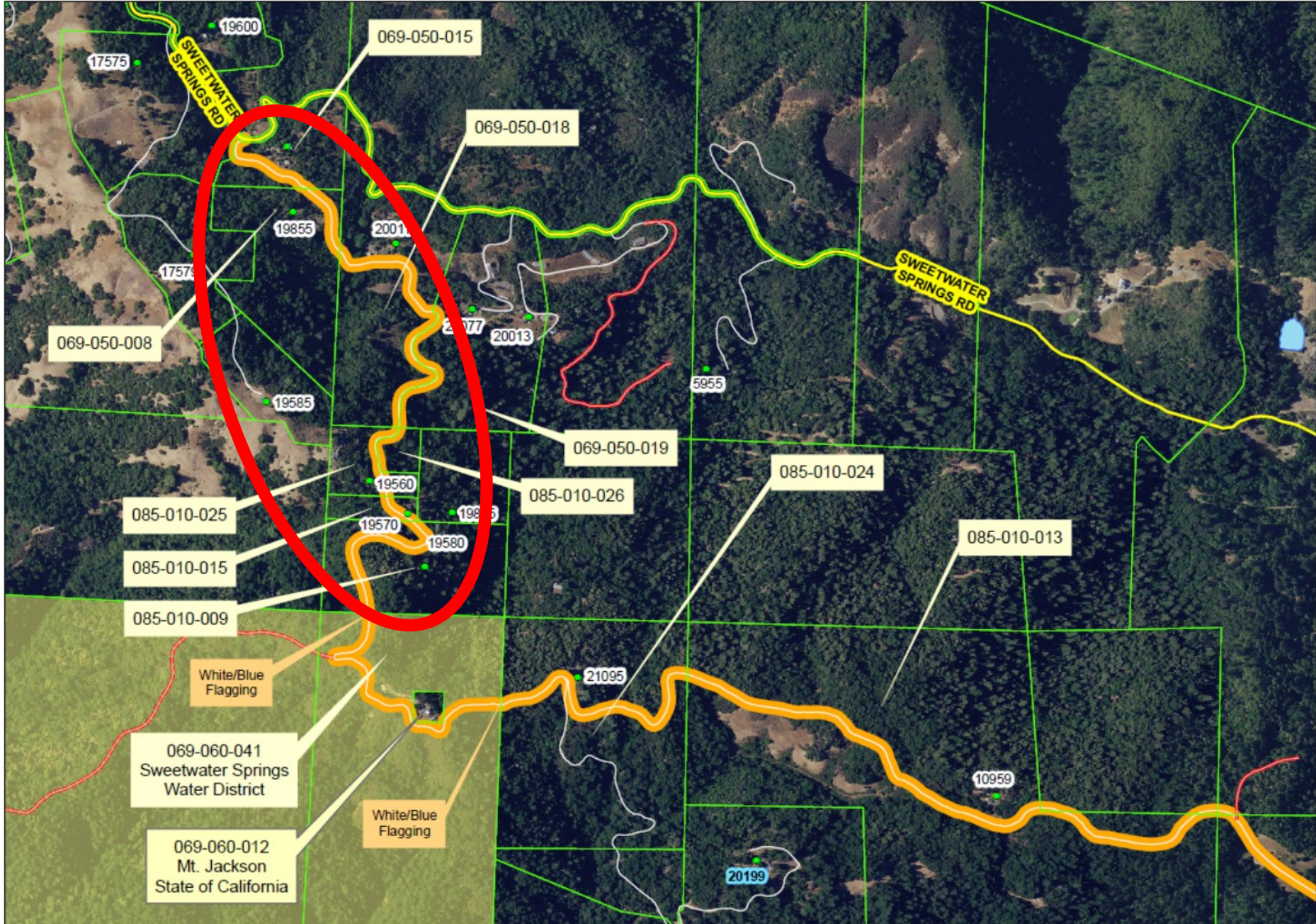


Phase III

Clearing Along Access Road from SSWD Property to Sweetwater Springs Road

Phase III

- Approximately 0.75 miles of access road with varying vegetation management needs
- Brion Borba working on landowner permission to perform vegetation management up to 30 feet from edges of the road



**MT. JACKSON
VEGETATION MANAGEMENT
MAP 1**



DRAFT

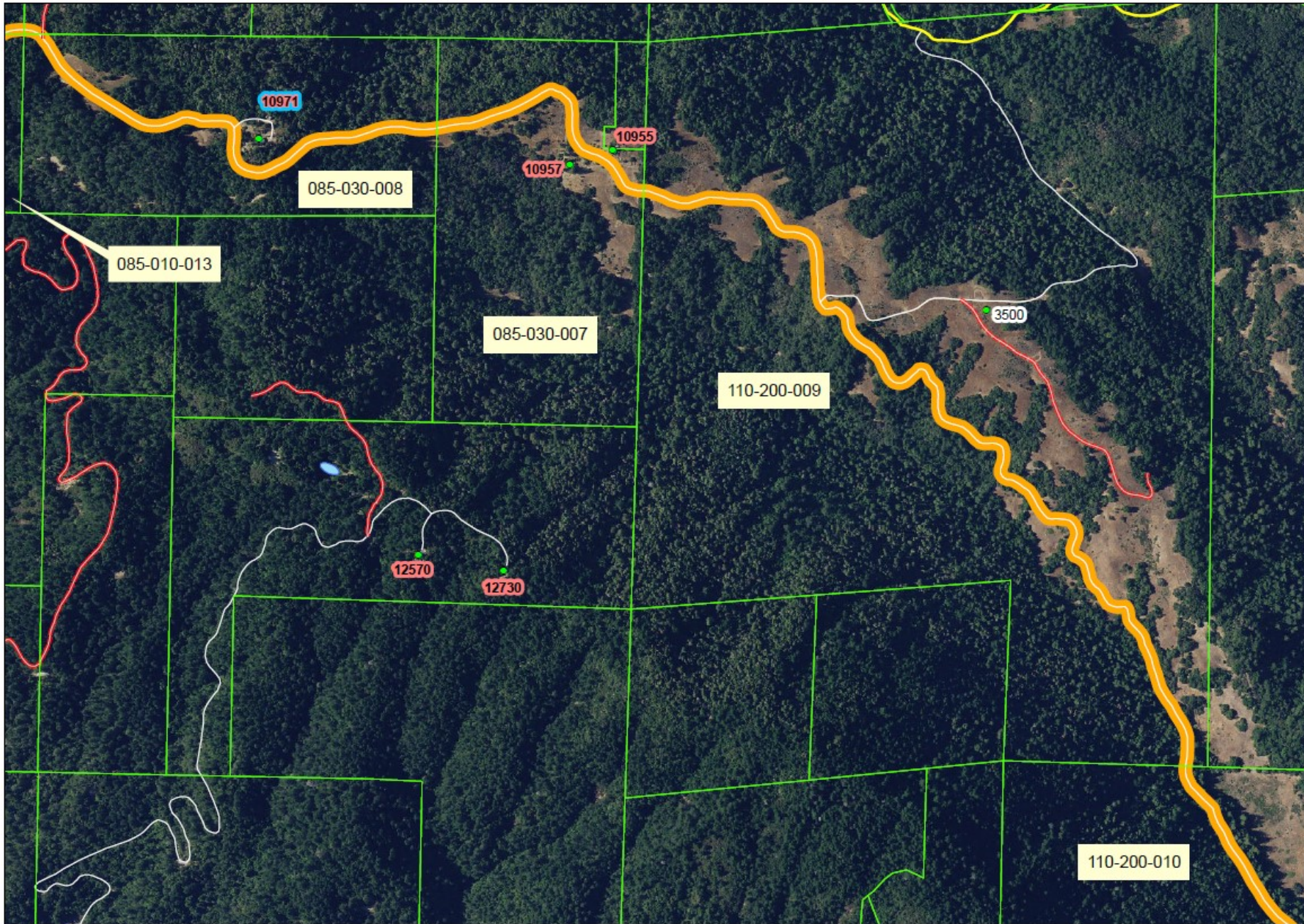


Phase IV

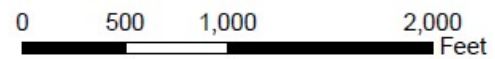
Clearing Along Access Road from SSWD Property to Westside Road

Phase IV

- Project has been introduced as a concept to property owners and has property owner support
- No additional planning has been performed
- Work may not occur until Spring or Summer of 2021
- Road between 21095 Sweetwater Springs Road and 10959 Westside Road is not normally maintained and was opened during the Walbridge Fire.
 - **Do not travel on this road until after significant drying**

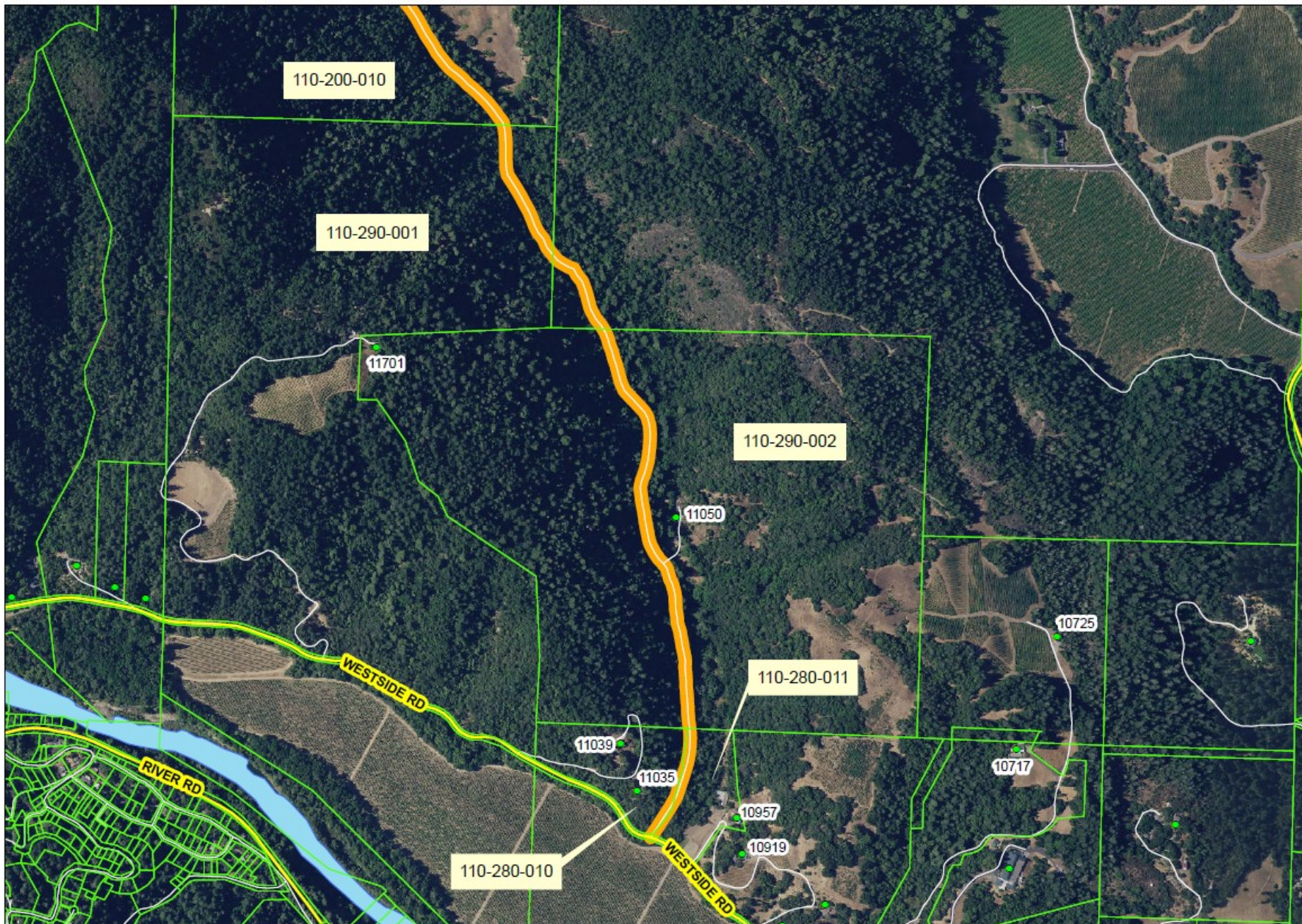


**MT. JACKSON
VEGETATION MANAGEMENT
MAP 2**

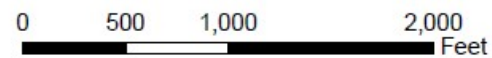


DRAFT





**MT. JACKSON
VEGETATION MANAGEMENT
MAP 3**



DRAFT



SWEETWATER SPRINGS WATER DISTRICT

TO: Board of Directors

AGENDA NO. V-B

FROM: Ed Fortner, General Manager

Meeting Date: May 6, 2021

SUBJECT: Discussion/ Action re Drought Emergency Declaration

RECOMMENDED ACTION: Receive report on the drought conditions and the Drought Emergency Declaration declared for Sonoma and Marin Counties.

FISCAL IMPACT: unknown

DISCUSSION:

The last two years have been record drought years. Guerneville rain totals in 2019/2020 was just over sixteen inches and in the 2020/2021 rain year (October 2020 – October 2021) has been just over fifteen inches. The average annual rainfall for Guerneville is forty-four inches. These record dry conditions have resulted in record low levels in Lake Sonoma and Lake Mendocino, the two primary lakes that release into the Russian River. Sweetwater Springs pumps from the underflow of the Russian River in Guerneville at the el Bonita well station and at the Monte Rio well station.

Due to the record two-year drought, Governor Newsome issued a drought emergency declaration April 21st and the Sonoma County Board of Supervisors declared a drought emergency on April 27th. There are no mandatory water use restrictions at this time.

I met with Don Seymour, P.E. and Jay Jasperse with Sonoma County Water Agency on April 28th to discuss the extreme drought conditions the region faces. I invited Don to present the state of the lake storage and water shortages that the region faces. Don is the Water Agency Principal Engineer.



Sonoma Water

Clean. Reliable. Essential. Every Day.

