



# **BOARD OF DIRECTORS MEETING**

## **AGENDA**

**January 12, 2023 Regular Meeting (Rescheduled from January 5, 2023)**  
**6:30 p.m.**

Meeting link:

<https://sweetwaterspringswaterdistrict.my.webex.com/sweetwaterspringswaterdistrict.my/j.php?MTID=mf4f18dd7bf0b6e3069838704c92e9fdb>

Meeting number: 2552 616 8874

Password: RcJDuyJP378

OR

Join by phone: +1-415-655-0001 US Toll

Access code: 2552 616 8874

Password: 72538957

***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 following Minutes of the December 1, 2022 Regular Board Meeting
- B. Approval of Operations Warrants/Online payments/EFT payments
- C. Receipt of Item(s) of Correspondence.  
*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.*
- D. Action to Reconfirm findings of Resolution 21-18 re continuation of remote meetings

**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 Resolution 23-01, Accepting the Audit for the Fiscal Year Ending June 30, 2022 (Est. time 15 min.)
- B. Discussion/Action re LAFCO Election for Special District Representative Class II. (Est. time 15 min.)
- C. Discussion/Action re Contract Meter Reader (Est. time 10 min.)
- D. Discussion/Action re Monte Rio Community Center as an in-person meeting site (Est. time 15 min.)
- E. Discussion/Action re New billing system (Est. time 15 min.)
- F. Discussion/Action re District website (Est. time 15 min.)
- G. Discussion/Action re Board Subcommittee Reports (standing item) *(Est. time 5 min.)*  
Subcommittees: General Manager Transition  
Website/Billing System

**VI. GENERAL MANAGER'S REPORT**

- 1. Laboratory Testing/Regulatory Compliance
- 2. Water Production and Sales

3. Leaks
4. In-House Construction Projects
5. CIP 2020-21 Old River Road/Woodland Drive
6. Grants
7. Staff/Board training
8. Surplus Lands

**VII. BOARD MEMBERS' ANNOUNCEMENTS**

**VIII. ITEMS FOR NEXT AGENDA**

**IX. CLOSED SESSION**

- A. CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION  
Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Section 54956.9: Two (2) cases  
Facts and circumstances:  
(1) Letter from Joseph R. Serpico, Esq. to Sweetwater Springs Water District, dated December 27, 2022  
(2) Letter from Joel E. Fleck, Esq. to Sweetwater Springs Water District, dated December 21, 2022

**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**

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## **BOARD MEETING MINUTES\***

**Meeting Date: December 1, 2022**

**(\*In order discussed)**

December 1, 2022  
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:**

Eric Schanz, General Manager  
Julie Kenny, Secretary to the Board

**Others in Attendance:**

Jordyn Bishop, Legal Counsel  
Michael Celentano, CPA (Auditor)

### **I. CALL TO ORDER (6:32 p.m.)**

The properly agendized meeting was called to Order by President Schaap at 6:32 p.m.

### **II. CHANGES TO AGENDA and DECLARATION OF CONFLICT (6:32 p.m.)**

(None.)

### **III. CONSENT CALENDAR (6:32 p.m.)**

President Schaap reviewed the items on the Consent Calendar. Director Holmer moved to approve the Consent Calendar. Director Robb-Wilder seconded. Discussion ensued. Motion carried 5-0 on the following items:

- A. Approval of the following Minutes of the November 3, 2022 Regular Board Meeting
- B. Approval of Operations Warrants/Online payments/EFT
- C. Receipt of items of Correspondence. (No correspondence this month.)
- D. Action to Reconfirm findings of Resolution 21-18 re continuation of remote meetings

#### **IV. PUBLIC COMMENT (6:34 p.m.)**

None.

#### **V. ADMINISTRATIVE (6:35 p.m.) \***

*\*in the order discussed*

- V-A. (6:35 p.m.) Discussion/Action re FY 2021-22 Draft Audit.** District Auditor Michael Celentano provided an overview of the Draft Audit. Administrative Manager Julie Kenny provided further overview. Discussion ensued. No action was taken.
- V-B. (7:11 p.m.) Discussion/Action re Election of 2023 Officers.** Director Holmer provided a brief overview. Discussion ensued. Director Robb-Wilder moved to nominate Director Lipinski for President, Director Spillane for Vice President, and Director Holmer for Financial Coordinator. Director Schaap seconded. Motion carried 5-0.
- V-C. (7:20 p.m.) Discussion/Action re Contract Meter Reader.** The GM provided an overview of this item. Discussion ensued. No action was taken.
- V-D. (7:22 p.m.) Discussion/Action re Monte Rio Community Center as an in-person meeting site.** Legal Counsel Jordyn Bishop provided an overview of the future of virtual meetings. Director Robb-Wilder provided further overview. Discussion ensued. Comments were made by Legal Counsel Jordyn Bishop. This item was scheduled for further discussion at the January 2023 Board meeting.
- V-E. (7:41 p.m.) Discussion/Action re Board Subcommittee Reports (standing item).**  
**Subcommittees:           General Manager Transition**  
**Website/Billing System**

Director Robb-Wilder provided an update on activity of the Website subcommittee. Director Spillane provided further overview. Discussion ensued regarding next steps. No formal action was taken. There was no committee activity to report on the Billing System.

Director Holmer provided an overview of the General Manager Transition subcommittee. Director Schaap provided further overview. Comments were made by the GM. Discussion ensued.

#### **VI. GENERAL MANAGER'S REPORT (8:11 p.m.)**

The GM provided a report on the following items:

1. Laboratory testing / Regulatory Compliance
2. Water production and sales
3. Leaks
4. In-House Construction Projects
5. CIP 2020-21 Old River Road/Woodland Drive
6. Grants
7. Office Site Upgrades
8. Planning Commission Meeting Update

Discussion ensued. No further action was taken.

**VII. BOARD MEMBERS' ANNOUNCEMENTS/COMMENTS  
(8:26 p.m.)**

Director Holmer announced that he will now be in an election for his LAFCO position

**VIII. ITEMS FOR THE NEXT AGENDA (8:29 p.m.)**

- 1. Final audit
- 2. Website/billing system (set up for discussion action)
- 3. Transitioning to in-person meetings
- 4. Meter Reader contract
- 5. Surplus lands process

**IX. CLOSED SESSION (8:34 p.m.)**

At 8:34 p.m. President Schaap announced the items in Closed Session. There was no public comment.

At 8:35 p.m. the Board took a brief recess

At 8:40 p.m. the meeting reconvened and the Board went into Closed Session. At 9:13 p.m. the meeting reconvened from Closed Session and the following action was announced:

- A. Pursuant to Gov. Code Section 94957(b)(1) – Public Employee Performance Evaluation**  
**Title: General Manager**  
(No action was taken.)

**ADJOURN**

The meeting adjourned at 9:20 p.m.

Respectfully submitted,

Julie Kenny  
Clerk to the Board of Directors

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:** Eric Schanz

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**Meeting Date: January 12, 2023**

**Subject: DISCUSSION/ACTION RE RESOLUTION 23-01, ACCEPTING THE FINAL  
AUDIT FOR THE FISCAL YEAR ENDING JUNE 30, 2022**

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**RECOMMENDED ACTION:**

Approve Resolution 23-01, Accepting the Final Audit for the Fiscal Year Ending June 30, 2022.

**FISCAL IMPACT:**

(Preparation of the FY 2021-22 Audit cost \$8,500.)

**DISCUSSION:**

Our FY 2021-22 Audit was conducted by Michael Celentano, CPA. Mr. Celentano discussed the Audit with you at our December meeting.

Staff recommends the Board approve Resolution 23-01, Accepting the Final Audit for the Fiscal Year Ending June 30, 2022.



## Resolution No. 23-01

### **A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SWEETWATER SPRINGS WATER DISTRICT ACCEPTING THE FINAL AUDIT FOR THE FISCAL YEAR ENDING JUNE 30, 2022**

**WHEREAS**, the Sweetwater Springs Water District is required to have annual audits performed relative to the spending of public funds; and

**WHEREAS**, Michael Celentano, CPA provides said auditing service and is under contract with the District to perform such audits.

**NOW, THEREFORE BE IT RESOLVED**, that the Board of Directors of the Sweetwater Springs Water District has reviewed the audit as prepared by Michael Celentano, CPA for the year ending June 30, 2022, and accepts the information contained therein.

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 January 12, 2023, by the following vote.

<b>Director</b>	<b>Aye</b>	<b>No</b>
Sukey Robb-Wilder	_____	_____
Tim Lipinski	_____	_____
Rich Holmer	_____	_____
Gaylord Schaap	_____	_____
Larry Spillane	_____	_____

\_\_\_\_\_  
Tim Lipinski  
President of the Board of Directors

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

**SWEETWATER SPRINGS WATER DISTRICT**

**BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2022 AND 2021**

**SWEETWATER SPRINGS WATER DISTRICT  
FINANCIAL STATEMENTS**

**JUNE 30, 2021 AND 2020**

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**MICHAEL A. CELENTANO**

Certified Public Accountant

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Board of Directors  
Sweetwater Springs Water District  
Guerneville, California

Independent Auditor's Report

**Opinions**

I have audited the accompanying financial statements of the business-type activities Sweetwater Springs Water District as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Sweetwater Springs Water District's basic financial statements as listed in the table of contents. In my opinion, except for the effects of the matter described in the "Basis for Qualified Opinion" paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Sweetwater Springs Water District as of June 30, 2022 and 2021 and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Qualified Opinion**

Management has not adopted GASB Statement 68 "Accounting and Financial Reporting of Pension Plans." and amendments to GASB 68". Accounting principles generally accepted in the United States of America require that Deferred Inflows/Outflows and Adjusted Pension Expense be recorded currently which would increase the assets and liabilities and change the pension expense. The effect on Deferred Inflows/Outflows and payroll and employee benefits expenses has not been determined. See Footnote 6 for more detail.

Management has not adopted GASB Statement 75 "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions". Accounting principles generally accepted in the United States of America require that Unfunded Postemployment Benefit's Liability, Deferred Inflows/Outflows and Adjusted Employee Benefits Expense be recorded currently which would increase the liabilities and decrease the fund balance and change the employee benefit expense. The amount by which this departure would affect the liabilities by increasing Net OPEB Liability by \$178,970 and decreasing fund balance by \$178,970. The effect on Deferred Inflows/Outflows and payroll and employee benefit expenses has not been determined. See Footnote 11 for more detail.

**.Basis for Opinions**

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Sweetwater Springs Water District, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

## **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Sweetwater Springs Water District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sweetwater Springs Water District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Sweetwater Springs Water District's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit

## Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

A handwritten signature in black ink, appearing to read 'M. Celentano', with a stylized flourish at the end.

Michael A Celentano  
Certified Public Accountant

November 6, 2022

# Management Discussion & Analysis (Unaudited)

Management has prepared this financial overview of the activities of the Sweetwater Springs Water District for the fiscal year ended June 30, 2022. It serves as an introduction to the financial statements contained in the Audit Report and a summary of major activities of the District for the fiscal year. Much of the analysis is comparative to last year's activity.

The Discussion begins with a comparison of key financial activities to the prior year, together with a selection of financial activities that management considers worthy of special note for FY 2021-22. The condensed financial statements that follow provide a financial summary of the Audit Report organized in a different way than the Audit report financials. Following the financial statements are additional details on capital spending, District debt and future plans of the District.

## I. SELECTED FINANCIAL ACTIVITIES IN 2021-22

### Selected revenues, expenses, and balances:

	<u>FY 2021-22</u>	<u>FY 2020-21</u>
Water Sales:	\$2,789,045	\$2,756,680
Net Income (Change in Net Position):	\$1,820,816	\$652,668
Net Income excluding non-cash rev/exp:	\$2,051,950	\$1,657,539
Surplus operating income transferred to CIRF:	\$430,000	\$270,000
Operating Expenses (before depreciation):	\$2,173,238	\$1,971,244
Capital Improvement expenditures:	\$715,426	\$244,180
Debt Payments (principal + interest):	\$777,969	\$1,141,570
District reserves above policy:	\$2,450,358	\$2,351,087
Net Pension Liability/Surplus (PERS UL):	(\$634,822)	\$104,210
Capital Debt:	\$9,165,415	\$9,689,186

### Other Notes for FY 2021-22

**(1) Grants received:** FY 2021-22 income includes \$712,610 in grant funding.

**(2) PERS Unfunded Liability reporting yielded extraordinary unrealized gains leading to a Net Pension surplus at FYE.** In recent years, the District's extra payments on this liability coupled with above-average PERS investment returns for FY 2020-21\* on those funds show the District now has a \$634,822 surplus at CalPERS. (\* PERS investment returns are reported with a one-year lag.)

**(3) General Manager transition.** This year the District transitioned to a new General Manager. Expenses related to the transition impacted operations expenses.

## II. BASIC FINANCIAL STATEMENTS

The Financial Statements of the District report information about the District using accounting methods similar to those used by private sector companies. These statements offer short- and long-term financial information about its activities. The two statements contained in this Management's Discussion and Analysis are condensed versions of the statements in the Audit Report:

The Statement of Net Position is comparable to a Balance Sheet. It includes all of the District's assets and liabilities and provides information about the nature and amounts of investments in resources

(assets) and the obligations of the District's creditors (liabilities). It also provides the basis for computing rate of return, evaluating the capital structure of the District, and assessing the liquidity and financial flexibility of the District.

All of the current fiscal year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position, comparable to an Income Statement. This statement measures the success of the District's operations over the past fiscal year and can be used to determine the District's creditworthiness and whether the District has successfully recovered all its costs through its user fees and other charges.

Not included in this Management's Discussion and Analysis but required in the Audit report is the Statement of Cash Flows. The primary purpose of this statement is to provide information about the District's cash receipts and cash payments during the reporting period. It provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

## STATEMENT OF NET POSITION

A summary of the District's Statement of Net Position in FY 2021-22 compared to FY 2020-21 is presented in Table 1 below. Generally, an increase in the District's net position is a good indicator of whether its financial health is improving or deteriorating. The District's net position increased by \$1,820,816 to \$15,084,709 at FYE 2022, up from \$13,263,893 at FYE 2021, largely due to one-time grant proceeds and unrealized income from our FY 2020-21 investment returns on funds held with CalPERS.

### Condensed Statement of Net Position

	<u>FYE 2022</u>	<u>FYE 2021</u>	<u>\$ Change</u>	<u>% Change</u>
Cash	3,800,035	3,025,538	774,496	25.6%
Capital Assets	19,557,957	19,776,879	(218,922)	-1.1%
Other Assets	1,113,650	450,747	662,903	147.1%
<b>Total Assets</b>	<b>24,471,642</b>	<b>23,253,165</b>	<b>1,218,477</b>	<b>5.2%</b>
Bond & Loan principal debt outstanding	9,165,415	9,689,186	(523,771)	-5.4%
Other long-term liabilities	(610,113)	157,795	(767,908)	-486.6%
Other short-term liabilities	831,631	142,291	689,340	484.5%
<b>Total Liabilities</b>	<b>9,386,933</b>	<b>9,989,272</b>	<b>(602,339)</b>	<b>-6.0%</b>
Net investment in capital assets	10,392,542	10,087,693	304,849	3.0%
Restricted	0	0	0	
Unrestricted	4,692,167	3,176,200	1,515,967	47.7%
<b>Total Net Position</b>	<b>15,084,709</b>	<b>13,263,893</b>	<b>1,820,816</b>	<b>13.7%</b>

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

The Statement of Revenues, Expenses, and Changes in Net Position provides additional information concerning this year's revenues and expenses that impacted net position. Table 2 below compares the District's Statement of Revenues, Expenses, and Changes in Net Position in FY 2021-22 versus FY 2020-21. The District's Net Position improved by \$1,820,816 in FY 2021-22, compared to \$652,668 in FY 2020-21. Most of this, however, was due to grant funding (\$712,610) and unrealized gains with our funds at PERS (\$737,647) – both one-time sources of income and/or non-cash income that cannot be counted on in future years and – in the case of non-cash income, cannot be used to pay bills.



**Table 2**  
**Condensed Statement of Revenues, Expenses, and Changes in Net Position**

	<u>FYE 2022</u>	<u>FYE 2021</u>	<u>\$ Change</u>	<u>% Change</u>
Water Sales	2,789,045	2,756,680	32,365	1.2%
Property Tax Assessment (flat charge)	820,819	845,486	(24,667)	-2.9%
Non-Operating Revenues	863,956	291,565	572,391	196.3%
<b>Total Revenues</b>	<b>4,473,820</b>	<b>3,893,731</b>	<b>580,089</b>	<b>14.9%</b>
Operating Expenses:				
Salaries & Benefits	1,397,937	1,285,266	112,671	8.8%
Services & Supplies	775,301	685,978	89,323	13.0%
<b>Total Operating Expenses</b>	<b>2,173,238</b>	<b>1,971,244</b>	<b>201,994</b>	<b>10.2%</b>
Non-Operating Expenses:				
Interest	248,632	264,948	(16,316)	-6.2%
Other	0	0	0	0.0%
<b>Total Non-Operating Expenses</b>	<b>248,632</b>	<b>264,948</b>	<b>(16,316)</b>	<b>-6.2%</b>
<b>Total Expenses</b>	<b>2,421,870</b>	<b>2,236,192</b>	<b>185,678</b>	<b>8.3%</b>
<b>Income before Other Items and Depreciation Expense</b>				
	<b>2,051,950</b>	<b>1,657,539</b>	<b>394,411</b>	<b>23.8%</b>
Other income - unrealized investment gains	(33,408)	51,873	(85,281)	-
Other - PERS UL Changes (Investments/Assumpti	737,647	(155,254)	892,901	0.0%
Depreciation Expense	(935,373)	(901,490)	(33,883)	3.8%
<b>Total Other Income/Expenses</b>	<b>(231,134)</b>	<b>(1,004,871)</b>	<b>1,387,709</b>	<b>-77.0%</b>
<b>Change in Net Position (Net Income)</b>	<b>1,820,816</b>	<b>652,668</b>	<b>1,168,148</b>	<b>179.0%</b>

Total **revenues** were \$4,473,820, about 14.9% more than last year. Water Sales were up 1.2% from last year; charges for water were increased by 5%. Flat charge revenue, collected via property tax bills, is expected to remain constant from year to year around \$750,000. This year it came in at \$820,819, bolstered by approximately \$60,000 in flat charges from new services. Non-operating revenues -- \$863,956 -- typically consist of (1) interest income; (2) rent received from cell tower tenants on the District's Mt. Jackson property; and (3) construction of new services during the fiscal year. This year, however, it includes \$712,610 in grant funding.

On the expense side, total **expenses** increased by \$185,678, or 8.3%, compared to last year. Aside from general price increases across the board, expenses related to the General Manager recruitment and transition drove up total expenses for the year.

