



# BOARD OF DIRECTORS MEETING AGENDA

**June 3, 2021 Regular Meeting  
6:30 p.m.**

Meeting link:

<https://sweetwaterspringswaterdistrict.my.webex.com/sweetwaterspringswaterdistrict.my/j.php?MTID=mac81525137f5f39fe52906e633d4d01d>

Meeting number: 182 394 3638

Password: DfkMwMrh833

OR

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

Access code: 182 394 3638

Password: 33569674

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

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

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

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

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

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

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

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

A. Approval of the Minutes of the April 1, 2021 and May 6, 2021 Board Meeting and the May 13, 2021 Special Board Meeting

B. Approval of Operations Warrants/Online payments/EFT payments

C. Receipt of Item(s) of Correspondence.

(1) Letter received May 11, 2021 from Lloyd Guccione

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

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

V. ADMINISTRATIVE

A. Public Hearing; Discussion/Action re Resolution 21-07, Adopting Water Rates for FY 2020-21 and Analysis of protests received *(Est. time 10 min.)*

B. Public Hearing; Discussion/Action re Resolution 21-08, Adopting the FY 2021-22 Operating and Capital Improvement Budget *(Est. time 10 min.)*

C. Public Hearing; Discussion/Action re Resolution 21-09, Adopting the 2020 Urban Water Manager Plan and Water Shortage Contingency Plan *(Est. time 15 min.)*

D. Discussion/Action re COVID Related Reopening Issues *(Est. time 10 min.)*

E. Discussion/Action re Resolution 21-10, Approval of CDBG Application for FY 2020-2021 CIP *(Est. time 15 min.)*

VI. GENERAL MANAGER'S REPORT

VII. BOARD MEMBERS' ANNOUNCEMENTS

VIII. ITEMS FOR NEXT AGENDA

IX. CLOSED SESSION

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

ADJOURN

## **Sweetwater Springs Water District Mission and Goals**

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

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

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

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

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

**GOAL 4: DEVELOP AND MAINTAIN A QUALITY WORKFORCE**

**GOAL 5: PROVIDE EXCELLENT PUBLIC OUTREACH, INFORMATION AND EDUCATION**

**GOAL 6: ENHANCE BOARD COMMUNICATIONS AND INFORMATION**



## BOARD MEETING MINUTES\*

Meeting Date: April 1, 2021

(\*In order discussed)

April 1, 2021  
6:30 p.m.

**Board Members Present:**

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

**Board Members Absent:**

(None)

**Staff in Attendance:**

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

**Others in Attendance:**

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

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

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

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

(None.)

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

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

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

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

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

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

Public comment was made by Lloyd Guccione.

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

*\*in the order discussed*

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

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

The GM provided a report on the following items:

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

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

Extensive discussion ensued, with comments made by Rachel Hundley.

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

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

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

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

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

At 9:45 p.m. President Robb-Wilder announced the item for discussion in Closed Session. Closed Session item B (GM evaluation) was postponed to the May meeting. At 9:45 p.m. the Board went into Closed Session. At 9:56 the meeting reconvened and the following action was announced:

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

No action was taken.

ADJOURN

The meeting adjourned at 9:57 p.m.

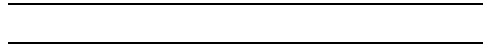
Respectfully submitted,

Julie Kenny  
Clerk to the Board of Directors

APPROVED:

Gaylord Schaap: \_\_\_\_\_  
 Sukey Robb-Wilder: \_\_\_\_\_  
 Tim Lipinski: \_\_\_\_\_

Rich Holmer  
Larry Spillane







## BOARD MEETING MINUTES\*

Meeting Date: May 6, 2021

(\*In order discussed)

May 6, 2021  
6:30 p.m.

**Board Members Present:**

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

**Board Members Absent:**

(None)

**Staff in Attendance:**

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

**Others in Attendance:**

Rachel Hundley, Legal Counsel  
Lloyd Guccione  
Don Seymour (SCWA)  
Marshall Turbeville (Cal Fire)

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

The properly agendized meeting was called to Order by President Robb-Wilder at 6:30 p.m.

### II. CHANGES TO AGENDA and DECLARATION OF CONFLICT (6:31 p.m.)

Director Robb-Wilder requested that Item IX (Closed Session – General Manager Performance Evaluation) be moved to after Item V-B. There were no objections.

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

President Robb-Wilder reviewed the items on the Consent Calendar. Director Holmer noted the Minutes of the April 1 Board Meeting appeared to be incomplete. It was pulled from the Agenda for completion and approval at the June meeting. Director Holmer moved to approve the Consent Calendar with the exception of the April 1 Board Meeting Minutes. Comments were made by Legal Counsel Rachel Hundley. Public comment was made by Lloyd Guccione. Further comments were made by Legal Counsel Rachel Hundley. Director Schaap noted that the Agenda for this meeting was May 1 instead of May 6. The correction was noted. Director Schaap seconded the motion. Motion carried 5-0. The following items were approved:

- A. Approval of the Minutes of the April 8, 2021 Special Board Meeting

- B. Approval of Operations Warrants/Online payments/EFT payments.
- C. Receipt of items of Correspondence (None)

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

None.

#### V. ADMINISTRATIVE (6:40 p.m.) \*

*\*in the order discussed*

- V-A. (6:40 p.m.) Discussion/Action re Mt. Jackson Debris Removal project – Marshall Turbeville.** The GM provided an overview of this item. Marshall Turbeville of CalFire made a PowerPoint presentation. Board questions ensued for Mr. Turbeville. Public comment was made by Lloyd Guccione. Further discussion ensued. No action was taken.
- V-B. (7:00 p.m.) Discussion/Action re Water Shortage and Drought Emergency – Don Seymour, P.E., Sonoma County Water Agency.** The GM provided an overview of this item. Don Seymour from the Sonoma County Water Agency made a PowerPoint presentation. Board questions ensued for Mr. Seymour. Discussion ensued.
- V-C. (7:45 p.m.) Discussion/Action re Actual vs. Budgeted Report – 3Q.** The GM provided an overview of this item. No action was taken.
- V-D. (7:50 p.m.) Discussion/Action re 2021-22 Draft Budget.** The GM provided an overview of this item.
- V-E. (8:28 p.m.) Discussion/Action re Tax Lien for delinquent bills.** The GM provided an overview of this item. Board questions and discussion ensued. Public comment was made by Renata (no last name given). Board consensus was reached to set a minimum threshold of \$500 to trigger the lien process. No further action was taken.
- V-F. (8:09 p.m.) Discussion/Action re FY 2020-21 Capital Improvement project and CDBG update.** The GM provided an overview of this item. There was no discussion. Director Holmer moved to approve Resolution 21-05, Approving the Amended Contract for Professional Services for Design and Planning of the FY 2020-2021 Capital Improvement Project (CIP) with Coastland Engineering Inc., and Authorizing the General Manager to Sign. Director Lipinski seconded. Motion carried 5-0.
- V-G. (8:15 p.m.) Discussion/Action re Monte Rio Bridge project.** The GM provided an overview of this item. Board questions and discussion ensued. Public comment was made by Legal Counsel Rachel Hundley. Further discussion ensued. No further action was taken.
- V-H. (8:26 p.m.) Discussion/Action re Main Street Monte Rio Water Line Replacement project.** The GM provided an overview of this item. There was no discussion. No further action was taken.
- V-I. (8:29 p.m.) Discussion/Action re Draft 2020 Urban Water Management Plan.** The GM provided an overview of this item. Brief discussion ensued. No further action was taken.
- V-J. (8:34 p.m.) Discussion/Action re Local Hazard Mitigation Plan update/timeline.** The GM provided an overview of this item. Board questions and brief discussion ensued. No further action was taken.

**V-K. (8:39 p.m.) Discussion/Action re COVID and Vaccine Report.** The GM provided an overview of this item. Board questions and extensive discussion ensued. No further action was taken.

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

The GM provided a report on the following items:

1. Laboratory testing
2. Water production and sales
3. Leaks
4. Guerneville rainfall
5. In-House Construction Projects
6. Lower Russian River Community Advisory Group Governance Meeting
7. Guerneville Park Resort update
8. Personnel
9. Grants Update
10. Gantt Chart
11. Economic Impact of No Disconnects for Non-payment

## VII. BOARD MEMBERS' ANNOUNCEMENTS/COMMENTS (9:24 p.m.)

(None.)

## VIII. ITEMS FOR THE NEXT AGENDA (9:26 p.m.)

1. Drought and District Conservation letter
2. Urban Water Management Report update
3. UWMP Public Hearing
4. 2021-2022 Rates / Budget Hearing
5. Tax Lien list
6. Monte Rio Bridge project
7. Returning to In-Person Board Meetings

## IX. CLOSED SESSION (9:28 p.m.)

(The Closed session item below was postponed to the June meeting.)

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

ADJOURN

The meeting adjourned at 9:32 p.m.

Respectfully submitted,

Julie Kenny  
Clerk to the Board of Directors

APPROVED:

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



## SPECIAL BOARD MEETING MINUTES\*

Meeting Date: May 13, 2021

(\*In order discussed)

May 13, 2021  
3:30 p.m.

**Board Members Present:**

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

**Board Members Absent:**

None.

**Staff in Attendance:**

Ed Fortner, General Manager  
Julie Kenny Board Secretary

**Others in Attendance:**

Lloyd Guccione  
Rachel Hundley, Legal counsel  
Keith McDonald  
Nicole King  
Bryon Edgmon  
Jack Bushgen

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

The properly agendized meeting was called to Order by President Robb-Wilder at 3:32 p.m. Brief discussion ensued.

### II. ADMINISTRATIVE (6:31 p.m.) \*

*\*in the order discussed*

**II-A. (3:35 p.m.) Discussion/Action re Covid-19 workplace policy.** The GM provided an overview of this item. Discussion ensued. Comments were made by Legal Counsel Rachel Hundley. Further discussion ensued. Public comments were made by Keith McDonald. Public comments were made by Bryon Edgmon. Further Board discussion ensued. Public comments were made by Keith McDonald. Further discussion ensued. Public comment was made by Lloyd Guccione. Comments were made by the GM. Further discussion ensued, including comments from Legal Counsel Rachel Hundley.

Director Lipinski moved to adopt Resolution 21-06, Adopting Policy 2280, COVID-19 Workplace policy including ongoing review. Director Schaap seconded. Motion carried 5-0. Discussion ensued. Director Robb-Wilder read Resolution 21-06 into the record. Comments were made by Rachel Hundley. Motion carried 5-0. Direction was given to staff that there would be no need to pause before going forward with the new hire.

ADJOURN

The meeting adjourned at 4:40 p.m.

Respectfully submitted,

Julie Kenny  
Clerk to the Board of Directors

APPROVED:

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

May 7, 2021

To: Sweetwater Springs Water District  
Board of Directors  
Post Office Box 48  
Guerneville, Ca. 95446  
(707) 869 – 4005

Sweetwater Springs Water Dist  
MAY 17 2021  
RECEIVED

Members of the Board and Mr. Fortner:

Again I thank you for your good meeting; May 6<sup>th</sup>. It is perhaps better if I write some of my thoughts than try to convey them through the public comment avenue. After all at least in writing I have a better chance of coming closer to my intended mark.

1. Regards my pointing out that in the minutes such things as ‘public comment made by X’, or ‘comments made by Z’ are not particularly helpful, and that I doubted that any such form is helpful in recalling what was actually said, was well enough captured in my question: “Can you recall what was said; does the public comment entry give you a clue (or not)?”

Ms. Hundley addressed the point by reference to “action minutes.” Certainly there has always been a contest between such *action minutes* vs. *summary minutes*, and I have heard the arguments repeatedly; the difficulties of summary, the proffered corrections to summaries that are seen as inaccurate, misleading, etc. Yes! ... I still remember well similar discussions and debates from former times; both at the RRROC and at Sweetwater.