Russian River Water Supply Conditions

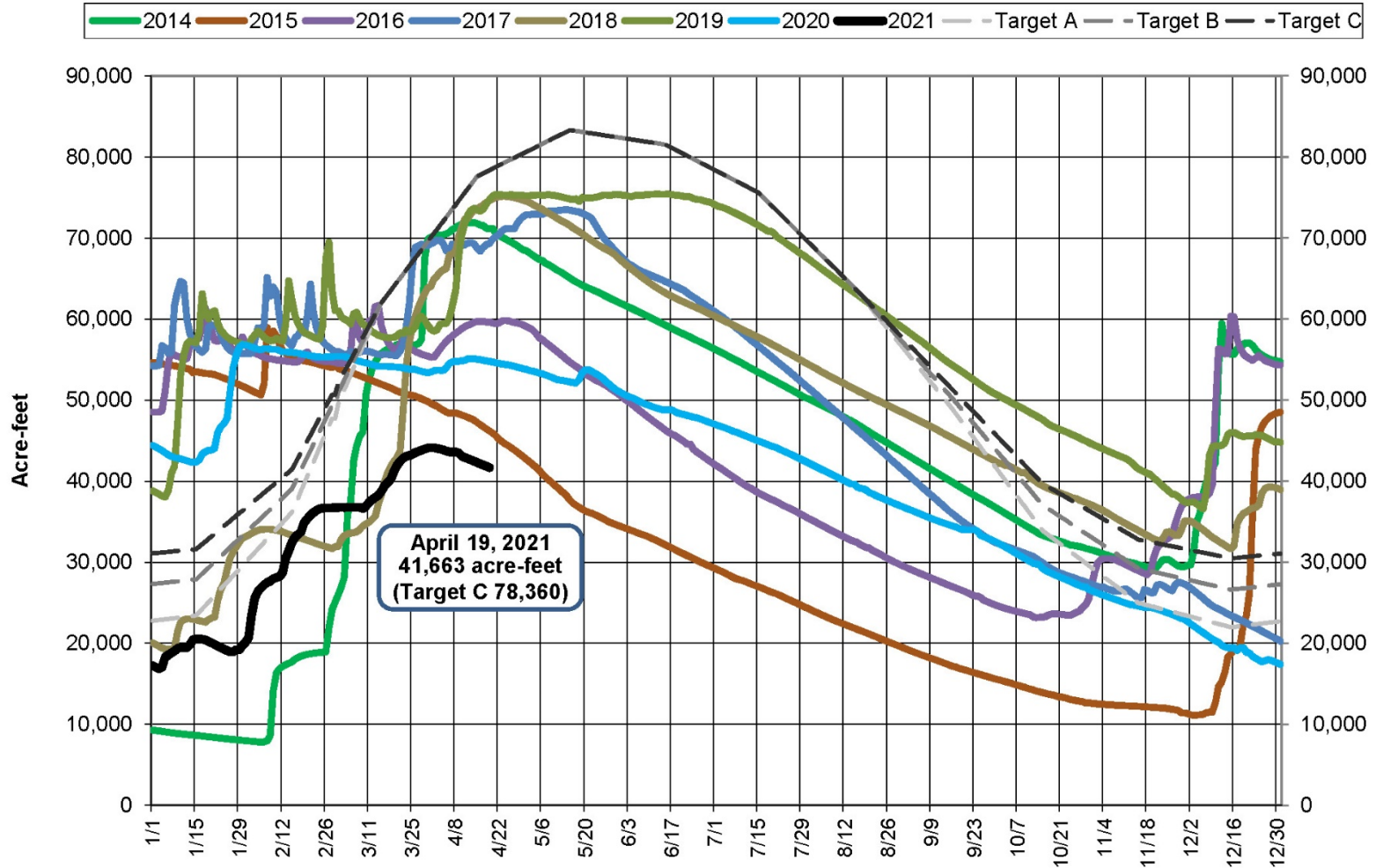
May 6, 2021

Don Seymaour, P.E.

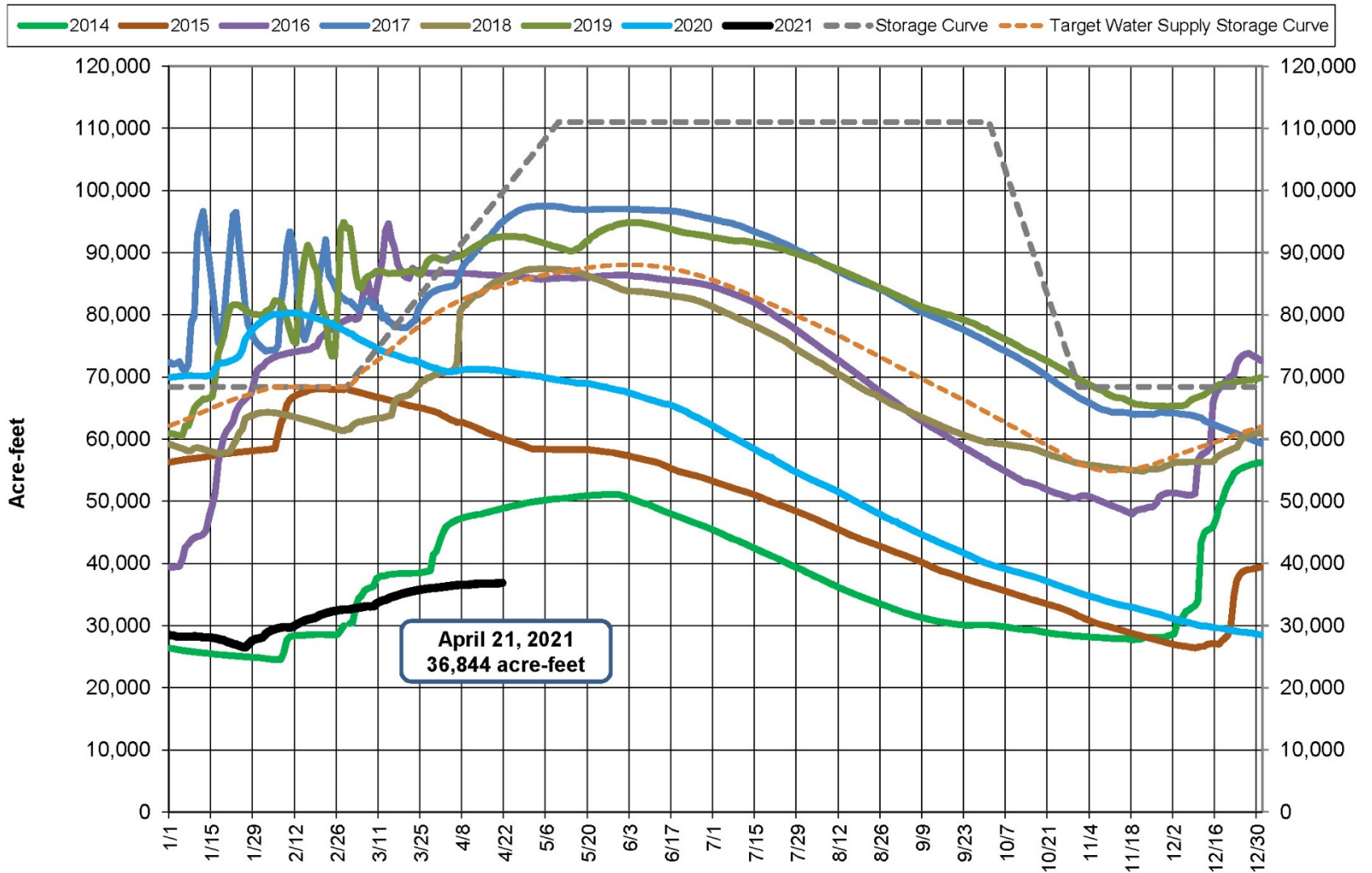
Water Agency Principal Engineer



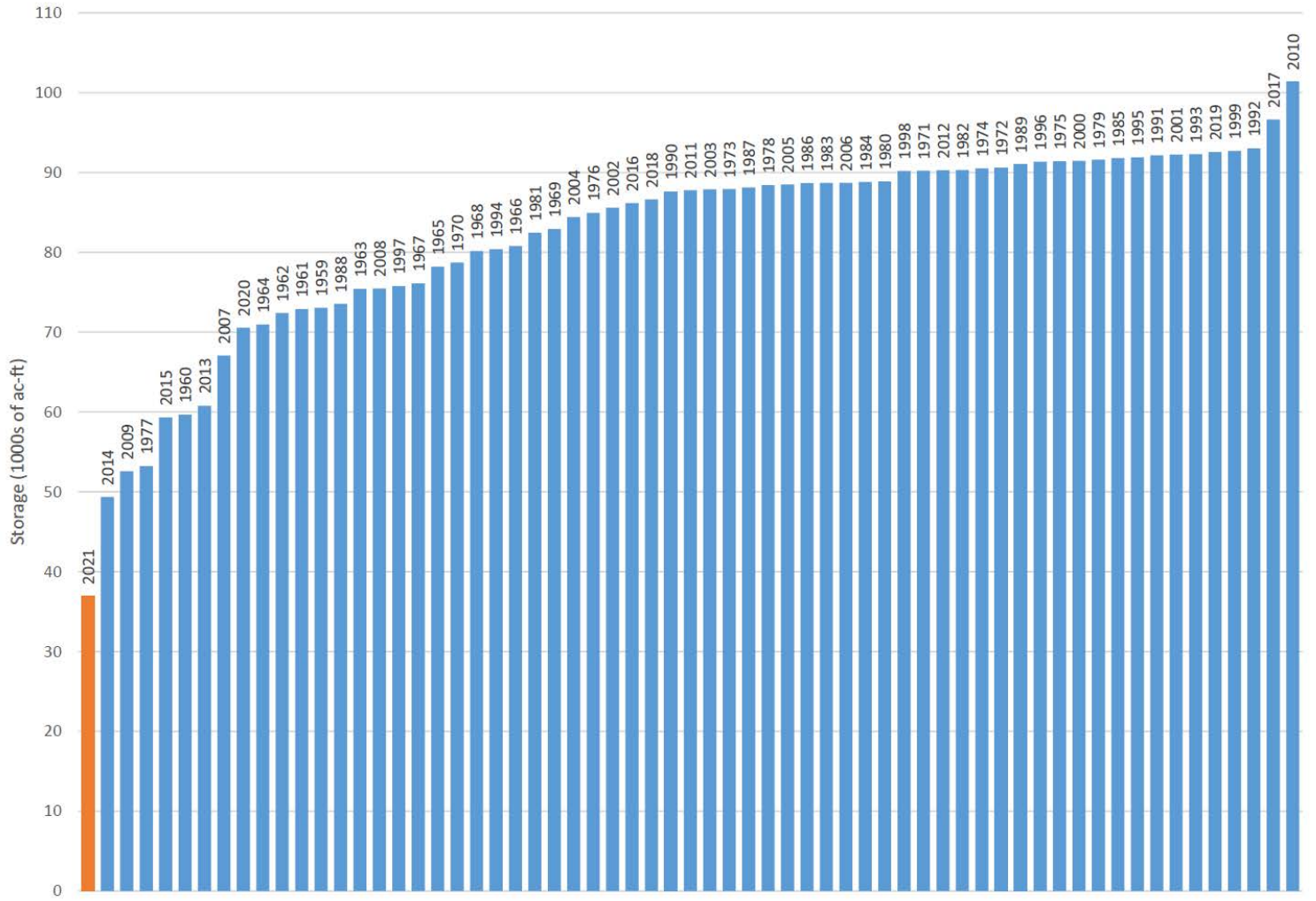
Lake Pillsbury Storage and Target Storage Scenarios



Lake Mendocino Storage

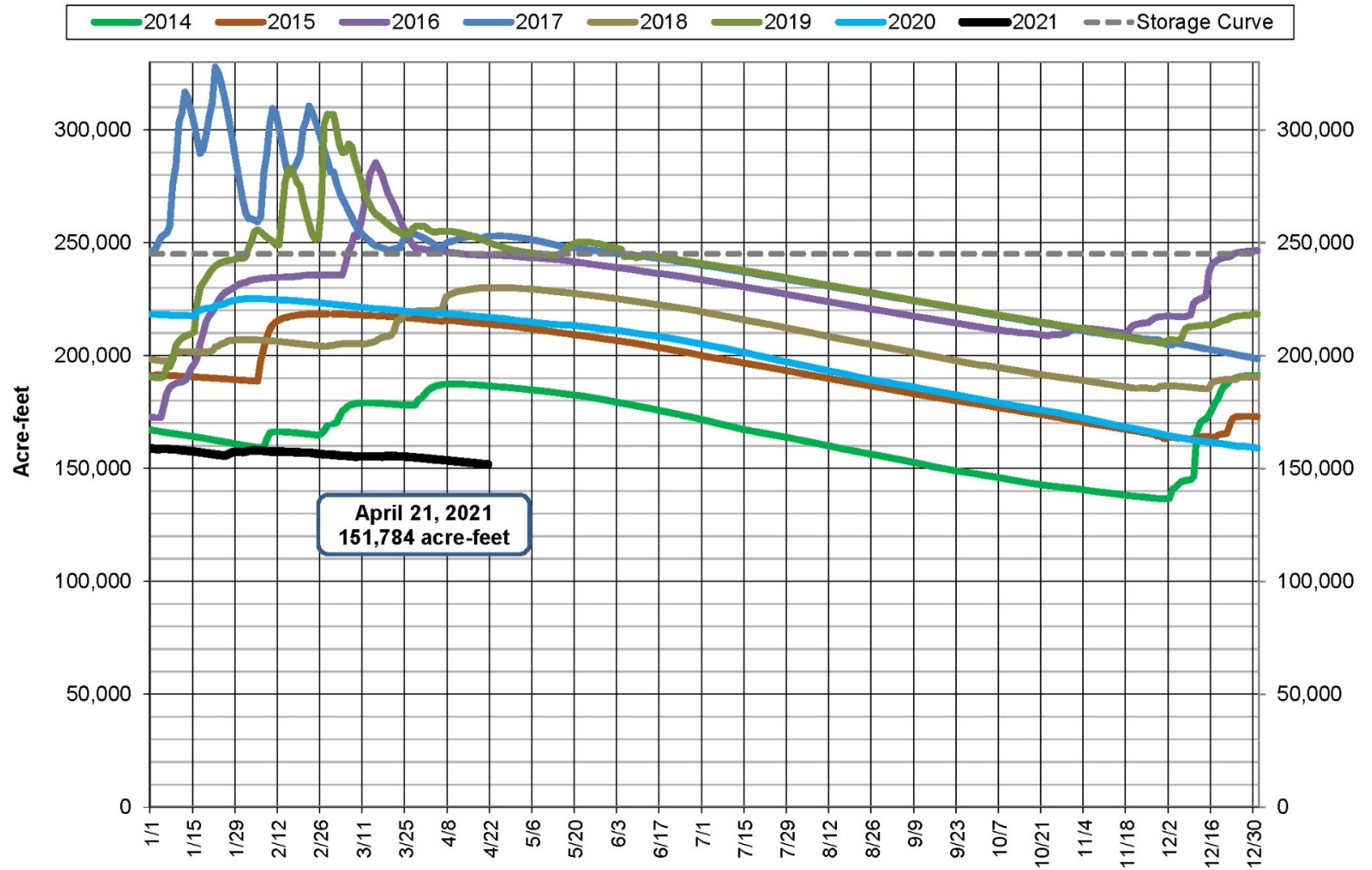


Lake Mendocino Storage on April 26 (1959-2021)