**"Other Items"** Items in this section are generally predictors of future income or expenses -- sometimes far in the future -- and are not part of current fiscal year cash flows. Included in "other items" are non-cash revenues/expenses: (1) Depreciation Expense; (2) Unrealized investment earnings/losses on District funds invested with the Public Agency Retirement Service (PARS); and (3) Changes to our PERS Unfunded Liability (UL) balance due to investment returns and/or the cost of assumption changes. In FY 2021-22, Other Items totaled \$231,134 (net expense) compared to \$1,004,871 (net expense) last year. The decrease from last year to this year is attributable to extraordinary investment returns on our funds invested with PERS. (For the FY 2021-22 Audit, PERS reports returns thru FY 2020-21, a lag of one year.)

### III. CAPITAL SPENDING

In FY 2021-22, the District continued the CIP 2021 project, plus began other smaller projects as noted below:

Project	Project Description	Amount spent FY 2021-22	% complete at FYE 2022
CIP 2021	Replace 5600 lf of galvanized pipe and lead goosenecks with 6" HDPE main on Old River Rd and Woodland Dr.	\$608,065	37% complete (Project Total: \$1,962,181)
Lower Harrison Tank Replacement	Removed old tank and replace with new 125,000 gallon tank	\$21,569	As of FYE, construction portion not yet out to bid. Est. \$586,000
Monte Rio Bridge	Remove steel main from old bridge, replace with 800 lf ductile main on new bridge	\$3,735	This is part of a pending County project. Est. at \$854,000.
Monte Rio Well 5 Rehab	Rehab MR Well 5 and building controls	\$77,512	73% complete Project Total: Est. at \$119,200)
Moscow Road	Relocate 200 lf 8" C-900 line with 8" ductile on the river side	\$4,545	This is part of a pending County project. Est. at \$150,000

In addition to these capital projects, \$1,025 was spent on Tank/Facilities improvements.

### IV. DISTRICT DEBT/SOURCES OF DEBT REPAYMENT

At the beginning of FY 2021-22, the District owed a total of \$9,689,185 in bond debt and a private placement loan. During the year the District made \$523,770 in principal payments. With interest, debt payments totaled \$777,969. No new debt was taken out in FY 2021-22. At FYE, the District owed a total of \$9,165,415 in borrowed funds.

The table below summarizes activity on the bonds and loans in FY 2021-22:

<u>DEBT TYPE</u>	<u>ORIGINAL PRINCIPAL</u>	<u>PRINCIPAL OWED JULY 1, 2021</u>	<u>PRINCIPAL PAID FY 2021-22</u>	<u>PRINCIPAL OWED FYE 2022</u>
USDA G.O. Bonds	\$1,647,875 (2014)	\$1,487,748	\$28,950	\$1,458,798
USDA G.O. Bonds	\$1,535,000 (2019)	\$1,510,000	\$26,000	\$1,484,000
Capital One Bonds	7,993,000 (2013)	\$5,255,892	\$296,500	\$4,959,392
Private Placement Loan	\$3,000,000 (2008)	\$1,435,545	\$172,320	\$1,263,225

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\$9,689,185

\$523,770

\$9,165,415

## V. DISTRICT RESERVES AND RESERVES ABOVE POLICY

The District adopted a Reserve Policy in 2009 that calls for leaving a designated amount of District funds in reserve for emergencies. All other District funds are considered “reserves above policy” and available for spending. In FY 2021-22, reserves above policy at FYE totaled \$2,450,378. These funds are primarily used to make District debt payments and for capital improvements

## VI. ECONOMIC FACTORS, PROJECTED CAPITAL EXPENDITURES/SOURCES OF FUNDING

The bulk of the District’s typical and unrestricted income is tied to water sales and flat charge revenue, both unaffected in any major way by economic events. The bulk of the District’s cash on hand - over 85 percent - is conservatively managed via the County of Sonoma’s investment pool. Interest rates remain low but invested principal is secure. In addition to funds invested with the County, the District has invested in mutual funds through the Public Agency Retirement System (PARS). Use of the PARS funds is limited to an amount no greater than the costs of the PERS retirement program. The PARS investment is similar to the District’s investment with the California Employee Retirement Benefit Trust (CERBT), managed by CalPERS. Use of funds invested with CERBT are limited to amounts no greater than the cost of retiree health benefits.

The District’s 2020-25 Capital Improvement Program identifies over \$3.7 million of additional capital projects. According to the District’s long-term budget for this same time period annual capital construction costs will average about \$750,000. The District’s capital construction is funded from four sources:

- **Surplus revenue.** In FY 2021-22 surplus operating revenue was \$430,000 and surplus capital revenue was \$382,823, for a total of \$812,823.
- **Grants.** In FY 2021-22 the District recorded \$712,610 in grant funding for capital projects and is approved for additional grant funding expected to be received for the next two years.
- **Loan proceeds.** The District is not considering incurring additional debt at FYE.
- **Reserves at FYE.** Reserves available for capital spending and capital debt (“reserves above policy”) were at \$2,450,358 at FYE 2022. Less anticipated debt expenditures in FY 2022-23 as well as funds held with PARS and CERBT, at FYE reserves available for future capital project expenditures were \$1,373,027.

## VII. REQUEST FOR INFORMATION

This financial report is designed to provide our customers and creditors with a general overview of the district’s finances and to demonstrate the district’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Sweetwater Springs Water District at P.O. Box 48, Guerneville, California, 95446.

**SWEETWATER SPRINGS WATER DISTRICT**  
**STATEMENT OF NET POSITION**  
**June 30, 2022 and 2021**

	June 30, 2022	June 30, 2021
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and investments	\$ 2,744,334	\$ 1,937,788
Accounts receivable	177,464	131,859
Flat charges receivables	26,859	30,622
Grant receivable	688,973	
Unbilled revenue	157,600	225,512
Inventory	56,505	56,505
Prepaid expenses	6,250	6,250
<b>TOTAL CURRENT ASSETS</b>	<b>3,857,985</b>	<b>2,388,536</b>
<b>NONCURRENT ASSETS</b>		
Land	143,053	143,053
Construction in progress	830,384	114,958
Buildings and improvements	32,430,205	32,429,180
Machinery and equipment	711,404	711,404
Less-accumulated depreciation	(14,557,089)	(13,621,716)
<b>TOTAL CAPITAL ASSETS, NET</b>	<b>19,557,957</b>	<b>19,776,879</b>
<b>OTHER NONCURRENT ASSETS</b>		
Restricted cash and investments	1,055,700	1,087,750
<b>TOTAL OTHER NONCURRENT ASSETS</b>	<b>1,055,700</b>	<b>1,087,750</b>
<b>TOTAL ASSETS</b>	<b>24,471,642</b>	<b>23,253,165</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	697,183	8,098
Accrued wages	14,759	15,020
Accrued interest	93,449	99,016
Customer deposits	21,158	15,077
Road maintenance obligations	5,082	5,080
Current portion of long term debt	540,225	523,771
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,371,856</b>	<b>666,062</b>
<b>LONG TERM LIABILITIES</b>		
Compensated absences	43,298	65,398
General obligation bonds payable	7,540,253	7,902,190
Citizens business bank (COP) payable	1,084,937	1,263,225
Net pension liability	(634,822)	104,210
Other postemployment benefits payable	(18,589)	(11,813)
<b>TOTAL LONG TERM LIABILITIES</b>	<b>8,015,077</b>	<b>9,323,210</b>
<b>TOTAL LIABILITIES</b>	<b>9,386,933</b>	<b>9,989,272</b>
<b>NET POSITION</b>		
Net Investment in capital assets	10,392,542	10,087,693
Unrestricted	4,692,167	3,176,200
<b>TOTAL NET POSITION</b>	<b>\$ 15,084,709</b>	<b>\$ 13,263,893</b>

See accompanying notes to basic financial statements

**SWEETWATER SPRINGS WATER DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**For the Fiscal Year Ended June 30, 2022 and 2021**

	Totals June 30, 2022	Totals June 30, 2021
<b>Operating Revenues</b>		
Charges for services	\$ 2,789,045	\$ 2,756,680
Total Operating Revenues	<u>2,789,045</u>	<u>2,756,680</u>
<b>Operating Expenses</b>		
Salaries and employee benefits	1,397,937	1,285,266
Service and supplies	775,301	685,978
Depreciation	<u>935,373</u>	<u>901,490</u>
Total Operating Expenses	<u>3,108,611</u>	<u>2,872,734</u>
Operating Income (Loss)	<u>(319,566)</u>	<u>(116,054)</u>
<b>Non-Operating Revenues (Expenses)</b>		
Interest income	15,200	15,601
Rents	119,868	113,109
Flat charges	820,819	845,486
Grant income	712,610	93,283
Other non-operating revenue	(17,130)	121,445
Change in actuarial assumptions	737,647	(135,975)
Interest expense unfunded pension liability	-	(19,279)
Interest expense	<u>(248,632)</u>	<u>(264,948)</u>
Total Non-Operating Revenues (Expenses)	<u>2,140,382</u>	<u>768,722</u>
Net Income (Loss)	1,820,816	652,668
Total Net Position, Beginning of Fiscal Year	<u>13,263,893</u>	<u>12,611,225</u>
Total Net Position, End of Fiscal Year	<u>\$ 15,084,709</u>	<u>\$ 13,263,893</u>

See accompanying notes to basic financial statements

**SWEETWATER SPRINGS WATER DISTRICT**  
**STATEMENT OF CASH FLOWS**  
**For the Fiscal Year Ended June 30, 2022 and 2021**

	Totals June 30, 2022	Totals June 30, 2021
Cash Flows From Operating Activities		
Cash received from customers	\$ 2,811,352	\$ 2,764,679
Payments to suppliers for goods and services	(743,716)	(682,906)
Payments to employees and related items	(1,368,800)	(1,277,026)
Net cash flows provided by operating activities	698,836	804,747
Cash Flows From Capital and Related Financing Activities		
Acquisition of capital assets	(111,142)	(320,635)
Grant income	23,637	93,283
Payments on long term debt	(523,771)	(872,220)
Payments on net pension liability	(1,385)	(534,552)
Interest payments	(254,199)	(269,350)
Net cash flows (used) by capital and related financing activities	(866,860)	(1,903,474)
Cash Flows From Non-Capital and Related Financing Activities		
Flat charges	824,582	848,197
Miscellaneous non-operating revenues	(17,130)	121,445
Net cash provided by non-capital and related financing activities	807,452	969,642
Cash Flows From Investing Activities		
Rents	119,868	113,109
Interest income	15,200	15,601
Net cash flows provided by investing activities	135,068	128,710
Net Increase (Decrease) in Cash and Investments	774,496	(375)
Cash and Investments, Beginning of Fiscal Year	3,025,538	3,025,913
Cash and Investments, End of Fiscal Year	\$ 3,800,034	\$ 3,025,538
Reconciliation of Cash and Investments to Amounts Reported on the Statement of Net Position:		
Cash and investments	\$ 2,744,334	\$ 1,937,788
Restricted cash and investments	1,055,700	1,087,750
	\$ 3,800,034	\$ 3,025,538
Supplemental Disclosures:		
Interest expense during the fiscal year	\$ 248,632	\$ 264,948
Interest capitalized during the fiscal year	\$ -	\$ -

(continued)

See accompanying notes to basic financial statements

**SWEETWATER SPRINGS WATER DISTRICT  
COMPARATIVE STATEMENT OF CASH FLOWS  
For the Fiscal Year Ended June 30, 2022 and 2021**

(Continued)

	Totals June 30, 2022	Totals June 30, 2021
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operations:		
Operating income (loss)	\$ (319,566)	(116,054)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation	935,373	901,490
(Increase) Decrease in Operating Assets:		
Accounts receivable/Unbilled Revenue	22,307	9,199
Inventory		
Prepaid expenses		
Increase (Decrease) in Operating Liabilities:		
Accounts payable	83,776	8,098
Accrued wages	(261)	2,739
Compensated absences	(22,100)	11,039
Customer deposits payable	6,081	(1,200)
Road maintenance obligations	2	(5,026)
Other postemployment benefits payable	(6,776)	(5,538)
Total Adjustments	1,018,402	920,801
Net Cash Provided by Operating Activities	\$ 698,836	\$ 804,747

See accompanying notes to basic financial statements

**SWEETWATER SPRINGS WATER DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2022 AND 2021**

**Note 1: Summary of Significant Accounting Policies**

**A. Reporting Entity**

The Sweetwater Springs Water District (District) was formed on December 6, 1988 with Resolution #88-2184 through an election under Section 30290 of the California State Water Code. The District supplies water services to residential and commercial users, and provides for connections to and the servicing of the delivering system. The District's Board of Directors has the responsibility of overseeing the financial activities of the District.

The District accounting policies conform to accounting principles generally accepted in the United States of America as applicable to governments, in accordance with the uniform system of accounts for water utility special enterprise districts as prescribed by the State Controller in compliance with the government code of the State of California.

**B. Basis of Accounting**

The District follows the accrual basis of accounting. The District's policy is to record all assets, liabilities, revenues, and expenses on the accrual basis of accounting and the flow of economic resources measurement focus. Under this method, revenue is recognized when earned and expenses are recognized when the related liability is incurred. In these funds, receivables have been recorded as revenue and provisions have been made for uncollectible amounts.

**C. Proprietary Fund Accounting**

The District has one fund which is considered a proprietary fund.

Proprietary Fund Financial Statements include a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Net Position, and a Statement of Cash Flows.

In accordance with GASB Statement No. 20 and No. 62, the District has opted to apply all applicable GASB pronouncements and all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB) issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements.

Operating revenues in the proprietary fund are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operation of the fund. All other expenses are reported as non-operating expenses.

**D. Budgetary Reporting**

The annual budget is prepared in accordance with the basis of accounting utilized by the District. The budget is not legally required and therefore budget to actual information has not been presented, either as a statement or required or other supplementary information.



**SWEETWATER SPRINGS WATER DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2022 AND 2021**

**Note 1: Summary of Significant Accounting Policies (Continued)**

**E. Receivables**

Bad debts associated with accounts receivable for services are tracked each year by staff, but have been deemed immaterial. Other receivables, if any, are shown at the anticipated recoverable amount, unless otherwise noted.

**F. Flat Charges Receivable**

Flat charges receivable represent direct charges owed to the District by property owners.

**G. Inventories**

Inventory consists primarily of water meters, water pipes, valves and fittings. Inventory is valued at estimated cost.

**H. Capital Assets**

Property, plant, and equipment are recorded at cost or estimated historical cost if actual cost is not available. Contributed assets are recorded at their fair value at the time of transfer to the District. Assets with a value of \$1,000 or less are expensed in the years acquired.

Depreciation is recorded using the straight-line method over the estimated useful lives of the assets. Depreciation is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. The range of estimated useful lives are as follows:

Water system	20 - 40 years
Leasehold improvements	7 years
Equipment	3-5 years

**I. Vacation and Sick Leave**

Vacation pay is accrued by the District in the period earned. At June 30, 2022 and 2021, accrued vacation pay amounted to \$43,298 and \$65,398 respectively.

**J. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**SWEETWATER SPRINGS WATER DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2022 AND 2021**

**Note 2: Cash and Investments**

The cash and investments are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of District debt instruments or District agreements.

The District's cash and investments are comprised of the following at June 30, 2022:

	Unrestricted	Restricted	Totals
Cash on hand	\$ 300	\$ -	\$ 300
Cash in bank	233,922	154,296	388,218
Cash and investments	2,510,112	901,404	3,411,516
Total Cash and Investments	\$ 2,744,334	\$ 1,055,700	\$ 3,800,034
Statement of Net Position:			
Cash and investments	\$ 2,744,334		
Restricted cash and investments	1,055,700		
Total	\$ 3,800,034		

Investments Authorized by the California Government Code and the District's Investment Policy

The table below identifies the investment types that are authorized for the Sweetwater Springs Water District (District) by the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District's investment policy.

**SWEETWATER SPRINGS WATER DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2022 AND 2021**

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
State of California Obligations	5 years	None	None
CA Local Agency Obligations	5 years	None	None
U.S. Agencies	5 years	None	None
Bankers' Acceptances	180 days	40%	30%
Commercial Paper - Selected Agencies	270 days	25%	10%
Commercial Paper - Other Agencies	270 days	40%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements & Securities Lending Agreements	92 days	20 % of the base value of the portfolio	None
Medium-Term Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	None
Collateralized Bank Deposits	5 years	None	None
Mortgage Pass-Through Securities	5 years	20%	None
Time Deposits	5 years	None	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	\$ 50 Million

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in the market interest rates. The District manages its exposure to interest rate risk by investing a majority of its cash and investments in the County Pooled Investment Fund.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

Investment Type	Totals	Remaining maturity (in Months)					
		12 Months or Less	13 to 24 Months	25-36 Months	37-48 Months	49-60 Months	More Than 60 Months
Public Agency Retirement Svc	\$ 240,141	\$ 240,141					
County Pooled Investment Fund	\$ 3,171,375	\$ 3,171,375	\$ -	\$ -	\$ -	\$ -	\$ -
	<u>\$ 3,411,516</u>	<u>\$ 3,411,516</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SWEETWATER SPRINGS WATER DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2022 AND 2021**

**Note 2: Cash and Investments (Continued)**

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by the California Government Code and the District's investment policy, and the actual rating as of fiscal year end for each investment type.

Investment Type	Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Fiscal Year End			
				AAA	AA	A	Not Rated
Public Agency Retirement Svc	\$ 240,141						\$ 240,141
County Pooled Investment Fund	\$ 3,171,375	N/A	\$ -	\$ -	\$ -	\$ -	\$ 3,171,375
<b>Total</b>	<b>\$ 3,411,516</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,411,516</b>

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments that represent 5% or more of total District investments (other than Sonoma County Investment Pool).

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the District's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2022, the District's deposits with financial institutions were \$176,665 in excess of federal depository insurance limits.

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as the Sonoma County Investment Pool).

**SWEETWATER SPRINGS WATER DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2022 AND 2021**

**Note 3: Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2022 was as follows:

	Balance at July 1, 2021	Additions	Deletions	Transfers	Balance at June 30, 2022
<b>Capital assets, not being depreciated:</b>					
Land	\$ 143,053	\$ -	\$ -	\$ -	\$ 143,053
Construction in progress	114,958	715,426			830,384
Total capital assets, not being depreciated	258,011	715,426			973,437
<b>Capital Assets, being depreciated:</b>					
Building and improvements	32,429,180	1,025			32,430,205
Machinery and equipment	711,404				711,404
Total capital assets, being depreciated	33,140,584	1,025			33,141,609
<b>Accumulated depreciation:</b>					
Building and improvements	(13,003,576)	(907,293)			(13,910,869)
Machinery and equipment	(618,140)	(28,080)			(646,220)
Total accumulated depreciation	(13,621,716)	(935,373)			(14,557,089)
Total depreciable assets, net	19,518,868	(934,348)			18,584,520
<b>Total capital assets, net</b>	<b>\$ 19,776,879</b>	<b>\$ (218,922)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 19,557,957</b>

Depreciation expense of \$934,348 was incurred and recorded as an operating expense for June 30, 2022.