The point is that the choice (and decision) of which method to use sets a ‘tone’ or ‘atmosphere’. That choice ends up being one indicator of a board’s perception of its relationship to its public.

2. My comment on the closed session description in the agenda being unduly difficult through its sole reference to code section number(s), and letter(s) and so on was rebutted by Ms. Hundley as sufficient as further detail was not allowed. I stand corrected – I read too fast; the description that the item is a performance evaluation of the general manager is certainly sufficient, and clear. I apologize.

3. Agenda Item V-A

- a) At the recent LR-MAC meeting it was clarified that (at that time) the application process did not allow for private parties or individuals to make use of the fire load debris funds that the county made available – as it was intended for established entities. It was vaguely referenced that a group of individuals could possibly organize themselves formally and apply – however the hoops and time frames seem to make this a wisp-o-will.

4. Agenda Item V-B

- a. Mr. Doug Seymour’s presentation drove home (again) the serious nature of the drought – short fall in water reserves, etc. I would like to hear from him what the drought event contingency articles are in the contract between Sonoma Water and Marin County (et.al.). Among other points, however, I think the agencies point of view is clear enough – ‘we have another problem and it is of our own making, though we decline to take responsibility, but be assured we will do our best. I know all have good intentions and will do their best. That is never really the question.
- b. Regards the forth-coming flow reduction application to ~35 cubic ft./sec - that is startlingly attention getting. I remember well when (for similar reasons / circumstances) the flow was reduced to 135 – and what a stink that evoked among some community leaders – among whom were Mr. Ken Wikle and Ms. Victoria Wikle. We lost that issue. Flow went further down to 85 later – even though we had been assured that would never happen. But it did.

As is often said; there is a 'gorilla', or 'elephant', or even a 'whale' in the room. That *beast*, to my mind, is (and has always been) "growth": namely the demands exceed the resources. And since past promises that such-and-such an undertaking (take your pick: new dam and reservoir, extra lanes on the freeway, etc) will correct any given problem or emergency – well it never quite turns out that way.

Sadly, a sober address, discussion, debate, and plan to deal with the issue is not on the table – or even the horizon. That was not the case in the county back in the early 1970's. At that time Marin was the developed /developing icon and its battles with the western portion of that county are still well remembered by many. And at that time Sonoma County was still viewed as an agricultural place – you know – apple orchards and all that. Of course you all know what took place later. Economic, real estate, industrial scale vineyard development, etc. took predominance in the infra-structure and economic planning of the county and its cities. We became San Jose North.

The effect on our county, and the west county, is now more-and-more painfully clear. It is as if the banner cry of "It's the economy – stupid!" triumphed. I, on the other hand think the banner should better be "It's the environment and sustainability – stupid!" Unfortunately, the current social consciousness, notwithstanding the lip services and pallatives provided, will not accommodate the second – the first banner is still the over-arching one.

To make that point I said to Mr. Seymour that the current 'emergency' is a consequence (no matter how un-intended) of deliberate and 'me-first' planning, viz. (by example) – let's use the water we have to accommodate increased growth, etc. It brings in more tax revenues, new homes, new businesses, new jobs – it is a win-win... until the piper wants his pay.

5. Regards the budgetary matter(s) on the agenda I will briefly say that I think the 25% reserves are a bit too much and could be lowered to 20% without undue adverse effects – adjustment yes, but do-able – I believe so. However, you are the deciders and you have made your position clear.

6. Agenda Item V-E

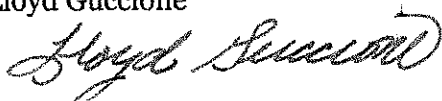
Although I left the meeting early my question on this item is: Has the cost of handling, filing, and following through on lien's been actually calculated (estimated) on a per lien basis? The underlying question being does the cost of the entire lien process (both direct financial costs (legal, etc.) as well as staff time)) still justify that approach on an amount that may be relatively small. In other words, given what Julie has said in the past about the eventual recouping of past due accounts, is this intended process worthwhile? Is it over-kill? Well, again that is for you to decide.

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Thank you for your time and for, all-in-all, being one of our few locally governed entities where those who wish can express themselves and engage with good-will with you.

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Kindly yours, Lloyd Guccione





# SWEETWATER SPRINGS WATER DISTRICT

**TO:** Board of Directors

**AGENDA NO. V-A**

**FROM:** Ed Fortner, General Manager

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**Meeting Date: June 3, 2021**

**SUBJECT: APPROVAL OF FISCAL YEAR 2021-2022 WATER RATES**

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**RECOMMENDED ACTION:**

- A. Hold a public hearing on the proposed Fiscal Year 2021-2022 Water Rates.
- B. Approve Resolution 21-07, which establishes water rates for FY 2021-2022, increasing the Base Rate, Water Usage Charge, and Capital Debt Reduction Charges by 5%.

**FISCAL IMPACT:** Adopts water rates that will increase water sales revenues by approximately \$137,000 to fund District operations and capital programs in FY 2021-2022 and beyond.

**DISCUSSION:**

Sweetwater Springs Water District's current financial condition is good, with one exception – a lack of sustainable funding for ongoing capital improvements. The District has adequate revenues to fund operations, and debt repayment is covered by the annual Flat Charge that appears on the property tax bill and by the Capital Debt Reduction Charge (CDRC), as appears in the bi-monthly bill. In recent years, after payment of all other expenses, the District has had approximately \$250,000 to \$400,000 in revenues from water rates to contribute towards capital expenses. This amount is too small to fund the capital programs needed by the District to bring its infrastructure up to standard. In the past, the District had funding support for its capital projects from the redevelopment funding. That funding source has ended, and capital projects are now self-funded.

The District self-funded the FY 2019-2020 Capital Improvement Project (CIP) (ATEK filter replacement of Monte Rio greensand filters). This project came in under the budgeted \$250,000. There was no capital project in FY 2020-2021, but an unanticipated project at the Lower Harrison Tank for a retainer wall cost over \$200,000.

The District's infrastructure is still in need of improvement. Most of the facilities inherited by Sweetwater Springs Water District when it took over Citizen's Utilities in 1992 were constructed poorly. All of it needs replacing, except that replaced or constructed in the last twenty years. For the next five years, the District's Capital Improvement Program aims to bring the District's water system to an improved status, measured by water quality, system leaks, system losses, hazard mitigation, and fire protection. Beyond this five-year CIP, additional capital investment is required for replacement and to maintain the water system adequately.

In 2011 the Board directed staff to investigate how to get to a funding level that would provide a sustainable CIP. Sustainable CIP funding was identified as at least \$500,000 in net capital funding that could be transferred to the Capital Program. This transfer and revenue above our reserve policy would allow the District to fund capital projects every other year. Last year's five percent rate increase and CDBG funding have improved the Funds Above Reserves.

The proposed 5% rate increase being considered would be applied to the current rate structure, which is based on the 2020 Rate Study. These increases will be discussed and reviewed annually for Board direction. In 2020 several rate structures were investigated based on a financial planning model that forecasts District finances for the next five years. That investigation and accompanying Board meetings recommended a series of relatively small (5%) annual increases to the Base Rate, Water Usage Charges, and Capital Debt Reduction Charge (CDRC). The analysis showed that five years of 5% increases would bring Capital Program funding to the target sustainable level. The recommended FY 2021-2022 5% increase will be the second year of potential 5% increases.

The 2020 Rate Study also recommends the Water Usage Rate Tiers be lowered from four to two tiers to follow better AWWA and State of California guidance of defensible cost of service-based tiers.

Table 1 shows the proposed Base Rate, Water Usage, and Capital Debt Reduction Charges for various customer classes and tiers. Table 2 shows the effects of the proposed 5% rate increase on typical District water customers based on the multiple rate classes and median and high water use for those classes. The table shows the effect on the FY 2021-2022 water bills (\$5.09 bi-monthly for median single-family residential).

Observations:

- The proposed rate increases are not in response to drought water sales reductions and are not increases to specifically encourage reducing water use. The District's rate structure does include tiers that promote efficient use of water regardless of where we are in a drought cycle. As water use continues to flatten, the District will achieve less of the desired increase in revenues, and we are now in drought conditions again. Thankfully, our water usage rate revenue is around 20% of the total water rate revenue. Most of our revenue comes from our fixed rate, which stabilizes our budget and helps cover fixed expenses. The continued small annual increases will have the desired effect of building capital funding to the \$500,000 target and above.

**Proposed Water Rates**  
**Table 1: 2021-2022 Proposed Bimonthly Water Rates**

<b>Table 1. Sweetwater Springs Water District Water Rates for FY 2021-2022</b>					
<b>Base Rate, Water Usage Rate, and Capital Debt Reduction Charge</b>					
		Base Rates	CDRC <sup>1</sup>	Water Usage Charge (\$/hcf)	
		\$/account	\$/account	Tier 1	Tier 2
<b>Single Family Residential</b>				\$1.65	\$3.96
	All Users	\$71.94	\$13.17	(0-8) hcf	9+ hcf
<b>Multi Family (by # Dwelling)</b>					
	2 DU's	\$111.50	\$20.43	(0-12.4)	12.5+
	3 DU's	\$151.07	\$27.66	(0-16.8)	16.9+
	4 DU's	\$190.64	\$34.84	(0-21.2)	21.3+
<b>Commercial (by meter size)</b>					
	5/8"	\$71.94	\$13.17	(0-8)	9+
	1"	\$179.87	\$32.96	(0-20)	21+
	1 1/2"	\$358.59	\$65.87	(0-40)	41+
	2"	\$575.51	\$105.40	(0-64)	65+
hcf = hundred cubic foot, 748 gallons					
1 - Capital Debt Reduction Charge					
2- Multi Family unit multiplier = 0.55 for every extra unit; no meter multiplier					

Table 2. Proposed 5% Rate Increase Effect on Typical Water Users by Class FY 2021-22						
	Single Family Residential		Multi Family Residential (2 units)		Commercial (5/8" Meter)	
	Median	High	Median 2DU's	High 3 DU's	Median	High 2"
Water Use (hcf)	10	22	19	32	20	82
Water Bill (Current)	\$101.21	\$146.50	\$170.98	\$255.81	\$138.95	\$817.22
Water Bill (Proposed)	\$106.27	\$153.83	\$179.53	\$268.60	\$145.90	\$858.08
Bimonthly Difference	\$5.06	\$7.33	\$8.55	\$12.79	\$6.95	\$40.86
% Increase	5%	5%	5%	5%	5%	5%

**Proposition 218 Notice**

Notice for proposed water rate increases were mailed to all property owners by April 19, 2021. Three thousand six hundred notices were mailed. The Notice provided for an increase to the Base Rate, Water Usage, and Capital Debt Reduction Charges of up to 5% for FY 2021-2022 and included the proposed rate schedules and a protest form. At the time of this agenda report writing (May 27, 2021), 120 protests have been received. Below are specific comments received with the protest votes:

*I already feel that I pay too much since I have to pay double due to my property being considered a duplex. But I use the entire property as one residence, have one water meter and use one water heater for both upstairs and downstairs. If I could pay as a single residence, then I would be more open to an increase. In addition, I only have one street address and not designated by multiple units.*

*Same question every year: How can Sweetwater raise rates every year. What additional benefit am I receiving as a property owner? Are there financial docs showing how district \$ is spent?*