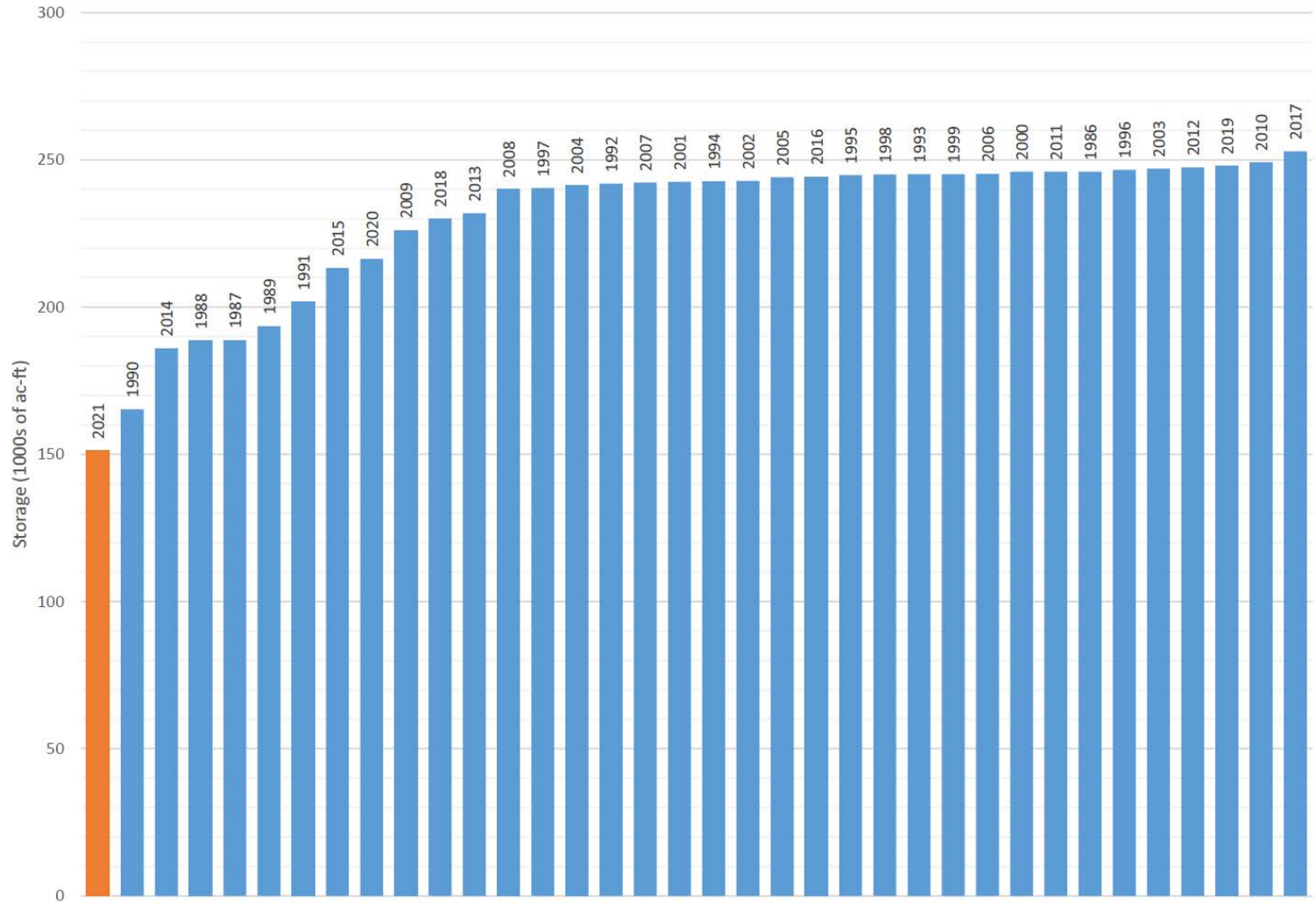


3

Lake Sonoma Storage



Lake Sonoma Storage on April 26 (1986-2021)



SWEETWATER SPRINGS WATER DISTRICT

TO: Board of Directors

AGENDA NO. V-C

FROM: Ed Fortner, General Manager

Meeting Date: May 6, 2021

SUBJECT: ACTUAL VS. BUDGETED (OPERATIONS AND CAPITAL) REPORT THRU MARCH 31, 2021 (75%)

RECOMMENDED ACTION:
(Discussion item only.)

FISCAL IMPACT:
(None.)

DISCUSSION:

This report presents the 3rd quarter actual revenues and expenses. This comprises 75% of the year by time and so we compare the revenues and expenses to that standard.

Operating Budget:

3Q Revenue is greater than 75% of budgeted amount.

Water Sales, the largest revenue line item, came in at 2.04% (\$56,039) ahead of the 75% schedule. As of the end of the third quarter, we have sold about 7.7% more water (14,337 units more) this year compared to last year. This is a level of water sold that we haven't seen since FY 2013-14.

Overall revenues are 6.18% (\$209,179) more than budgeted, skewed favorably by the receipt of \$500,000 in policy reserve proceeds used to pay down District UL. All revenue line items -- but particularly Construction New Services/Upgrades -- are ahead of budgeted amounts except for interest earnings. Of note this quarter in the Misc. Income category, the District was paid \$9,803 by SDRMA for one of our utility trucks which was totaled earlier this year.

3Q Expenditures are higher than 50% of budgeted amount.

As of the 3Q expenditures are 3.4% (\$114,041) more than budgeted., an improvement from last quarter. As was discussed last quarter, three

large operating expenses were paid in the 2Q as a lump sum driving total expenses up. They were:

- (1) \$500,000 UL extra payment;
- (2) \$44,049 for a new truck;
- (3) \$135,000 Policy Reserve loan payment

The unfavorable impact of larger expenses paid in full including the ones noted above and others which are paid at the beginning of the year – such as insurance -- will diminish as the fiscal year draws to a close.

For more detail on all the budget line items, please refer to the attached Actual vs. Budgeted breakdown provided with your packet.

Capital Budget:

The 3Q Capital Budget (Table 2) is typical the 3rd Quarter - we have received the first installment of the annual assessment from the county and made the first payments on our debt. The second installment of the annual assessment which we will receive soon will balance the debt expenses. We have received \$93,283.35 from the CDBG funding of the FY 2020-2021 CIP. New construction revenue is up due to the West County Health center. We also paid off the State Loan early and have made the annual payments on all debt service. Balancing of the funds will occur as we near the end of the fiscal year.

FUNDS AT THE COUNTY

Table 3. Fund and Loan Balances show a comparison of the budgeted and 3rd Quarter balances. Also attached is the County Fund Balances for the 3rd Quarter. Table 3 includes all the funds listed in the County Fund Balances and also the funds at PARS and the USDA Bond Debt at WestAmerica. Table 3 is typical for the 3rd Quarter of the fiscal year. Funds above reserve policy are at \$1,823,723.45.

Sweetwater Springs Water District

FY 2020-21 Operating Budget Variances as of March 31, 2021 (75%)

Note: Document is cumulative. Changes to text made from previous reports are "d in the "Changed" column and underlined.

	FY 2020-21 Actual	2020-21 Budget	\$ Over Budget for the Year	% of Budget	Notes (Underlined notes reflect changes since last report)	*=Ch ged
Ordinary Income/Expense						
Income						
OPERATING REVENUE						
4031 - Water Sales						
4031.10- Base Rate	1,301,346	1,728,369	-427,023	75.29%		
4031.11- Current Charges	575,622	700,541	-124,919	82.17%		
4031.12- Capital Debt Reduction Charge	238,183	316,573	-78,390	75.24%		
Total 4031 - Water Sales	<u>2,115,151</u>	<u>2,745,483</u>	<u>-630,332</u>	<u>77.04%</u>	This is a cash water sales figure.	
Total OPERATING REVENUE	<u>2,115,151</u>	<u>2,745,483</u>	<u>-630,332</u>	<u>77.04%</u>		
NON-OPERATING REVENUE						
1700 - Interest	4,071	16,000	-11,929	25.44%		
4448 - Policy Reserve Loan Proceeds	500,000	500,000	0	100.0%		
3600 - Construction New Services	6,282	7,000	-718	89.74%		
3601 - Construction - Service Upgrades	9,816	3,000	6,816	327.21%	This line item was underbudgeted this year.	
4032 - Rent	99,236	110,810	-11,574	89.56%		
4040 - Miscellaneous Income	12,468	1,500	10,968	831.19%		
Total NON-OPERATING REVENUE	<u>631,873</u>	<u>638,310</u>	<u>-6,437</u>	<u>98.99%</u>		
Total Income	<u>2,747,024</u>	<u>3,383,793</u>	<u>-636,769</u>	<u>81.18%</u>		
Expense						
OPERATING EXPENSES						
SALARY & BENEFITS						
Salary						
5910 - Wages	601,545	835,000	-233,455	72.04%		
5912 - Overtime	30,197	37,000	-6,803	81.61%		
5916 - On-Call Pay	28,840	37,000	-8,160	77.95%		
5918 - Extra help - Contract	27,950	36,000	-8,050	77.64%		
Total Salary	<u>688,533</u>	<u>945,000</u>	<u>-256,467</u>	<u>72.86%</u>		
Benefits						
5500 - Flex Spending (Flex spending monies)	-2,897	0	-2,897	100.0%		
5920 - Retirement net employee share	50,135	87,000	-36,865	57.63%	This line item was overbudgeted this year.	
5920.4 - Retirement - UL Mandatory	34,552	34,854	-302	99.13%	In the 1Q, the mandatory UL payment was paid for the year.	
5920.5 - Retirement - UL Extra payment	500,000	500,000	0	100.0%		
5922 - Payroll Taxes - Employer Paid	10,871	16,000	-5,129	67.94%		
5930 - Health/Dental/Vision/AFLAC Ins.	179,300	240,000	-60,700	74.71%	In the 1Q, Health ins. Pd thru October.	
5931 - Retiree Health	8,898	9,800	-902	90.8%	In the 1Q, annual contribution to CERBT (\$3,000) made.	
5941 - Life insurance - GM	1,000	1,000	0	100.0%		
5940 - Workers Comp Insurance	20,508	38,000	-17,492	53.97%	In the 1Q, workers' compensation insurance was paid for the year. This item was overbudgeted this year.	
Total Benefits	<u>802,367</u>	<u>926,654</u>	<u>-124,287</u>	<u>86.59%</u>		
Total SALARY & BENEFITS	<u>1,490,899</u>	<u>1,871,654</u>	<u>-380,755</u>	<u>79.66%</u>		
SERVICES & SUPPLIES						
Communications						
6040-I - Internet service	2,503	2,700	-197	92.71%		
6040-C - Cell Phones	3,276	4,600	-1,324	71.23%		
6040-P - Pagers & Radios	203	200	3	101.35%		

Sweetwater Springs Water District
FY 2020-21 Operating Budget Variances as of March 31, 2021 (75%)

Note: Document is cumulative. Changes to text made from previous reports are "d in the "Changed" column and underlined.

	<u>FY 2020-21 Actual</u>	<u>2020-21 Budget</u>	<u>\$ Over Budget for the Year</u>	<u>% of Budget</u>	<u>Notes (Underlined notes reflect changes since last report)</u>	<u>*=Ch ged</u>
6040-T · Telephones	16,769	24,000	-7,231	69.87%	-	
Total Communications	22,751	31,500	-8,749	72.23%		
Insurances						
6101 · Gen. Liability	64,397	46,000	18,397	139.99%	In the 1Q, paid for the year. Underbudgeted this year.	
Total Insurances	64,397	46,000	18,397	139.99%		
Maint/Rep - Office & Vehicles						
6140 · Vehicle Maintenance	14,086	21,000	-6,914	67.08%	-	
6151 · Office Maintenance	3,949	6,000	-2,051	65.83%		
Total Maint/Rep - Office & Vehicles	18,036	27,000	-8,964	66.8%		
Maint/Repair - Facilities						
6085 · Janitorial Services	6,813	9,000	-2,187	75.71%		
6100 · SCADA system	1,313	5,000	-3,687	26.26%		
6180 · Distribution System Repairs	22,096	50,000	-27,904	44.19%	-	
6235 · Treatment Sys/Well Repairs	11,932	75,000	-63,068	15.91%		
6143 · Generator Maintenance	1,825	4,000	-2,175	45.63%		
Total Maint/Repair - Facilities	43,980	143,000	-99,020	30.76%		
Miscellaneous Expenses						
6280 · Memberships	9,751	11,000	-1,249	88.65%		
6303 · Claims	0	1,500	-1,500	0.0%		
6593 · Governmental Fees	17,158	19,000	-1,842	90.31%		
Total Miscellaneous Expenses	26,910	31,500	-4,590	85.43%		
Office Expense						
6410 · Postage	12,374	19,000	-6,626	65.12%		
6430 · Printing Expense	6,099	8,000	-1,901	76.24%	-	
6461 · Office Supplies	4,237	6,000	-1,763	70.61%	-	
6800 · Subscriptions/Legal Notices	1,005	1,100	-95	91.4%		
6890 · Computers/Software	4,280	2,500	1,780	171.2%	In the 1Q the District purchased laptops and VPN equipment to prepare for the possibility of working at home during Covid. (\$2,644). These expenses were not budgeted.	
Total Office Expense	27,995	36,600	-8,605	76.49%		
Operating Supplies						
6300 · Chemicals	5,171	20,000	-14,829	25.85%	-	
6880 · Tools and Equipment	2,972	7,000	-4,028	42.46%		
6881 · Safety Equipment	867	2,000	-1,133	43.36%		
Total Operating Supplies	9,010	29,000	-19,990	31.07%		
Professional Services						
6514 · Lab/Testing Fees	7,532	12,500	-4,968	60.26%		
6570 · Consultant Fees	50,877	52,000	-1,123	97.84%	-	
6590 · Engineering	2,660	0	2,660	100.0%	In the 2Q, the District contracted with Coastland for task-related engineering services.	
6610 · Legal	14,184	30,000	-15,816	47.28%		
6630 · Audit/Accounting	27,686	35,000	-7,314	79.1%		
Total Professional Services	102,939	129,500	-26,561	79.49%		

Sweetwater Springs Water District

FY 2020-21 Operating Budget Variances as of March 31, 2021 (75%)

Note: Document is cumulative. Changes to text made from previous reports are "d" in the "Changed" column and underlined.

	FY 2020-21 Actual	2020-21 Budget	\$ Over Budget for the Year	% of Budget	Notes (Underlined notes reflect changes since last report)	*=Ch ged
Rents & Leases						
7913 · Policy Reserve Loan	135,000	135,000	0	100.0%		
6820 · Equipment	1,007	3,300	-2,293	30.51%		
6840 · Building & Warehouse	25,939	32,000	-6,061	81.06%	1Q Bldg. rent paid thru October.	
Total Rents & Leases	161,946	170,300	-8,354	95.1%		
Transportation & Travel						
7120 · Seminars & related travel	1,000	5,000	-4,000	20.0%		
7201 · Vehicle Gas	15,134	24,000	-8,866	63.06%		
7300 · Travel Reimbursements	4,823	7,000	-2,177	68.9%		
Total Transportation & Travel	20,957	36,000	-15,043	58.22%		
Uniforms						
6021.1 · Boots	1,383	1,500	-117	92.18%		
6021.3 · T-shirts	1,618	1,800	-182	89.9%	In the 1Q, t-shirts were purchased for the year.	
6021.4 · Jackets	93	240	-147	38.61%		
Total Uniforms	3,093	3,540	-447	87.39%		
Utilities						
7320 · Electricity	94,428	115,000	-20,572	82.11%		
7321 · Propane	1,854	3,000	-1,146	61.8%		
Total Utilities	96,282	118,000	-21,718	81.6%		
Total SERVICES & SUPPLIES	598,295	801,940	-203,645	74.61%		
Total OPERATING EXPENSES	2,089,195	2,673,594	-584,399	78.14%		
FIXED ASSET EXPENDITURES						
8511.1 · Tank/Facilities Sites	19,692	24,000	-4,308	82.05%		
8511.2 - Leasehold Improvements	0	0	0	0.0%		
8517 · Field/office equipment	6,170	9,500	-3,330	64.95%	In the 2Q the District purchased a (budgeted) color copier (\$6,170)	
8573 · Vehicles	47,677	50,000	-2,323	95.36%		
Total FIXED ASSET EXPENDITURES	73,540	83,500	-9,960	88.07%		
Total Expense	2,162,734	2,757,094	-594,360	78.44%		
Net Ordinary Income	584,290	626,699	-42,409	93.23%		
Other Income/Expense						
Other Expense						
TRANSFERS TO OTHER FUNDS						
8620.7 · Tfers to CIRF for CDR Revenue	316,573	316,573	0	100.0%		
8620.3 · Tfers to CIRF	0	270,000	-270,000	0.0%		
8620.5 · Tfers to Building Fund	0	15,000	-15,000	0.0%		
8620.2 · Tfers to In-House Constr	0	25,000	-25,000	0.0%		
Total TRANSFERS TO OTHER FUNDS	316,573	626,573	-310,000	50.53%		

Sweetwater Springs Water District
FY 2020-21 Capital Budget Variances as of March 31, 2021 (75%)