**Note 4: Long-Term Debt**

The following is a summary of changes in long-term debt for the District for the fiscal year ended June 30, 2022:

	Balance at June 30, 2021	Additions	Repayments	Balance at June 30, 2022	Due Within One Year
2003 General Obligation Bonds	2,997,748		(54,951)	2,942,797	55,637
2013 General Obligation Refunding Bonds	5,255,893		(296,500)	4,959,393	306,300
Citizens Business Bank Certificates of Participation	1,435,545		(172,320)	1,263,225	178,288
Total	<b>\$ 9,689,186</b>	<b>\$ -</b>	<b>\$ (523,771)</b>	<b>\$ 9,165,415</b>	<b>\$ 540,225</b>

**SWEETWATER SPRINGS WATER DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2022 AND 2021**

**Note 4: Long-Term Debt (Continued)**

2003 General Obligation Bonds

On April 29, 2003, and pursuant to Resolution No. 03-15, the District authorized the issuance of General Obligation Bond of 1990, Series 2003 in the principal amount of \$4,000,000. The bond was issued as a single fully registered bond and matures in installments of the same principal amounts on the same dates as the registered bonds it represents. Interest on the bond is 4.5% per annum, payable commencing on March 1, 2004 and semi-annually thereafter on September 1<sup>st</sup> and March 1<sup>st</sup> in each year to maturity. During the fiscal year ended June 30, 2014, the District prepaid \$1,994,000 of the outstanding principal on the 2003 General Obligation Bonds from a portion of the proceeds of the 2013 General Obligation Refunding Bonds. The first installment payment that was due September 1, 2014 was deferred until September 1, 2015. The accrued interest of \$36,875, as a result of the deferred payment date, was added to the principal balance for a total outstanding balance of \$1,647,875.

The scheduled annual minimum debt service requirements at June 30, 2022 are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2023	29,637	\$ 34,649	\$ 64,286
2024	30,341	33,945	64,286
2025	31,062	33,225	64,287
2026	31,799	32,488	64,287
2027	32,555	31,733	64,288
2028-2032	174,744	146,699	321,443
2033-2037	196,504	124,950	321,454
2038-2042	220,976	100,492	321,468
2043-2047	248,492	72,989	321,481
2048-2052	279,436	42,061	321,497
2053-2054	183,252	8,809	192,061
Total	<u>\$ 1,458,798</u>	<u>\$ 662,040</u>	<u>\$ 2,120,838</u>

2018 General Obligation Bonds

On December 1, 2018, and pursuant to Resolution No. 17-6 and 17-7, the District authorized the issuance of General Obligation Bonds in the principal amount of \$1,535,000. The bond was issued as a single fully registered bond and matures in installments of the same principal amounts on the same dates as the registered bonds it represents. Interest on the bond is 2.25% per annum, payable commencing on June 1, 2019 and semi-annually thereafter on December 1<sup>st</sup> and June 1<sup>st</sup> in each year to maturity.

**SWEETWATER SPRINGS WATER DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2022 AND 2021**

**Note 4: Long-Term Debt (Continued)**

The scheduled annual minimum debt service requirements at June 30, 2021 are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2023	26,000	\$ 33,098	\$ 59,098
2024	27,000	32,501	59,501
2025	27,000	31,894	58,894
2026	28,000	31,275	59,275
2027	29,000	30,634	59,634
2028-2032	153,000	143,089	296,089
2033-2037	171,000	124,886	295,886
2038-2042	192,000	104,580	296,580
2043-2047	220,000	82,231	302,231
2048-2052	245,000	55,181	300,181
2053-2057	272,000	26,174	298,174
2058	94,000	1,935	95,935
Total	<u>\$ 1,484,000</u>	<u>\$ 697,478</u>	<u>\$ 2,181,478</u>

**2013 General Obligation Refunding Bonds**

On August 1, 2013, the District issued \$7,993,000 of General Obligation Refunding Bonds bearing interest of 4.50% and payable semi-annually on September 1 and March 1, maturing on September 1, 2033. The proceeds of the Bonds were used to (i) prepay, in full, the 1992 General Obligation Bonds; (ii) partial prepayment of the 2003 General Obligation Bonds, and (iii) pay the costs of issuing the Bonds. The outstanding principal balance of the 2013 General Obligation Refunding Bonds at June 30, 2015 was \$7,553,000.

\$7,821,765 from the 2013 General Obligation Refunding Bonds was placed in an irrevocable trust that is to be used to service the future debt requirements of the 1992 General Obligation Bonds and the 2003 General Obligation Bonds. The refunding resulted in an economic gain (difference between the present value of the debt service payments on the old and new debts) of \$648,545. The aggregate difference in debt service between the old and new debt is \$923,427.

The District defeased the 1992 General Obligation Bonds by placing a portion of the proceeds of the 2013 General Obligation Refunding Bonds in an irrevocable trust to provide for all future debt service payments on the 1992 General Obligation Bonds. Accordingly, the trust account assets and the liability for the defeased 1992 General Obligation Bonds is not included in the District's financial statements.

**SWEETWATER SPRINGS WATER DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2022 AND 2021**

**Note 4: Long-Term Debt (Continued)**

2013 General Obligation Refunding Bonds (Continued)

The scheduled annual minimum debt service requirements at June 30, 2022 are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2023	\$ 306,300	\$ 133,614	\$ 439,914
2024	316,200	124,961	441,161
2025	323,500	116,069	439,569
2026	330,800	106,974	437,774
2027	339,900	97,651	437,551
2028-2032	2,317,927	307,249	2,625,176
2033-2034	1,024,766	28,694	1,053,460
Total	<u>\$ 4,959,393</u>	<u>\$ 915,212</u>	<u>\$ 5,874,605</u>

California Safe Drinking Bonds Payable

On June 24, 1993 the State Department of Water Resources provided a \$2,870,000 loan to the District under the Safe Drinking Water Bond Act of 1986. The project financed by this loan consists of construction of three wells, interconnection of the system's service area, and construction of five storage facilities and appurtenances.

The bonds bear interest at 2.955% and mature on April 2022. Principal payments are due semi-annually on October 1 and April 1 including interest. A 5% administrative fee was included in the principal amount. This loan was paid off during the year.

Citizens Business Bank Certificates of Participation Payable

On August 1, 2008, Citizens Business Bank as assigned from Municipal Finance Corporation provided a \$3,000,000 loan to the District in the form of Certificates of Participation.

The Certificates of Participation bear interest at 4.75% through August 1, 2018 and then due to a rate renegotiation with Citizen Business Bank in November 2016 was reduced to 3.1% and will remain until the loan matures on August 1, 2028. Principal and interest payments are due semi-annually on February 1<sup>st</sup> and August 1<sup>st</sup> in the amount of \$117,007 through August 1, 2018 and \$108,038 for the remainder of the loan.



**SWEETWATER SPRINGS WATER DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2022 AND 2021**

**Note 4: Long-Term Debt (Continued)**

The scheduled annual minimum debt service requirements at June 30, 2022 are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2023	\$ 178,288	\$ 37,789	\$ 216,077
2024	183,857	32,219	216,076
2025	189,601	26,475	216,076
2026	195,524	20,552	216,076
2027	201,633	14,444	216,077
2028-2029	314,322	9,794	324,116
Total	<u>\$ 1,263,225</u>	<u>\$ 141,273</u>	<u>\$ 1,404,498</u>

**Note 5: Operating Leases**

The District has entered into an operating lease arrangement as lessee for the District offices. The term of the lease was for five years with an option to extend for seven, one year periods. The initial five year lease expired on July 31, 2014. On May 6, 2014, the District renegotiated the office lease. The new lease commences August 1, 2014 and expires on July 31, 2017, at a cost of \$2,364 per month. The new lease had an option to extend for one additional term of three years which was extended on July 31, 2017 through July 31, 2020 at \$ 2,483 per month. On April 16, 2020 the District exercised its option to extend the lease for an additional three years at \$2,606 per month. This extension has an option to extend the lease for an additional three years at \$2,730 per month.

The District has also entered into an operating lease arrangement as lessee for a postage machine. The term of the lease is five years, beginning in October 2020. The District's current quarterly lease expense for the postage machine is \$401.

The total rental payments for all leasing arrangements charged to expenses were \$32,540 and \$32,560 for June 30, 2022 and 2021 respectively.

**Note 6: Employees Retirement Plan (Defined Benefit Pension Plan)**

***General Information about the Pension Plan***

**Plan Description, Benefits Provided and Employees Covered**

The plan is a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes, and membership information is listed in the June 30, 2021 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the June 30, 2021 actuarial valuation report. This report is a publicly available valuation report that can be obtained at CalPERS' website under Forms and Publications.

**SWEETWATER SPRINGS WATER DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2022 AND 2021**

Contribution Description

Section 20814(c) of the California Public Employees’ Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS’ annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan’s actuarially determined rate is based on the estimated amount necessary to pay the Plan’s allocated accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the measurement period ended June 30, 2019 (the measurement date), the active employee contribution rate is 6.91 percent of annual pay and the average employer’s contribution rate is 10.34 percent of annual payroll for the 2% @ 55 plan and the active employee contribution rate is 6.75 percent of annual pay and the average employer’s contribution rate is 7.59 percent of annual payroll for the 2% @ 62 plan. Employer contributions rates may change if plan contracts are amended.

Annual Pension Cost

For June 30, 2022, the District’s annual pension cost of \$ 66,612 for PERS was equal to the District’s required and actual contributions and plus an additional \$ 1,385 towards its unfunded liability. The required portion of the contribution was determined as part of the June 30, 2019 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.00% investment rate return of (net of administrative expenses), (b) projected annual salary increases that vary by duration of service, and (c) 2.75% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 2.50%. The actuarial value of PERS assets was determined by an amortization that will pay for all gains and losses over a fixed 20-year period. The required and actual contribution rate for June 30, 2022 was determined as part of the June 30, 2019 actuarial valuation in which PERS using the same assumptions as the previous year

Three-Year Trend Information For PERS

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/20	70,738	100%	0
6/30/21	68,732	100%	0
6/30/22	66,612	100%	0

**SWEETWATER SPRINGS WATER DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2022 AND 2021**

The table below shows a three-year analysis of the actuarial accrued liability of the 2% @55 plan, the plan's share of the pool's market value of assets, plan's share of the pool's unfunded liability, funded ratio and the annual covered payroll as of June 30:

Valuation Date	Accrued Liability	Shared Mkt Value/Assets	Unfunded Liability	Funded Ratio	Covered Payroll
6/30/19	5,190,479	4,204,166	986,313	81.0%	595,195
6/30/20	5,505,873	4,891,246	614,627	88.8%	443,092
6/30/22	5,998,048	6,613,573	(615,525)	110.3%	406,661

The table below shows a two-year analysis of the actuarial accrued liability of the 2% @62 plan, the plan's share of the pool's market value of assets, plan's share of the pool's unfunded liability, funded ratio and the annual covered payroll as of June 30:

Valuation Date	Accrued Liability	Shared Mkt Value/Assets	Unfunded Liability	Funded Ratio	Covered Payroll
6/30/19	46,738	44,732	2,006	95.7%	245,097
6/30/20	107,053	102,198	4,855	95.5%	346,587
6/30/22	187,446	205,360	(17,914)	109.6%	367,075

**Note 7: Net Position**

GASB Statement No. 63 require that the difference between assets added to the deferred outflows of resources and liabilities added to the deferred inflows of resources be reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted.

Net position that is net investment in capital assets consist of capital assets, net of accumulated depreciation, and reduced by the outstanding principal of related debt. Restricted net position is the portion of net position that has external constraints placed on it by creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions or enabling legislation. Unrestricted net position consists of net position that does not meet the definition on net investment in capital assets or restricted net position.

The District maintains the majority of its cash with the Sonoma County Treasury in a general operating account, debt service accounts, and construction accounts.

Cash restricted to long-term debt repayment is held in the debt service accounts, and cash restricted to water system improvements is held in the construction accounts. The restrictions arise from provisions of the General Obligation Bond Issues and California Safe Drinking Water Loan Contract #58340.

**Note 8: Deferred Compensation Plans**

The District offers its employees two deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans are available to all employees. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) held in trust by a third party administrator (ING and AIG Valic) for the exclusive benefit of the plan participants and their beneficiaries as prescribed by Internal Revenue Code Section 457 (g). Accordingly, these assets have been excluded from the accompanying financial statements.

**SWEETWATER SPRINGS WATER DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2022 AND 2021**

**Note 9: Risk Management**

The District participates in a joint venture under a joint powers agreement (JPA) with the Special District Risk Management Authority (SDRMA) for insurance purposes. The SDRMA is a joint powers agency formed pursuant to Section 6500 et seq., California Government Code, is comprised of California special districts, and agencies. The relationship between the District and JPA is such that the JPA is not a component of the District for financial reporting purposes. The SDRMA's purpose is to jointly fund and develop programs to provide stable, efficient, and long term risk financing for special districts. These programs are provided through collective self-insurance; the purchase of insurance coverage's; or a combination thereof. SDRMA provides general and auto liability, workers' compensation, public officials' and employees' errors and omissions, employment practices liability, property loss, and boiler and machinery coverage.

**Note 10: Contingencies**

In November, 2019, the District entered into a contract with Coastland Civil Engineering for Design/Engineering Services related to Lower Harrison Tank driveway retaining wall in the sum of \$46,511. As of June 2022, \$21,569 was paid to Coastland.

In July 2020, the District entered into a contract with Coastland Civil Engineering for Design/Engineering Services related to CIP 2021 in the sum of \$144,958. In May, 2021 the contract was amended (increased to \$150,000). As of June 2022, \$136,866 was paid to Coastland.

In December, 2020 the District entered into a contract with Piazza Construction for emergency preventative fire hazard work to remove debris on Mt. Jackson in the sum of \$178,833. As of June 2021, this project was on hold pending final approval of FEMA funding to offset the costs of this project. In FY 2021-22, this project was permanently cancelled.

In December 2021, the District entered into a contract with Bartley Pump LLC for rehabilitation and electrical work on two (2) District wells in the sum of \$89,212. As of June 2022, \$75,512 was paid to Bartley Pump.

In February, 2022, the District entered into a contract with Piazza Construction for construction of CIP 2021 in the sum of \$1,353,421. In FY 2021-22, change orders totaling \$32,085 were approved, bringing the total contract with Piazza to \$1,385,506. As of June 2022, \$547,225 was paid to Piazza.

In February, 2022, the District entered into a contract with Coastland Civil Engineering for Construction Management Services related to CIP 2021 in the sum of \$161,880. As of June 2022, \$40,985 was paid to Coastland.

**Note 11: Post-Retirement Health Insurance**

The District provides certain health insurance benefits to retired employees in accordance with memoranda of understanding as follows:

For employees who retire from the District and from CalPERS after at least five (5) years of service with CalPERS and who have reached the age of fifty-two (52) years old (fifty (50) years old for Classic PERS members), and who continue health insurance through a District-sponsored health insurance plan, the District will

**SWEETWATER SPRINGS WATER DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2022 AND 2021**

contribute the minimum monthly amount (as required by CalPERS) of the health insurance premium (\$149 in 2022 and \$143 in 2021).

Funding Policy

The District adopted a resolution to enter into an agreement with CalPERS to participate in the California Employer’s Retiree Benefit Trust Program (CERBT). For fiscal year 2021-22 the District contributed \$11,043, which covered current premiums and \$3,000 of additional prefunding of benefits. Currently, there are 6 retirees who are receiving benefits.

Annual OPEB and Net OPEB Obligation

The District’s annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45’s Alternative Measurement Method allowed for employers with less than 100 plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District’s annual OPEB cost for the fiscal year, the amount actually contributed to the plan, and changes in the District’s net OPEB obligation:

Annual required contribution	\$	4,157
Interest on net OPEB obligation		(562)
Adjustment to ARC		619
Annual OPEB cost (expense)		4,214
Contributions made		(11,043)
Increase in net OPEB obligation		(6,829)
Net OPEB obligation – Beginning of the year		(11,760)
Net OPEB obligation – End of year	\$	(18,589)

The District’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years 2019-20, 2020-21 and 2021-22 were as follows:

Fiscal Year	Annual OPEB Cost	Percent of Annual OPEB Cost	OPEB Obligation (Asset)
6/30/2020	\$ 6,839	128%	\$ (6,983)
6/30/2021	\$ 5,503	100%	\$ (11,813)
6/30/2022	\$ 4,214	262%	\$ (18,589)

Funded Status and Funding Progress

As of June 30, 2022, the most recent Alternate Measurement Method valuation date, the plan was 24.4% funded. The actuarial accrued liability for benefits was \$236,807, and the actuarial value of assets was \$57,837, resulting in an unfunded actuarial accrued liability (UAAL) of \$178,970. The covered payroll (annual payroll of active employees covered by the plan) was \$281,873, and the ratio of the UAAL to the covered payroll was 84 percent.

The Alternate Measurement Method valuation of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding

**SWEETWATER SPRINGS WATER DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2022 AND 2021**

the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, present multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The Alternate Measurement Method valuation methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In fiscal year 2018-19, the District revised its actuarial assumptions used to calculate the ARC as follows: (1) The minimum Employer Contribution rate of increase was decreased from 3.2 percent to 2.75 percent based on five years' actual MEC increases. (2) The discount rate used was increased from .3 percent to 3.50 percent based on methodology presented in GASB 75. In addition actuarial assumptions presume 75 percent of employees will choose to participate in CalPERS health upon retirement. The actuarial value of assets is not applicable (No assets as of the initial valuation date). The UAAL is being amortized as a flat percentage of covered payrolls over thirty years. The remaining amortization period at June 30, 2022 was twenty-two (22) years.

Other Postemployment Benefits

Schedule of Funding Progress				
Valuation Date	Liability (a)	Assets (b)	Net Liability (a)-(b)	Status (b)/(a)
6/30/2014	\$ 392,471	\$ 15,287	\$ 377,184	3.9%
6/30/2015	\$ 422,461	\$ 21,482	\$ 400,979	5.1%
6/30/2016	\$ 418,666	\$ 25,428	\$ 393,238	6.1%
6/30/2017	\$ 479,571	\$ 31,495	\$ 448,076	6.6%
6/30/2018	\$ 370,760	\$ 37,076	\$ 333,684	10.0%
6/30/2019	\$ 360,271	\$ 42,621	\$ 317,650	11.8%
6/30/2020	\$ 319,468	\$ 47,203	\$ 272,265	14.7%
6/30/2021	\$ 298,913	\$ 63,884	\$ 235,029	21.4%
6/30/2022	\$ 236,807	\$ 57,837	\$ 178,970	24.4%

**Note 12: Subsequent Event**

Subsequent events are those events or transactions that occur subsequent to the effective date of the financial statements, but prior to the issuance of the final reports, which may have a material effect on the financial statement or disclosures therein.

There are no subsequent events that have occurred through November 6, 2022 that meet the above definition.



# SWEETWATER SPRINGS WATER DISTRICT

**TO:** Board of Directors

**AGENDA NO. V-B**

**FROM:** Eric Schanz, General Manager

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**Meeting Date: January 12, 2023**

**Subject: LAFCO: Election of Special District Representative Class II**

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**RECOMMENDED ACTION:**

The Board has received a ballot from LAFCO for the election of the Special District Representative Class II. LAFCO is requesting that the Districts Presiding Officer submit the ballot and complete certification by February 15, 2023.