*I'm a senior- can not afford higher water costs.*

# SWEETWATER SPRINGS WATER DISTRICT



## Proposed Fiscal Year 2021- 2022 Rate Increase

June 3, 2021

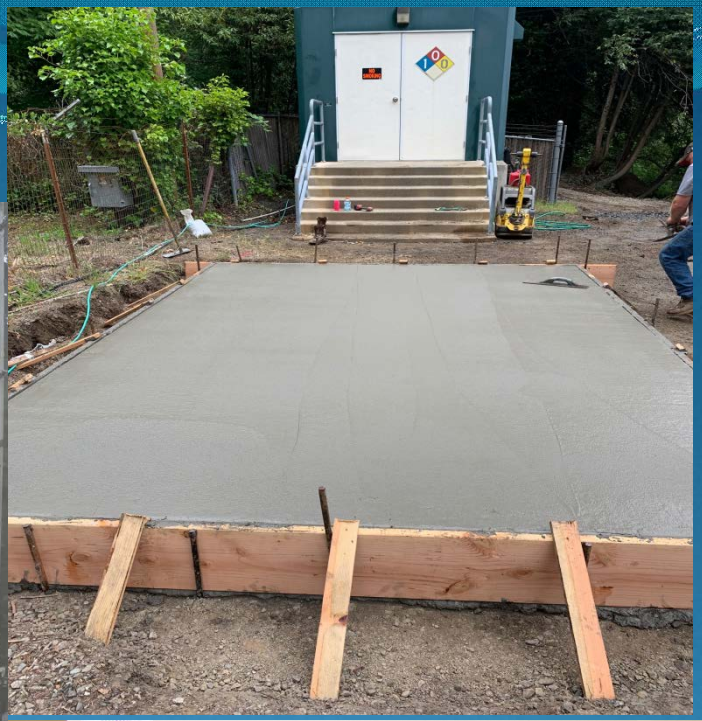
# Summary

- Proposed: increase Base Rate, Water Use, and Capital Debt Reduction Charges (CDRC) by 5%; maintain two tier rate structure.
- Part of plan to create sustainable funding for Capital Improvement Projects (CIP) by FY 2025-2026
- New rates will increase District revenues annually by ~\$137,000
- Typical residential customer will see \$5.06 increase per bimonthly bill

## Background

- Until 2012, the Capital Improvement Plan (CIP) was supported heavily by Redevelopment grants, which no longer exist
- 3% rate increases in FY12-13 through FY 19-20 were approved, but fell short of creating required funding
- Sustainable CIP Funding is needed at or above \$500,000 – With last year's 5% rate increase, current level of CIP funding is approaching that level
- Smaller annual increases are better than infrequent large increases
- The 2020 Rate Study by Bartle and Wells recommended increasing rates up to 5% annually over five years; however, the District will review the need to increase rates annually.

# SWEETWATER SPRINGS WATER DISTRICT





## Rate Increase Analysis

- The purpose of rate increases is to build sustainable CIP funding by FY 2025-2026
- Recent CIPs have lowered Reserves; Redevelopment Is gone; District used USDA Bond for 2018 CIP, self funded 2019 CIP.
- FY 2020-2021 CIP budgeted at \$1,280,000 for ~3,600' of 6" HDPE Waterline on Old River Rd.
- Financial Planning Model developed – Current is 2021-2026
- 2020 Rate Study recommends 5% annual rate increases over five years to be reviewed annually.
- Revenues were reduced some by drought water use reductions since 2013, demand has bounced back somewhat but financial planning is based on flat sales with another drought underway.

FY 2021-2022 OPERATING AND CAPITAL BUDGET SUMMARY									
					FY 19-20 FINAL (CASH)*	FY20-21 BUDGET	FY 20-21 Projected	FY 21-22 BUDGET	Difference FY21-F22 Budgets
<b>REVENUE</b>									
	<b>OPERATING REVENUE</b>								
	4031 - Water Bill Revenue								
		4031.1. - Capital Debt Reduction Charge			299,453	316,573	316,573	332,402	15,829
		4031.1. - Water Sales - Base Rate			1,644,252	1,728,369	1,728,369	1,814,787	86,418
		4031.1. - Water Sales - Usage Charges + Other			635,637	700,541	700,541	735,568	35,027
		4031.1. - Total Water Sales			2,279,889	2,428,910	2,428,910	2,550,356	121,446
	Total OPERATING REVENUE				2,579,342	2,745,483	2,745,483	2,882,757	137,274
	<b>NON-OPERATING REVENUE</b>								
	Total NON-OPERATING REVENUE				675,273	638,310	666,310	136,470	(501,840)
<b>Total Income</b>					3,254,615	3,383,793	3,411,793	3,019,227	(364,566)
<b>EXPENSES</b>					FY 19-20 FINAL (CASH)*	FY20-21 BUDGET	FY 20-21 Projected	FY 21-22 BUDGET	Difference FY21-F22 Budgets
	<b>OPERATING EXPENSES</b>								
	<b>SALARY &amp; BENEFITS</b>								
		Total Salary			952,658	945,000	963,000	992,000	47,000
		Total Benefits			909,351	926,654	891,662	370,846	(555,808)
		Total SALARY & BENEFITS			1,862,009	1,871,654	1,854,662	1,362,846	(508,808)
		Total SERVICES & SUPPLIES			589,958	801,940	777,137	823,290	21,350
	Total OPERATING EXPENSES				2,451,967	2,673,594	2,631,799	2,186,136	(487,458)
<b>OPERATING SURPLUS/DEFICIT</b>					\$802,648	\$710,199	\$779,994	\$833,091	\$ 122,892
	Total FIXED ASSET EXPENDITURES				203,593	83,500	76,170	29,000	(54,500)
	Total TRANSFERS TO OTHER FUNDS				526,383	626,573	701,573	802,402	175,829
<b>SURPLUS/DEFICIT</b>					72,672	126	2,251	1,689	1,563

CAPITAL BUDGET SUMMARY				FY 19-20 FINAL (CASH)*	FY20-21 BUDGET	FY 20-21 Projected	FY 21-22 BUDGET	Difference FY21-F22 Budgets
<b>REVENUE/SOURCES OF FUNDS</b>								
	1002 - Construction Flat Charges			44,512	27,000	27,000	27,000	-
	1001 - Current Year Direct Charges			721,555	710,000	710,000	710,000	-
	1061 - Past Year Direct Charges			20,708	40,000	40,000	40,000	-
	1700 - Interest			27,387	25,000	25,000	25,000	-
	4620.2 - Tfers from Operations (In-House Constr.)			25,000	25,000	25,000	25,000	-
	4620.2 - Tfers from Operations (CDR)			296,383	316,573	316,573	332,402	15,829
	4620.2 - Tfers from Operations (Surplus)			190,000	270,000	345,000	430,000	160,000
	Grant Revenue					115,920		
	<b>TOTAL CAPITAL REVENUE</b>			<b>1,325,545</b>	<b>1,413,573</b>	<b>1,604,493</b>	<b>1,589,402</b>	<b>175,829</b>
<b>EXPENSES</b>								
	<b>DEBT PAYMENTS</b>							
	Gen. Obligation Bonds Principal			27,622	54,278	54,278	54,950	672
	Cap One Revenue Bond Principal			359,000	368,000	368,000	296,500	(71,500)
	State Loan Principal			135,235	139,298	282,727	-	(139,298)
	Private Placement Loan Principal			162,570	167,650	167,650	176,887	9,237
	Interest Expense			343,646	319,908	319,908	254,201	(65,707)
	<b>TOTAL DEBT PAYMENTS</b>			<b>1,028,074</b>	<b>1,049,134</b>	<b>1,192,563</b>	<b>782,537</b>	<b>(266,597)</b>
	2019 CIP			62,472	-			
	2021 CIP			0	1,326,000	503,550		25,000
	2022 CIP						1,280,000	
	In-House Construction Projects			14,904	25,000	25,000	40,000	25,000
	<b>TOTAL CONSTRUCTION EXPENSES</b>			<b>77,376</b>	<b>1,351,000</b>	<b>528,550</b>	<b>1,320,000</b>	<b>(31,000)</b>
	<b>TOTAL CAPITAL EXPENSES</b>			<b>1,105,449</b>	<b>2,400,134</b>	<b>1,721,113</b>	<b>2,102,537</b>	<b>(297,597)</b>
	<b>SURPLUS/DEFICIT</b>			<b>220,095</b>	<b>-986,561</b>	<b>-116,620</b>	<b>-513,136</b>	<b>473,425</b>
<b>FUND AND LOAN BALANCES (EOY)</b>								
<b>DISTRICT RESERVES AND FUND AND LOAN BALANCES</b>								
	Operating Budget Cash Reserve			123,508	262,174	262,174	327,920	65,746
	Operating Budget Reserve (10%+15% of Operating Exp)			96,475	436,956	436,956	546,534	109,578
	Debt Repayment Reserve (25% of Debt pmt)			102,315	258,777	258,777	195,634	(63,143)
	Capital Reserve			250,000	250,000	250,000	250,000	-
	<b>Total District Policy</b>			<b>572,298</b>	<b>1,207,906</b>	<b>1,207,907</b>	<b>1,320,089</b>	<b>112,183</b>
	<b>TOTAL Reserves EOY</b>			<b>2,314,663</b>	<b>1,671,066</b>	<b>2,901,867</b>	<b>3,192,823</b>	<b>1,521,757</b>
	<b>Reserves Above (below) Policy</b>			<b>1,742,365</b>	<b>463,159</b>	<b>1,693,960</b>	<b>1,872,734</b>	<b>1,409,575</b>

**Table 2. Sweetwater Springs Water District Water Rates for FY 2021-2022  
Base Rate, Water Usage Rate, and Capital Debt Reduction Charge**

		Base Rates	CDRC <sup>1</sup>	Water Usage Charge (\$/hcf)	
		\$/account	\$/account	Tier 1	Tier 2
<b>Single Family Residential</b>				\$1.65	\$3.96
	All Users	\$71.94	\$13.17	(0-8) hcf	9+ hcf
<b>Multi Family (by # Dwelling</b>					
	2 DU's	\$111.50	\$20.43	(0-12.4)	12.5+
	3 DU's	\$151.07	\$27.66	(0-16.8)	16.9+
	4 DU's	\$190.64	\$34.84	(0-21.2)	21.3+
<b>Commercial (by meter size)</b>					
	5/8"	\$71.94	\$13.17	(0-8)	9+
	1"	\$179.87	\$32.96	(0-20)	21+
	1 1/2"	\$358.59	\$65.87	(0-40)	41+
	2"	\$575.51	\$105.40	(0-64)	65+
hcf = hundred cubic foot, 748 gallons					
1 - Capital Debt Reduction Charge					
2- Multi Family unit multiplier = 0.55 for every extra unit; no meter multiplier					

**Table 3. Proposed 5% Rate Increase Effect on Typical Water Users by Class  
FY 2021-22**

	Single Family Residential		Multi-Family Residential		Commercial	
	Median	High	Median 2 DU's	High 3 DU's	Median 5/8"	High 2"
<b>Water Use (hcf)</b>	10	22	19	32	20	82
<b>Water Bill (Current)</b>	\$101.21	\$146.50	\$170.98	\$255.81	\$138.95	\$817.22
<b>Water Bill (Proposed)</b>	\$106.27	\$153.83	\$179.53	\$268.60	\$145.90	\$858.08
<b>Bimonthly Difference</b>	\$5.06	\$7.33	\$8.55	\$12.79	\$6.95	\$40.86
<b>% Increase</b>	5%	5%	5%	5%	5%	5%

## Observations

- 5% Increase – 5% Increase in Typical Residential Bill (\$5.09 for 10 units)
- 5% Increase in Revenue; approximately \$137,000
- Projecting Flat Water Sales; Rebound Trend Is Unlikely Due to Drought.
- Results Will Be Tracked – Goal is sustainable Capital funding with Net Operating Revenues by FY 2025-2026
- We Did Not Reach the Capital Funding Goal; 2020 Rate Study was Justified and Provides Great Guidance.

## Usage Rate Tier Change

- Water Usage Rate Tiers remain at two tiers.