	<u>Jul 20 - Mar 21</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>	<u>Notes</u>
Income					
New Construction flat charges revenue	71,658.10	27,000.00	44,658.10	265.4%	
CY Direct Charges	405,606.19	710,000.00	-304,393.81	57.13%	
PY Direct Charges	11,254.93	40,000.00	-28,745.07	28.14%	
Interest Revenue	8,482.74	25,000.00	-16,517.26	33.93%	
Guernewood Park proceeds	5,000.00	0.00	5,000.00	100.0%	
Grant proceeds (CDBG)	93,283.35	0.00	93,283.35	100.0%	
Tfer from Operations - CDR	316,573.00	316,573.00	0.00	100.0%	
Tfer from Operations - In House Constr.	0.00	25,000.00	-25,000.00	0.0%	
Tfer from Operations - Surplus Income	0.00	270,000.00	-270,000.00	0.0%	
Total Income	<u>911,858.31</u>	<u>1,413,573.00</u>	<u>-501,714.69</u>	<u>64.51%</u>	
Expense					
In-House Construction	25,326.47	25,000.00	326.47	101.31%	
CIP 2021 (Main repl: Old River Rd; Woodland)	93,283.35	1,326,000.00	-1,232,716.65	7.04%	
Principal - State Loans	282,726.61	139,298.00	143,428.61	202.97%	
Principal Pymt -USDA Bonds	53,278.00	54,278.00	-1,000.00	98.16%	
Principal - Priv. Placemnt Loan	170,813.73	167,650.00	3,163.73	101.89%	
Principal-2013 Cap One Rev Bond	368,000.00	368,000.00	0.00	100.0%	
Capital Interest	249,764.40	319,908.00	-70,143.60	78.07%	
Total Expense	<u>1,243,192.56</u>	<u>2,400,134.00</u>	<u>-1,156,941.44</u>	<u>51.8%</u>	
Net Capital Income	-331,334.25	-986,561.00	655,226.75	33.59%	

Non-Operating Balances FY 2020-21 and Reserves Above Policy

Beginning balances: (Note: Warrants requested in FP 12 for last fiscal year are not subtracted from Cash until FP 1 of the next year. They are instead recorded as "Vendors Payable")												TOTAL at COUNTY ↓	GRAND TOTAL: COUNTY + USDA + PARS/CERBT	FY 2020-21 Policy Reserves: \$1,402,661 <small>Reserve Loans Outstanding: \$365,000 (Oct. 2019) \$500,000 (Nov 2020)</small>
NAME	CERBT <small>(Contributions are part of Reserves)</small>	PARS <small>(Contributions are part of Reserves)</small>	Operations	Bldg Fund <small>(part of Policy Reserves)</small>	FY 2020-21 POLICY RESERVES: \$1,402,661 <small>(\$257,293)</small>	In-house Construction	Capital Improvements	Guernewood Project Escrow Funds	State Loan 58340	Cap One Bonds and Citizens Bank Loan Debt	USDA Bond Debt <small>(at WestAmerica)</small>			POLICY RESERVES NET RESERVE LOANS: \$537,661
Fund	CONTRIBUTIONS: \$39,518	CONTRIBUTIONS: \$200,000	76751	76752	76753	76755	76756	76757	76759	76762				
Dep't			7106 0100	7106 0200	7106 0300	7106 0500	7106 0600	7106 0700	7106 0900	7106 1200				Reserves Above Policy:
FP1-Jul	\$47,203.17	\$221,675.97	\$15,691.50	\$40,850.00	\$622,991.00	\$39,096.86	\$884,672.93	\$0.00	\$147,272.38	\$730,925.86	\$149,332.13	\$2,481,500.53	\$2,899,711.80	\$1,888,732.12
FP2-Aug	\$47,203.17	\$236,316.81	\$15,691.50	\$40,850.00	\$622,991.00	\$38,738.55	\$884,672.93	\$0.00	\$147,272.38	\$115,478.23	\$149,337.19	\$1,865,694.59	\$2,298,551.76	\$1,395,890.76
FP3-Sept	\$52,881.70	\$231,619.37	\$15,691.50	\$40,850.00	\$622,991.00	\$38,738.55	\$877,819.43	\$0.00	\$73,963.37	\$182,229.44	\$85,054.97	\$1,852,283.29	\$2,221,839.33	\$1,319,178.33
FP4-Oct	\$52,881.70	\$228,921.10	\$67,758.39	\$40,850.00	\$757,991.00	\$38,738.55	\$730,910.55	\$0.00	\$214,646.84	\$182,229.44	\$85,056.36	\$2,033,124.77	\$2,399,983.93	\$1,362,322.93
FP5-Nov	\$52,881.70	\$246,276.17	\$214,758.39	\$40,850.00	\$257,991.00	\$38,738.55	\$709,447.15	\$0.00	\$0.00	\$182,229.44	\$85,057.80	\$1,444,014.53	\$1,828,230.20	\$1,290,569.20
FP6-Dec	\$58,694.23	\$253,019.12	\$23,185.39	\$40,850.00	\$257,991.00	\$17,103.47	\$1,440,505.27	\$0.00	\$0.00	\$182,229.44	\$42,789.77	\$1,961,864.57	\$2,316,367.69	\$1,778,706.69
FP7-Jan	\$58,694.23	\$252,865.54	\$24,508.20	\$40,850.00	\$257,991.00	\$17,103.47	\$1,415,550.43	\$5,000.00	\$0.00	\$73,908.23	\$42,790.45	\$1,834,911.33	\$2,189,261.55	\$1,651,600.55
FP8-Feb	\$58,694.23	\$256,801.04	\$124,508.20	\$40,850.00	\$257,991.00	\$13,770.39	\$1,404,531.23	\$4,520.00	\$0.00	\$851.33	\$42,791.11	\$1,847,022.15	\$2,205,308.53	\$1,667,647.53
FP9-Mar	\$59,949.00	\$261,010.87	\$124,508.20	\$40,850.00	\$257,991.00	\$13,770.39	\$1,555,141.78	\$4,520.00	\$0.00	\$851.33	\$42,791.88	\$1,997,632.70	\$2,361,384.45	\$1,823,723.45
FP10-Apr														
FP11-May														
FP12-Jun														
FP 13 (FINAL)														

**** Available Funds:** 76758 and 76759 (State Loan reserve funds); 76754 (Fed Loan); 76757 (Guernewood Park); 76761 (Cap and Debt policy reserve) (These columns are hidden)
***** Starting FY 2017-18, Bldg Fund and PARS considered part of Reserves; Starting FY 2019-20, CERBT is also part of reserves, but only the contributions (not earnings) to PARS and CERBT are included**

SWEETWATER SPRINGS WATER DISTRICT

TO: Board of Directors

AGENDA NO. V-D

FROM: Ed Fortner, General Manager

Meeting Date: May 6, 2021

SUBJECT: DRAFT FY 2021-2022 BUDGET REPORT

RECOMMENDED ACTION: Receive the draft Budget Report and discuss any outstanding issues regarding the Draft District FY 2021-2022 Budget, including the District's proposed water rates based on a 5% increase, and provide direction to staff and the *ad hoc* Budget subcommittee.

FISCAL IMPACT: Provides financial direction for FY 2021-2022.

DISCUSSION:

The draft FY 2021-2022 Budget was presented at the April meeting. At the meeting we discussed budget issues, the proposed water rate increases, and the line item details of the proposed FY21 Budget. During the discussion several items were highlighted, among them was the 5% rate increase and the UL expense prepayment. Highlights of the FY 2021-2022 Budget include:

- A 5% increase in the Water Usage, Base Rate and Capital Debt Reduction Charges. This is the ninth year of the nine-year plan to increase capital funding to a sustainable level.
- Water sales are projected to be flat.
- FY 2021-2022 CIP, Water Main Replacement of ~3,600' on Old River Rd. at \$1,280,000.
- The transfer to the Capital Improvement Reserve Fund (CIRF) of \$430,000.

The Proposition 218 notices were mailed by April 19th, ~3,600 notices were mailed to all property owners. As of April 30, 58 protests have been received.

Exhibit A is the draft FY 2021-2022 Budget Report. It includes a summary of the budget detail, the revenues and expense pie charts and discussion of notable budget items. This document plus information on the proposed 5% water rates increase will be on the District website. Please review the report and provide comments to staff either at the meeting or via email.

Table 1. FY 2021-2022 Budget Preparation Schedule	
Reviewed/ Approved Capital Improvement Program	January 2021, February 2021
Budget Committee Meetings	February- March 2021
Draft Budget to Board for Discussion/ Action, Including Direction on Water Rates	March 4, 2021
Prop 218 Notice Mailing for Water Rate Increase	April 19, 2021
Draft Budget to Board for Discussion/ Action	May 6, 2021
Approve Budget <ul style="list-style-type: none">• Prop 218 Public Hearing on Rates	June 3, 2021

1 Exhibit A DRAFT FY 2021-2022 OPERATING AND CAPITAL BUDGET											
						FY 19-20 FINAL (CASH)*	FY20-21 BUDGET	FY 20-21 Projected	FY 21-22 BUDGET	Difference FY21-F22 Budgets	FY 2021-22
3 DRAFT FY 2021-2022 OPERATING BUDGET											
4 REVENUE											
5 OPERATING REVENUE											
6 4031 - Water Bill Revenue											
7 4031.1 - Capital Debt Reduction Charge						299,453	316,573	316,573	332,402	15,829	5% rate increase based on projected
8 4031.1 - Water Sales - Base Rate						1,644,252	1,728,369	1,728,369	1,814,787	86,418	5% rate increase based on projected
9 4031.1 - Water Sales - Usage Charges + Other						635,637	700,541	700,541	735,568	35,027	Flat sales, 5% increase based on projected
10 4031.1 - Total Water Sales						2,579,342	2,745,483	2,428,910	2,550,356	(195,128)	
11 Total OPERATING REVENUE						2,579,342	2,745,483	2,745,483	2,882,757	137,274	
12 NON-OPERATING REVENUE											
13 4445 - Grant Proceeds						0	0			-	
14 4448 - Policy Reserve Loan proceeds						500,000	500,000	500,000	-	(500,000)	
15 1700 - Interest						17,662	16,000	8,000	10,000	(6,000)	
16 3600 - Construction New Services						31,041	7,000	35,000	7,000		changes from year to year
17 3601 - Construction Service Upgrades						9,783	3,000	11,000	5,000		changes from year to year
18 4032 - Rent						106,669	110,810	110,810	112,970	2,160	Crystal \$1361/mo = \$16,322 AT&T \$8054/mo = \$96,648
19 4040 - Miscellaneous Income						7,123	1,500	1,500	1,500	-	USBank CC returns So. City Credit
20 4117 - SCWA Reimbursement						2,995	-	-	-	-	SCWA contract over.
21 Total NON-OPERATING REVENUE						675,273	638,310	666,310	136,470	(501,840)	
22 Total Income						3,254,615	3,383,793	3,411,793	3,019,227	(364,566)	
23 EXPENSES											
24 OPERATING EXPENSES											
25 SALARY & BENEFITS											
26 Salary											
27 5910 - Wages						847,162	835,000	860,000	885,000	50,000	3% Wages increase as per MOU; Adds Account Clerk I
28 5912 - Overtime						30,230	37,000	33,000	34,000	(3,000)	3% Wages increase as per MOU
29 5916 - On-Call Pay						37,980	37,000	35,000	36,000	(1,000)	as per MOU
30 5918 - Extra help - Contract						37,286	36,000	35,000	37,000	1,000	Contract
31 Total Salary						952,658	945,000	963,000	992,000	47,000	
32 Benefits											
33 5500 - Flex Spending						2,549	0	0	0	-	
34 5920 - Retirement net EE sh						70,738	87,000	75,000	78,000	(9,000)	JK: ER Rates: 2% @ 55: 10.34%; 2% @ 62: 7.59% Est bi-weekly total: \$2,941 (ER Rate only) 2% @ 55: \$0 2% @ 62: \$1,385
35 5920.4 - Retirement UL						55,451	34,854	34,854	1,385	(33,469)	
36 5920.5 - Retirement UL						500,000	500,000	500,000	0	(500,000)	2% @ 62 plan
37 5922 - Payroll Taxes - Emplo						14,653	16,000	15,500	16,761	761	
38 5930 - Health/Dental/Vision/A						219,472	240,000	235,000	237,000	(3,000)	
39 5931 - Retiree health						8,784	9,800	9,800	11,700	1,900	Includes contribution to CERBT of \$3000; Per JK cost per retiree 2021 \$143; 2022 \$147 Total retirees: 5 44,290 + \$4,410 + \$3000=\$11,700
40 5940 - Workers Comp Insura						35,704	38,000	20,508	25,000	(13,000)	FY 2021-22 EMOD and rates unknown
41 5941 - Life Insurance (GM)						2,000	1,000	1,000	1,000	-	Per EF contract.
42 Total Benefits						909,351	926,654	891,662	370,846	(555,808)	
43 Total SALARY & BENEFITS						1,862,009	1,871,654	1,854,662	1,362,846	(508,808)	
44 SERVICES & SUPPLIES											
45 Communications											
46 6040-I - Internet service						2,818	2,700	2,700	3,500	800	Comcast -\$127/month; \$1524 GotoMyPC \$88/mo = \$1056 Sonic net \$72/mo = \$864 This year combined total for 3 6040-P (Radios) in this category.
47 6040-C - Cell Phones/Radios						4,018	4,600	4,600	5,200	600	Verizon \$100/mo: \$1200, GM-\$600 Misc parts/holders: \$200 Cell phone reimburse \$232/mo - \$2,784 Misc. parts/batteries for radios: \$200
48 6040-P - Radios						1,921	200	200	-	(200)	(Combined with 6040-C -Cell phones)
49 6040-T - Telephones						22,785	24,000	24,000	24,820	820	Ans. Service: \$2500 AT&T Phones: \$1,500/mo: \$18,000 Mitel Phones: \$360/mo=\$4,320
50 Total Communications						31,542	31,500	31,500	33,520	2,020	
51 Insurances											
52 6101 - Liability & Auto Ins.						45,300	46,000	64,397	65,000	19,000	
53 Total Insurances						45,300	46,000	64,397	65,000	19,000	
54 Maint/Rep - Office & Vehicles											
55 6140 - Vehicle Maintenance						6,657	21,000	15,000	18,000	(3,000)	
56 6151 - Office Maintenance						5,575	6,000	6,000	5,000	(1,000)	Alarm System - \$145/qtr.=\$580 SR Computers - \$195/mo = \$2340/year Copy mach. maint - 1200/yr Call One - \$300/yr Landscaping - \$300/yr Misc / Other - \$250
57 Total Maint/Rep - Office & Vehicles						12,232	27,000	21,000	23,000	(4,000)	

Exhibit A



Sweetwater Springs Water District

Annual Operating & Capital Improvement Budget

2021-2022 Fiscal Year
(For the period July 1, 2021 - June 30, 2022)

Board of Directors

Sukey Robb-Wilder, President
Gaylord Schaap, Vice President
Larry Spillane, Financial Coordinator
Richard Holmer
Tim Lipinski

General Manager
Ed Fortner

Sweetwater Springs Water District
Annual Operating & Capital Improvement Budget
2021-2022 Fiscal Year
Summary

In Fiscal Year 2021-2022 Sweetwater Springs Water District has budgeted operating expenses of \$2.186 million, debt repayment of \$782,537, capital improvement expenses of \$1.320 million and transfers to the capital reserve of approximately \$250,000. Figures 1 and 2 respectively show the distribution of these expenses and sources of funds to pay for these expenses.