**FISCAL IMPACT:**

None

**DISCUSSION:**

Two Candidates are on the ballot for LAFCO Special District Representative Class II. The Board needs to select the candidate and send the ballot to LAFCO by February 15, 2023. Attached to the Board Packet is the LAFCO Ballot and Candidates Statements for review.

Candidates are Listed Below:

Tamera Davis, Marin Sonoma Mosquito & Vector Control

Richard Holmer, Sweetwater Springs Water District



Date: November 14, 2022  
To: All Independent Special Districts  
Subject: Election of Special District Representative Class II

Attached please find the materials associated with an election to fill the position of Special District Representative Class II Regular Member to Sonoma LAFCO for the remainder of the term ending May 2025. As a result of an earlier notification by Sonoma LAFCO to special districts, two nominations were submitted by the October 28<sup>th</sup>, 2022 deadline.

Nominations for this position were restricted to board members of ambulance, cemetery, health and hospital, pest control, recreation and parks, resource conservation, wastewater, and water districts.

All independent special districts have the right to vote in the election.

The election process requires that Sonoma LAFCO send to each district copies of the following:

1. A ballot and certification form, with voting instructions
2. All nominations received by the established deadline

All ballots should be returned to the LAFCO office by February 15, 2023. Ballots received by the deadline will be counted and the results announced within seven days.

Ballot sheet and certification may be emailed to [Kassandra.Bowen@sonoma-county.org](mailto:Kassandra.Bowen@sonoma-county.org), to meet deadline requirements. However, originals must be mailed to the LAFCO office as soon as possible thereafter. The LAFCO mailing address is P.O. Box 1428, Santa Rosa, CA 95404

Please note that ballots representing a majority of the districts must be received by the deadline date for the election to be considered valid. In the event a majority of districts have not cast ballots by the deadline, Sonoma LAFCO will extend the deadline date by 60 days to allow those districts that have not returned a ballot to do so.

On behalf of the Commission, we urge your district to participate in this election for special district representation to Sonoma LAFCO and to return the ballot by the February 15th deadline.

If you have any questions or need additional information, please contact Sonoma LAFCO at 707-565-2577.

# SONOMA LOCAL AGENCY FORMATION COMMISSION

## BALLOT

Special District Representative Class II Term of Office Ending May 2025

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1. Vote for only one candidate for Special District Representative.
2. The presiding officer or his/her designated alternate, acting on behalf of the district, must cast the district's vote by marking the space to the right of a candidate's name and then complete, sign, and date the certification.
3. Place the marked ballot sheet and certification into the envelope provided and mail to Sonoma LAFCO, P.O. Box 1428, Santa Rosa, CA 95404. Ballot sheet and certification may be emailed to [Kasandra.Bowen@sonoma-county.org](mailto:Kasandra.Bowen@sonoma-county.org), to meet deadline requirements. However, originals must be mailed to the LAFCO office as soon as possible thereafter.
5. **Submit ballot and certification by Wednesday, February 15<sup>th</sup>, 2023**

### VOTE

Tamara Davis, Marin Sonoma Mosquito & Vector Control

\_\_\_\_\_

Rich Holmer, Sweet Water Springs Water District

\_\_\_\_\_

### CERTIFICATION

I certify, under penalty of perjury, that I, \_\_\_\_\_  
(Print Name of Presiding Officer or Alternate)

I am the Presiding Officer of \_\_\_\_\_  
(Print Name of Special District)

or his/her designated alternate, and I am authorized by my district to cast the district's vote for Special District Representative to the Local Agency Formation Commission in this election.

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Signature)

# SONOMA LOCAL AGENCY FORMATION COMMISSION

111 SANTA ROSA AVE STE 240, SANTA ROSA, CA 95404  
(707) 565-2577 www.sonomalafco.org

## APPLICATION FOR SPECIAL DISTRICT REPRESENTATIVE (CLASS II)

This application has been designed to provide pertinent information about each candidate applying for the position of Class II Special District Representative to LAFCO. Class II districts include ambulance, cemetery, health and hospital, pest control, recreation and parks, resource conservation, wastewater, and water districts.

Please read the application carefully and type your responses or print in ink.

Date Submitted: October 22, 2022 \_\_\_\_\_

Name: Richard L Holmer \_\_\_\_\_

Address: PO Box 22, Villa Grande, CA 95486 \_\_\_\_\_

Phone(s): 707-865-2998, 707-327-8660 \_\_\_\_\_

Email: richandwanda@sbcglobal.net \_\_\_\_\_

Name of District You Represent: Sweetwater Springs Water District \_\_\_\_\_

Date of Most Current Election/Appointment: June, 2011 \_\_\_\_\_

Date Term Expires: Dec., 2022 \_\_\_\_\_

Total years with District: 11 years \_\_\_\_\_

Total Years Associated with Government/ Community Service: 45 years \_\_\_\_\_

List any other agencies/special Districts you have been or are currently involved with:

Sonoma LAFCO, Sept. 2016 to present \_\_\_\_\_

Creekside Wastewater Authority, 2013-2019 \_\_\_\_\_

County of Sonoma, 1972-2004 \_\_\_\_\_

List Community Service Activities including Names of Organizations and Dates of Service:

Friends of Villa Grande a 501c3 corporation formed for the benefit of the community of Villa Grande, 2015 to present

California Onsite Wastewater Association, 2003-2004

Sonoma County Administrative Management Council, 1996-2004

Russian River Historical Society, 1998-1999

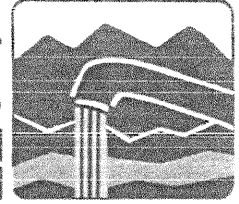
Kenwood Community Club, 1974-1978





Sweetwater  
Springs

WATER  
DISTRICT



*Eric Schanz, General Manager*

October 7, 2022

TO: Sonoma LAFCO

To Whom It May Concern:

By this letter I hereby attest that the Board of Directors of the Sweetwater Springs Water District at their October 6, 2022 Board Meeting approved a motion to nominate Sweetwater Director Richard Holmer for Class II Representative for LAFCO. Motion was made by Director Robb-Wilder, seconded by Director Lipinski, and approved by a vote of 5-0.

Sincerely,

A handwritten signature in cursive script that reads "Julie C. Kenny". The signature is written in dark ink and is positioned above the printed name and title.

Julie Kenny  
Secretary to the Board  
Sweetwater Springs Water District  
(707) 869-4000

PO Box 22  
Villa Grande, CA 95486

Phone 707-865-2998  
E-mail  
richandwanda@sbcgloabl.net

## Richard L Holmer, Resume

- Objective** I am applying to serve on the Board of Directors of the Local Agency Formation Commission.
- Education** 1964 to 1968, San Jose State University, San Jose, CA  
Bachelor of Arts degree in Environmental Health Sciences
- 1968 to 1969, University of California, Berkeley, CA  
Post graduate work in the field of Environmental Health Sciences
- Work experience** 1969 to 1972, County of Santa Clara, Department of Public Health: Environmental Health Specialist
- 1972 to 1995, County of Sonoma, Department of Health Services: Environmental Health Specialist, Land Use Specialist, Supervising Environmental Health Specialist
- 1995 to 2004, County of Sonoma, Permit and Resource Management Department: Operations Division Manager
- 2004 to present, retired
- Summary of qualifications** I have extensive experience in governmental oversight of land development in Sonoma County during my tenure at the Sonoma County Department of Health Services and the Sonoma County Permit and Resource Management Department. These duties included review of projects, review of environmental impacts of projects and direct participation as a member of staff level review panels. Additionally, I gave staff input to the Planning Commission, Board of Zoning Adjustments and the Board of Supervisors. These activities provide a solid background of experience to serve effectively as a member of LAFCO.

During my ten years as a manger at the Permit and Resource Management Department, I gained considerable experience in interacting with staff members, the public and elected bodies. I feel that I have good communication skills and the ability to make effective and well thought out decisions.

In my elected position as a Board member of the Sweetwater Springs Water District (including one year as Board chair), I have gained valuable knowledge regarding the operation of a special district, the problems faced by special districts and financing issues of special districts.

#### **Community activities**

Sweetwater Springs Water District, Board member and chair, 2011 to present

Friends of Villa Grande, Board member and President, 2005 to present

Creekside Wastewater Authority, Board member, 2015 to present

California Onsite Wastewater Association, Board member, 2003-04

Sonoma County Administrative Management Council, Board member, 1996 to 2004

Russian River Historical Society, Board member, 1998-99



# SONOMA LOCAL AGENCY FORMATION COMMISSION

575 ADMINISTRATION DRIVE, ROOM 104A, SANTA ROSA, CA 95403  
(707) 565-2577 FAX (707) 565-3778  
www.sonomalafco.org

## APPLICATION FOR SPECIAL DISTRICT REPRESENTATIVE (CLASS II)

This application has been designed to provide pertinent information about each candidate applying for the position of Class II Special District Representative to LAFCO. Class II districts include ambulance, cemetery, health and hospital, pest control, recreation and parks, resource conservation, wastewater, and water districts.

Please read the application carefully and type your responses or print in ink.

Date Submitted: September 22, 2022

Name: Tamara Davis

Address: 903 Hacienda Circle, Redwood Park, CA 94928

Phone(s): 707-585-6153

Email: PhineasChapmanRP@gmail.com

Name of District You Represent: Marin/Sonoma Mosquito & Vector Control District

Date of Most Current Election/Appointment: 2018

Date Term Expires: 2022

Total years with District: 20+ years

Total Years Associated with Government/ Community Service: 40+ years

List any other agencies/special Districts you have been or are currently involved with:

pls refer to attached document

List Community Service Activities including Names of Organizations and Dates of Service:

pls refer to attached document

## SONOMA LOCAL AGENCY FORMATION COMMISSION

Have you attended LAFCO meetings? If yes, when?

yes, but not recently

Please explain why you want to serve on the Sonoma Local Agency Formation Commission (LAFCO).

I have a long history of involvement in public services within Sonoma County and would like to use my experience working with LAFCO.

The Marin/Sonoma Mosquito & Vector Control District staff works in all areas of Sonoma County and the localities. This would be helpful to me while working with LAFCO.

I have long been interested in the goals of this agency and would like to have the opportunity to participate.

From your perspective, explain the purpose of LAFCO:

LAFCO is focused on the efficient delivery of public services and the effective formation of local government.

Protecting agricultural land & and open space is a priority and as someone who grew up in Sonoma County, very important to me. This also means limiting urban sprawl.

I have observed the activities of LAFCO from when I was with the city of Cotati and various groups over the years. I think I can bring an objective view point to this work.

# TAMARA DAVIS

903 Hacienda Circle - Rohnert Park, CA 94928  
(707) 585-6153 - phineaschapmanrp@gmail.com

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## OBJECTIVE

LAFCO Special District Representative (Class II)

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## PUBLIC SERVICE HIGHLIGHTS

- Trustee - Marin/Sonoma Mosquito and Vector Control District (Member of Executive Committee) representing County of Sonoma at-large since 2002.
  - Past President of Mosquito and Vector Control Association of California (MVGAC) Trustee-Council. Eight years on Trustee Council. Currently serving on Legislative Committee & Board.
  - Second Vice-President & Trustee Representative for Coastal & Sacramento Valley Regions of the Vector Control Joint Powers Agency (VCJPA) - Board of Directors.
  - California Affiliated Risk Management Authorities (CARMA) - Board of Directors Alternate
  - Sonoma County Consolidated Oversight Board (Member)
- 

## PROFESSIONAL EXPERIENCE

STATE FARM INSURANCE - 34 Years of Service - Retired in 2004

Held various progressively responsible positions:

- Public Affairs Manager (focus on legislative, public policy issues, education, community outreach and media relations)
  - Fire Claims Superintendent (focus on home and business claims and claims involving litigation and also managed a litigation unit)
  - Re-inspector/Trainer (focus on reinspecting handled claims and assisting in training new claim representatives)
  - Claim Representative (handled home and business claims and a variety of disasters - hailstorms in New Mexico, Colorado and Wyoming)
  - Life Company - cash control clerk, administrative assistant
  - Auto Underwriting - assistant auto underwriter
- 

## PRIOR COMMUNITY INVOLVEMENT

- Goodwill Industries of the Redwood Empire - Board of Directors
- Mosquito Research Foundation - Board of Directors
- Mayor and Council Member - City of Cotati
- Corporate Council - State Conference of NAACP

- Santa Rosa Chamber of Commerce - Government Review Committee
- Alliance of North Bay Chambers of Commerce - Board of Directors
- Rohnert Park Chamber of Commerce
- Cotati Chamber of Commerce
- Sonoma State University - Ambassador for Higher Education
- Sonoma County Business Education Round Table - past president of Board of Directors
- Insurance Information Network of California - Past President of Board of Directors - member of IINC Communications Committee
- Personal Insurance Federation of California - communications and legislation committee member
- Professional Business Women of California - past Board of Directors member, Advisory Committee member
- Recipient of the 2001 Women and Industry award for Insurance and the 2001 Women and Industry Award for Community Involvement
- Leadership California - graduate
- The Association for Women in Communications - member
- Redwood Municipal Insurance Fund - Board of Directors
- Governor's School to Career Advisory Council - appointed by Governor Pete Wilson
- Sonoma County School to Career Partnership - past president and founding board member

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## **EDUCATION**

**BACHELOR OF ARTS (B.A.)** Sonoma State University

**ASSOCIATE OF ARTS (A.A.)** Santa Rosa Junior College

**FELLOW OF THE LIFE OFFICE MANAGEMENT ASSOCIATION (LOMA)**

# SWEETWATER SPRINGS WATER DISTRICT

**TO:** Board of Directors

**AGENDA NO. V-C**

**FROM:** Eric Schanz, General Manager

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**Meeting Date: January 12, 2023**

**Subject: Contract Meter Reader**

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**RECOMMENDED ACTION:**

Staff will provide an update on status of the open Contract Meter Reader position.

**FISCAL IMPACT:**

Approximately \$35,000 annually.

**DISCUSSION:**

Discussion/Action regarding contract meter reader position. Legal Counsel and the General Manager are in the process of reviewing/revising the current contract for the open Contract Meter Reader position.

# SWEETWATER SPRINGS WATER DISTRICT

**TO:** Board of Directors

**AGENDA NO. V-D**

**FROM:** Eric Schanz, General Manager

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**Meeting Date: January 12, 2023**

**Subject: In Person Meetings Monte Rio Community Center**

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**RECOMMENDED ACTION:**

Discussion/Action by the Board of Directors to resume in person meetings at Monte Rio Community Center.

**FISCAL IMPACT:**

Cost of rental \$60.00 per hr.  
Optional Cost: \$40.00 Trash Removal  
\$40.00 Restroom Cleaning

**DISCUSSION:**

Continue the discussion on returning to in person meetings at the Monte Rio Community Center.

Director Robb-Wilder contacted Monte Rio Recreation and Park District and has the District Board Meetings penciled in on the calendar for when the District returns to in person meetings. Also see attached use agreement (Item V-E.1)

During the December Board meeting Legal Counsel provided information on teleconferencing rules.

Staff confirmed the availability of free Wi-Fi at the facility.

During the November Board meeting Director Robb-Wilder provided information on availability and rental fees for resuming in person meetings at the Monte Rio Community Center. Staff was directed by the Board to provide more information about internet connectivity and the rules for teleconference.



## RECREATION AND PARK DISTRICT

20488 Highway 116 ☉ P.O. Box 877, Monte Rio, CA 95462

(707) 865-9956 - Fax (707) 865-0229

[events@mrrpd.org](mailto:events@mrrpd.org) ☉ [www.mrrpd.org](http://www.mrrpd.org)

### FACILITY USE AGREEMENT

<b>Date of Desired Use:</b>	<b>Time:</b> as scheduled
<b>Intended Use of Facility:</b>	<b># of Guests:</b> avg.
<b>Facility:</b>	<b>Organization Name:</b>
<b>Name/Title of Applicants:</b>	<b>Alcohol on site:</b> Y N
<b>Mailing Address:</b>	<b>Booking Reservation:</b> Y N <b>Calendar:</b> Y
<b>Email Addresses:</b>	<b>Phone Numbers:</b>
	<b>Signed:</b> Y N

\*The person applying on behalf of a society, group, company, district, agency, or organization must be a member of that body and empowered to bind it to the terms of this agreement.

1. The undersigned applicant states that, to the best of his/her knowledge, the facilities named in this agreement will not be used for the commission of any unlawful act. Further, the undersigned applicant hereby agrees to monitor all people present and prohibit all unlawful acts.
2. The undersigned applicant agrees to assume full financial responsibility for all loss, damage, or injury caused to the facility during the period contracted, or by any member of their group.
3. The undersigned applicant understands that permission to use the facilities does not constitute endorsement or sponsorship of the program or activity by the **Monte Rio Recreation & Park District**. The undersigned applicant agrees to make this clear to all interested persons or parties.
4. The undersigned applicant understands that no alcohol may be served or permitted, without specific written authorization to that effect. The undersigned applicant agrees that if alcohol is served or permitted, all reasonable steps shall be taken to prevent the consumption of alcohol by minors and/or those who appear to be intoxicated. If a person appears intoxicated, all reasonable efforts shall be made to prevent that person from additional drinking of alcohol and from operating a motor vehicle. If alcohol is to be sold, the necessary ABC permit will be required.

*Alcohol Consumption/Special Event Insurance Requirement: The Monte Rio Recreation and Park District requires the undersigned to maintain a comprehensive general liability policy in an amount equal to or greater than One Million Dollars which names the Monte Rio Recreation and Park District as an additional insured. This policy shall be written by an insurance company which is acceptable to the Monte Rio Recreation and Park District. A **certificate of insurance and attached endorsement** documenting this requirement must be on file with the Monte Rio Recreation and Park District THREE MONTHS prior to the event or sooner depending upon the contract date.*

If alcohol will be served or is brought in or sold, this must be listed on the endorsement page. Please indicate your understanding of this requirement by initialing here. \_\_\_\_\_ **\$ 1 Million** \_\_\_\_\_ **\$2 Million**

5. **PERSONNEL:** A staff person will be present to open and close your event and will not be present for the duration; however, a staff person will be available on-call throughout. Facilities must not be left unattended at any time. If extra staff hours are required, a \$30/hour fee will be charged. MRRPD will not be responsible for any theft during the event.
6. **FEES:**  
**Booking Fee:** A non-refundable fee of 25% of the total rental fee (or \$100 whichever is greater) is required to hold the date and will be returned **only if the date is not available**. The Booking Fee will be applied to the full amount owed for the event. The application will be processed within two weeks of receipt.

**Security Deposit:** A security deposit in the amount of **\$250 to \$2,000** is due 90 days prior to your event. Facilities must be returned to their original condition or the deposit, or a portion thereof, will be forfeited. The Security Deposit may also be used for cleaning charges and/or overtime charges. A credit card may be required to be on file for extra charges. The Security Deposit, or a portion thereof, will be returned within 30 days following event date.