This change better reflects the actual cost to serve each tier and is more defensible per California Law

## Prop 218 Notice

- Mailed by April 19, 2021
- ~3,600 Notices Mailed
- 120 Protests Received as of May 27, 2021



# Summary

- Action Tonight Is for 5% Rate Increase for FY 2021-2022
- Proposed 5% Base Rate, Water Use, and Capital Debt Reduction Charges Increase Is Part of the Plan to Produce Sustainable Funding for CIP
- Impact on Ratepayers \$5.09 per bimonthly bill for typical residential customer
- Effect on Funds Above Reserve Policy Will Be Monitored

## Resolution No. 21-07

### **A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SWEETWATER SPRINGS WATER DISTRICT ADOPTING WATER RATES FOR FISCAL YEAR 2021-2022**

WHEREAS, the Sweetwater Springs Water District (District) provides domestic water services to its residents; and

WHEREAS, the District collects from customers of this utility rates and charges to fund the operation and maintenance of the District, including rates and charges that are collected for providing water service and for repaying debt service; and

WHEREAS, pursuant to Water Code Section 31007, the District Board of Directors is authorized to establish rates and charges sufficient to pay for operating expenses, provide for repairs and depreciation of works and pay for the principal and interest on debt; and

WHEREAS, pursuant to Water Code Section 31025, the District shall fix and through the General Manager collect water rates; and

WHEREAS, Section 3900 of the Sweetwater Springs Policies and procedures provides for the setting of rates for water services by resolution; and

WHEREAS, the District Board of Directors undertook a rate study to analyze the revenue requirements and the recommended rate structure needed to proportionately allocate the costs of providing water service to its customers. The rate study was prepared by Bartle and Wells (2020 Rate Study) and has been on file at the District Office since the notices to property owners mailed out by April 19, 2021; and

WHEREAS, based on the 2020 Rate Study and other information provided to the Board of Directors, the Board of Directors has evaluated the anticipated revenues and expenditures necessary to operate the District and cover the costs of providing water services to customers of the District; and

WHEREAS, charges for local agency water service have been held to be "property related fees or charges" subject to the requirements of Article XIID of the California Constitution, also known as Proposition 218, pursuant to the holding in *Bighorn-Desert View Water Agency v. Verjil* (2006) 39 Cal.4th 205; and

WHEREAS, Section 6 of Article XIID of the California Constitution provides that imposing or increasing any property-related fee or charge requires identifying the parcels on which the fee or charge will be imposed and providing notice by mail of the proposed fee or charge to the record owner of each identified parcel indicating the amount of the fee or charge to be imposed on each parcel, the basis on which the amount of the proposed fee or charge was calculated, the reason for the fee or charge, and the date, time, and location of a public hearing on the proposed fee or charge; and

WHEREAS, Section 6 of Article XIID of the California Constitution further provides that hearings on proposed property-related fees or charges must be conducted at least forty-five (45) days after mailed notice to the owners of each identified parcel on which the fee or charge is proposed to be imposed, and that at the hearing, the local agency must consider all protests against the proposed fee or charge, and that if written protests against the proposed fee or charge are presented by a majority of owners of the identified parcels, the agency shall not impose the fee or charge; and

WHEREAS, in April of 2021, District staff sent formal notices of the public hearing on the proposed rate structure for the Fiscal Year 2021-2022 in accordance with the requirements of Article XIII-D, Section 6(a) of the California Constitution, and has included other rate information on the District's website; and

WHEREAS, the formal notices advised property owners of the new proposed rate structure and the process for submitting protests to said rate structure to the District, in accordance with the requirements of Article XIII-D, Section 6(a) of the California Constitution; and

WHEREAS, the District Board of Directors conducted a public hearing on June 3, 2021, to hear public testimony on the proposed water rate structure for FY 2021-2022 and heard all testimony regarding the proposed water rates, and accepted all related comments and protests for FY 2021-2022, including oral testimony, written materials, and written protests; and

WHEREAS, at the conclusion of the public hearing, the District Clerk tabulated the number of protests and reported that there was not a majority protest of the proposed water rate structure for FY 2021-2022; and

WHEREAS, based on the evidence and testimony provided at the time of the public hearing on this matter, the Board of Directors finds as follows:

1. The proposed rate increases set forth in Exhibit "A," attached hereto and incorporated herein, follow the recommendations of the 2020 Rate Study that was commissioned by the District Board of Directors as a basis for restructuring water rates commencing in July 2020.
2. Pursuant to the analysis and recommendations contained in the 2020 Rate Study, the revenues derived from the proposed water rates do not exceed the District's actual cost of providing water service, are not used for any purpose other than that for which the charges were imposed and are not levied for general revenue purposes.
3. Based on the 2020 Rate Study, the proposed water rates do not exceed the proportional cost of the service attributable to the properties receiving service, and the charges are imposed only on those properties actually receiving service or those for which service is immediately available.
4. Proper notice of the proposed rate structure and notice of a public hearing on the matter has been given to all owners of identified parcels within the District, in accordance with applicable law.
5. The proposed water rates, as described in Exhibit "A," attached, were not protested by a majority of the persons eligible to protest said rate structure; and

WHEREAS, this Resolution shall supersede all other previous resolutions that may conflict with, or be contrary to, this Resolution respecting the water services rates and charges described more particularly herein.

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

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

**Section 2. Base Rate, Water Usage, and Capital Debt Reduction Charges.** Effective on all bills issued on or after July 1, 2021, the bi-monthly Base Rate, Water Usage Rate, and Capital Debt Reduction Charges shall be as shown in Table 1 of Exhibit "A," attached hereto and incorporated herein.

**Section 3. Tiers Reduction.** Effective on all bills issued on or after July 1, 2021, the Water Usage Rate Tiers remain at two tiers, as reflected in Table 1 of Exhibit "A" attached.

**Section 4. CEQA.** The Board of Directors hereby finds that the levy of the proposed water service rates as supported by a water rate study prepared by Bartle and Wells, which is incorporated herein by reference, is exempt from CEQA review under Public Resources Code section 21080(b)(8) and CEQA Guidelines section 15273 because the proposed water service rates are necessary and reasonable to fund the administration, operation, maintenance, and improvements of the District's water system are necessary to maintain service within the District's existing service area, and will not result in expansion of the system. The Board of Directors

further finds that the action entails the creation of a government funding mechanism which is exempt from CEQA as not being a "project" pursuant to CEQA guidelines section 15378.

**Section 5. General Authorization.** The General Manager is hereby authorized and directed, for and in the name of and on behalf of the District, to execute and deliver any and all documents, to do any and all things and take any and all actions that may be necessary or advisable, in their discretion, in order to effect the purposes of this Resolution. All actions heretofore taken by officers, employees, and agents of the District that are in conformity with the purposes and intent of this resolution are hereby approved, confirmed, and ratified.

**Section 6. Severability.** If any section, subsection, sentence, clause, or phrase of this Resolution is for any reason held by a court of competent jurisdiction to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of the Resolution. The District Board of Directors hereby declares that it would have passed this Resolution and each section, subsection, sentence, clause, and phrase thereof irrespective of the fact that one or more sections, subsections, sentences, clauses, or phrases may be held invalid or unconstitutional.

**Section 7. Supersession and Repeal.** Any and all other resolutions or ordinances and parts thereof in conflict with the provisions of this Resolution are superseded and repealed, effective on the effective date of this Resolution.

**Section 8. Effective Date.** This Resolution shall take effect immediately upon adoption. The water rates set by this Resolution shall become effective on all bills issued on or after July 1, 2021.

**PASSED AND ADOPTED this 3rd day of June 2021.**

\_\_\_\_\_  
Sukey Robb-Wilder  
President of the Board of Directors

I hereby certify that the foregoing is a full, true, and correct copy of a Resolution duly and regularly adopted and passed by the Board of Directors of the SWEETWATER SPRINGS WATER DISTRICT, Sonoma County, California, at a meeting held on June 3, 2021, by the following vote.

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

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

## Sweetwater Springs Water District Water Service Base Rate, Usage Charges, and Capital Debt Reduction Charge

**Effective on all bills issued on or after July 1, 2021**

The rates indicated below shall be effective on all bills issued on or after July 1, 2021, and these fees, rates, and charges shall supersede and replace those in Resolution 20-13.

<b>Table 1. Sweetwater Springs Water District Water Rates for FY 2021-2022 Base Rate, Water Usage Rate, and Capital Debt Reduction Charge</b>					
		Base Rates	CDRC <sup>1</sup>	Water Usage Charge (\$/hcf)	
		\$/account	\$/account	Tier 1	Tier 2
<b>Single Family Residential</b>				\$1.65	\$3.96
	All Users	\$71.94	\$13.17	(0-8) hcf	9+ hcf
<b>Multi Family (by # Dwelling)</b>					
	2 DU's	\$111.50	\$20.43	(0-12.4)	12.5+
	3 DU's	\$151.07	\$27.66	(0-16.8)	16.9+
	4 DU's	\$190.64	\$34.84	(0-21.2)	21.3+
<b>Commercial (by meter size)</b>					
	5/8"	\$71.94	\$13.17	(0-8)	9+
	1"	\$179.87	\$32.96	(0-20)	21+
	1 1/2"	\$358.59	\$65.87	(0-40)	41+
	2"	\$575.51	\$105.40	(0-64)	65+
hcf = hundred cubic foot, 748 gallons					
1 - Capital Debt Reduction Charge					
2- Multi Family unit multiplier = 0.55 for every extra unit; no meter multiplier					

**USER CLASSIFICATIONS.** For the purposes of assessing water charges provided for in this exhibit; user classifications shall be as follows:

1. Residential Single-Family: Applicable to all accounts serving one detached dwelling unit.
2. Residential Multiple Family: Applicable to all accounts serving two or more living units, as defined by District Policy 3010.70.
3. Commercial and Public: Applicable, without regard to meter size, to all accounts serving mercantile buildings, motels, and other short-term lodging establishments, office buildings, institutional buildings, parks, schools, churches, and other commercial and public agency establishments.

# SWEETWATER SPRINGS WATER DISTRICT

**TO:** Board of Directors

**AGENDA NO. V-B**

**FROM:** Ed Fortner, General Manager

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**Meeting Date: June 3, 2021**

**SUBJECT: APPROVAL OF THE FISCAL YEAR 2021-2022 OPERATING AND CAPITAL IMPROVEMENT BUDGET**

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**RECOMMENDED ACTION:** A. Hold a public hearing on the proposed Fiscal Year 2021-2022 (FY 2021-2022) Budget;  
B. Approve Resolution 21-08, which approves the FY 2021-2022 Budget

**FISCAL IMPACT:** The FY 2021-2022 Budget includes FY 2021-2022 expenses of \$4.54 million to be paid for by revenues of \$5.09 million. The revenue above FY 2021-2022 expenses will be added to reserves for future year capital projects.

## **DISCUSSION:**

The FY 2021-2022 Budget agenda staff report has two attachments:

- Resolution 21-08, which approves the FY 2021-2022 Budget
- Attachment A. FY 2021-2022 Detailed Budget is the line-item budget document with complete budget detail.

The draft FY 2021-2022 Budget was first presented at the April meeting. Further discussions occurred at the May Board Meeting. Highlights of the FY 2021-2022 Budget include:

- The 5% water rate increase will increase District revenues by approximately \$137,000.
- 3% salary increase for staff per MOU.
- Reduction in Debt Service of \$146,000 due to paying off State Loan.
- The transfer to the Capital Improvement Reserve Fund (CIRF) is \$430,000.
- 3,600' Water Main Replacement for Old River Rd as the Capital Project for FY 2021-2022 budgeted for \$1,280,000.
- \$135,000 Annual Payback to Reserves for second of seven years for UAL Pre-Payment.

Attachment A is the FY 2021-2022 Budget detail. This document, plus information on the 5% water rates increase, will be on the District website.