Figure 1 Expenses FY 2021-2022
\$4,538,673

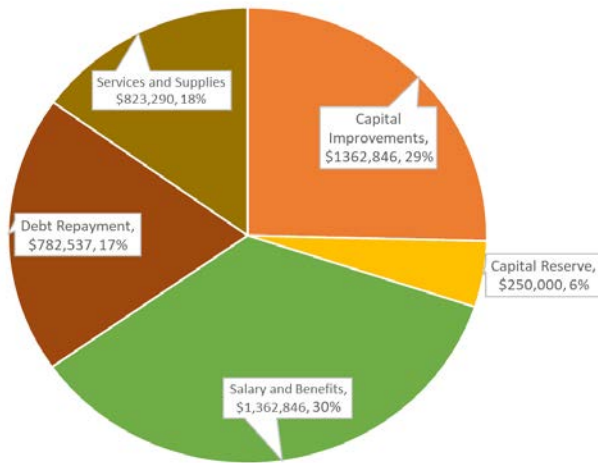


Figure 2 Revenue FY 2021-2022
\$5,643,461

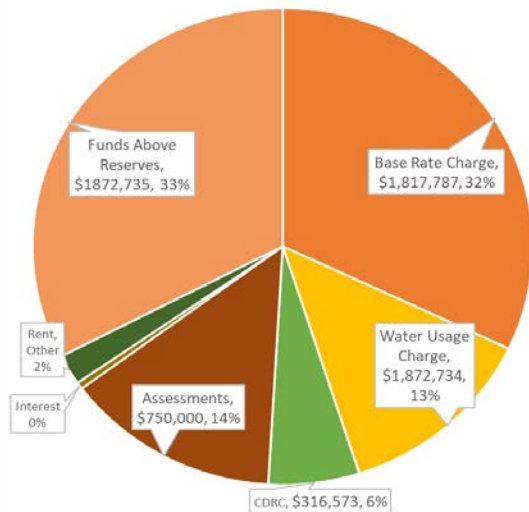


Table 1 is a summary of the FY 2021-2022 Budget which is described in detail in the following pages. The FY 2021-2022 Budget is similar in form and content to prior years' budgets. The FY 2021-2022 Budget includes the second year of recommended annual 5% rate increases for the Base Rate, Water Usage Charges, and Capital Debt Reduction Charge which are designed to develop sustainable capital project funding. These rate increases are recommended in the 2020 Bartle and Wells Rate Study. All annual rates are determined and approved annually by the District Board.

Table 1						FY 19-20 FINAL (CASH)*	FY20-21 BUDGET	FY 20-21 Projected	FY 21-22 BUDGET	Difference FY21-F22 Budgets
FY 2021-2022 OPERATING AND CAPITAL BUDGET SUMMARY										
1	REVENUE									
2	OPERATING REVENUE									
3	4031 - Water Bill Revenue									
4	4031.1. - Capital Debt Reduction Charge					299,453	316,573	316,573	332,402	15,829
5	4031.1. - Water Sales - Base Rate					1,644,252	1,728,369	1,728,369	1,814,787	86,418
6	4031.1. - Water Sales - Usage Charges + Other					635,637	700,541	700,541	735,568	35,027
7	4031.1. - Total Water Sales					2,579,342	2,745,483	2,428,910	2,550,356	(195,128)
8	Total OPERATING REVENUE					2,579,342	2,745,483	2,745,483	2,882,757	137,274
9	NON-OPERATING REVENUE									
10	Total NON-OPERATING REVENUE					675,273	638,310	666,310	136,470	(501,840)
11	Total Income					3,254,615	3,383,793	3,411,793	3,019,227	(364,566)
12	EXPENSES									
13	OPERATING EXPENSES									
14	SALARY & BENEFITS									
15	Total Salary					952,658	945,000	963,000	992,000	47,000
16	Total Benefits					909,351	926,654	891,662	370,846	(555,808)
17	Total SALARY & BENEFITS					1,862,009	1,871,654	1,854,662	1,362,846	(508,808)
18	Total SERVICES & SUPPLIES					589,958	801,940	777,137	823,290	21,350
19	Total OPERATING EXPENSES					2,451,967	2,673,594	2,631,799	2,186,136	(487,458)
20	OPERATING SURPLUS/DEFICIT					\$802,648	\$710,199	\$779,994	\$833,091	\$ 122,892
21	Total FIXED ASSET EXPENDITURES					203,593	83,500	76,170	29,000	(54,500)
22	Total TRANSFERS TO OTHER FUNDS					526,383	626,573	701,573	802,402	175,829
23	SURPLUS/DEFICIT					72,672	126	2,251	1,689	1,563
CAPITAL BUDGET SUMMARY										
24	REVENUE/SOURCES OF FUNDS									
25	1002 - Construction Flat Charges					44,512	27,000	27,000	27,000	-
26	1001 - Current Year Direct Charges					721,555	710,000	710,000	710,000	-
27	1061 - Past Year Direct Charges					20,708	40,000	40,000	40,000	-
28	1700 - Interest					27,387	25,000	25,000	25,000	-
29	4620.2 - Tfers from Operations (In-House Constr.)					25,000	25,000	25,000	25,000	-
30	4620.2 - Tfers from Operations (CDR)					296,383	316,573	316,573	332,402	15,829
31	4620.2 - Tfers from Operations (Surplus)					190,000	270,000	345,000	430,000	160,000
32	Grant Revenue							115,920		
33	TOTAL CAPITAL REVENUE					1,325,545	1,413,573	1,604,493	1,589,402	175,829
34										
35	EXPENSES									
36	DEBT PAYMENTS									
37	Gen. Obligation Bonds Principal					27,622	54,278	54,278	54,950	672
38	Cap One Revenue Bond Principal					359,000	368,000	368,000	296,500	(71,500)
39	State Loan Principal					135,235	139,298	282,727	-	(139,298)
40	Private Placement Loan Principal					162,570	167,650	167,650	176,887	9,237
41	Interest Expense					343,646	319,908	319,908	254,201	(65,707)
42	TOTAL DEBT PAYMENTS					1,028,074	1,049,134	1,192,563	782,537	(266,597)
43										
44	2019 CIP					62,472	-			
45	2021 CIP					0	1,326,000	503,550		25,000
46	2022 CIP								1,280,000	
47	In-House Construction Projects					14,904	25,000	25,000	40,000	25,000
48	TOTAL CONSTRUCTION EXPENSES					77,376	1,351,000	528,550	1,320,000	(31,000)
49	TOTAL CAPITAL EXPENSES					1,105,449	2,400,134	1,721,113	2,102,537	(297,597)
50	SURPLUS/DEFICIT					220,095	-986,561	-116,620	-513,136	473,425
51	FUND AND LOAN BALANCES (EOY)									
52	DISTRICT RESERVES AND FUND AND LOAN BALANCES									
53	Operating Budget Cash Reserve					123,508	262,174	262,174	327,920	65,746
54	Operating Budget Reserve (10%+15% of Operating Exp)					96,475	436,956	436,956	546,534	109,578
55	Debt Repayment Reserve (25% of Debt pmt)					102,315	258,777	258,777	195,634	(63,143)
56	Capital Reserve					250,000	250,000	250,000	250,000	-
57	Total District Policy					572,298	1,207,906	1,207,907	1,320,089	112,183
58										
59	TOTAL Reserves EOY					2,314,663	1,671,066	2,901,867	3,192,823	1,521,757
60	Reserves Above (below) Policy					1,742,365	463,159	1,693,960	1,872,734	1,409,575

FY 2021-2022 Fiscal Year Budget

The annual budget of the Sweetwater Springs Water District (SSWD) allows the District to accomplish its mission which is to provide its customers with quality water and service in an open, accountable, and cost-effective manner and to manage District resources for the benefit of the community and environment.

The District achieves its mission of producing good quality water by pumping Russian River underflow from five wells - 3 located at the Guerneville El Bonita well site and 2 located at the Monte Rio well site. That water is then treated in two separate treatment facilities at the Highlands site for Guerneville and the Monte Rio well site for Monte Rio and environs and distributed through approximately 68 miles of distribution pipes and 3600 service laterals of varying lengths and stored in 26 tanks and reservoirs. This system is managed, and its operation administered by the District staff of 11 full-time employees. The District has an aggressive capital improvement program aimed at maintaining and improving the capital infrastructure to industry standards to deliver high-quality water, reduce system water losses, and maintain adequate system pressure and fire flow. The annual budget identifies the revenues and expenses that accomplish these tasks.

The FY 2021-2022 Budget follows the format established in prior years and includes the second year of a 5% annual rate increase to the Base Rate, Water Usage Charges, and Capital Debt Reduction Charge, as approved by the Board on an annual basis.

5% increase to the Base Rate, Water Usage Charges, and Capital Debt Reduction Charge: A principal source of revenues for the FY 2021-2022 Budget is water rates paid in bimonthly bills by District customers. In 2020 the District staff coordinated a Rate Study with Bartle and Wells, who conducted a comprehensive multi-year analysis to show that with small annual increases in rates the District can develop sustainable funding for needed capital projects to maintain District facilities. The financial analysis showed that annual 5% increases over the next five years should build sufficient funds available annually for capital projects. FY 2021-2022 is the second year of recommended annual 5% rate increases designed to achieve the sustainable capital improvement program. More information on the District's water rates and a water rate calculator can be found on the District's website at www.sweetwatersprings.com.

Reserves above policy (End of Year) are \$1,872,734. Reserves above policy is expected to trend flat or up because of decreased debt payments and reasonable operations expenses, plus the effect of the 5% water rate increase. We believe that available District funds will be sufficient for a sustainable self-funded capital improvement program for the District.

Water sales have been flat for several years, due in part to State water conservation measures. We expect a dip in water use this year due to the recently declared drought emergency. Water use in calendar year 2020 was lower than State direction even though the required restrictions had been lifted. A per capita limit of 55 gpcd will be the new goal. In 2020, Sweetwater averaged 61 gpcd. We expect that water use in the coming

fiscal year will be at a similar level and that a 5% rate increase will result in slightly less than a 5% revenue increase in water sales due to water use restrictions.

FY 2021-2022 CIP (Table 1): The FY 2020-2021 Capital Budget includes replacement 3,600 feet of HDPE water main on Old River Rd estimated at \$1,280,000.00.

Addressing CalPERS retirement program Unfunded Accrued Liability (UAL): The FY 2021-2022 Budget includes \$135,000 for repayment to our reserves that to repay the \$1M we borrowed to prepay UL over the last two years.

District Reserve Policy: The District Reserve Policy was approved in September 2009. The Reserve Policy allows the District to gauge its financial health and adequately plan for its future and allows ratepayers to follow this planning. The District Reserve Policy has the following components:

- Operating Budget Cash Reserve - 15% of the annual Operating Budget expenses to provide for prompt payment of operating expenses at the start of the fiscal year, \$4327,920.
- Operating Reserve – 25% of the Operating Budget for unanticipated expenses for an economic downturn or other economic crisis, or for dealing with emergencies and disaster-related expenses, \$546,534.
- Debt Repayment Reserve - 25% of all payments for principal and interest on all District loans to ensure funding is available to repay existing District debt, \$195,634.
- Capital Reserve – 25% of the nominal Capital Budget of \$1 million for similar issues with the capital program, \$250,000.
- Total Reserve - \$1,320,089.

The sum of all district funds is shown in the budget as Total Reserves End of Year (EOY). This is the sum of the District discretionary funds listed in the budget at the end of the year. The difference between Total Reserves EOY and Total District Policy Reserves is Reserves Above District Policy. The District goal is to keep this number positive. The amount above the District Policy Reserve is the amount the District has for future capital projects. The Reserves Above District Policy is a good measure of where we are in funding an ongoing capital program. **For FY21, District Policy Reserves are at \$1,320,089 and Reserves Above District Policy at the end of the fiscal year are \$1,872,734 with total reserves at \$3,192,823.**

Other assumptions used to develop the Operating section of the Budget include:

- **Water Usage and Base Rate and Capital Debt Reduction Charges will be raised 5%.**
- **Water Usage revenues are based on flat water sales and mid-year water sales projections. Thus, the FY21 water usage revenues are estimated to increase by slightly less than 5% over the amount projected for FY 2020-2021. Water sales are flat to slightly trending down and should remain so.**
- **Salaries and Retirement have been adjusted to reflect a 3% increase as the 2020 Union Memorandum of Understanding is being negotiated.**

Line-Item Highlights of the FY 2021-2022 Budget:

The FY 2021-2022 Operating Budget provides for ongoing costs consistent with previous years' expenditures, except where identified below.

The operating budget encompasses the “expenditures related to the operation, maintenance and repair of water facilities,” as well as the billing, collections, accounting, fiscal management, and other overall administration.

Water Bill Revenue line items have been adjusted to reflect the 5% increases on projected sales revenue in the Base Rate, Capital Debt Reduction Charge (CDRC) and Water Usage Charges based on flat water sales revenue also includes a 5% increase. The 5% water rate increase will increase District revenues by approximately \$137,000. Operating interest is continued at a relatively low amount to reflect continuing lower interest on deposited funds.

Under **Expenses, Salaries** are budgeted to increase by 3%. **Benefits** are budgeted to increase slightly when adjusted for the \$500,000 UL prepayment over the budgeted FY 2020-2021 budget because of internal advancements. Salaries and Benefits are a major District expense – approximately 62% of the FY 2021-2022 Operating Budget expenses.

Total Supplies and Services are approximately \$21,350 more than the FY 2020-2021 approved budget that also included the \$135,000 payment to reserves for the UL prepayment. **Electricity** is a big expense item, is budgeted to be \$10,000 more than FY 2020-2021.

Fixed Asset Expenditures are lower than FY 2020-2021 because we are purchased a truck last year. There are also substantial expenses for **Tank/Facilities Sites** to repair District tanks.

The Operating Budget has a surplus of approximately \$802,402 which is transferred as revenue to the Capital Improvement Budget as Capital Improvement Revenue Fund (CIRF) (\$430,000) Building Fund (\$15,000), In-House Construction Fund (\$25,000), and CDRC revenue (\$332,000).

The FY 2021-2022 Capital Budget has one major project.

Capital Interest revenue reflects expected interest rates and similar fund amounts in this coming year.

Capital Debt is a major expense item – approximately \$782,537, down from \$1,192,563 last year, and 17% of total District annual expenses in FY 2021-2022. The District has worked hard to keep interest rates as low as possible refinancing and restructuring the Capital One debt down from 3.6% to 2.78% to free cash flow for Capital projects. District Capital Debt includes:

- General Obligation (GO) Bonds – In 2013 the District refinanced the majority of the original G.O. bonds approved to purchase the District and make needed

capital improvements. Approximately \$1,647,875 remained in USDA bonds, refinanced to an interest rate of 2.375%. Paid off in 2054.

- In 2018 the District took out \$1,535,000 in new USDA bonds at an interest rate of 2.25%. Remaining principal is \$2,997,748,000 for both USDA Bonds. Paid off in 2058.
- Cap One Bond – The District refinanced the first 20 years of the GO Bonds in September 2013 with an interest rate of 3.6%. In FY 2019-20, the District restructured the remaining payments on the bond, and as part of the restructure the interest rate was lowered to 2.78%. Paid off in 2033. Remaining principal is \$5,255,892.
- State Loans - two loans for approximately \$3 million which were approved in 1995-96 for needed improvements. The smaller loan was paid off in September 2016; the second loan will be completed in 2022. Remaining principal is \$282,726.61.
- Private Placement Loan. \$3 million loan acquired in 2008 for needed capital improvements. Paid off in 2028. The interest rate for this loan reset in 2018 and will be reduced from 4.75% to 3.10%, reducing the annual payment by approximately \$18,000. Remaining principal is \$1,436,111.