**Administrative Fee:** A one-time administrative fee of \$50.00 is required to cover the cost of meetings, phone calls and event coordination as may be needed. **Trash Fees:** Standard catering protocol requires that all trash be removed from the premises at the close of the event. MRRPD asks all clients to remove trash and recycling from the event site. If that is not possible, a fee of \$20 will be charged. MRRPD suggests that all decorations be recyclable or usable at the end of the event.

**Fee Summary**

Booking Fee (non-refundable)		\$	_____
<b>Total Rental Fee</b>		\$	_____
Administrative Fee	\$50	\$	<b>50</b>
Staff Fee	\$40	\$	_____
Additional Fees (various)		\$	_____
Trash Haul-Away Fee	\$40	\$	_____
Cleaning Fee	\$30/hr	\$	<b>60</b>
<b>Total Fees</b>		\$	_____
SECURITY DEPOSIT REQUIRED		\$	<b>500</b>
First payment due		\$	_____
<b>Final payment due 90 days prior to event</b>		\$	_____ on _____

**Details/fee breakdown:**

(25% of fees or \$100, whichever is greater is due upon booking)	_____
\$25 per hour	_____
I will check if we waive this fee for you.	_____
_____	_____
Min 2 hrs. for a large event	_____
_____	_____
Separate check or credit card to be held in file.	_____
UPON SIGNING (No fee for date change; non-refundable if cancellation)	_____
00.00.23	_____

<b>CREDIT CARD Name on Card:</b>		<b>Card Type (VISA/MC):</b>	
<b>Card Number:</b>	_____	<b>Security Code:</b>	_____
<b>Billing Address for card:</b>	_____	<b>Exp. Date:</b>	_____
	<b>Signature:</b>	_____	

7. **INSURANCE PROVISIONS:** Refer to **Exhibit A**, attached.
8. The undersigned applicant understands and acknowledges that the allowable hours of use for all MRRPD facilities end at 10:00 p.m. on weekends (Friday and Saturday nights) and 9:00 p.m. on weeknights (all other nights). Applicant is responsible for enforcing strict compliance with all time limits. MRRPD reserves the right to terminate any event at any time if its representatives determine that continued use of its facilities constitutes a public nuisance, or that the applicant is not in compliance with any of the requirements established for use of the facilities by this Agreement, or otherwise. It is understood that amplified sound at the Monte Rio Amphitheater and Community Center will end at 10 p.m. on Friday and Saturday and 9 p.m. all other days.
9. **AMPHITHEATER:** If you are renting the Amphitheater, and you estimate more than 50 people in attendance, you are required to rent portable toilets for the duration of your event (one unit for each 50 people estimated). The first portable toilet must be an ADA (disabled accessible) unit with a washstand. Signing this contract indicates an understanding of this requirement.
10. Required documents:

<b>DUE:</b>	<b>REQUIRED:</b>		
<u>UPON SIGNING</u>	Facility Use Agreement		
<u>UPON SIGNING</u>	Rules and Regulations for Facilities Use		
<u>N/A</u>	Portable toilets required		
<u>UPON SIGNING</u>	Non-refundable booking fee in the amount of	\$	
<u>-500 on file</u>	Security deposit check/CC	\$	<b>500</b>
<u>-</u>	Special event insurance & cert. of general liability insurance w/attached endorsement		
<u>-</u>	Permits – City/County/State		
<u>-</u>	Liquor license		

I hereby attest that I have read and understood the terms of this agreement. I understand that both my organization and I are hereby bound by the terms of this agreement and shall abide by them; and, as the authorized representative signatory of the applying entity, I am empowered to bind the entity to the terms of this agreement. To the best of my knowledge the information listed above is accurate. I also understand that the use of the facility is not contracted, until all required documentation has been provided.

---

Signature of Applicant	Date	Monte Rio Recreation & Park District		Date
------------------------	------	--------------------------------------	--	------

See page 3



**MONTE RIO RECREATION & PARK DISTRICT  
FACILITY USE AGREEMENT  
INSURANCE PROVISIONS**

**INDEMNIFICATION**

The (USER/RENTER)

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shall indemnify, defend, and hold harmless the Monte Rio Recreation & Park District (DISTRICT), its officers, employees, and agents from any and all losses, costs, expenses, claims, liabilities, actions, or damages, including liability for injuries to any person or persons or damage to property arising at any time out of or in any way related to the USER/RENTER's use or occupancy of a facility or property controlled by the DISTRICT, unless solely caused by the gross negligence or willful misconduct of DISTRICT, its officers, employees, or agents.

**INSURANCE REQUIREMENTS**

General liability insurance: The USER/RENTER shall procure and maintain, for the duration of the use period contemplated herein, commercial general liability insurance with coverage at least as broad as Insurance Services Office Form CG 00 01, in an amount not less than \$1,000,000 per occurrence, \$2,000,000 general aggregate, for bodily injury, personal injury, and property damage. The policy must include contractual liability that has not been amended. Any endorsement restricting standard ISO "insured contract" language will not be accepted. If alcohol is sold during the permitted activity, coverage must include full liquor liability.

Such insurance shall name DISTRICT, its officers, employees, agents, and volunteers as additional insureds prior to the use of the facility. The USER/RENTER shall file certificates of such insurance with the DISTRICT, which shall be endorsed to provide thirty (30) days' notice to the DISTRICT of cancellation or any change of coverage or limits. If a copy of the insurance certificate is not on file prior to the event, the DISTRICT may deny access to the facility.

All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance or is on the List of Approved Surplus Line Insurers in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VII (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the DISTRICT's self-insurance pool.

Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If the USER/RENTER maintains higher limits than the minimums shown above, the DISTRICT requires and shall be entitled to coverage for the higher limits maintained by the USER/RENTER. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to DISTRICT.

**COMPLIANCE WITH ALL APPLICABLE LAW, RULES, & REGULATIONS**

A USER/RENTER shall comply with all local, state, and federal laws and regulations related to the use of the facility and public gatherings.

The USER/RENTER agrees to abide by all applicable local, federal, and state accessibility standards and regulations.

The USER/RENTER further agrees that it is solely responsible for reviewing and ensuring compliance with all applicable public health rules, regulations, orders, and/or guidance in effect at the time of the use of the facility including, but not limited to, physical distancing, limits on the size of gatherings, use of appropriate sanitation practices, etc.

DISTRICT reserves the right to immediately revoke USER/RENTER's right to use of the facility under this agreement should USER/RENTER fail to comply with any provision of this section.

**FORCE MAJEURE**

Force Majeure Events: Notwithstanding anything to the contrary contained in this agreement, the DISTRICT shall be excused from its obligations under this agreement to the extent and whenever it shall be prevented from the performance of such obligations by any Force Majeure Event. For purposes of this agreement, a "Force Majeure Event" includes but is not limited to fires, floods, earthquakes, pandemic, epidemic, civil disturbances, acts of terrorism, regulation of any public authority, and other causes beyond their control. The USER/RENTER waives any right of recovery against DISTRICT and the USER/RENTER shall not charge results of "acts of God" to DISTRICT, its officers, employees, or agents.

Signature \_\_\_\_\_ Date \_\_\_\_\_

# SWEETWATER SPRINGS WATER DISTRICT

**TO:** Board of Directors

**AGENDA NO. V-E**

**FROM:** Eric Schanz, General Manager

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**Meeting Date: January 12, 2023**

**SUBJECT: MUNI-LINK BILLING SYSTEM UPDATE**

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**RECOMMENDED ACTION:**

(Discussion item only.)

**FISCAL IMPACT:**

\$11,000 implementation fee; \$1,195 monthly thereafter. The second half of the implementation fee is due now and is included with this month's checks. The monthly fee will commence at the end of January.

**DISCUSSION:**

At past meetings, the District approved moving forward with the Muni-Link billing system. Staff has added line items to our budget for the costs to implement the billing system, as well as the monthly software fees.

Staff has met with Muni-Link numerous times since we last updated the Board in November and completed three "Client Profile Sessions" to educate Muni-Link personnel on how the District does business in detail -- our rate and fee structure, billing practices, meter reading practices, delinquency procedures, and more. We have also met with their accounting specialist to make changes to our Quickbooks accounts that will facilitate Muni-Link's billing exports to Quickbooks.

Finally, staff has downloaded our billing database and exported the information to Muni-Link. As of this writing Muni-Link is in the final stages of plugging our current billing system's data into the Muni-Link software and making sure it is operating correctly before we are given the green light to operate our Muni-Link software side-by-side with our current billing system in conjunction with 16 hours of hands on training.

Staff has been and will continue to be very busy with this project so we stay on track to meet our estimated GoLive date of February 20, 2023.

# SWEETWATER SPRINGS WATER DISTRICT

**TO:** Board of Directors

**AGENDA NO. V-F**

**FROM:** Sukey Robb-Wilder and Larry Spillane, Directors

---

**Meeting Date: January 12, 2023**

**SUBJECT: Discussion/Action re District Website**

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**RECOMMENDED ACTION:**

Receive a report from the Ad Hoc Website Committee

**FISCAL IMPACT:**

**DISCUSSION:**

This is a report of our work in progress. The Ad Hoc Website Committee, Sukey Robb-Wilder and Larry Spillane, met with GM Eric Schanz on December 12 and focused on reasons for improving website transparency, added content / action list, and website maintenance.

Website Transparency

First, we need to bring our website into compliance with existing laws. We are in a good position to do so, since Streamline is our provider. Streamline, partnering with the California Special District Association, has developed a website builder to create and launch websites that can meet legal requirements as well as the Special District Leadership Foundation's transparency guidelines. We have requirement checklists and we will review the website to see that requirements are met effectively.

The primary reason for improving transparency is to increase trust in government. It can also encourage public involvement, by demystifying our district and addressing problems that prevent public participation, including those identified in the 2017 report on "Special Districts: Improving Oversight and Transparency," by the Little Hoover Commission.

Problems that the public has with special districts and their websites include difficulty in understanding:

- Which districts receive property taxes and what do they do with them
- How to participate in their district's public process
- How to pick the best board members from an often obscure list of potential candidates

The Little Hoover report and its recommendations have already inspired new state laws for special districts and their websites.

## Added Content / Action List

We feel that adding more content will begin to bring us closer to the level of excellence encouraged by the Little Hoover Commission with regards to Special District transparency. This will enable more understanding of government process that is little understood in California, and thus it will promote more trust in government.

After discussing items possibly of use on the District's website, we have summarized a list of action items that seemed most appropriate and useful at this time.

1 - More Board Meeting Packets - We realize the Board's participation in the website process has probably slowed the addition of items at this time.

- We'd like to know how many years' worth could be easily added, if packets are already in PDF form or another electronic version.

2 - Add Resolutions and Ordinances (signed copies optional)

- We'd like to know how many years' worth could be easily added, if they are already in PDF form or other electronic version.

3 - Some updates needed about Compensation (State reporting?) and Board member updates, which could also be a victim of our committee meetings!

4 - Sweetwater Springs Water District Formation Resolution (Board of Supervisors' 88-2184) plus supporting resolutions and ballot measures - Vet with Legal first?

5 - Water Rights History - Post the recent study as PDF. Vet with Legal first?

6 - Election Info for candidates for Special District Director - Link to County Registrar of Voters pages.

7 - Brown Act documentation - Link to State Legislation. (To clear up why the Board's duties are like they are!)

8 - Municipal Service Review (An MSR is LAFCO's comprehensive assessment of the ability of the District to effectively and efficiently provide municipal services. (Sukey to obtain MSR or link)

Additional content mentioned but not discussed in depth included:

- Surplus Land Management and Disposition
- Grant Application and Document Page
- Maps and Diagrams of Systems and Process
- Others

## Website Maintenance

When a new website first begins to be used normally, it usually requires significant updates, and they may be time-consuming, because what has been planned almost always needs adjusting when it gets into the real world.

Our new website needs a clearly outlined Maintenance process, with documented procedures, available to affected parties:

- for reporting and processing website problems and suggestions,
- for testing and quality control before signing off on a change,
- with assigned responsibilities, and
- with a calendar of events with timeframes.

We do not yet know the amount of effort involved in maintaining the website.

This topic led to a discussion of hiring more help, or utilizing interns and volunteer students from Water curricula at Santa Rosa JC or Sonoma State.

Next Committee Meeting - TBD

# SWEETWATER SPRINGS WATER DISTRICT

**TO:** Board of Directors

**AGENDA NO. V-G**

**FROM:** Eric Schanz, General Manager

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**Meeting Date: January 12, 2023**

**Subject: Board subcommittee reports**

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**RECOMMENDED ACTION:**

Receive updates from active Board subcommittees.

**FISCAL IMPACT:**

Varies.

**DISCUSSION:**

This item is a standing placeholder for any Board subcommittee updates that have not been addressed in a separate item.

# SWEETWATER SPRINGS WATER DISTRICT

**TO:** Board of Directors

**AGENDA NO. VI**

**FROM:** Eric Schanz, General Manager

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**Meeting Date:** January 12, 2023

**Subject:** GENERAL MANAGER'S REPORT

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**RECOMMENDED ACTION:** Receive report from the General Manager.

**FISCAL IMPACT:** None

**DISCUSSION:**

- 1. Laboratory Testing/ Regulatory Compliance:** Water quality tests confirm that all SSWD water meets all known State and Federal water quality standards.
- 2. Water Production and Sales:** Water sales in November were 16,472 units (Monte Rio cycle). Water Sales in November have trended down with the lowest recorded water sold in twenty years. Total combined Monte Rio and Guerneville water production for October were 43.40 AF.
- 3. Leaks:** There were a total of 5 watermain repairs in November requiring 94 work hours total, and 2 service leaks requiring 23 work hours total. The total number of leaks continues to trend down. (Figure2).
- 4. In-House Construction Projects:** The old ¾ inch water service at J's Amusement has been abandoned. Argonaut Construction finished raising valve boxes after paving in downtown Guerneville.
- 5. CIP 2021 Old River Road/Woodland Drive:** Final paving has been completed by Piazza Construction on Old River Road and the Woodland Drive.
- 6. Grants:** CDWR grant invoice is being processed for partial disbursement in the amount of \$86,226.01.
- 7. River Lane Update:** Russian River Parks and Recreation is working on the property sale and securing Ag and Open Space funding. Our water rights attorney is working on the language that will allow the District to retain any water rights associated with the property. An appeal has been filed with the County Board of Supervisors by a local resident

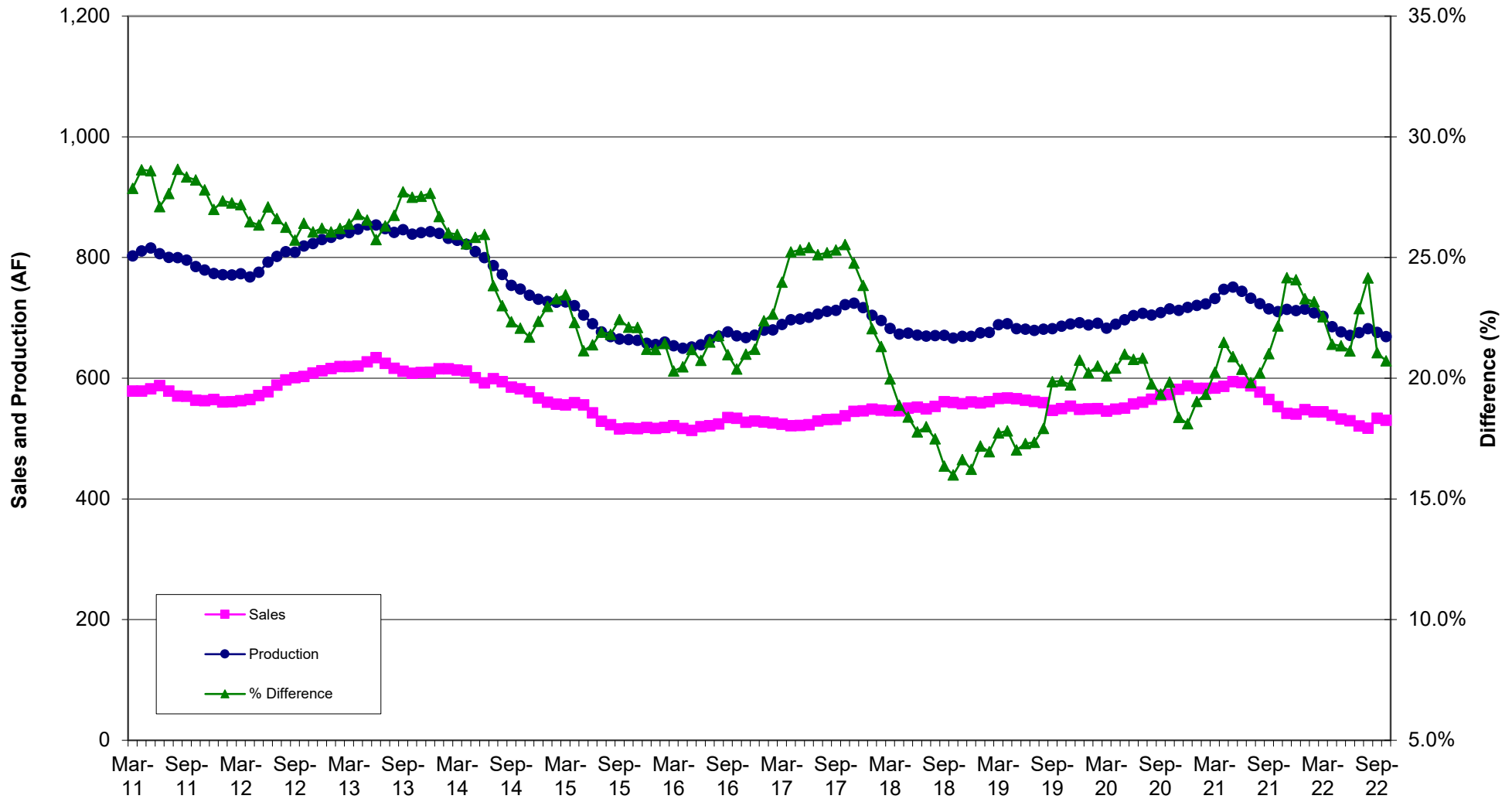
challenging the Planning Commission's decision on the property use. The appeal will be heard by the Sonoma County Board of Supervisors on January 7, 2023.

- 8. Training:** Supervisory Staff have completed 2 Hrs. of training for "Sexual Harassment Prevention for Supervisors" this training is required every two years. Field and Office Staff are scheduled for "Sexual Harassment Training for Non-Supervisors" on February 9, 2023.
- 9. Surplus Lands Review:** The District performed a comprehensive review of all District properties in 2009-2010. A list of District properties was developed listing property APN, locations, size and current use. A second list was developed identifying all the Districts small parcel surplus lands.

Attached is a Surplus Lands Informational Document and a summary of the work already completed by staff on District Surplus Lands. Also Attached are Staff reports from the October 1 and October 7, 2010, Board meetings that provide information on the Surplus Lands Strategy and Parcels owned by the District (Exhibit "A") The Surplus District Lands Strategy and (Exhibit "B") Identifying the Districts small parcels surplus lands).