### **District Reserves**

The FY 2021-2022 Budget includes the District Reserve Policy approved in September 2009:

- Operating Budget Cash Reserve – a reserve based on 15% of the Operating Budget expenses to provide prompt payment of operating expenses at the start of each fiscal year.
- Operating Reserve – 25% of the Operating Budget expenses for dealing with economic uncertainty and emergencies and disaster-related expenses.
- Debt Repayment Reserve - 25% of all payments for principal and interest on all District loans to ensure funding is available to repay existing District debt.
- Capital Reserve – 25% of the nominal Capital Budget of \$1 million for similar issues with the capital program.

The FY 2021-2022 Budget shows the Beginning of the Year above District Reserve Policy of \$1,693,960 and \$1,872,734 in Reserves Above Policy at the end of the fiscal year.

In summary, the FY 2021-2022 Budget is a funding plan that will allow the District to provide good quality water to District customers and end the year in good financial shape.

Attachment A DRAFT FY 2021-2022 OPERATING AND CAPITAL BUDGET									
				FY 19-20 FINAL (CASH)*	FY20-21 BUDGET	FY 20-21 Projected	FY 21-22 BUDGET	Difference FY21-F22 Budgets	FY 2021-22
<b>DRAFT FY 2021-2022 OPERATING BUDGET</b>									
<b>REVENUE</b>									
<b>OPERATING REVENUE</b>									
4031 - Water Bill Revenue									
4031.1 - Capital Debt Reduction Charge				299,453	316,573	316,573	332,402	15,829	5% rate increase based on projected
4031.1 - Water Sales - Base Rate				1,644,252	1,728,369	1,728,369	1,814,787	86,418	5% rate increase based on projected
4031.1 - Water Sales - Usage Charges + Other				635,637	700,541	700,541	735,568	35,027	Flat sales, 5% increase based on projected
4031.1 - Total Water Sales				2,279,889	2,428,910	2,428,910	2,550,356	121,446	
<b>Total OPERATING REVENUE</b>				<b>2,579,342</b>	<b>2,745,483</b>	<b>2,745,483</b>	<b>2,882,757</b>	<b>137,274</b>	
<b>NON-OPERATING REVENUE</b>									
4445 - Grant Proceeds				0	0			-	
4448 - Policy Reserve Loan proceeds				500,000	500,000	500,000	-	(500,000)	
1700 - Interest				17,662	16,000	8,000	10,000	(6,000)	
3600 - Construction New Services				31,041	7,000	35,000	7,000		changes from year to year
3601 - Construction Service Upgrades				9,783	3,000	11,000	5,000		changes from year to year
4032 - Rent				106,669	110,810	110,810	112,970	2,160	Crystal \$1361/mo = \$16,322 AT&T \$8064/mo = \$96,648
4040 - Miscellaneous Income				7,123	1,500	1,500	1,500	-	USBank CC Refunds So. City Credit
4117 - SCWA Reimbursement				2,995	-	-	-	-	SCWA contract over.
<b>Total NON-OPERATING REVENUE</b>				<b>675,273</b>	<b>638,310</b>	<b>666,310</b>	<b>136,470</b>	<b>(501,840)</b>	
<b>Total Income</b>				<b>3,254,615</b>	<b>3,383,793</b>	<b>3,411,793</b>	<b>3,019,227</b>	<b>(364,566)</b>	
<b>EXPENSES</b>									
<b>OPERATING EXPENSES</b>									
<b>SALARY &amp; BENEFITS</b>									
<b>Salary</b>									
5910 - Wages				847,162	835,000	860,000	885,000	50,000	3% Wages increase as per MOU; Adds Account Clerk I
5912 - Overtime				30,230	37,000	33,000	34,000	(3,000)	3% Wages increase as per MOU
5916 - On-Call Pay				37,980	37,000	35,000	36,000	(1,000)	as per MOU
5918 - Extra help - Contract				37,286	36,000	35,000	37,000	1,000	Contract
<b>Total Salary</b>				<b>952,658</b>	<b>945,000</b>	<b>963,000</b>	<b>992,000</b>	<b>47,000</b>	
<b>Benefits</b>									
5500 - Flex Spending				2,549	0	0	0	-	
5920 - Retirement net EE sh				70,738	87,000	75,000	78,000	(9,000)	JK: ER Rates: 2% @ 55: 10.34%; 2% @ 62: 7.59% Est bi-weekly total: \$2,941 (ER Rate only)
5920.4 - Retirement UL				55,451	34,854	34,854	1,385	(33,469)	2% @ 55: \$0 2% @ 62: \$1,385
5920.5 - Retirement UL				500,000	500,000	500,000	0	(500,000)	2% @ 62 plan
5922 - Payroll Taxes - Emplo				14,653	16,000	15,500	16,761	761	
5930 - Health/Dental/Vision/				219,472	240,000	235,000	237,000	(3,000)	
5931 - Retiree health				8,784	9,800	9,800	11,700	1,900	Includes contribution to CERBT of \$3000; Per JK cost per retiree 2021 \$143; 2022 \$147
5940 - Workers Comp Insura				35,704	38,000	20,508	25,000	(13,000)	FY 2021-22 EMOD and rates unknown
5941 - Life Insurance (GM)				2,000	1,000	1,000	1,000	-	Per EF contract.
<b>Total Benefits</b>				<b>909,351</b>	<b>926,654</b>	<b>891,662</b>	<b>370,846</b>	<b>(555,808)</b>	
<b>Total SALARY &amp; BENEFITS</b>				<b>1,862,009</b>	<b>1,871,654</b>	<b>1,854,662</b>	<b>1,362,846</b>	<b>(508,808)</b>	
<b>SERVICES &amp; SUPPLIES</b>									
<b>Communications</b>									
6040-I - Internet service				2,818	2,700	2,700	3,500	800	Comcast -\$127/month; \$1524 GotoMyPC \$88/mo = \$1056 Sonic net \$72/mo = \$864 This year, combined total for 6040-P (Radios) in this category.
6040-C - Cell Phones/Radios				4,018	4,600	4,600	5,200	600	Verizon \$100/mo: \$1200, GM-\$600 Misc parts/holders: \$200 Cell phone reimburse \$232/mo - \$2,784 Misc. parts/batteries for radios: \$200
6040-P - Radios				1,921	200	200	-	(200)	(Combined with 6040-C -Cell phones)
6040-T - Telephones				22,785	24,000	24,000	24,820	820	Ans. Service: \$2500 AT&T Phones: \$1,500/mo: \$18,000 Mitel Phones: \$360/mo=\$4,320
<b>Total Communications</b>				<b>31,542</b>	<b>31,500</b>	<b>31,500</b>	<b>33,520</b>	<b>2,020</b>	
<b>Insurances</b>									
6101 - Liability & Auto Ins.				45,300	46,000	64,397	65,000	19,000	
<b>Total Insurances</b>				<b>45,300</b>	<b>46,000</b>	<b>64,397</b>	<b>65,000</b>	<b>19,000</b>	
<b>Maint/Rep - Office &amp; Vehicles</b>									
6140 - Vehicle Maintenance				6,657	21,000	15,000	18,000	(3,000)	
6151 - Office Maintenance				5,575	6,000	6,000	5,000	(1,000)	Alarm System - \$145/qtr = \$580 SR Computers - \$195/mo = \$2340/year Copy mach. maint - 1200/yr Call One - \$300/yr Landscaping - \$300/yr Misc / Other - \$250
<b>Total Maint/Rep - Office &amp; Vehicles</b>				<b>12,232</b>	<b>27,000</b>	<b>21,000</b>	<b>23,000</b>	<b>(4,000)</b>	









# SWEETWATER SPRINGS WATER DISTRICT



## FY 2021-2022 Budget Presentation

June 3, 2021

## Review of FY 2020-2021

- Completed FY 2020-2021 CIP Design and Planning using CDBG funding of \$115,920.
- Paid off State Loan early lowering Debt Service by \$267,000.
- Navigated COVID Pandemic safely.

## Budget Issues

- Budget Includes 5% Water Rate Increase.
- Revenue Projection Is Based on Flat Water Sales
- Drought Conditions Have Returned and Sales are Flat.
- Developing Sustainable Capital Funding Is An Important Issue.
- Budget Uncertainties:
  - Water Sales - Drought May Negatively Affect Sales.
  - Wildfires, COVID, and Staff turnover.

## Pre-Payment of Pension Unfunded Actuarial Liability

- UAL – Was \$1 million, Should Become Zero With Budgeted Payment.
- Changed Direction:
  - Level Funding Approach (instead of CalPERS Ramping).
  - Financial Flexibility – Only Expense is Repayment of \$130,000 to Reserves Annually for Seven Years.
  - Approved 2021-2026 CIP.
  - Traded 7.5% interest for 2.25%.
  - Continued Investment in PARS for Rate Stabilization/Reserve Investment Returns.

## Highlights of the FY 2021-2022 Budget

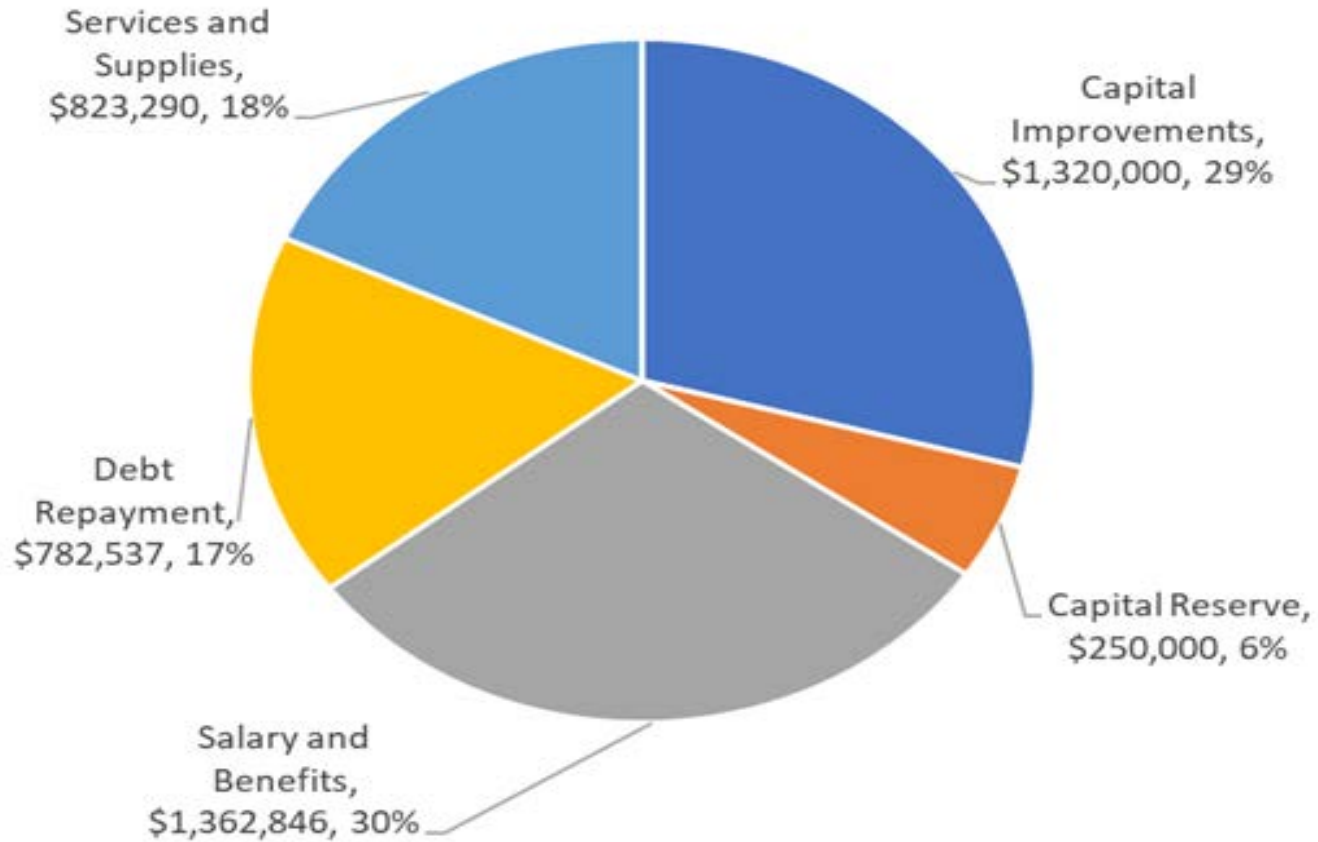
- Proposed 5% Increase in Water Use, Base Rate and Capital Debt Reduction Charges; No Change in Flat Charge (Assessment).
- Water Sales Revenue Projection Based on Flat Sales and End of Year Projection.
- Small increases in Salaries and Benefits Due to MOU and Internal Promotions.
- Line Item for UAL Pre-Payment Payback to Reserves - \$130,000 in FY 2021-2022.
- Transfer to CIRF is \$430,000.