District Reserves and Funds and Loan Balances show the District's continuing healthy financial picture.

As discussed above reserve balances are a good measure of the health of the District's finances. For FY 2021-2022, District Policy Reserves are at \$1,320,089 and Reserves Above District Policy at the end of the fiscal year are \$1,872,734 with total reserves at \$3,192,823.

The detailed FY 2021-2022 Budget is included as Attachment A.

SWEETWATER SPRINGS WATER DISTRICT

TO: Board of Directors

AGENDA NO. V-E

FROM: Ed Fortner, General Manager

Meeting Date: May 6, 2021

SUBJECT: Proposed District Tax Lien Policy

RECOMMENDED ACTION: Receive report and review Resolution 20-19.

FISCAL IMPACT: N/A

DISCUSSION:

The Covid-19 Disaster created a need to view many policies and procedures of the District differently. At the July 2, 2020 Board meeting, direction was given to the GM to bring back a resolution clarifying the District's right to lien property taxes to collect delinquent billing. After consulting with our legal counsel and with the County Tax Collections Department to confirm that the District is authorized to use this lien process, Resolution 20-19 was developed.

I recommended that the District begin this process on an annual basis at the end of our fiscal year, in June 2021, and bring forward to the Board a list of delinquent accounts over 60 days overdue that have not been in contact with the District to set up a payment plan. A public hearing would be scheduled concurrent with the June, 2021 Board meeting where approval by the Board of the delinquent accounts scheduled for lien would occur. The list of delinquent accounts owners would be sent to the County to impose a lien on the property's current property tax bill. These collections would then be transferred to the District much as our annual assessment collections are handled. Approved Resolution 20-19 is on tonight's agenda for review as we move towards this first tax lien action. We are asking for direction as to whether there are any dollar thresholds for the list of delinquent accounts.

Resolution No. 20-19

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SWEETWATER SPRINGS WATER DISTRICT ESTABLISHING A PROCEDURE FOR THE IMPOSITION OF LIENS AND COLLECTION BY PROPERTY TAX ROLL

WHEREAS, the Sweetwater Springs Water District (“District”) is a county water district formed pursuant to the County Water District Law, Water Code Section 30000, *et seq.*; and

WHEREAS, pursuant to Water Code Sections 31007 and 31025, the District provides domestic water services to its residents and collects from such customers certain rates and charges to fund the operation and maintenance the District; and

WHEREAS, the District Board of Directors (“Board”) is authorized by Water Code Section 31024 to establish rules and regulations for the sale, distribution, and use of water, which are codified in the Sweetwater Springs Water District Policies & Procedures (“SSWD Policies” or “SSWD Policy”) and related actions by the Board; and

WHEREAS, pursuant to subdivision (e) of Water Code Section 31701, the District is authorized to submit to the county auditor, on an annual basis, a statement of delinquent and unpaid charges for water and other services that have been unpaid for sixty (60) days or more on July 1st; and

WHEREAS, pursuant to Water Code Section 31701.5, the delinquent charges listed on such statement shall be added to and become a part of the annual taxes next levied upon the property subject to such charges and will constitute a lien against the property; and

WHEREAS, pursuant to Water Code Section 31701.7, the District is authorized to secure unpaid water charges at any time by a certificate specifying the amount of such charges and the name and address of the person liable therefor in the county recorder’s office; and

WHEREAS, SSWD Policy 3020.120 states that the District has reserved the right to lien properties on the tax rolls for unpaid water charges in a manner adopted by resolution of the board; and

WHEREAS, SSWD Policy 3070.50 states that the District has reserved the right to seek any remedy available to the District, including imposing a property lien, to collect delinquent bills; and

WHEREAS, subdivision (G) of SSWD Policy 3070.70 states that the General Manager is authorized to impose a lien on properties where water services charges are incurred by a tenant; and

WHEREAS, the Board now desires to adopt a procedure impose a lien on properties with delinquent water service charges, penalties, and interest by recording a lien on the property with the Sonoma County Clerk-Recorder-Assessor or to have such delinquent charges, penalties, and interest collected on the county property tax roll by submitting a statement of such delinquencies to the Sonoma County Auditor-Controller-Treasurer-Tax Collector, or both.

NOW, THEREFORE BE IT RESOLVED that the Board of Directors of the Sweetwater Springs Water District as follows:

Section 1. Recitals. The foregoing recitals are true and correct and made a part of this Resolution.

Section 2. Procedure to record lien for unpaid water service charges and penalties.

- A. At any time, the General Manager or his or her designee may prepare a list of properties within the District that have unpaid charges for water services that have remained delinquent and unpaid for sixty (60) days or more.
- B. At least fourteen (14) days prior to the date on which the Board will consider the list of delinquent properties, the General Manager shall deliver notice to the address of the delinquent property and the address of the property owner, if known, informing the property owner that the account is delinquent and that the unpaid charges and penalties could become a lien on the property if not paid. The notice shall include the date, time, and location of the meeting where the matter will be considered by the Board.
- C. The General Manager shall present the list of delinquent properties to the Board at the regular or special meeting specified in the notice.
- D. After receiving written and/or oral comment on the matter, the Board may approve, revise and approve, or disapprove the list of delinquent properties by resolution.
- E. Upon approval by the Board, the General Manager or his or her designee shall record a certificate with the Sonoma County Clerk-Recorder-Assessor specifying the amount of such charges, penalties, and interest and the name and address of the person liable therefor.
- F. If, after the filing of the lien certificate, the full amount of the delinquent charges, penalties, and interest are paid, the General Manager or his or her designee shall take such steps necessary to remove the lien.

[continued on following page]

Section 3. Procedure for collection of unpaid water service charges and penalties on county property tax roll.

- A. Each year, the General Manager or his or her designee shall prepare a list of all properties within the District that have unpaid charges for water services that have remained delinquent and unpaid for sixty (60) days or more on July 1.
- B. At least fourteen (14) days prior to the date on which the Board will consider the list of delinquent properties, the General Manager shall deliver notice to the address of the delinquent property and the address of the property owner, if known, informing the property owner that the account is delinquent and that the unpaid charges and penalties could become a lien on the property if not paid. The notice shall include the date, time, and location of the meeting where the matter will be considered by the Board.
- C. Before August 1 of each year, the General Manager shall present the list of delinquent properties to the Board at the regular or special meeting specified in the notice.
- D. After receiving written and/or oral comment on the matter, the Board may approve, revise and approve, or disapprove the list of delinquent properties.
- E. Upon approval by the Board, the General Manager or his or her designee shall submit the statement of delinquencies to the Sonoma County Auditor-Controller-Treasurer-Tax Collector and, if necessary, the Sonoma County Board of Supervisors on or before August 1 and request such unpaid charges and penalties be collected with the annual property taxes..

Section 4. General Authorization. The General Manager is hereby authorized and directed, for and in the name of and on behalf of the District, to execute and deliver any and all documents, to do any and all things and take any and all actions that may be necessary or advisable, in their discretion, in order to effect the purposes of this Resolution, including negotiating and executing an agreement with the county for the collection of charges on behalf of the District. All actions heretofore taken by officers, employees, and agents of the District that are in conformity with the purposes and intent of this resolution are hereby approved, confirmed, and ratified.

Section 5. Severability. If any section, subsection, sentence, clause or phrase of this Resolution is for any reason held by a court of competent jurisdiction to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of the Resolution. The District Board of Directors hereby declares that it would have passed this Resolution and each section, subsection, sentence, clause and phrase thereof irrespective of the fact that one or more sections, subsections, sentences, clauses or phrases may be held invalid or unconstitutional.

Section 6. Supersession and Repeal. Any and all other resolutions and parts thereof in conflict with the provisions of this Resolution are superseded and repealed, effective on the effective date of this Resolution.

Section 7. Effective Date. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED this 6th day of August, 2020.

Richard Holmer
President, Board of Directors

I hereby certify that the foregoing is a full, true, and correct copy of a Resolution duly and regularly adopted and passed by the Board of Directors of the SWEETWATER SPRINGS WATER DISTRICT, Sonoma County, California, at a meeting held on August 6, 2020, by the following vote.

Director	Aye	No
Sukey Robb-Wilder	_____	_____
Tim Lipinski	_____	_____
Richard Holmer	_____	_____
Gaylord Schaap	_____	_____
Larry Spillane	_____	_____

Attest: Julie Kenny
Clerk of the Board of Directors

SWEETWATER SPRINGS WATER DISTRICT

TO: Board of Directors

AGENDA NO. V-F

FROM: Ed Fortner, General Manager

Meeting Date: May 6, 2021

SUBJECT: FY 2020-2021 CIP and Community Development Block Grant (CDBG) Funding Status Update and Amendment to Coastland Contract

RECOMMENDED ACTION: Receive status report for FY 2020-2021 CIP and Approve Resolution 21-05 to amend the Coastland Contract for Design and Planning.

FISCAL IMPACT: N/A

DISCUSSION:

The FY 2020-2021 CIP includes ~5,600 linear feet of 6" HDPE water main replacement along Old River Rd and Woodland Drive. The existing water mains consist of 4" and 6" galvanized pipe and has 20-25 lead goosenecks connected to the service lines. These lead materials are required to be removed as soon as possible by the State Water Resources Control Board (SWRCB). Sweetwater Springs Water District included this lead material removal in a plan submitted to the SWRCB. The removal of these lead materials will remove all known lead materials in both the Guerneville and Monte Rio systems. The galvanized lines have had numerous leaks and failures over the years and represent a bottleneck in the Guerneville system between earlier Capital upgrade projects. The grant funding for this project was based, in part, on replacing these substandard materials.

John Wanger and Steve Van Saun, from Coastland, has met with the District several times to update the design. The design is now at 100%.

On February 15th, we received the CDBG grant agreement. We received the fully executed contract on February 23rd. We received the first reimbursement request for the \$115,920 grant of \$93,000.00. We will be resubmitting the application to CDBG in April for the construction phase of the Old River Rd/ Woodland Drive project.

There has recently been an expanded need for environmental work to comply with the CDBG funding requirements for the construction Phase. I have attached the estimate for the additional cost and the amended contract and resolution.

RESOLUTION 21-05

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SWEETWATER SPRINGS WATER DISTRICT APPROVING THE AMENDED CONTRACT FOR PROFESSIONAL SERVICES FOR DESIGN AND PLANNING OF THE FY 2020-2021 CAPITAL IMPROVEMENT PROJECT (CIP) WITH COASTLAND ENGINEERING INC., AND AUTHORIZING THE GENERAL MANAGER TO SIGN

WHEREAS, Sweetwater Springs Water District has contracted with Coastland Engineering for Design and Planning for the FY 2020-2021 CIP for Sweetwater Springs Water District; and

WHEREAS, the District has worked with Coastland in the successful Grant procurement of CDBG funds for this Design and Planning portion of the CIP; and

WHEREAS, Coastland is the best placed professional services company to provide the services for this project; and

WHEREAS, Coastland Engineering has submitted a proposal for these services attached as Exhibit A; and

WHEREAS, staff has reviewed this revised proposal and finds it fair and complete; and

WHEREAS, District Counsel has reviewed and approved the agreement

NOW, THEREFORE, BE IT RESOLVED, that:

1. The Agreement for Professional Services for Design and Planning for the FY 2020-2021 CIP with Coastland, a copy of which is attached hereto as Exhibit A and the Amended to the Contract as Exhibit B, is hereby ratified in the sum of not to exceed \$150,000; and
2. The General Manager is authorized to execute said Agreement on behalf of the District.

I hereby certify that the foregoing is a full, true, and correct copy of a Resolution duly and regularly adopted and passed by the Board of Directors of the SWEETWATER SPRINGS WATER DISTRICT, Sonoma County, California, at a meeting held on May 6, 2021, by the following vote:

Director	Aye	No
Sukey Robb-Wilder	_____	_____
Tim Lipinski	_____	_____
Richard Holmer	_____	_____
Gaylord Schaap	_____	_____
Larry Spillane	_____	_____

Sukey Robb-Wilder
President of the Board of Directors

Attest: Julie A. Kenny
Clerk of the Board of Directors

**AMENDMENT TO THE
PROFESSIONAL SERVICES AGREEMENT
DATED _____, 20__ BETWEEN
SWEETWATER SPRINGS WATER DISTRICT AND
_____.**

This First Amendment (“Amendment”) to the Professional Services Agreement dated _____, 2020, is made and entered into this ___ day of _____, 2021 by and between the Sweetwater Springs Water District, a county water district (“District”), and Coastland Civil Engineering, Inc., a California corporation (“Consultant”), and is effective as of the commencement date of this Amendment.

RECITALS

WHEREAS, on or about _____, 2020, District and Consultant entered into a Professional Services Agreement (“Agreement”) for engineering services related to the Capital Improvement Project for FY2020-21 (“CIP FY2020-21”);

WHEREAS, Section 1 of the Agreement provides for the scope of such engineering services;

WHEREAS, the District has since discovered the need for environmental review services related to the CIP FY2020-21 to comply with the Community Development Block Grant funding requirements

WHEREAS, the Parties wish to amend Section 1 to expand the scope of services to include such environmental review services for the CIP FY2020-21.

THEREFORE, the parties agree to amend the Agreement as follows:

1. Section 1 of the Agreement is hereby amended to read in full as follows (deletions in double strikethrough, additions in underlined italics):

“The services to be performed under this Agreement (the “Services”) are as follows: Engineering Services for design of Capital Improvement Program (CIP) construction project for FY 2021. The Services are further described in Consultant’s proposal (the “Proposal”), which is attached to and made a part of this Agreement as Exhibits A and B.”

2. Consultant’s proposal entitled 2021 Capital Improvement Project Amendment No. 1 Proposal and dated April 9, 2021, attached hereto as Exhibit B, is hereby attached to the Agreement.

3. Section 3, subdivision B of the Agreement is hereby amended to read in full as follows (deletions in double strikethrough, additions in underlined italics):

“In no event will District’s obligation to pay the Consultant under this Agreement a not to exceed amount of ~~\$144,900~~ \$150,000 for the design portion of the work, unless this Agreement is first modified in accordance with its terms. Where the Proposal provides for compensation on a time and materials basis, Consultant must maintain adequate records to permit inspection and audit of Consultant's

time and material charges under this Agreement. Consultant will make such records available to District during normal business hours upon reasonable notice. In accordance with California Government Code Section 8546.7, because this amount exceeds TEN THOUSAND DOLLARS (\$10,000.00), this Agreement and the Consultant's books and records related to this Agreement shall be subject to the examination and audit of the State Auditor, at the request of District or as part of any audit of the District, for a period of three (3) years after final payment under the Agreement."

4. Except as set forth above, each and every provision of the Agreement between the parties shall remain in full force and effect.

SWEETWATER SPRINGS
WATER DISTRICT

COASTLAND CIVIL
ENGINEERING, INC.

By: _____
Ed Fortner
General Manager

By: _____

Approved as to Form:

By: _____
District Counsel

Exhibit B

Scope of Additional Environmental Review Services

[Insert]



COASTLAND

CIVIL ENGINEERING - CONSTRUCTION MANAGEMENT - BUILDING DEPARTMENT SERVICES

April 9, 2021

Mr. Ed Fortner
General Manager
Sweetwater Springs Water District
17081 Highway 116, Suite B
Guerneville, CA 95446

Subject: 2021 Capital Improvement Project Amendment No. 1 Proposal

Ed,

We are pleased to provide you with this proposal for additional environmental services for the above referenced project. Pursuant to continued coordination with the Sonoma County Community Development Commission (CDC), additional environmental services are needed to complete the HUD Categorical Exclusion Form to support the District's funding application for construction.