**Figure 1. Water Production and Sales 12 Month Moving Averages  
Sweetwater Springs Water District Since March 2011**



**Figure 2. Sweetwater Springs Water District Main and Service Pipeline Breaks  
Moving Annual Average Since November 2010**

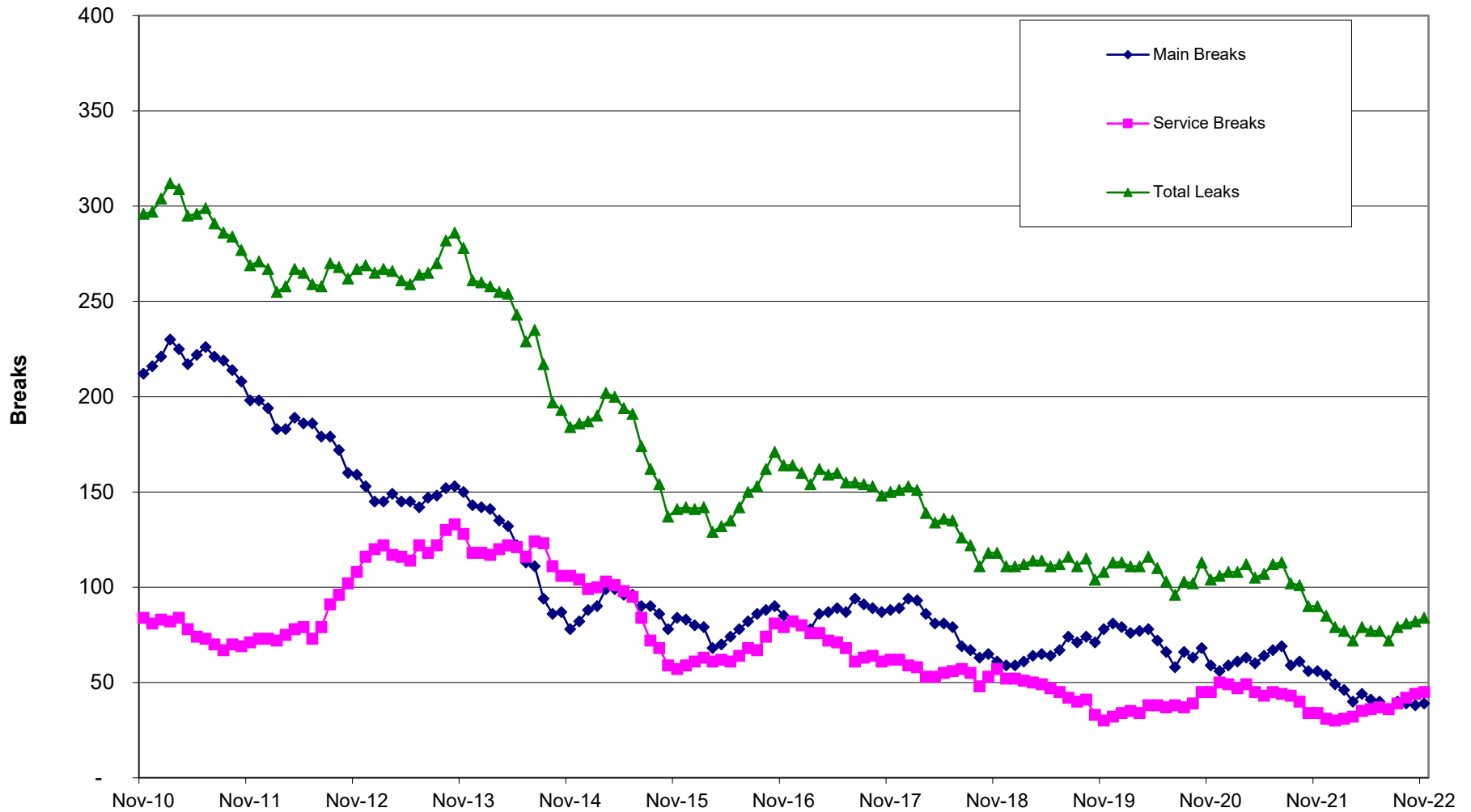
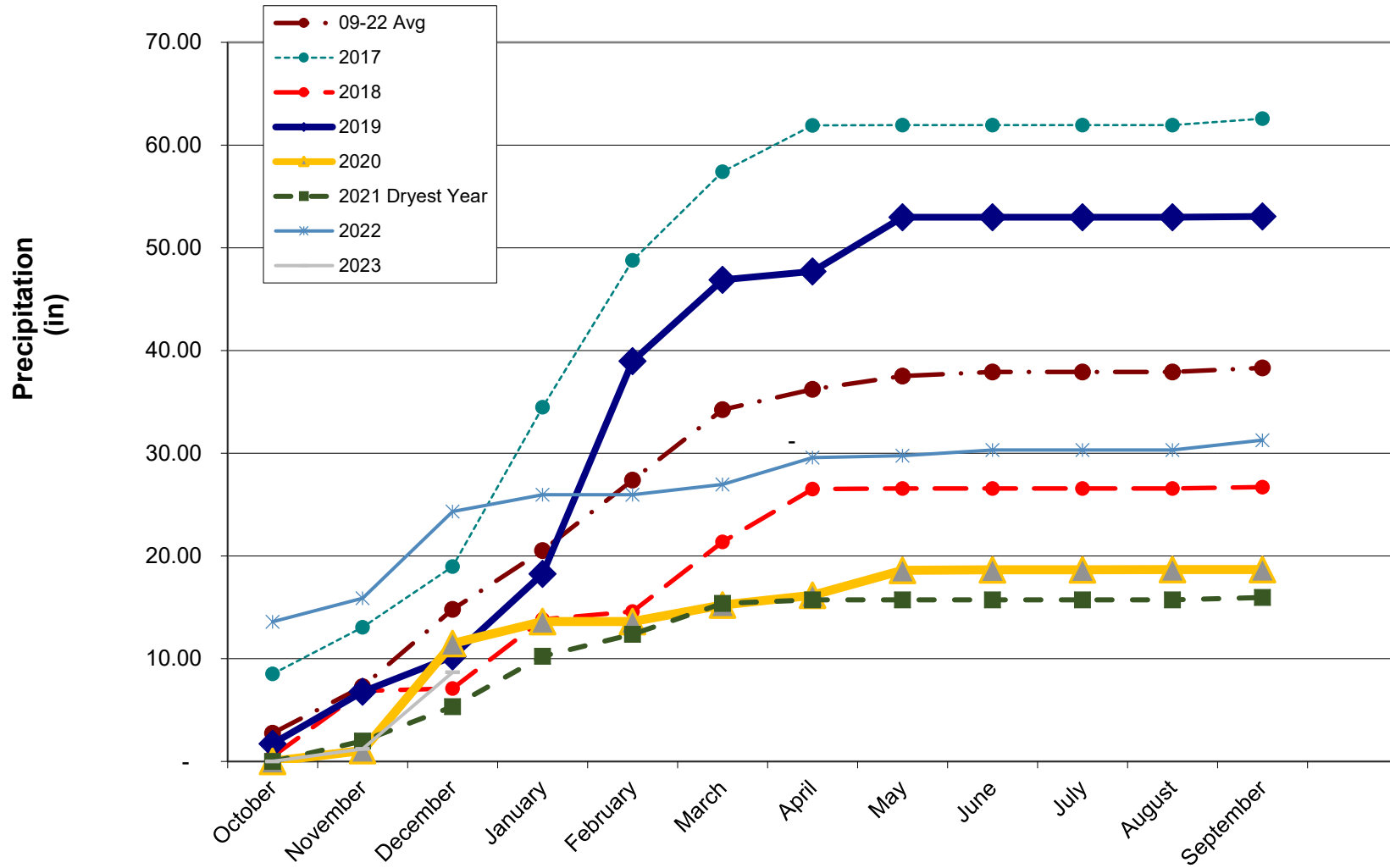
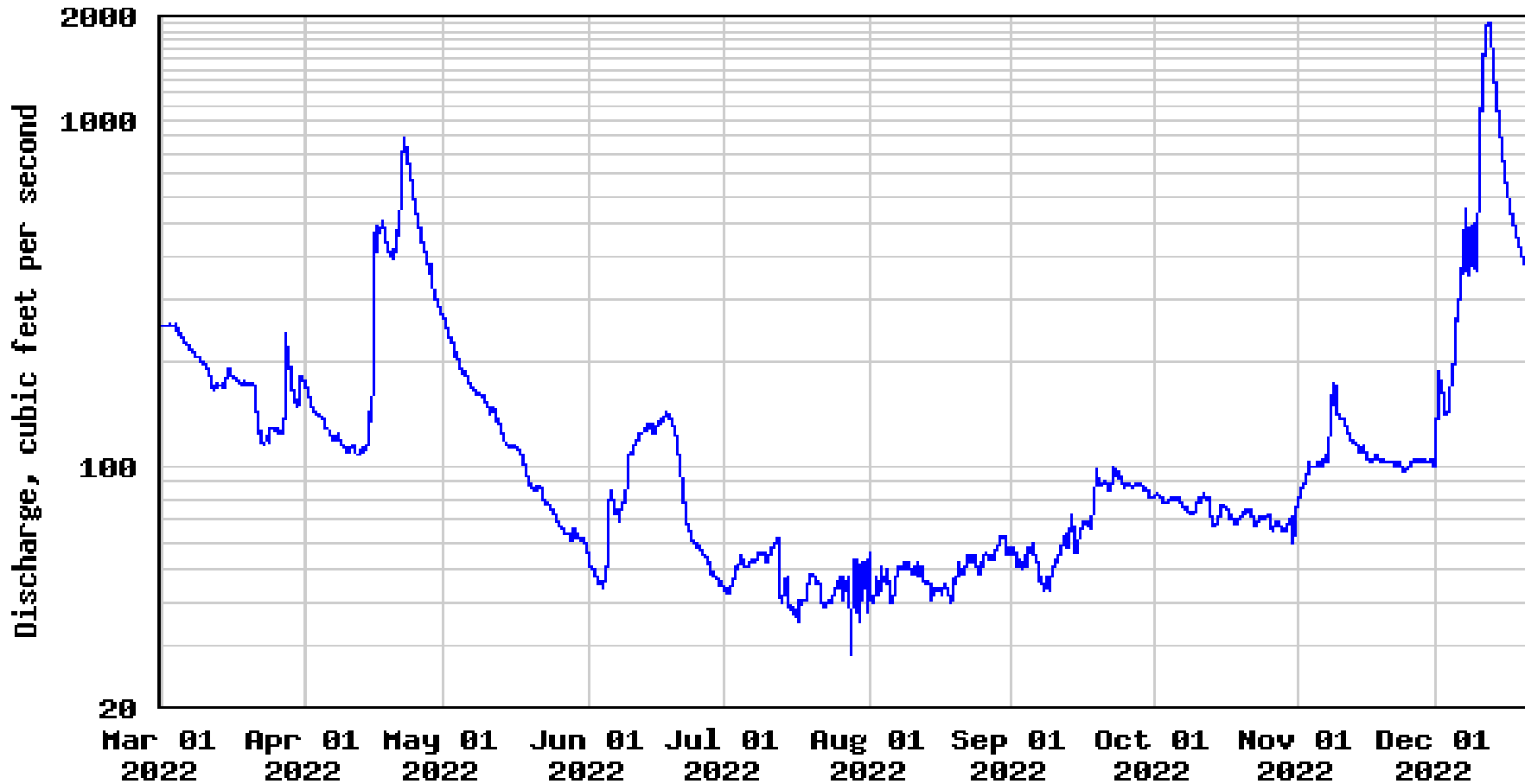


Figure 3. Guerneville Cumulative Monthly Rainfall





### USGS 11467000 RUSSIAN R A HACIENDA BRIDGE NR GUERNEVILLE CA



----- Provisional Data Subject to Revision -----

## NUMBER OF WATER UNITS SOLD FY 22 - 23

	FY01-02	FY02-03	FY03-04	FY04-05	FY05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23
<b>JULY</b>	34,371	26,447	26,355	33,578	22,195	27,469	27,147	28,091	21,035	17,808	20,061	22,850	25,890	22,074	16,377	19,044	19,608	20,255	19,273	22,297	21,558	20,306
<b>AUGUS</b>	39,803	37,750	42,080	41,615	37,799	41,863	37,202	37,907	34,878	32,328	28,486	33,190	29,163	32,208	26,070	26,811	29,485	28,325	27,419	28,582	26,302	22,555
<b>SEPTEN</b>	33,723	34,532	36,056	35,309	29,823	35,984	31,721	32,753	30,320	29,673	26,091	29,829	26,157	24,091	21,678	22,893	24,037	25,805	24,886	27,175	22,746	21,271
<b>OCTOB</b>	40,672	34,063	37,008	38,553	38,707	37,900	36,493	34,938	32,282	32,334	32,091	33,727	31,628	27,724	24,606	29,333	29,495	32,827	27,310	30,099	24,731	31,859
<b>NOVEM</b>	28,272	28,729	26,973	27,839	26,680	24,076	24,444	25,746	23,111	24,160	21,350	22,218	20,729	19,489	20,101	19,462	21,884	21,351	22,640	23,173	17,984	16,472
<b>DECEM</b>	25,380	27,758	27,283	25,508	23,925	25,550	21,556	24,762	21,116	20,802	20,299	22,818	23,452	21,256	20,873	18,070	21,297	20,468	22,288	25,982	21,110	20,372
<b>JANUA</b>	16,091	19,287	16,799	15,416	16,127	15,862	13,309	14,631	14,764	13,734	14,645	16,242	16,316	11,914	12,727	13,676	14,146	15,335	12,925	15,529	15,062	
<b>FEBRU</b>	21,697	23,010	20,689	19,695	22,716	20,963	18,647	21,199	19,233	18,386	16,641	18,372	20,967	17,770	17,189	16,504	17,693	16,950	17,284	15,506	18,727	
<b>MARCH</b>	17,207	15,092	17,374	14,985	15,456	16,693	14,556	14,417	14,414	12,387	12,569	13,884	13,772	12,351	13,058	12,315	11,657	12,653	12,827	12,846	11,236	
<b>APRIL</b>	17,728	19,527	21,406	21,089	18,825	21,047	19,227	18,414	17,611	17,129	17,936	17,914	17,053	16,636	17,748	16,809	16,279	18,547	16,886	17,038	17,024	
<b>MAY</b>	19,118	16,237	19,793	16,372	13,921	15,402	15,721	15,861	14,273	14,134	14,880	15,075	14,514	16,120	14,217	13,083	13,011	13,319	14,602	15,866	13,375	
<b>JUNE</b>	29,799	27,074	28,882	22,512	24,108	25,457	29,211	26,259	19,143	20,871	23,765	26,850	22,092	20,436	19,020	19,198	21,220	20,612	21,453	24,720	21,975	
<b>Total</b>	323,861	309,506	320,698	312,471	290,282	308,266	289,234	294,978	262,180	253,746	248,814	272,969	261,733	242,069	223,664	227,198	239,812	246,447	239,793	258,813	231,830	132,835



*Paving Armstrong Woods Road*



## Surplus Land Act Frequently Asked Questions (FAQs)

*This document provides answers to frequently asked questions about the Surplus Land Act (SLA) (Government Code sections 54220-54234) and the responsibilities of local agencies under the SLA. The Department of Housing and Community Development (HCD) reserves the right to update this document as needed in response to new facts, issues, or laws.*

### General Questions

#### 1. What is the Surplus Land Act (SLA)?

The SLA is a “right of first refusal” law that requires all local agencies to offer surplus land for sale or lease to affordable home developers and certain other entities before selling or leasing the land to any other individual or entity.

#### 2. When do I have to follow the SLA?

Any time a local agency disposes of land, it must follow the SLA unless the land qualifies as exempt surplus land. Dispositions include both sales and leases (unless the lease is less than five years or where no demolition or development will occur during the term of the lease).

#### 3. Is land ever exempt from the SLA?

Yes. There are many exemptions in the SLA. Most, but not all, are found in Government Code section 54221, subdivision (f)(1). Exemptions to the SLA can be generally summarized in the following four categories:

1. Those where the pre-AB 1486 version of the SLA applies because the local agency took action to dispose of the land prior to September 30, 2019 (“Grandfathering” exemptions) These dispositions are exempt from the current version of the SLA subject to the SLA as it existed on December 31, 2019.
2. Those where the disposition can be streamlined because the proposed development on the surplus land includes a certain percentage of affordable units (Affordable Housing exemptions)
3. Land that is disposed of or restricted for another public use under certain conditions (Public Use exemptions)
4. Land that is not suitable for housing because of size or other factors (Unsuitable Parcel exemptions)

#### 4. What is a disposition?

A disposition occurs when a local agency declares land to be surplus or exempt surplus and then sells or leases the land. All dispositions of surplus land must be approved by HCD before the sale or lease can be finalized. (Gov. Code, § 54230.5, subd. (b)(1).)



## 5. When do I need to contact HCD regarding a standard surplus land disposition?

The SLA requires local agencies to contact HCD twice.

First, when a local agency declares land surplus and issues a Notice of Availability (NOA), the local agency must send the NOA to HCD. (Gov. Code, § 54222, subd. (a)(1).) Second, the local agency must contact HCD again once at least 60 days have passed after the issuance of an NOA and any required 90-day good faith negotiations have concluded. At that time, the local agency must provide HCD with disposition documents that include the following: a copy of the Resolution declaring the land surplus, a copy of the NOA, a copy of the draft affordability covenant, proof of NOA delivery to all required entities per Government Code section 54222 (see Noticing Requirements below), and a description of any negotiations that have taken place. (Gov. Code, § 54230.5, subd. (b)(1).)

## 6. How do I contact HCD with questions about the SLA?

All correspondence with HCD should be sent to [PublicLands@hcd.ca.gov](mailto:PublicLands@hcd.ca.gov).

### Dispositions

#### 1. Are leases subject to the SLA?

Yes. Leases are subject to the SLA in most cases. The only exceptions are leases that are less than five (5) years or where no demolition or redevelopment will occur (SLA Guidelines section 102(h)(1)).

#### 2. Are easements subject to the SLA?

No. In almost all cases, easements are not subject to the SLA. However, if a purported easement substantively resembles a sale or lease, then we recommend you discuss with HCD.

#### 3. When are affordability restrictions required?

All dispositions of surplus land require an affordability covenant. Every sale or lease of land that takes place under the SLA requires that an affordability covenant be recorded against the land. Land sold or leased to an affordable housing developer or local public entity that responded to the Notice of Availability (NOA) within 60 days following the issuance of an NOA must include an affordability covenant requiring at least 25% of the total units developed to be affordable to lower income households. (Gov. Code, § 54222.5.) In addition, a 15% affordability covenant is required on land sold or leased after no entity responds to the NOA during the 60-day period or after price or terms cannot be reached during the 90-day good faith negotiation period. (Gov. Code, §§ 54233, 54233.5.)