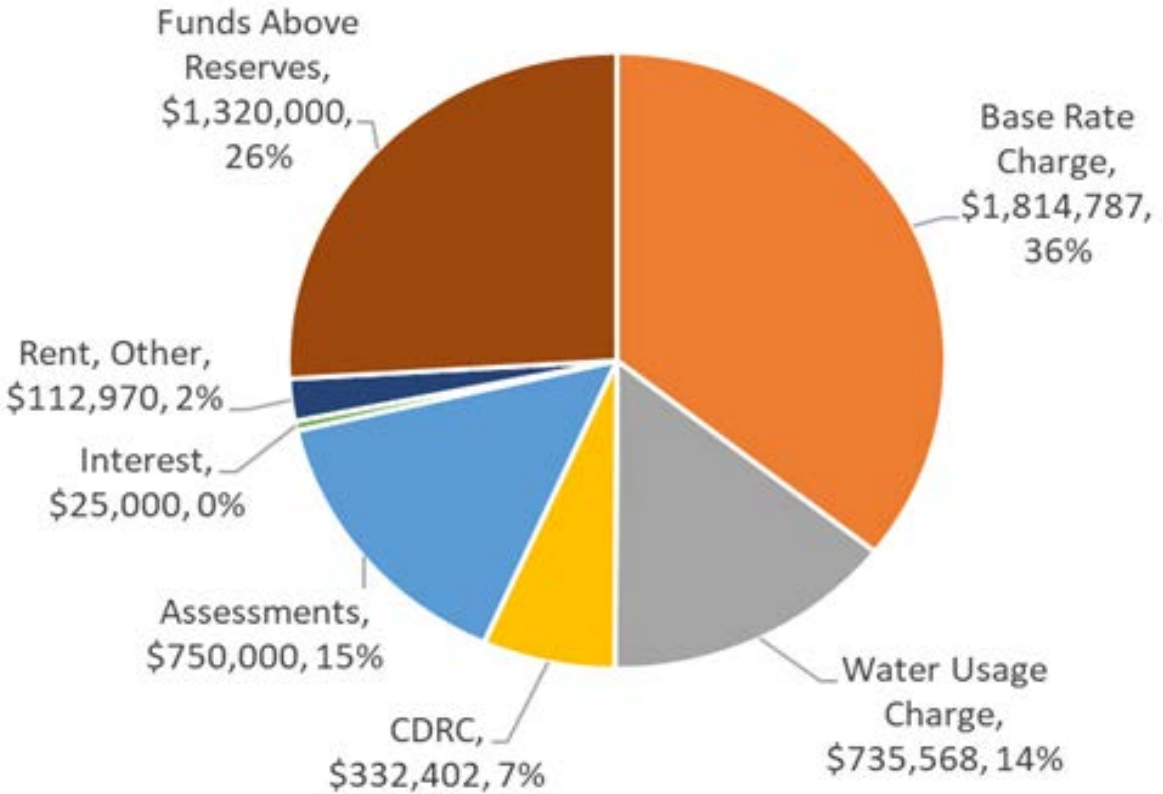
FY 2021-2022 OPERATING AND CAPITAL BUDGET SUMMARY									
					FY 19-20 FINAL (CASH)*	FY20-21 BUDGET	FY 20-21 Projected	FY 21-22 BUDGET	Difference FY21-F22 Budgets
<b>REVENUE</b>									
	<b>OPERATING REVENUE</b>								
	4031 · Water Bill Revenue								
		4031.1. · Capital Debt Reduction Charge			299,453	316,573	316,573	332,402	15,829
		4031.1. · Water Sales - Base Rate			1,644,252	1,728,369	1,728,369	1,814,787	86,418
		4031.1. · Water Sales - Usage Charges + Other			635,637	700,541	700,541	735,568	35,027
		4031.1. · Total Water Sales			2,279,889	2,428,910	2,428,910	2,550,356	121,446
	<b>Total OPERATING REVENUE</b>				<b>2,579,342</b>	<b>2,745,483</b>	<b>2,745,483</b>	<b>2,882,757</b>	137,274
	<b>NON-OPERATING REVENUE</b>								
	<b>Total NON-OPERATING REVENUE</b>				<b>675,273</b>	<b>638,310</b>	<b>666,310</b>	<b>136,470</b>	(501,840)
<b>Total Income</b>					<b>3,254,615</b>	<b>3,383,793</b>	<b>3,411,793</b>	<b>3,019,227</b>	(364,566)
<b>EXPENSES</b>					FY 19-20 FINAL (CASH)*	FY20-21 BUDGET	FY 20-21 Projected	FY 21-22 BUDGET	Difference FY21-F22 Budgets
	<b>OPERATING EXPENSES</b>								
	<b>SALARY &amp; BENEFITS</b>								
		Total Salary			952,658	945,000	963,000	992,000	47,000
		Total Benefits			909,351	926,654	891,662	370,846	(555,808)
		<b>Total SALARY &amp; BENEFITS</b>			<b>1,862,009</b>	<b>1,871,654</b>	<b>1,854,662</b>	<b>1,362,846</b>	(508,808)
		<b>Total SERVICES &amp; SUPPLIES</b>			<b>589,958</b>	<b>801,940</b>	<b>777,137</b>	<b>823,290</b>	21,350
	<b>Total OPERATING EXPENSES</b>				<b>2,451,967</b>	<b>2,673,594</b>	<b>2,631,799</b>	<b>2,186,136</b>	(487,458)
<b>OPERATING SURPLUS/DEFICIT</b>					<b>\$802,648</b>	<b>\$710,199</b>	<b>\$779,994</b>	<b>\$833,091</b>	\$ 122,892
	<b>Total FIXED ASSET EXPENDITURES</b>				<b>203,593</b>	<b>83,500</b>	<b>76,170</b>	<b>29,000</b>	(54,500)
	<b>Total TRANSFERS TO OTHER FUNDS</b>				526,383	626,573	701,573	802,402	175,829
<b>SURPLUS/DEFICIT</b>					<b>72,672</b>	<b>126</b>	<b>2,251</b>	<b>1,689</b>	1,563

<b>CAPITAL BUDGET SUMMARY</b>				<b>FY 19-20 FINAL (CASH)*</b>	<b>FY20-21 BUDGET</b>	<b>FY 20-21 Projected</b>	<b>FY 21-22 BUDGET</b>	<b>Difference FY21-F22 Budgets</b>
<b>REVENUE/SOURCES OF FUNDS</b>								
	1002 - Construction Flat Charges			44,512	27,000	27,000	27,000	-
	1001 - Current Year Direct Charges			721,555	710,000	710,000	710,000	-
	1061 - Past Year Direct Charges			20,708	40,000	40,000	40,000	-
	1700 - Interest			27,387	25,000	25,000	25,000	-
	4620.2 - Tfers from Operations (In-House Constr.)			25,000	25,000	25,000	25,000	-
	4620.2 - Tfers from Operations (CDR)			296,383	316,573	316,573	332,402	15,829
	4620.2 - Tfers from Operations (Surplus)			190,000	270,000	345,000	430,000	160,000
	Grant Revenue					115,920		
	<b>TOTAL CAPITAL REVENUE</b>			<b>1,325,545</b>	<b>1,413,573</b>	<b>1,604,493</b>	<b>1,589,402</b>	<b>175,829</b>
<b>EXPENSES</b>								
	<b>DEBT PAYMENTS</b>							
	Gen. Obligation Bonds Principal			27,622	54,278	54,278	54,950	672
	Cap One Revenue Bond Principal			359,000	368,000	368,000	296,500	(71,500)
	State Loan Principal			135,235	139,298	282,727	-	(139,298)
	Private Placement Loan Principal			162,570	167,650	167,650	176,887	9,237
	Interest Expense			343,646	319,908	319,908	254,201	(65,707)
	<b>TOTAL DEBT PAYMENTS</b>			<b>1,028,074</b>	<b>1,049,134</b>	<b>1,192,563</b>	<b>782,537</b>	<b>(266,597)</b>
	2019 CIP			62,472	-			
	2021 CIP			0	1,326,000	503,550		25,000
	2022 CIP						1,280,000	
	In-House Construction Projects			14,904	25,000	25,000	40,000	25,000
	<b>TOTAL CONSTRUCTION EXPENSES</b>			<b>77,376</b>	<b>1,351,000</b>	<b>528,550</b>	<b>1,320,000</b>	<b>(31,000)</b>
	<b>TOTAL CAPITAL EXPENSES</b>			<b>1,105,449</b>	<b>2,400,134</b>	<b>1,721,113</b>	<b>2,102,537</b>	<b>(297,597)</b>
	<b>SURPLUS/DEFICIT</b>			<b>220,095</b>	<b>-986,561</b>	<b>-116,620</b>	<b>-513,136</b>	<b>473,425</b>
<b>FUND AND LOAN BALANCES (EOY)</b>								
<b>DISTRICT RESERVES AND FUND AND LOAN BALANCES</b>								
	Operating Budget Cash Reserve			123,508	262,174	262,174	327,920	65,746
	Operating Budget Reserve (10%+15% of Operating Exp)			96,475	436,956	436,956	546,534	109,578
	Debt Repayment Reserve (25% of Debt pmt)			102,315	258,777	258,777	195,634	(63,143)
	Capital Reserve			250,000	250,000	250,000	250,000	-
	<b>Total District Policy</b>			<b>572,298</b>	<b>1,207,906</b>	<b>1,207,907</b>	<b>1,320,089</b>	<b>112,183</b>
	<b>TOTAL Reserves EOY</b>			<b>2,314,663</b>	<b>1,671,066</b>	<b>2,901,867</b>	<b>3,192,823</b>	<b>1,521,757</b>
	<b>Reserves Above (below) Policy</b>			<b>1,742,365</b>	<b>463,159</b>	<b>1,693,960</b>	<b>1,872,734</b>	<b>1,409,575</b>

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



**Figure 2 Revenue FY 2021-2022**  
**\$5,090,727**



**Proposed 5% Rate Increase Effect on Typical Water Users by Class**  
**FY 2021-22**

	Single Family Residential		Multi-Family Residential		Commercial	
	Median	High	Median 2DU's	High 3 DU's	Median	High 2"
<b>Water Use (hcf)</b>	10	22	19	32	20	82
<b>Water Bill (Current)</b>	\$101.21	\$146.50	\$170.98	\$255.81	\$138.95	\$817.22
<b>Water Bill (Proposed)</b>	\$106.27	\$153.83	\$179.53	\$268.60	\$145.90	\$858.08
<b>Bimonthly Difference</b>	\$5.06	\$7.33	\$8.55	\$12.79	\$6.95	\$40.86
<b>%A1:G9 Increase</b>	5%	5%	5%	5%	5%	5%

## Proposed Water Rates

### 2021-2022 Bimonthly Water Rates

<b>Sweetwater Springs Water District Water Rates for FY 2021-2022 Base Rate, Water Usage Rate, and Capital Debt Reduction Charge</b>					
		Base Rates	CDRC <sup>1</sup>	Water Usage Charge (\$/hcf)	
		\$/account	\$/account	Tier 1	Tier 2
<b>Single Family Residential</b>				\$1.65	\$3.96
	All Users	\$71.94	\$13.17	(0-8) hcf	9+ hcf
<b>Multi Family (by # Dwelling)</b>					
	2 DU's	\$111.50	\$20.43	(0-12.4)	12.5+
	3 DU's	\$151.07	\$27.66	(0-16.8)	16.9+
	4 DU's	\$190.64	\$34.84	(0-21.2)	21.3+
<b>Commercial (by meter size)</b>					
	5/8"	\$71.94	\$13.17	(0-8)	9+
	1"	\$179.87	\$32.96	(0-20)	21+
	1 1/2"	\$358.59	\$65.87	(0-40)	41+
	2"	\$575.51	\$105.40	(0-64)	65+
hcf = hundred cubic foot, 748 gallons					
1 - Capital Debt Reduction Charge					
2- Multi Family unit multiplier = 0.55 for every extra unit; no meter multiplier					

## Summary

- \$4.54 Million Expenses Funded by \$5.09 Million Revenues
- 5% Water Use, Base Rate, and Capital Debt Reduction Charges Increase
- Principal Issue Remains Developing Sustainable CIP Funding
- Addressed CalPERS UAL Through Pre-Payment
- Capital One Refinance and State Loan Payoff has Freed Up Cash Flow
- FY 2020-2021 CIP \$1,280,000 for 3,600' HDPE Water Main Replacement on Old River Rd.
- Impact of Drought Water Use Reductions
- Reserve Policy - Reserves Above District Policy at \$1.87 Million.
- District in Good Financial Shape

Questions?