Based on our understanding of the project we propose the following additional scope of work and estimated fee for your consideration.

SCOPE OF WORK - DESIGN

Tasks listed below correspond to the same task under our initial proposal dated June 22, 2020.

Tasks 1 -4 and 6-9

No additional work under these tasks.

Task 5 – Environmental

Coastland's subconsultant WRA will prepare a draft of HUD's Categorical Exclusion Form pursuant to 24 CFR Part 58.34(a) and 58.35(b). The Categorical Exclusion Form will confirm the project's compliance with 24 CFR §50.4 and §58.6 Laws and Authorities, including: airport hazards, coastal barrier resources, and flood insurance. No new technical reports are included in this scope of work. One round of review and edits of the Categorical Exclusion Form and supporting information by Coastland, the Sweetwater Springs Water District (District), and the Sonoma County CDC is assumed. WRA will also assist Coastland and strict with communication and coordination with the CDC and their on-call environmental consultant. Coastland will also provide continued coordination efforts to assist WRA in updating the project description pursuant to our meeting with CDC.

ASSUMPTIONS

- This scope of work does not include any specific species surveys.
- Permit applications with the CDFW, RWQCB, and Corps are not included in this proposal.
- Changes to the project description that require revisions to the documentation may result in additional costs not covered in this scope of work.

Santa Rosa
1400 Neotomas Avenue
Santa Rosa, CA 95405
Tel: 707.571.8005

Auburn
11641 Blocker Drive, Ste. 170
Auburn, CA 95603
Tel: 530.888.9929

Pleasant Hill
3478 Buskirk Avenue, Ste. 1000
Pleasant Hill, CA 94523
Tel: 925.233.5333

Fairfield
324 Campus Lane, Ste. A
Fairfield, CA 94534
Tel: 707.702.1961

WORK ESTIMATE

Based on our scope of work, we are proposing that the design services associated with Amendment No. 1 be completed for a not-to-exceed amount of \$5,100 (see attached Work Estimate). The amount quoted is assuming that all of the work for this project will fall under the scope of work as previously described.

We appreciate the opportunity to serve the District in completing this work. If you have questions or need a change to the proposed scope of work please contact John Wanger or me at your earliest convenience.

Sincerely,



Steven Van Saun, P.E.
Senior Engineer

cc: John Wanger
Enclosures: Work estimate





DESIGN WORK ESTIMATE

FY 2021 CIP Project - Amendment No. 1	Proposal for Engineering Services	Sweetwater Springs Water District								
Task Information	Project Role & Rate									
TASK	Supv. Engr	QA/QC	Sr. Engr.	Asst. Engr.	Sr. CAD Designer	Const. Mgr.	Admin	TOTAL HOURS	TOTAL FEE	NOTES
	\$195	\$195	\$160	\$140	\$140	\$165	\$90			
1 MEETINGS WITH DISTRICT										
No additional work.								0	\$0	
Subtotal								0	\$0	
2 BACKGROUND INFORMATION										
No additional work.								0	\$0	
Subtotal								0	\$0	
3 COORDINATE WITH AGENCIES										
No additional work.								0	\$0	
Subtotal								0	\$0	
4 TOPOGRAPHICAL SURVEY										
No additional work.								0	\$0	
Subtotal								0	\$0	
5 ENVIRONMENTAL										
CEQA/NEPA								0	\$4,140	WRA
Coordinate w/environmental consultant			6					6	\$960	
Subtotal								6	\$5,100	
6 50% IMPROVEMENT PLANS, SPECIFICATIONS & ESTIMATE										
No additional work.								0	\$0	
Subtotal								0	\$0	
7 90% IMPROVEMENT PLANS, SPECIFICATIONS & ESTIMATE										
No additional work.								0	\$0	
Subtotal								0	\$0	
8 FINAL PLANS, SPECIFICATIONS & ESTIMATE										
No additional work.								0	\$0	
Subtotal								0	\$0	
9 BID SUPPORT										
No additional work.								0	\$0	
Subtotal								0	\$0	
Direct Costs (repro, mileage, etc.)									\$0	
Total Design Cost	0	0	6	0	0	0	0	6	\$5,100	

SWEETWATER SPRINGS WATER DISTRICT

TO: Board of Directors

AGENDA NO. V-G

FROM: Ed Fortner, General Manager

Meeting Date: May 6, 2021

SUBJECT: Discussion/ Action re Monte Rio Bridge Replacement Project

RECOMMENDED ACTION: Receive report on the Monte Rio Bridge Replacement Project.

FISCAL IMPACT: \$50,000 Initially for Design

DISCUSSION: The District was informed in late January that the Monte Rio Bridge replacement project was at 35% design completion. The District, Coastland Engineering, Sonoma County Public Works, and BKF Engineering met on February 5th to discuss details of the bridge design, placement and the attachment of a new water main on the new bridge. Coastland will be developing the design for the District's new water main attachment at an approximate cost of \$50,000. This design is due by the end of the calendar year. The tentative schedule to begin construction of the new bridge is 2024.

The Environmental Impact Review Public Hearing was held virtually on April 14, 2021. Rich Holmer, President Robb-Wilder, and me attended. We all made the case that the project should fund the inclusion of the District's water main. I also wrote a letter in response to the EIR meeting announcement stating the same. I am in the process of getting a meeting with John Mack with Sonoma County PW to discuss further the funding issue. John ran the EIR meeting. I also serve on the Watershed Protection Committee with John. Michael Thompson with Sonoma Water Agency also met with me and their Grant group to discuss FEMA funding of the project. I will continue to investigate funding possibilities.

SWEETWATER SPRINGS WATER DISTRICT

TO: Board of Directors

AGENDA NO. V-H

FROM: Ed Fortner, General Manager

Meeting Date: May 6, 2021

SUBJECT: Discussion/ Action re Main Street Monte Rio Waterline Replacement Project

RECOMMENDED ACTION: Receive update on Emergency Contract with Piazza Construction for the Main Street Monte Rio Waterline Replacement Project.

FISCAL IMPACT: \$129,222.00

DISCUSSION:

The District was informed by Sonoma County Public Works that Main Street in Monte Rio was on their 2021 paving list. They will pave the road after June of 2021. We have one thousand and forty linear feet of four-inch galvanized iron Water Main within the paving zone that has failed many times over the past few years. The cost to do this replacement after the paving would be twice as much and imminent failure could occur possibly leaving customers out of water for days.

The District has had professional engineering advice that this section of the Water Main should be replaced prior to the paving to avoid disturbing the newly paved street. The District solicited bids for the replacement of the one thousand forty feet of galvanized Water Main with six-inch HDPE Water Main.

Piazza Construction was low bidder for constructing the project at \$129,222.00. Piazza Construction has responded quickly to the Main Street, Monte Rio location to replace the Water Main.

Beginning the week of April 12th, Piazza Construction began doing utility locates and laying out the waterline replacement work. As of May 6th, the boring, pulling the one thousand- and forty-foot six inch HDPE line, fusing all sections, establishing all service laterals, disinfection and performing bacteriological analyses has been completed and the new water main is now in service.

SWEETWATER SPRINGS WATER DISTRICT

TO: Board of Directors

AGENDA NO. V-I

FROM: Ed Fortner, General Manager

Meeting Date: May 6, 2021

SUBJECT: Discussion/ Action re 2020 Urban Water Management Plan

RECOMMENDED ACTION: Receive report on the 2020 Urban Water Management Plan.

FISCAL IMPACT: n/a

DISCUSSION:

The 2020 Urban Water Management Plan (UWMP) is a detailed plan required by the Water Resources and Control Board every five years by all Public Water Systems (PWSs) with a population served greater than 3,300. The District has completed the UWMP in 2005, 2010, and 2015. The required scope of the plan has grown dramatically over the years. The UWMP focuses primarily on water shortage, drought conditions, and the associated PWS efforts to respond to these emergencies, including a Water Shortage Contingency Plan (WSCP). The UWMP lays out mitigation efforts to reduce these water supply challenges through conservation and partnerships. The development of the plan requires coordination among water stakeholders in the area that include Sonoma County, the Russian River Sanitation District, and the Sonoma County Water Agency. If the District does not complete this required plan, funding through State grants and loans would not be available.

The 2020 UWMP and WSCP is due for submittal to the Water Board by July 2, 2020. I will bring a final draft of the plan to the Board at tonight's May 6th Board meeting for feedback and in a Public Hearing at the June Board meeting for review, comments, and approval. The link to the plan is posted on the District website.

SWEETWATER SPRINGS WATER DISTRICT

TO: Board of Directors

AGENDA NO. V-J

FROM: Ed Fortner, General Manager

Meeting Date: May 6, 2021

SUBJECT: Local Hazard Mitigation Plan (LHMP) Update

RECOMMENDED ACTION: Receive report from the General Manager. Update of the Local Hazard Mitigation Plan.

FISCAL IMPACT: \$30,074

DISCUSSION:

At the August 6, 2020 Board meeting, the Board approved Harris and Associates to undertake and complete a Local Hazard Mitigation (LHMP) to help the District qualify for FEMA grants. Eric Vaughan, with Harris and Associates, Jack Bushgen, Julie Kenny, and I participated in the first Planning Committee meeting on September 4, 2020.

The Committee reviewed final mitigation measures and the draft Hazard Mitigation Report as of February 22, 2021. On March 4th Harris will submit the Public Review draft to the District. The draft was posted on our website, and we encouraged public input. The second and last Public Workshop was held as a Special Board meeting for final feedback from the public and the Board on the draft Final Report on March 21st. After the second Public Workshop, the final draft of the plan will go to the Board with revisions based on the March 21st meeting.

The final draft has now been submitted to CalOES for review. The initial review has been completed by CalOES and responses returned by Harris and Associates. Once that final review is completed, we will submit to FEMA for their approval. The Sweetwater Board will then give final approval of the plan (tentatively) at the June 3rd Board meeting. The revised work schedule is attached.

HARRIS AND ASSOCIATES
LOCAL HAZARD MITIGATION PLAN
PROJECT SCHEDULE

Months	Key Tasks	Meetings & Workshops	Key Milestones/ Deliverable
July 2020	-Pre-Meeting with Project Manager -Existing Document Review -Identify Required Participants -Invite Plan Participants -Establish Planning Committee -Document the Planning Process -Identify and Review District Assets	Pre-Meeting	Fully Executed Professional Services Agreement
September 2020	Assess and Select Hazards of Concern	Planning Committee Meeting #1: Kickoff and Select Hazards of Concern (September 4 th)	Draft Element A: Planning Process
September October 2020	Conduct Risk Assessment for Selected Hazards	Planning Committee Meeting #2: Solicit Feedback on Risk Assessment (October 22 nd)	Draft Element B: Risk Assessment
December 2020	-Develop Mitigation Goals -Develop and Launch Online Survey -Prioritize Mitigation Actions -Develop Action Plan	-Planning Committee Meeting #3: Solicit input on Mitigation Actions (December 10th) -Public Workshop #1: Solicit Public Input on Risk Assessment & Mitigation Actions (December 10th)	-Public Survey -List of Mitigation Strategies from Planning Committee
January 2020	-Draft Element C	-Planning Committee Meeting #4: Plan Maintenance, Evaluation and Updates	-Draft Element C: Mitigation Strategies
February 2021	-First Draft Plan submitted to Planning Committee -Integrate feedback from Planning Committee and Board		-Submit first draft Plan to Planning Committee
March 2021	-Public Review Draft -Revise Public Review Draft as necessary to include public input	Public Workshop #2: Solicit Public Input on Public Review Draft (March)	- Post Public Review Draft

April 2021	Cal OES Review		Cal OES Review Draft
May-June 2021	FEMA Review		FEMA Review Draft
June-July 2021	SSWD Board Adoption	SSWD Board Meeting	Approved and Adopted LHMP

SWEETWATER SPRINGS WATER DISTRICT

TO: Board of Directors

AGENDA NO. V-K

FROM: Ed Fortner, General Manager

Meeting Date: May 6, 2021

SUBJECT: Discussion/ Action COVID and Vaccination Update

RECOMMENDED ACTION: Receive report on the status of the COVID pandemic effect on staff and vaccinations.

FISCAL IMPACT: none

DISCUSSION:

We have all endured the COVID pandemic for more than a year. We have adopted new policies in the COVID section of our Emergency Response Plan. Overall, staff has adjusted well to the many measures we have taken including no foot traffic in the office, masks, social distancing, testing protocols, and hygiene. We have followed all CDC, State, and local guidelines for health measures, including recent measures relaxing mask wearing requirements outdoors for vaccinated individuals. We have experienced many close calls with positive COVID exposures, and one employee contracted asymptomatic COVID.

Recently, all our staff was put in the category qualifying us to get vaccinated. Unfortunately, only three staff have been vaccinated so far. We are near hiring one field employee and will be advertising for a office position very soon. I recommend we consider requiring any new hires to be vaccinated within the first thirty days of their hire.

We continue to take all measures possible to protect the workplace, our employees, and the general citizenry against this horrible virus.

SWEETWATER SPRINGS WATER DISTRICT

TO: Board of Directors

AGENDA NO. VI

FROM: Ed Fortner, General Manager

Meeting Date: May 6, 2021

Subject: GENERAL MANAGER'S REPORT

RECOMMENDED ACTION: Receive report from the General Manager.

FISCAL IMPACT: None

DISCUSSION:

- 1. Laboratory Testing:** Water quality tests confirm that all SSWD water meets all known State and Federal water quality standards. Our Consumer Confidence Reports (CCRs) were completed and approved by the Water Board. We will be mailing the CCRs out in the next billing cycle. The Urban Water Management Plan and Water Shortage Contingency Plan were updated for review and approval by the public and the Board at the June 3rd Board meeting.
- 2. Water Production and Sales:** Water sales in March were 17,038 units (39.1 AF Guerneville cycle), and production was 56.9 AF. Compared to one year ago, sales were lower, and production was lower (38.8 AF and 48.1 AF, respectively). Figure 1 shows sales, production, and % difference for the combined systems; the water loss trend was up this month as a running twelve-month average (20.2%). Looking at the data over the last ten years, water production has dropped approximately 29%, and sales have dropped 18%, although water sales and production are up during the COVID period. The water loss percentage was around 30% and now is in the 15-20% range. Much of the production and water loss drop can be attributed to capital projects.
- 3. Leaks:** In April, we had eight total leak repairs with 58 hours on them. Four leaks were in Guerneville, one was in Monte Rio, and three were in Rio Nido. All leaks were in older lines. That is the more leaks and less person-hours than the prior month and the same number of leaks and less person-hours than March one year ago (8 and 63). Figure 2 shows service and main leaks separately with a total leak line as well. For Calendar Year

2020, total leaks were 99, up from 78 in 2019. That was a drought year following a very wet year, and many of the repairs were due to ground shifting. Also, 52 leaks were on mains, and 48 were on service lines. In 2019 47 leaks were on mains, and 31 were on service lines. Leaks may go up during this second consecutive drought year. Looking at the leaks chart over the last ten years, we've come down from around 300 leaks per year to under 100 - quite a difference and very noticeable in what the field crews are able to do - address ongoing issues with in-house projects instead of chasing leaks every day.