An affordability covenant should also be recorded for exempt surplus land dispositions that are put out to open, competitive bid by a local agency for affordable housing development





pursuant to Government Code section 54221, subdivision (f)(1)(F)(i) or mixed-use development pursuant subdivision (f)(1)(F)(ii). For dispositions of exempt surplus land pursuant to subdivision 54221(f)(1)(A), local agencies must record a regulatory agreement establishing the minimum affordability requirements.

#### **4. Are dispositions for exempt surplus land the same as dispositions for surplus land?**

No. The exempt surplus land disposition process requires much less documentation. To dispose of “exempt surplus” land, a local agency must submit a resolution with written findings supporting the exemption to HCD for review (SLA Guidelines section 400(e)(1)). After HCD reviews the resolution and written findings and concurs that the land qualifies as exempt surplus land, the local agency is free to sell or lease the land (SLA Guidelines section 400(e)).

HCD staff will also review a draft resolution and provide feedback as to whether the resolution addresses the requirements of “exempt surplus” land before the local agency presents it to its governing body. However, HCD review of a draft resolution is optional (SLA Guidelines section 400(e)(2)).

Greater details on exemptions are available in our Guide to Exemptions.

#### **5. Are properties in a Long-Range Property Management Plan subject to the SLA?**

Yes. All locally owned land, including land that has been designated in Long-Range Property Management Plans (LRPMP) approved by the Department of Finance (DOF) or the Community Redevelopment Property Trust, is subject to the SLA. (Gov. Code, § 54221, subd. (b)(2).) When disposing of surplus land in an LRPMP, HCD requests that the local agency includes two additional documents in its disposition paperwork: a copy of the LRPMP and the letter from the DOF approving the LRPMP.

#### **6. What if there was an exclusive negotiating agreement (ENA) or legally binding agreement to dispose of the land prior to September 30, 2019?**

Land is subject to the version of the SLA that existed on December 31, 2019 so long as the local agency entered into an exclusive negotiating agreement (ENA) or other legally binding agreement to dispose of land on or before September 30, 2019, and the disposition of the land is completed by December 31, 2022, to the party that entered into the ENA or other legally binding agreement or its successor or assign. (Gov. Code, § 54234, subd. (a)(1).)

#### **7. If a local agency leases agency-owned land that requires tenant improvements and repair work, would that be considered a “disposition of surplus land”?**

No. For the purposes of the SLA Guidelines, the term “disposition” excludes short-term leases for a term of less than five years, as well as leases where no demolition or development will



occur. A lease that allows tenant improvements and minor maintenance would not be considered a disposition of surplus land (SLA Guidelines section 102(h)).

## **Determining How the SLA May Apply to a Local Agency's Proposed Disposition of Land**

*Before a local agency considers selling or leasing locally owned land, it should consider if the land is surplus, exempt surplus, or not otherwise subject to the SLA. This section addresses frequently asked questions regarding those considerations.*

### **1. Our local agency is proposing to dispose of land for economic development purposes. We received grant funding from state or federal sources which prohibit us from developing housing on the land. Does this qualify the land for an exemption?**

Yes, if grant funding from another agency restricts the development from pursuing any residential uses, then the land may qualify for the exemption in Government Code section 54221(f), subdivision (1)(G). HCD recommends that the local agency contact HCD at [PublicLands@hcd.ca.gov](mailto:PublicLands@hcd.ca.gov) to confirm that the grant does in fact prohibit housing development before declaring the land "exempt surplus land" under Government Code section 54221(f), subdivision (1)(G).

### **2. Our city has surplus land in a commercial district. The development of housing would be subject to a conditional use permit. Would this exempt the land from the SLA?**

No, the city must abide by the SLA process of notifying all mandatory parties and negotiating in good faith with any interested parties proposing to develop affordable housing on the land. (Gov. Code, § 54223, subd. (b).)

### **3. For affordable housing exemptions using the no-bid affordable housing exemption (Gov. Code, § 54221, subd. (f)(1)(A)), does the city or county still have to declare the land as "exempt surplus" through an act of its governing board?**

Yes. All surplus land and exempt surplus land must be declared as such. (Gov. Code, § 54221, subd. (b)(1).)

### **4. Our agency is proposing to dispose of land that is not currently zoned for residential use. Can we declare it exempt surplus land for this reason?**

The land can only use the exemption in Government Code section 54221(f), subdivision (1)(G) if the restriction prohibiting housing is imposed by another agency. If the agency that owns the



land is a city or county that zoned the land for non-residential use, that designation cannot be used to qualify the land for this exemption.

## **Noticing Requirements for Land Disposed of as Surplus Land**

### **1. When must a local agency send out a Notice of Availability (NOA)?**

A local agency must send out a Notice of Availability (NOA) before selling or leasing surplus land or participating in negotiations to sell or lease surplus land. (Gov. Code, § 54222.) A local agency must give entities that are interested in purchasing or leasing the surplus land at least 60 days from the date the agency sends the NOA to notify the agency of its interest. (Gov. Code, § 54222, subd. (e).)

### **2. Who does a local agency disposing of surplus land need to notify that surplus land is being made available?**

The following entities must be notified (Gov. Code, § 54222):

- If the NOA is for developing low- and moderate-income housing, the local agency must notify:
  - HCD
  - Any local public entity within whose jurisdiction the surplus land is located. Local public entities include: any county, city, city and county, the duly constituted governing body of an Indian reservation or rancheria, tribally designated housing entity as defined in Section 4103 of Title 25 of the United States Code and Section 50104.6.5, redevelopment agency organized pursuant to Part 1 (commencing with Section 33000) of Division 24, or housing authority organized pursuant to Part 2 (commencing with Section 34200) of Division 24 of the Health and Safety Code, and also includes any state agency, public district, or other political subdivision of the state, and any instrumentality thereof, that is authorized to engage in or assist in the development or operation of housing for persons and families of low or moderate income. “Local public entity” also includes two or more local public entities acting jointly.
  - CalHFA-certified Housing Sponsors who have notified HCD of their interest in developing affordable housing on surplus land. (Gov. Code, § 54222, subd. (a)(1).) A link to the full list of developers can be found on the [Public Lands for Affordable Housing Development page](#) on HCD’s website. Those entities with an “X” in column C of the table are CalHFA-certified Housing Sponsors that are required to receive NOAs.
- If the NOA is for open space purposes, the local agency must notify: the State Resources Agency, any regional park authority having jurisdiction where the land is located, and the park or recreation department of the city and/or county in which the land is located. (Gov. Code, § 54222, subd. (b).)
- If the land is suitable for school facilities construction or for use by a school district for open-space purposes, the local agency must notify the school district in which the land is located. (Gov. Code, § 54222, subd. (c).)



- If the land is located in a transit village or infill opportunity zone, the local agency must notify the county, city, city and county, successor agency to a former redevelopment agency, public transportation agency, or housing authority within whose jurisdiction the surplus land is located. (Gov. Code, § 54222, subd. (d).)

### **3. Does a local agency disposing of surplus land need to send the NOA to mandatory parties via email or certified mail?**

Noticing via email where a local agency sends one email and “Bcc” all the required entities is acceptable. (Gov. Code, § 54222, subd. (a)(1).) Certified mail is also acceptable.

### **4. Are we required to notify all entities that have notified HCD of their interest in surplus land prior to disposing of surplus land?**

No, only the housing sponsors certified by the California Housing Finance Agency (CalHFA) must be notified from that list. (Gov. Code, § 54222, subd. (a)(1).) However, the local agency may notify any other housing developers in addition to the CalHFA-certified housing sponsors. Remember that the CalHFA list is being continually updated. Please check the HCD website to ensure you notice the up-to-date list.

Please be reminded that the local agency disposing the land must also notify other local public entities (LPEs) within whose jurisdiction the surplus land being disposed of is located. (Gov. Code, § 54222, subd. (a)(1).) The LPEs required to be noticed vary based on the location of the land and do not appear on HCD’s list. It is the local agency’s responsibility to determine all LPEs that must be sent an NOA.

### **5. If, at the conclusion of the 60-day noticing period, no qualified party submitted a Notice of Interest (NOI) for the surplus land we are disposing, do we have any other obligations under the SLA?**

Yes, the local agency must record a deed restriction requiring that, in the event 10 or more residential units are developed on the land, 15 percent of the units be set aside as affordable housing. A sample deed restriction can be found [here](#). The agency must also submit a copy of this deed restriction along with a summary of the disposition to HCD for review using the form [here](#). The local agency must wait for a letter from HCD before agreeing to terms to sell or lease the land. (Gov. Code, §§ 54230.5, 54233, 54233.5.)

## **Noticing Requirements for Land Disposed of as Exempt Surplus Land**

### **1. Who does a local agency need to notify when disposing of exempt surplus land pursuant to one of the competitive bid affordable housing exemptions (Gov. Code, § 54221, subd. (f)(1)(F)(i-ii))?**



If exempt surplus land is disposed of through an open, competitive bid pursuant to one of the affordable housing exemptions in Government Code section 54221, subdivisions (f)(1)(F)(i-ii), the following entities in Government Code section 54222, subdivision (a), must be notified and invited to participate:

- HCD
- Any local public entity within whose jurisdiction the surplus land is located
- CalHFA-certified Housing Sponsors who have notified HCD of their interest in developing affordable housing on surplus land. A link to the full list of developers can be found on the [Public Lands for Affordable Housing Development page](#) on HCD's website. Those entities with an "X" in column C of the table are CalHFA-certified Housing Sponsors that are required to receive NOAs.

## **2. Who does a local agency need to notify when disposing of land that is located within a coastal zone, adjacent to a historical unit of the State Parks System, listed on or eligible for the National Register of Historic Places, or within the Lake Tahoe region?**

Unless land was granted by the state in trust to a local agency pursuant to Government Code section 54221, subdivision (f)(1)(H), land that is located within a coastal zone, adjacent to a historical unit of the State Parks System, listed on or eligible for the National Register of Historic Places, or within the Lake Tahoe region is not exempt surplus land and the local agency must send a notice of availability for open space purposes to the following entities in Government Code section 54222, subdivision (b):

- The State Resources Agency
- Any regional park authority having jurisdiction where the land is located
- The park or recreation department of the city and/or county where the land is located

## **Good Faith Negotiating Period and Coming to Terms**

### **1. If one or more qualified parties submitted an NOI for the surplus land we are disposing of, but we were unable to come to terms with any of them at the conclusion of the 90-day good faith negotiation period, do we have any other obligations under the SLA?**

Yes. If after engaging in good faith negotiations for at least 90 days to dispose of the land for a housing development that includes at least 25 percent affordable units, the local agency cannot agree on price and terms, the agency must record a deed restriction requiring that, in the event 10 or more residential units are developed on the land, 15 percent of the units be set aside as affordable housing. A sample deed restriction can be found [here](#). The agency must also submit a copy of this deed restriction along with a summary of the disposition to HCD for review using the form [here](#). The local agency must wait for a letter from HCD before agreeing to terms to sell or lease the land. (Gov. Code, §§ 54230.5, 54233, 54233.5, 54230.5.)



## **2. Does the SLA require the disposing agency to sell or lease its surplus land at or below fair market value?**

No, local agencies may sell or lease surplus land at fair market value or below fair market value. However, local agencies are not required to sell or lease land below fair market value. (Gov. Code, § 54226.)

## **Summary of District Lands Strategy, Surplus Lands Act, District policy, etc.**

August 2009: Owners of adjacent property on River Lane inquired about purchasing 17448 River Lane, the site of a former District well. District policy 3700.90 addresses disposal of District real property, requiring advertising and a sealed bid process. Board not required to accept any of the bids.

October 2009: At Board's request, staff did an inventory of all District property and categorized each property as (1) sales potential; (2) no sales potential (c) large, wooded parcel in undeveloped area

April 2010: By this time a Land Management Committee was formed to put together an Unneeded District Lands Strategy. Committee contacted public agencies and non-profits to see if any interest in our unneeded parcels. There was. Rec and Par was interested in river access locations. There was also interest in larger parcels for trails. Local brokers would help with the sale. A possible Unneeded Land Strategy was offered in the staff report.

June 2010: Since April, staff discovered the existence of State legislation, the Surplus Lands Act. The Surplus Lands Act requires the District to offer surplus lands to public agencies prior to disposing to private parties. A list of public agencies included in the staff report. The Committee decided to put together a workshop and also took a field trip to the larger parcels above MR.

June 25, 2010: Press Release announcing July 22, 2010 workshop.

August 5, 2010: Recap of where the District is at with large and small parcels.

October 7, 2010: Another recap, complete with the Surplus Lands Strategy and a List of District parcels categorized.

October 7, 2010: Separate staff report regarding possibly limiting use of surplus lands revenue to making an extra payment on USDA bond.

May 1, 2014: Resolution 14-10, authorizing GM to sign a sales contract for 17448 River Lane with Russian River Rec and Park.

H: KENNY/ANDRES/SALE OF SURPLUS LANDS

*Prepared Dec 2022 (gpl)*

# SWEETWATER SPRINGS WATER DISTRICT

**TO:** Board of Directors

**AGENDA NO. V-E**

**FROM:** Steve Mack, General Manager

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**Meeting Date: October 1, 2009**

**SUBJECT: DISCUSSION/ACTION RE POTENTIAL DISPOSITION OF DISTRICT PROPERTY**

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**RECOMMENDED ACTION:** Receive a report on the potential disposition of District property.

**FISCAL IMPACT:** Sale of District property could bring one-time revenue to the District.

**DISCUSSION:**

Interest in one district parcel on River Lane has sparked renewed interest in the overall District property inventory and the potential for selling parcels that are unneeded by the District. As a first step District staff have reviewed and updated historic efforts to list District property. That update is contained in Exhibit A attached to this report. This exhibit is based on a compilation started in the early 2000's. We have reviewed that information and updated it where appropriate. We changed the categories some - category 2 has been subdivided into three - a, b, and c, to represent unneeded parcels that a. may have sales potential, b. probably don't have sales potential because they are too small, and c. are very large wooded parcels in undeveloped areas and poorly accessible, probably first acquired for timber potential.

In the comments column for all parcels, the comments in bold are new to this effort; those in regular font are holdovers from the earlier efforts.

For the 2a parcels I identified, by inspection, those that are affected by the 100 year flood, based on FEMA flood maps. Those maps are very small scale and tying the flood boundaries to actual parcel boundaries is difficult based on the information and tools I have available.



## Exhibit A. Sweetwater Springs Water District Real Property

Cat.	APN	Situs	County Use Code	Comments
<u>Categories:</u> 1 Current District facilities needed for ongoing operations 2a Unneeded for District purposes, resale value 2b Unneeded for District purposes, limited value 2c Unneeded for District purposes, large parcel 3 Further research needed			<u>County Use Codes:</u> 0811 Utility Water Company 0000 Vacant residential lot/undeveloped 0003 Vacant lot/totally unusable (incurable) 0557 Timber Preserve Zone (List B) 0558 Timber Preserve Zone (List C) 0850 Right of way 0942 Miscellaneous District	
1	069-060-021	17975 SWEETWATER SPRINGS RD		Sweetwater Tank Site (10,000 gal.) 216 sf
1	070-070-015	15797 MORNINGSIDE DR	0811	Pipeline to Highland Tank (5' wide)
1	070-070-023	14100 SUNSET AVE	0811	Pipeline Sunset/Woodland (5' wide)
1	070-070-040	14139 SUNSET AVE	0811	Highland Tank Site (2 tanks--711,600 gal.) 1.35 acres M/L
1	070-070-059	OLD RIVER ROAD	0811	Condemnation 12/31/96 (Alanizi/Sardjono - River Road to Morningside). (County map not updated) 1058 sf
1	070-110-009	OAK AVE	0811	Lot; Schoeneman Tank Site (10,000 gal.) 4,000 sf M/L
1	070-120-021	15304 RIVER RD	0811	El Bonita Well Site 30,000 sf M/L (adjacent to APN 070-140-001)
1	070-140-001	15304 RIVER RD	0811	El Bonita Well Site 4 acres
1	070-200-042	RIO NIDO RD/AZURE WAY	0811	Rio Nido Road Tank Site (Canyon 7--20,000 gal.) 576 sf site
1	070-220-012	15250 CANYON 6 RD	0811	Upper Canyon 6 Tank Site (15,000 gal.) 4,000 sf M/L
1	070-230-079	15471 BAY AVE	0811	Hay & Bay Tank Site ("Tully" -- 10,000 gal.)

## Exhibit A. Sweetwater Springs Water District Real Property

Cat.	APN	Situs	County Use Code	Comments
<u>Categories:</u> 1 Current District facilities needed for ongoing operations 2a Unneeded for District purposes, resale value 2b Unneeded for District purposes, limited value 2c Unneeded for District purposes, large parcel 3 Further research needed		<u>County Use Codes:</u> 0811 Utility Water Company 0000 Vacant residential lot/undeveloped 0003 Vacant lot/totally unusable (incurable) 0557 Timber Preserve Zone (List B) 0558 Timber Preserve Zone (List C) 0850 Right of way 0942 Miscellaneous District		
				900 sf
1	070-240-022 (County owns property)	15440 Canyon 3 Rd		Canyon 3 Pump Station -- Relocation of old pump station from Upper Canyon 3 due to Rio Nido slide (4,000 sf)
1	070-262-046	14845 CANYON 4 RD	0811	50,000 gallon Tank and Booster 1000 sf M/L
1	070-294-020	14791EAGLE NEST LN	0811	Lot -- 3,800 sf M/L
1	070-330-007	14610 REDWOOD LANE	0811	Redwood Tank Site 15,861 sf (adjacent to 071-010-019) <b>Korbel condemnation 12/2/96 This is the tank site, the adjacent parcels are not needed</b>
1	071-120-054	17666 NATOMA DR	0811	Natoma Tank Site (15,000 gal.) 2,000 sf M/L
1	071-130-028	WRIGHT DRIVE	0811	Tank Site: No longer in use. (Adjacent to APN 071-150-012 (offline) (5,000 gal.). 1,450 sf
1	071-150-012	15976 WRIGHT DRIVE, GV	0003	Edgehill Booster Pump (Adjacent to 071-130-028). 4,500 sf M/L
1	071-260-046	18379 NEELEY RD	0811	(Gonfotti Tank) 5,000 sf lot <b>actual tank site</b>
1	072-021-019	19478 HIDDEN VALLEY	0811	Tank site (adjacent to 072-021-014) 2.5 acres <b>In use</b>
1	072-160-023	PARK AVE	0811	Tank Site (20,000 gal.) 7500 sf
1	072-171-010	0000 McLane Ave.		64'X100'. ACQUIRED 10/8/04, as part of CIP Phase III-B, for the Summit Ave. tank that is part of that project. (PRICE: \$42,000; Seller