Resolution No. 21-08

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SWEETWATER SPRINGS WATER DISTRICT ADOPTING THE FY 2021-2022 OPERATING AND CAPITAL IMPROVEMENT BUDGET**

**WHEREAS**, the General Manager of the Sweetwater Springs Water District, after consultation with the District Financial Coordinator, has submitted to the Board of Directors a Proposed Budget for the Fiscal Year 2021-2022; and

**WHEREAS**, the Board of Directors has reviewed the Proposed Budget; and

**WHEREAS**, the Board of Directors desires to adopt the Proposed Budget as submitted by the General Manager subject to any changes or amendments made by the Board of Directors at its June 3, 2021 regular meeting.

**BE IT RESOLVED**, that the Board of Directors of the Sweetwater Springs Water District hereby adopts the attached FY 2021-2022 Operating and Capital Improvement Budget and all schedules, exhibits, and policies contained therein.

**PASSED AND ADOPTED this 3rd day of June 2021.**

\_\_\_\_\_  
Sukey Robb-Wilder  
President of the Board of Directors

\_\_\_\_\_  
I hereby certify that the foregoing is a full, true, and correct copy of a Resolution duly and regularly adopted and passed by the Board of Directors of the SWEETWATER SPRINGS WATER DISTRICT, Sonoma County, California, at a meeting held on June 3, 2021, by the following vote.

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

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

# SWEETWATER SPRINGS WATER DISTRICT

**TO:** Board of Directors

**AGENDA NO. V-C**

**FROM:** Ed Fortner, General Manager

---

**Meeting Date: June 3, 2021**

**SUBJECT: ADOPTION OF THE DISTRICT'S 2020 URBAN WATER MANAGEMENT PLAN (UWMP) UPDATE AND 2020 WATER SHORTAGE CONTINGENCY PLAN (WSCP) UPDATE**

---

**RECOMMENDED ACTION:** Hold a Public Hearing on adopting the District's 2020 Urban Water Management Plan Update (UWMP) and approve Resolution 21-09, which adopts the 2020 UWMP Update and the 2020 WSCP Update.

**FISCAL IMPACT:** none

## **DISCUSSION:**

Sweetwater Springs Water District is required to update its UWMP for the 2020 cycle. This update is due July 1, 2021. Approval of the final draft UWMP and WSCP is needed at this June 2021 Board Meeting. We have discussed this draft UWMP and the revisions to the Water Shortage Contingency Plan and the draft document at the May Board meeting.

The UWMP follows the guidelines provided by the California Department of Water Resources. It provides a comprehensive review of the District's water operations, current and historical water use, projections of future supplies, reliability estimates of the District's water supplies, and an update of the District's Water Shortage Contingency Plan. This Plan is organized into chapters as follows:

- **Chapter 1 "Introduction and Overview"** – Includes legislative background for the UWMP requirements.
- **Chapter 2 "Plan Preparation"** – Includes information on the process for the development of this Plan, along with coordination and outreach efforts.
- **Chapter 3 "System Description"** – Details the service area, climate, history, and other relevant system information.
- **Chapter 4 "System Water Use"** – Evaluates the system's overall historical and projected demand within its service area.
- **Chapter 5 "SB X7-7 Baselines and Targets"** – Describes methods for calculating baseline and target water consumption and includes 2020 compliance information with SB X7-7.
- **Chapter 6 "System Supply"** – Describes the sources of water available to the District.

- **Chapter 7 "Water Supply Reliability Assessment"** – A description of the water system reliability out to 2040, including projections for normal, single-dry, and multiple-dry years.
- **Chapter 8 "Water Shortage Contingency Planning"** – Describes the District's plan for dealing with water shortage.
- **Chapter 9 "Demand Management Measures"** – Discusses efforts by the District to reduce demand through water efficiency programs and conservation.
- **Chapter 10 "Plan Adoption, Submittal, and Implementation"** – Lists the District's adoption, submittal, and implementation of its 2020 Plan.
- **Appendices** include the Updated Water Shortage Contingency Plan and other supporting documentation.

The UWMP is an important planning document for the District. It contains factual data about the District. We will reference the plan for basic information about the District, such as service area population and projected water use. Other governmental agencies and private entities will look to this UWMP for basic information about the District. Certain funding opportunities also ask for this report. The final draft of the 2020 UWMP and WSCP is on our website and contains readily available public information about the District. Observations:

- We do not expect much growth in the District population, and District water use should remain relatively flat during the planning period, which goes out to 2040. This Plan is consistent with the 2010 and 2015 UWMP in these regards.
- The District has done much better than the gpcd targets set in 2010. The 2015 target set in 2010 was 102 gpcd; we achieved 76. The 2020 target is 91 gpcd; we achieved 80 by consistently reducing system water losses.
- Potential drought restrictions could skew usage trends in the coming years. We have no way of knowing what will happen when District customers' water use rebounds. I expect the rebound to take some time, especially if other parts of the State remain in drought conditions.
- Water loss reduction has played an essential part in the District's overall decrease in gpcd from 2010. Overall, water production has increased slowly since 2015. With water loss reductions and drought restrictions, water production and sales will fall again to 2015 levels. District water production has been reduced by 29% since 2010. Water losses have been reduced by over 40% in that period.
- Regardless of the rebound effect and whether our targets beyond 2030 are based on 12.5-10% or 15%, our water production estimates are well within the District's water license (1137 AF) and meet the State's requirement for a 20% reduction from the baseline water use as determined by the 1999-2008 baseline.

We discussed the draft UWMP at the May Board meeting. The draft report was distributed at that meeting. A link to the final draft of the report and appendices are on the District website, [www.sweetwatersprings.com](http://www.sweetwatersprings.com).

The 2020 Urban Water Management Plan Update is a valuable resource document for the District and staff recommends adopting the Plan.

# SWEETWATER SPRINGS WATER DISTRICT



## 2020 Urban Water Management Plan

June 3, 2021

## **2020 Urban Water Management Plan Update**

- **Mandated by State**
- **2015 UWMP Approved October 2016**
- **Guide for District Water Supplies into the Future**
- **Draft Available Since early May**
  - **District Water Supplies in Good Shape**
  - **Water Supplies for New Growth Not an Issue**
  - **GPCD Is Low**
  - **District Met 2020 Reduction Target**

## **2020 Urban Water Management Plan Organization**

- **Chapter 1 - Introduction and Overview**
- **Chapter 2 - Plan Preparation**
- **Chapter 3 - System Description**
- **Chapter 4 - System Water Use**
- **Chapter 5 - SB X7-7 Baselines and Targets**
- **Chapter 6 - System Supply**
- **Chapter 7 - Water Supply Reliability Assessment**
- **Chapter 8 - Water Shortage Contingency Planning**
- **Chapter 9 - Demand Management Measures**
- **Chapter 10 - Plan Adoption, Submittal, and Implementation**
- **Appendices**

## **Background Information/Plan Coordination**

- **Description of Water Management Planning Act**
- **Coordination – contacts with County, SCWA, Local Availability.**
- **Public Participation**
- **Plan Adoption.**



## Description of Existing System

- **Existing System – 2 Systems, 3762 connections in 2020.**
- **Climate – Mild, Rainy in Winter.**
- **Water Supply – 100% Groundwater from Russian River Underflow.**
- **Guerneville/Monte Rio – 68%/32%**
- **Water Rights License for 1,137 AFY**

## Historical and Projected Water Use

- **Population (Table 3-1 in Plan)**
- **Historical and Current Water Use**
- **SBx7-7 Compliance and Future Water Use (Table 5-3)**
- **Unaccounted-for Water and Other Water Use**
- **Recycled Water**
- **Total Projected Water Use**

## TABLE 1. POPULATION DATA AND PROJECTIONS FROM VARIOUS SOURCES

	2000	2005	2010	2015	2020	2025	2030	2035	2040
2000 UWPM Without Redevelopment	9206	9390	9672	9962	10159				
2000 UWPM With Redevelopment	9206	9575	10053	10750	11445				
2005 UWMP		9360	9672	9690	9920	10020			
US CENSUS (1537.03, 1537.04)	8185		7218		8026				
US CENSUS, SSWD Service Area	7685		6818						
US CENSUS, SSWD Service Area Adjusted for Seasonal Residents	8261		7493						
2010 UWMP			7493	7755	8026	8307			
2015 UWMP			7493	7755	8026	8307	8598	8899	
2020 UWMP			7493	7755	8026	8307	8598	8899	9175

### Table 5-3 GPCD Targets and District Water Production

	% System Loss/Target	GPCD based on System Loss Reduction	GPCD Sold	GPCD Lost	SBX7-7 Target GPCD	Total Water Production AF
Baseline GPCD		113			113	
2010 actual	28	98.6	69.9	28.7	109	828
2015 actual	20.7	76.0	57.5	15.5		658
2015 Target	24	93.6	69.9	23.6	102	813
2020 actual	19.2	80.0	64.6	15.4		717
2020 Target	20	89.6	69.9	19.7	91	808
2025 Target	15	84.7	69.9	14.8		788
2030 Target	12.5	82.2	69.9	12.3		792
2035 Target	10	79.8	69.9	9.9		795
2040 Target	10	79.8	69.9	9.9		795

## Water Conservation

- **California Urban Water Conservation Coalition**
- **BMP's – DMM's**
- **CUWCC BMP's – On Track with All**
  - **1.1 - Operation Practices**
    - **Conservation Coordinator**
    - **Water Waste Prevention**
  - **1.2 - Water Loss Control**
  - **1.3 - Metering with Commodity Rates**
  - **1.4 - Retail Conservation Pricing**
  - **2.1 - Education/Information**
  - **2.2 - School Education Programs**
  - **GPCD – 80, Target was 91**

**Water Supply Reliability and Water Shortage Contingency Planning**

- **No Known Supply Issues – SCWA Comments**
- **Water Quality – No Issues**
- **Transfer Opportunities and New Water Projects – None**
- **Water Shortage Contingency Plan (Appendix A)**

**Submittal Table 7-3 Retail: Single Dry Year Supply and Demand Comparison**

	2025	2030	2035	2040	2045 (Opt)
Supply totals*	796	796	796	796	
Demand totals*	540	543	545	548	
Difference	256	253	251	248	0

*\*Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Table 2-3.*

NOTES: The identified shortages can be met with Water Shortage Contingency Plan effort (Stage I).