- 4. Guerneville Rainfall:** April rainfall was .34", which is lower than the long-term average month and puts the yearly total (15.73") well below the long-term annual average. We will experience a second consecutive drought year in 2021. Governor Newsome declared a drought emergency for Sonoma and Mendocino Counties and Sonoma County has issued a drought emergency also. We expect declared mandatory reductions in water use in the near future. I have posted an updated notice on our website.
- 5. In-House Construction Projects:** There was one in-house construction projects in April. A PG&E funded hydrant move done by Vonn Renner at 14707 Willow Rd. in Guerneville. Sixteen hours was dedicated to the project.
- 6. Lower Russian River Community Advisory Group Governance Meeting:** There was a virtual meeting of the LRRCAG on April 22nd to discuss Wastewater solutions for Monte Rio and Villa Grande. The process is moving forward with the Request for Qualifications for the Feasibility Study to be issued soon. I have been participating in the Interagency Team meetings and the Sacramento State Governance meetings. A public news release was issued to announce \$500,000 in State Grant funding for the feasibility study. The CAG is lobbying for another \$500,000 due to the fact that two communities are under study.
- 7. Guerneville Park Resort Update:** The developers submitted plans and a deposit check for \$5,000 and signed the reimbursement agreement. Coastland and Sweetwater staff reviewed plans before issuing a will-serve letter. The District issued a will-serve letter that Coastland and our Board Council reviewed. I forwarded the will-serve letter to Permit Sonoma so they can issue their permit to the Developer. There is no new developments.
- 8. Personnel:** The District is advertising for an entry-level Water Maintenance Treatment Operator position due to Kevin Gonzalez leaving the District. We have a finalist and are conducting background checks.
- 9. Grants Update:** I have been coordinating with FEMA and CalOES to fund damages due to the Walbridge Fire (DR-4558) at our Mt. Jackson site ("A" category) for debris removal. Piazza revised their quote due to our coordination with Cal Fire, who are undertaking the clearing of the portion around the County radio tower site. FEMA funding has been

determined at 75% reimbursable, so the District will be responsible for up to 25% of the cost. FEMA has the application in the final stage of the approval process.

I met with Mike Thompson, with Sonoma Water Agency and his grant writing staff to get assistance on FEMA grants related to the Monte Rio Bridge. They were helpful.

The Community Development Commission (CDC) approved our Community Development Block Grant (CDBG) funding for the FY 2020-2021 CIP design and planning costs (\$115,900). We have received the final executed contract. We received the first reimbursement request of \$93,000.00 for the project. I have submitted the quarterly report to CDC. I will submit an updated application for Phase II construction when CDC opens up this year's cycle.

10. Gantt Chart: The Gantt Chart is updated for May 2021.

11. Economic Impact of no Disconnects for Non-payment: The total uncollected amount in this Guerneville billing cycle due to non-payment with the non-Disconnect Executive Order is **\$11,762.54**. This amount is tracking upward. The chart is updated with separate columns for billing cycles. We will continue to follow this amount.

**Figure 1. Water Production and Sales 12 Month Moving Averages
Sweetwater Springs Water District Since September 2008**

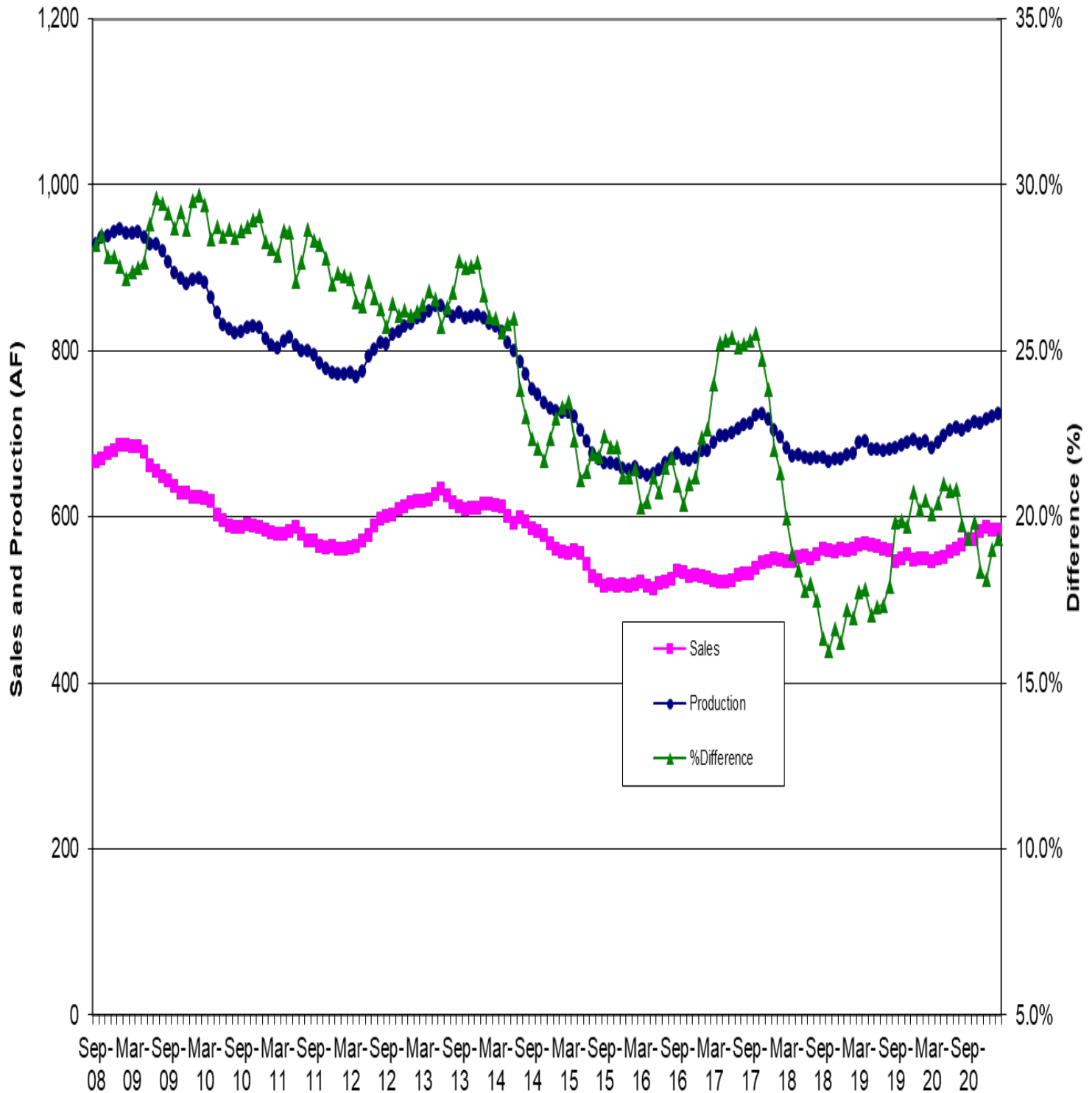


Figure 2. Sweetwater Springs Water District Main and Service Pipeline Breaks Moving Annual Average Since September 2008

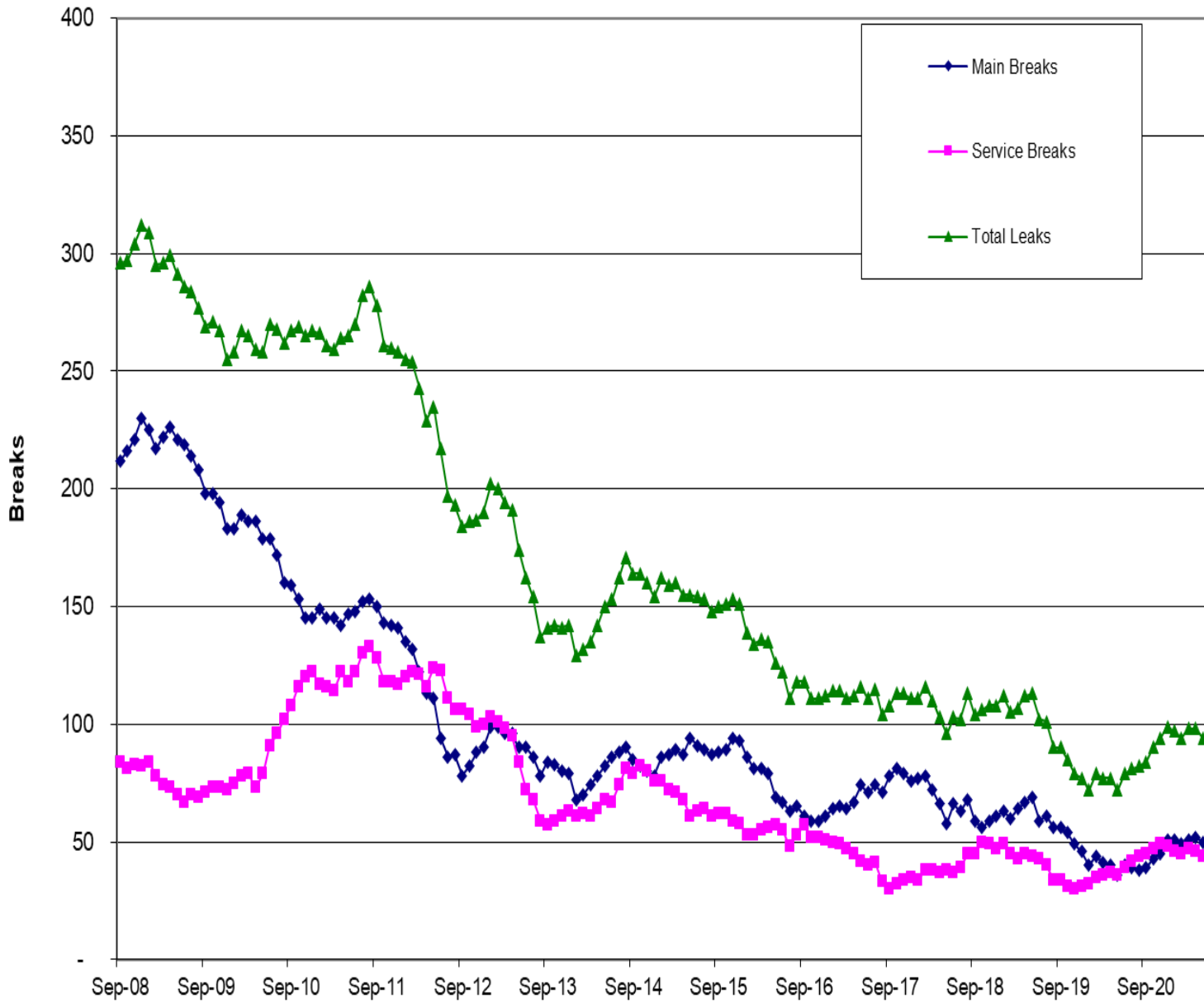
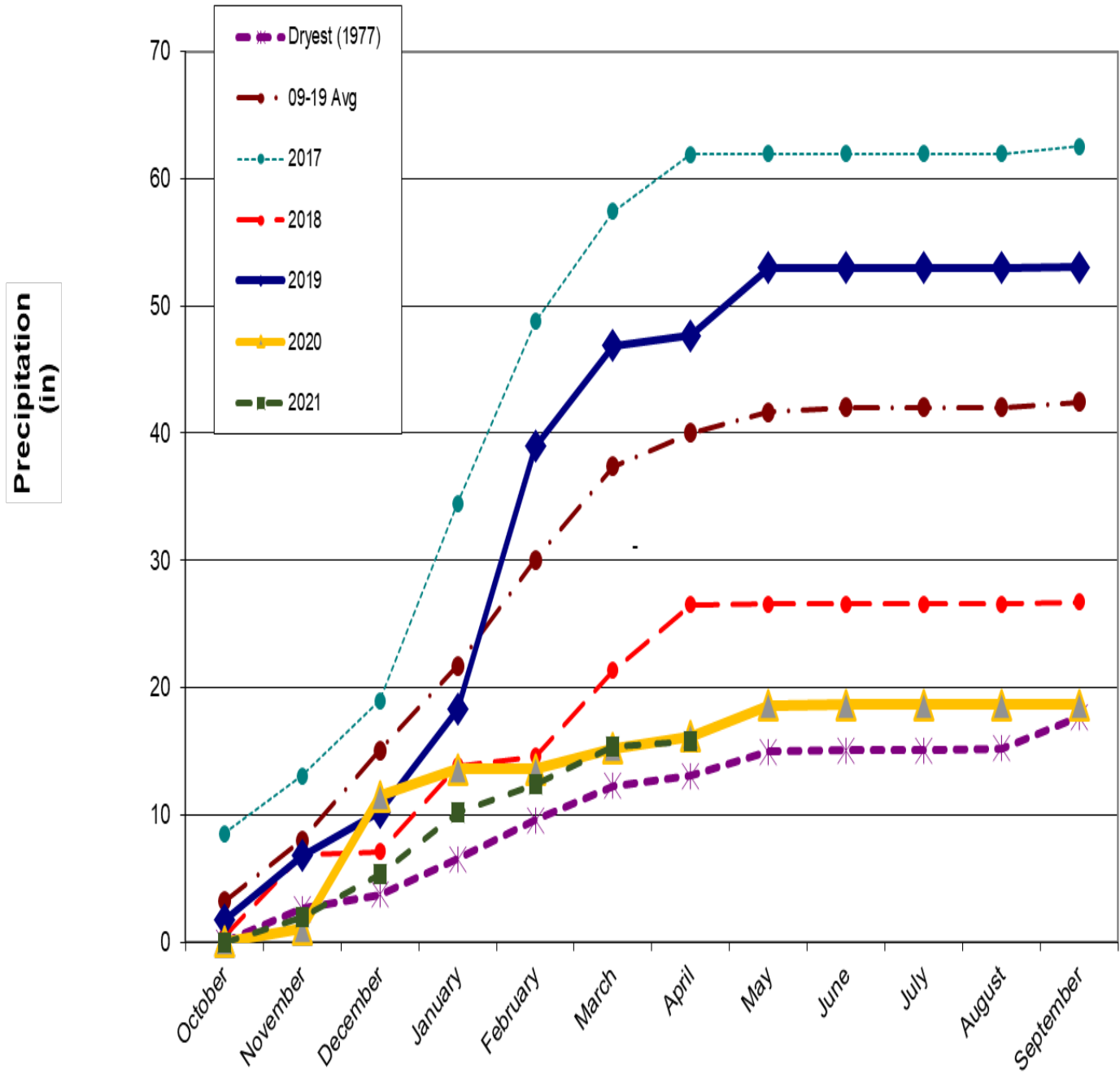


Figure 3. Guerneville Cumulative Monthly Rainfall



Tracking the Economic Impact of Suspending Water Disconnects for Non-payment

EVEN CYCLE			ODD CYCLE		
Billing Date	# of Customers whose prior bill was still unpaid when next bill mailed	\$ Value of Past Due Amounts** (including unpaid customer deposits)	Billing Date	# of Customers whose prior bill was still unpaid when next bill mailed	\$ Value of Past Due Amounts** (including unpaid customer deposits)
2/15/2020 (Historical disconnect procedure)	0	\$0	3/15/2020 (SB 998 extends time before disconnect)	10	\$1,565
4/15/2020 (Exec. Order N-42-20: Disconnects completely suspended)	24	\$4,096	5/15/2020	5	\$594.02
6/15/2020	9	\$2,947.56	7/15/2020	8	\$1,261.02
8/15/2020	7	\$2,464.32	9/15/2020 (Suspended delinquency process due to wildfire.)	57	\$7,646.52
10/15/2020	16	\$5,094.43	11/15/2020	18	\$4,406.13
12/15/2020	23	\$7,260.48	1/15/2021	20	\$3,766.59
2/15/2021	35	\$11,140.50* (\$3,555 of this total is one customer)	3/15/2021	18	\$6,203.05
4/15/2021	28	\$11,762.54			

As of 4/15/2021, 17 customers have entered into COVID-19 Agreements. These customers are not included in the numbers above if their COVID Agreements are in good standing.