## Exhibit A. Sweetwater Springs Water District Real Property

Cat.	APN	Situs	County Use Code	Comments
<u>Categories:</u> 1 Current District facilities needed for ongoing operations 2a Unneeded for District purposes, resale value 2b Unneeded for District purposes, limited value 2c Unneeded for District purposes, large parcel 3 Further research needed		<u>County Use Codes:</u> 0811 Utility Water Company 0000 Vacant residential lot/undeveloped 0003 Vacant lot/totally unusable (incurable) 0557 Timber Preserve Zone (List B) 0558 Timber Preserve Zone (List C) 0850 Right of way 0942 Miscellaneous District		
				Russell Harris)
1	072-173-005	14485 MCLANE AVE	0811	Summit (Old tank site -- May be needed again for low pressure area) 900 sf M/L
1	072-173-019	17498 SUMMIT AVE	0811	Summit Tank Site (15,000 gal.) 180 sf M/L
1	072-215-001	SANTA ROSA	0811	Crespo Tank Site (20,000 gal.) 750 sf M/L
1	072-240-031	NEAR OLD MONTE RIO RD	0811	Unknown 5,700 sf M/L <b>keep may be useful in future</b>
1	072-320-022	15950 Old Cazadero Road		ACQUIRED 10/2/03, as part of CIP Phase III-B, for the Monte Rosa tank that is part of that project. (PRICE: \$5,000.00; Seller: Eric Wallen)
1	072-320-025	15960 OLD CAZADERO RD	0811	Monte Rosa Tank Site (20,000 gal.) 2,000 sf M/L
1	094-010-029	HWY 116 west of Monte Rio	0811	Unknown 1,400 sf M/L <b>possible tank site in future</b>
1	094-053-003	PETALUMA AVE	0811	Lepo Tank (10,000 gal.) 4,700 sf M/L
1	094-080-001	20735 FOOTHILL DR	0811	Monte Rio Tank Site and Pipeline (226,000 gal.) 18,000 sf M/L
1	094-090-019	20890 HWY 116, MR	0811	Monte Rio Filter Plant 3 acres
1	094-160-030	RIDGECREST DR	0811	Lower Northwood Tank Site. Tank removed in March, 2000. Property no longer needed. 1,600 sf M/L <b>keep, may be useful in</b>

## Exhibit A. Sweetwater Springs Water District Real Property

Cat.	APN	Situs	County Use Code	Comments
<u>Categories:</u> 1 Current District facilities needed for ongoing operations 2a Unneeded for District purposes, resale value 2b Unneeded for District purposes, limited value 2c Unneeded for District purposes, large parcel 3 Further research needed		<u>County Use Codes:</u> 0811 Utility Water Company 0000 Vacant residential lot/undeveloped 0003 Vacant lot/totally unusable (incurable) 0557 Timber Preserve Zone (List B) 0558 Timber Preserve Zone (List C) 0850 Right of way 0942 Miscellaneous District		
<b>future</b>				
1	094-210-001 (portion only)	18962 Upper Terrace		Upper Northwood Tank and Booster; Easement acquired in sale/exchange to Atkinson 11/15/98  2,500 sf
1	095-061-015	PRIVATE ROAD OFF MONTE VISTA TERRACE	0811	Villa Grande Tank Site (100,000 gal.)(Above Monte Vista Terrace) 3.03 acres <b>We don't need all of this</b>
1	095-113-003	9200 HARRISON GULCH	0811	Lower Harrison Tank (125,000 gal.) 16,000 sf M/L
1	096-010-001	120 MAIN ST (MONTE RIO)	0811	Middle Schoolhouse Tank and Booster, and Upper Schoolhouse Tank 23.76 acres
2a	070-262-038	14829 CANYON 4 RD	0811	Lot -- 6350 sf M/L -- <b>investigate, but believe it is not needed;</b>
2a	071-010-019	14610 REDWOOD AVE	0000	Redwood Tank Site -- (130,000 gal.) 2,800 sf, <b>small for a sale, but can be combined with 030-020 below</b>
2a	071-025-022	NORTHERN AVENUE NEAR EASTERN	0811	Parcel adjacent - under Russian River (Old Drake Well Field) 20,000 sf M/L <b>Not sure how much of this is out of river; Floodway</b>
2a	071-030-020	14610 REDWOOD LN	0811	Redwood Tank Site (Adjacent to 071-010-019) 12,500 sf M/L <b>not needed</b>
2a	071-210-014	NEELEY RD	0811	Unknown use 22,500 sf M/L <b>not needed</b>
2a	071-210-017	NEELEY RD	0811	Unknown use 5,200 sf M/L <b>not needed</b>

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<u>Categories:</u> 1 Current District facilities needed for ongoing operations 2a Unneeded for District purposes, resale value 2b Unneeded for District purposes, limited value 2c Unneeded for District purposes, large parcel 3 Further research needed		<u>County Use Codes:</u> 0811 Utility Water Company 0000 Vacant residential lot/undeveloped 0003 Vacant lot/totally unusable (incurable) 0557 Timber Preserve Zone (List B) 0558 Timber Preserve Zone (List C) 0850 Right of way 0942 Miscellaneous District		
2a	071-220-068	17448 RIVER LN	0811	(Old Vacation Beach Well Site) 25,000 sf M/L <b>Current interest; Floodway, full or partial?</b>
2a	071-260-041	18379 NEELEY RD	0811	(Gonfotti Tank)(2 tanks -- 140,000 gal.) 4,000 sf lot <b>not needed</b>
2a	071-260-048	18379 NEELEY RD	0811	(Gonfotti Tank) 2.5 acres <b>not needed</b>
2a	071-260-050	18379 NEELEY RD	0811	(Gonfotti Tank) 5,300 sf lot <b>not needed</b>
2a	071-260-051	18379 NEELEY RD	0811	(Gonfotti Tank) 3 acres <b>not needed</b>
2a	072-160-006	14335 WOODS AVE	0811	Near Summit 5,000 sf lot
2a	094-130-009	21295 HWY. 116		.5 acres, ACQUIRED in 2/21/02 from the Torr's as part of the settlement of the <u>Torr v. SSWD</u> litigation (PRICE: \$48,000.00) <b>Not needed, May not have much value</b>
2a	095-011-014	21944 MOSCOW RD	0811	Unknown 10,000 sf M/L <b>not needed; Floodzone?</b>
2a	095-022-029	21914 MONTE VISTA TER	0811	4,500 sf M/L <b>not needed</b>
2a	095-022-030	21916 MONTE VISTA TER	0811	2,500 sf M/L <b>not needed</b>
2a	095-023-012	MONTE VISTA TER	0811	1.03 acres M/L <b>not needed</b>
2a	095-023-013	21907 MONTE VISTA TER	0942	Timber Land (Adjacent to 095-023-012) 4,000 sf M/L <b>not needed</b>
2a	095-120-001	9155 HARRISON GULCH	0811	Upper Harrison Tank (to be abandoned)(20,000 gal.)

## Exhibit A. Sweetwater Springs Water District Real Property

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<u>Categories:</u> 1 Current District facilities needed for ongoing operations 2a Unneeded for District purposes, resale value 2b Unneeded for District purposes, limited value 2c Unneeded for District purposes, large parcel 3 Further research needed		<u>County Use Codes:</u> 0811 Utility Water Company 0000 Vacant residential lot/undeveloped 0003 Vacant lot/totally unusable (incurable) 0557 Timber Preserve Zone (List B) 0558 Timber Preserve Zone (List C) 0850 Right of way 0942 Miscellaneous District		
				2.82 acres <b>not needed</b>
2a	097-130-008	MOSCOW RD	0811	Timber Land 20,000 sf M/L
2b	070-070-031	14141 WOODLAND DR	0811	Pipeline Sunset/Woodland (5' wide)
2b	070-294-008	14685 EAGLE NEST LN	0811	2,100 sf M/L
2b	071-150-011	15877 DRAKE RD	0003	Near Birkhoffer; Unknown use 700 sf M/L <b>not needed</b>
2b	071-180-009	NEELEY RD	0811	Unknown use 2,250 sf <b>not needed</b>
2b	071-191-013	BETWEEN GUERNEWOOD ROAD AND THE RUSSIAN RIVER	0811	Old Well Field off GuerneWood 22,500 sf M/L <b>Lot size is only 2,500; not much value as in flood plain with no direct access</b>
2b	072-014-014	Way out on Old Caz	0811	Small lot (Summerland Tract) <b>not needed</b>
2b	072-014-042	ditto	0811	Small lot (Summerland Tract) <b>not needed</b>
2b	072-060-007	HIDDEN VALLEY RD	0811	(Old tank site -- no longer needed) 2,600 sf M/L
2b	072-216-008	UPPER TERRACE/SANTA ROSA AVE	0811	2,100 sf M/L
2b	096-180-036	LAUREL DELL AVE	0811	Russian River Meadows - abandoned well site 600 sf M/L <b>get rid of valving, etc.</b>
2c	069-060-004	NORTH OF GUERNEVILLE 16505 Sweetwater Springs Rd		Timber Land (Not in District) 240 acres
2c	069-060-041	NEAR SWEETWATER SPRINGS ROAD (NORTH	0811	TPZ 84 acres <b>need radio service but</b>

## Exhibit A. Sweetwater Springs Water District Real Property

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		OF GUERNEVILLE)		<b>not land; income from antenna contracts</b>
2c	070-350-003	Northeast of Rio Nido		TPZ 40 acres <b>Berry easement parcel</b>
2c	070-350-008	Northeast of Rio Nido2222		TPZ 40 acres <b>Off Canyon 1</b>
2c	072-021-008	WEST OF OLD CAZADERO RD	0558	42.4 acres in TPZ
2c	072-021-014	19478 HIDDEN VALLEY	0811	Timber Land 14.2 acres (adjacent to 072-021-019) <b>investigate to determine need</b>
2c	074-200-002	South of Monte Rio, west of Bohemian Hwy	0558	76.11 acres TPZ (Adjacent to 074-200-004)
2c	074-200-004	Adjacent to 074-200-002		TPZ 16 acres
2c	097-130-010	MOSCOW RD	0557	Timber Land 236.06 acres
2c	097-130-011	MOSCOW RD	0557	Timber Land 56 acres
2c	105-240-007	CAZADERO		37.7 acres, no timber rights (Not in District) <b>We don't know much about this.</b>
3	070-070-035	15797 OLD RIVER RD	0811	Parcel -- Old River Road to Near Morningside; Includes pipeland to Highland Tank 28,000 sf M/L -- <b>may only need easement for pipeline</b>

# **SWEETWATER SPRINGS WATER DISTRICT**

**TO:** Board of Directors

**AGENDA NO. V-C**

**FROM:** Steve Mack, General Manager

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**Meeting Date : October 7, 2010**

**SUBJECT: DISCUSSION/ACTION RE SURPLUS DISTRICT LANDS**

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**RECOMMENDED ACTION:** Receive a presentation on the Surplus District Lands Strategy, including progress with larger parcel proposals and possible approaches for the smaller parcels, providing direction to the General Manager.

**FISCAL IMPACT:** No direct impact.

**DISCUSSION:**

At the August Board meeting the Board discussed the July Public Workshop focused on larger parcels and asked that a discussion on direction for the smaller parcels should be scheduled for the September meeting. This item was postponed at the September meeting; this is a carryover of the report on that agenda.

**Public Information/ Strategy Statement**

The Board has discussed the Surplus Lands Strategy at several meetings and the Board has given general direction which is expressed in Exhibit A. Surplus District Lands Strategy. The public doesn't always read our agenda reports or the summary of meetings published in local media. Exhibit A, if acceptable to the Board, will be put on the District's website and made available to interested public.

**Larger Parcels/Monte Rio Mountain Park**

In the past two months I have attended several meetings regarding the Monte Rio Mountain Park concept which is the proposal for the parcels behind the Monte Rio Terraces, sponsored by the Monte Rio Recreation and Park District (MRR&PD). MRR&PD staff, committee members and volunteers are developing their concept into a proposal for future presentation to the Board and other venues. At these meetings I have stated that the District will assist with proposals, but the laboring oars belong to others. The Open Space District may be able to help with parcel valuation.

**Smaller Parcels**

Exhibit B is a reworked version of similar exhibits on District surplus property that includes only the smaller parcels (a total of 30) with the river access parcels



brought to the top and the remainder in a similar order as before. Realistically looking at the marketability of these parcels, all have issues. The 2a parcels are large enough in theory to have a home constructed on them, but each parcel has at least one serious issue – for examples, slope, access, or wastewater disposal – and in some cases more than one. The 2b parcels appear to be too small for house construction purposes and would likely only be of interest to adjacent property owners.

The Surplus Lands Strategy calls for working with the local recreation and park districts for the river access parcels. The remaining 2a and 2b parcels will require some level of marketing and using a local real estate professional would be an appropriate way of proceeding with this.

## **Exhibit A. Surplus District Lands Strategy Sweetwater Springs Water District July 2010**

Sweetwater Springs Water District has 42 parcels of mixed sizes and locations (approximately 940 acres) that have no current or foreseeable use to the District for purposes of producing potable water. The District currently does no management of these parcels and needs a policy or strategy on what to do with these parcels and how to react to public interest in the parcels.

Eleven of these parcels are large, totaling approximately 882 acres, and are currently undeveloped open space. 404 acres are in 4 parcels in the Mount Jackson area (northeast of Rio Nido), 94 acres are in 3 parcels west of Old Cazadero Road (north of Guernwood Park), and 384 acres are in 4 parcels south of the Monte Rio Terraces. These parcels are wooded, have some mostly unmaintained trails and roads, and are on steep slopes and at higher elevations. Historically, the parcels were the source watershed for District owned springs, but the District does not supply water from these springs now, has no plans to do so in the foreseeable future, and from a regulatory perspective, getting regulatory permission to use these sources would be very unlikely. Keeping these parcels in open space by transferring the parcels to a more appropriate open space management agency or organization could improve the management of the parcels, make them more accessible to the public, and maintain or improve their environmental and watershed values.

The other 31 parcels are much smaller, interspersed within the District in various locations. Three of these parcels have river access. Some of these smaller parcels may have potential for housing; most do not because they are too small or in very steep, in inaccessible locations, and/or have other issues. There may be interest on the part of neighboring land owners to acquire these parcels. Occasionally the District receives inquiries about neighboring parcels – a policy on selling the smaller parcels to interested parties would provide guidance for District staff.

### **Surplus Lands Strategy:**

The District will consider divesting itself of unneeded property with the purposes of:

- Proper management of lands,
  - Maintaining community values of river access and open space,
  - Reducing District liability,
  - Reducing staff time dealing with property issues,
  - Producing income which is a goal but not a requirement.
1. Explore river access and trail possibilities with local Recreation and Park Districts.
  2. Keep revenue producing parcels (Mount Jackson tower sites).
  3. For larger, back country parcels, follow up with open space agencies, if R&P Districts are not interested, to keep these parcels in open space and provide better management, while retaining environmental and watershed values.
  4. Engage broker to market remainder of unneeded properties.
  5. This isn't a "must sell" strategy – only proposals that make sense for the District and the local community will be considered.

## Exhibit B. Sweetwater Springs Water District Surplus Real Property, Small Parcels

Cat.	APN	Address	County Use Code	Comments
<u>Categories:</u>		<u>County Use Codes:</u>		
2a Unneeded for District purposes, large enough for possible resale value		0811 Utility Water Company		
2b Unneeded for District purposes, limited value		0000 Vacant residential lot/undeveloped		
		0003 Vacant lot/totally unusable (incurable)		
		0942 Miscellaneous District		
<b>River Access Parcels</b>				
2a	071-025-022	NORTHERN AVENUE NEAR EASTERN	0811	Parcel adjacent/under Russian River (Old Drake Well Field) 20,000 sf M/L, River access
2a	071-220-068	17448 RIVER LN	0811	(Old Vacation Beach Well Site) 25,000 sf M/L River access
2a	095-011-014	21944 MOSCOW RD	0811	10,000 sf M/L, probable septic system issues, river access
<b>Other Smaller Parcels</b>				
2a	070-262-038	14829 CANYON 4 RD	0811	Lot -- 6350 sf M/L
2a	071-010-019	14610 REDWOOD AVE	0000	Redwood Tank Site -- (130,000 gal.) 2,800 sf, small for a sale, but can be combined with 030-020 below
2a	071-030-020	14610 REDWOOD LN	0811	Redwood Tank Site (Adjacent to 071-010-019) 12,500 sf M/L
2a	071-210-014	NEELEY RD	0811	Unknown use 22,500 sf M/L
2a	071-210-017	NEELEY RD	0811	Unknown use 5,200 sf M/L
2a	071-260-041	18379 NEELEY RD	0811	(Gonfotti Tank)(2 tanks -- 140,000 gal.) 4,000 sf lot
2a	071-260-048	18379 NEELEY RD	0811	(Gonfotti Tank) 2.5 acres
2a	071-260-050	18379 NEELEY RD	0811	(Gonfotti Tank) 5,300 sf lot
2a	071-260-051	18379 NEELEY RD	0811	(Gonfotti Tank) 3 acres

## Exhibit B. Sweetwater Springs Water District Surplus Real Property, Small Parcels

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2a	094-130-009	21295 HWY. 116		.5 acres, ACQUIRED in 2/21/02 from the Torr's as part of the settlement of the Torr v. SSWD, probable septic system issues
2a	095-022-029	21914 MONTE VISTA TER	0811	4,500 sf M/L, probable septic system issues
2a	095-022-030	21916 MONTE VISTA TER	0811	2,500 sf M/L, probable septic system issues, combine with above?
2a	095-023-012	MONTE VISTA TER	0811	1.03 acres M/L probable septic system issues
2a	095-023-013	21907 MONTE VISTA TER	0942	Timber Land (Adjacent to 095-023-012) 4,000 sf M/ probable septic system issues
2a	095-120-001	9155 HARRISON GULCH	0811	Upper Harrison Tank (abandoned) 2.82 acres
2a	097-130-008	MOSCOW RD	0811	Timber Land 20,000 sf M/L, probable septic system issues
2b	070-070-031	14141 WOODLAND DR	0811	Pipeline Sunset/Woodland (5' wide), pipeline abandoned?
2b	070-294-008	14685 EAGLE NEST LN	0811	2,100 sf M/L
2b	071-150-011	15877 DRAKE RD	0003	Near Birkhoffer; Unknown use 700 sf M/L
2b	071-180-009	NEELEY RD	0811	Unknown use 2,250 sf
2b	071-191-013	BETWEEN GUERNEWOOD ROAD AND THE RUSSIAN RIVER	0811	Old Well Field off Guernewood 22,500 sf M/L, no access, in floodway
2b	072-014-014	Way out on Old Caz	0811	Small lot (Summerland Tract), probably not a legal lot and District may not have good title.

## Exhibit B. Sweetwater Springs Water District Surplus Real Property, Small Parcels

Cat.	APN	Address	County Use Code	Comments
<u>Categories:</u> 2a Unneeded for District purposes, large enough for possible resale value 2b Unneeded for District purposes, limited value		<u>County Use Codes:</u> 0811 Utility Water Company 0000 Vacant residential lot/undeveloped 0003 Vacant lot/totally unusable (incurable) 0942 Miscellaneous District		
2b	072-014-042	ditto	0811	Ditto above
2b	072-060-007	HIDDEN VALLEY RD	0811	(Old tank site -- no longer needed) 2,600 sf M/L
2b	072-216-008	UPPER TERRACE/SANTA ROSA AVE	0811	2,100 sf M/L
2b	096-180-036	LAUREL DELL AVE	0811	Russian River Meadows - abandoned well site 600 sf M/L