# SWEETWATER SPRINGS WATER DISTRICT

**Submittal Table 7-4 Retail: Multiple Dry Years Supply and Demand Comparison**

		2025*	2030*	2035*	2040*	2045* (Opt)
First year	Supply totals	1,137	1,137	1,137	1,137	
	Demand totals	720	724	727	730	15% Reduction
	Difference	417	413	410	407	
Second year	Supply totals	1,137	1,137	1,137	1,137	
	Demand totals	576	579	581	584	20% Reduction
	Difference	561	558	556	553	
Third year	Supply totals	796	796	796	796	30% Reduction
	Demand totals	540	543	545	548	25% Reduction
	Difference	256	253	251	248	
Fourth year	Supply totals	570	570	570	570	50% Reduction
	Demand totals	414	418	421	424	50% Reduction
	Difference	156	152	149	146	
Fifth year	Supply totals	570	570	570	570	50% Reduction
	Demand totals	414	418	421	424	50% Reduction
	Difference	156	152	149	146	
Sixth year <i>(optional)</i>	Supply totals					
	Demand totals					
	Difference	0	0	0	0	0

**\*Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Table 2-3.**

NOTES: Supply totals change in the third year (same as single worst year from Table 7-3); the demand totals change in every year of this table because we expect to be part of a regional conservation effort in which all water agencies participate.



## Next Steps

- **Hold Public Hearing/Adopt Plan**
- **Complete Appendices, Make Changes to Draft**
- **Send to DWR**
- **Await Review by DWR/Fix Issues**
- **Next Update in 2025**

## **Resolution No. 21-09**

### **A RESOLUTION OF THE SWEETWATER SPRINGS WATER DISTRICT BOARD OF DIRECTORS ADOPTING THE UPDATED 2020 URBAN WATER MANAGEMENT PLAN AND THE UPDATED 2020 WATER SHORTAGE CONTINGENCY PLAN**

**WHEREAS**, the Urban Water Management Planning Act (UWMP Act), which is codified at California Water Code 10610 et seq, requires that every urban water supplier which provides 3,000-acre feet or more of water annually (AFY) or which directly or indirectly supplies water for municipal purposes to more than 3,000 customers shall prepare an Urban Water Management Plan (UWMP) and a Water Shortage Contingency Plan (WSCP), the primary objective of which is to plan for the conservation and efficient use of water; and

**WHEREAS**, the Water Conservation Act of 2009 (SB X7-7), which is codified at California Water Code 10608 et seq, has the general goal of a 20 percent reduction in water use Statewide and requires each urban retail water supplier to develop urban water use targets and an interim urban water use target, in accordance with specified requirements and report those targets in its 2010 UWMP; and

**WHEREAS**, Sweetwater Springs Water District (District) supplies less than 1,000 AFY but has more than 3,700 customers and thus must comply with both Acts; and

**WHEREAS**, SB X7-7 requires that the urban water supplier achieve a 20% reduction in individual water supplier water use by 2020, and the targets and actual reduction be reported in the 2020 UWMP; and

**WHEREAS**, staff continued the use of Method 1, the gallons per capita per day approach (Method 1), as the most sensible approach for developing water use targets under SBx7-7. It is the easiest to calculate and understand to demonstrate that the District meets the 20% reduction target. The District reported these targets in the 2010 UWMP, reaffirmed this approach in the 2015 UWMP and the 2020 UWMP; and

**WHEREAS**, the District has prepared an Updated 2020 UWMP and an Updated 2020 WSCP covering the District to meet the requirements of the UWMP Act; and

**WHEREAS**, the 2020 UWMP and the method used to comply with SB X7-7 water use reduction targets must be reaffirmed after public review and a public hearing by the District Board of Directors and must be filed with the California Department of Water Resources; and

**WHEREAS**, the District has prepared a 2020 UWMP and 2020 WSCP keeping the District in compliance with the requirements of the Urban Water Management Planning Act, including achieving in excess of the 20% required water use reduction; and

**WHEREAS**, on April 29, 2021, the District circulated for public review a draft of the 2020 UWMP, in compliance with the requirements of the UWMP Act, and a duly

June 3, 2021

noticed public hearing was held on June 3, 2021, by the District Board of Directors in accordance with said notice; and

**WHEREAS**, the District use of Method 1 to comply with SB X7-7 and the targets associated with meeting the requirements of SB X7-7 are included in the District's 2015 and 2020 UWMP and were the subject of a duly noticed public hearing held on June 3, 2021, by the District in accordance with the said notice; and

**WHEREAS**, the District coordinated the preparation of the 2020 UWMP and WSCP with other appropriate agencies in the area; provided notices to the County of Sonoma and the Sonoma County Water Agency; and encouraged the active involvement of diverse social, cultural, and economic elements of the population within the service area prior to and during the preparation of the plan as more fully described in the 2020 UWMP, in compliance with the requirements of the UWMP Act; and

**WHEREAS**, a copy of the draft 2020 UWMP and WSCP was made available for public inspection at the District's office and on the District's website on April 29, 2021, and at the Guerneville Branch of the County of Sonoma Public Library on May 01, 2021; and

**WHEREAS**, on June 3, 2021, the District Board of Directors held a public hearing on the 2020 UWMP and on the reaffirmation of Method 1 of SB X7-7, a notice of the time and place of which was published in the Healdsburg Tribune, a newspaper of general circulation on April 29, 2021, and May 6, 2021; and

**WHEREAS**, the District Board of Directors has reviewed and considered all comments received on the use of Method 1 goals and the draft 2020 UWMP.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE DISTRICT AS FOLLOWS:**

1. Method 1 of SBx7-7 is the appropriate approach for the District use to report its compliance with meeting the water use reduction targets of SB X7-7, and the targets developed were included in the 2015 UWMP and used in the Updated 2020 UWMP.
2. The District's Updated 2020 UWMP and Updated 2020 WSCP are based on substantial evidence, include reasonable assumptions about future conditions, and meet all requirements of the Urban Water Management Planning Act.
3. The Updated 2020 UWMP and Updated 2020 WSCP are hereby approved and adopted.

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 June 3, 2021, by the following vote:

June 3, 2021

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

\_\_\_\_\_  
Sukey Robb-Wilder  
President of the Board of Directors

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

# SWEETWATER SPRINGS WATER DISTRICT

**TO:** Board of Directors

**AGENDA NO. V-D**

**FROM:** Ed Fortner, General Manager

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Meeting Date: June 3, 2021

**SUBJECT: DISCUSSION/ACTION RE COVID RELATED REOPENING ISSUES**

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**RECOMMENDED ACTION:** Discussion and direction from Board.

**FISCAL IMPACT:** none

**DISCUSSION:**

The District has followed Public Health direction from Federal, State, and Local Health Agencies. These guidelines are referenced in our Emergency Response Plan and Resolution 21-06. California plans on relaxing many guidelines in June and the District will need to navigate these guidelines and how they apply to the District workplace and workforce. Among these issues is virtual vs. in-person Board meetings.

# SWEETWATER SPRINGS WATER DISTRICT

**TO:** Board of Directors

**AGENDA NO. V-E**

**FROM:** Ed Fortner, General Manager

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Meeting Date: June 3, 2021

**SUBJECT: DISCUSSION/ACTION RE APPROVAL FOR GENERAL MANAGER TO APPLY FOR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING FOR CONSTRUCTION OF FY 2020-2021 CAPITAL PROJECT ON OLD RIVER RD AND WOODLAND DRIVE**

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**RECOMMENDED ACTION:** Approve GM to apply for CDBG funding for Construction for the FY 2020-2021 Capital Project

**FISCAL IMPACT:** \$1,297,869.00

**DISCUSSION:**

We are applying for CDBG funding for Construction for the FY 2020-2021 Capital Project that includes 3,400 feet of 6" HDPE water main replacement with thirty-one services on Old River Road and 1,900 feet of 6" HDPE water main replacement on Woodland Drive with twenty-seven services. The grant we are applying for is for \$1,297,869.00, with a District match of \$1,297,869.00. We were successful last year receiving funds from CDBG for \$115,920.00 for the design and planning phase of this Capital project. The grant awards this year will occur in August. The Sonoma County Community Development Commission will decide which projects receive CDBG funding on July 21, 2021. Ultimately, the Sonoma County Board of Supervisors will make the final funding decisions on August 16, 2021. The timeline is attached. This resolution is required as part of the CDBG process.

CAPITAL PROJECTS  
 FUNDING APPLICATION PROCESS TIMELINE  
 FISCAL YEAR 2021-2022  
 SONOMA COUNTY COMMUNITY DEVELOPMENT COMMISSION

*The Funding Application Process for fiscal year 2021-2022 includes applications for Community Development Block Grant (CDBG) for capital projects and HOME Investment Partnerships Act (HOME) Programs.*

Date	Description
Monday, May 10, 2021	Notice of FY 2021-2022 CDBG and HOME funding availability (NOFA) issued inviting submission of Capital Project funding applications
Monday, June 7, 2021, 1pm Virtual Meeting	Technical Assistance Session for applicants interested in submitting a Capital Project funding application in FY 2021-2022
Friday, June 11, 2021, 3pm	<b>Capital Project Funding Applications are due at the Commission Office</b>
Wednesday, June 16, 2021, 10am	Workshop for Community Development Committee and Cities and Towns Advisory Committee Review and Feedback on FY 2020-2021 Capital Project Funding Applications. <b>All applicants must be present to be considered for funding.</b>
Wednesday, July 21, 2021, 10am	Community Development Committee and Cities and Towns Advisory Committee make funding recommendations for FY 2021-2022 Capital Project Funding Applications. <b>All applicants must be present to be considered for funding.</b>
Tuesday July 26, 2021 (Special Mtg. date Subject to Change)	Draft FY 2021-2022 Action Plan Presented to CD Committee at Public Hearing.
Tuesday August 3, 2021	Community Development Commission to make CD Committee and Cities and Towns Advisory Committee funding recommendations for FY 2021-2022 Capital Project Funding Applications to Board of Supervisors for Final Approval.
Monday, August 16, 2021	<b>Deadline for Action Plan to be received at HUD office.</b>
July 1, 2021	<b>Beginning of fiscal year 2021-2022 (through June 30, 2022)</b>

**Contact Information**

Valerie Johnson  
 Program Compliance Specialist  
 Sonoma County Community Development Commission  
 (707)565-7514, Valerie.Johnson@sonoma-county.org

# Resolution No. 21-10

## **A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SWEETWATER SPRINGS WATER DISTRICT APPROVING THE GENERAL MANAGER TO APPLY FOR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING FOR CONSTRUCTION OF THE FY 2020-2021 CAPITAL IMPROVEMENT PROJECT**

**WHEREAS**, the District must approve a resolution approving the application for CDBG Funding, and

**WHEREAS**, the Board has reviewed and discussed the Capital Improvement Plan that includes the FY 2020-2021 Capital Project; and

**WHEREAS**, the FY 2020-2021 Capital Project consists of 3,400 feet of new 6-inch HDPE water main on Old River Road with thirty-one services and one fire protection line and 1,900 feet of new 6-inch HDPE water main on Woodland Drive with twenty-seven services at the total cost of \$2,740,638.00; and

**WHEREAS**, the District will be applying for CDBG funding with Phase II including Construction; and

**WHEREAS**, the FY 2020-2021 Capital Project Construction Phase II cost is \$2,595,738.00; and

**WHEREAS**, the CDBG application requests \$1,297,869.00 with a \$1,297,869.00 match from the District.

**NOW, THEREFORE BE IT RESOLVED** by the District Board of Directors of the Sweetwater Springs Water District hereby approves the application for Phase II of CDBG funding for Construction of \$1,297,869.00 for the FY 2020-2021 Capital Project.

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 June 3, 2021, by the following vote.

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

\_\_\_\_\_  
Sukey Robb-Wilder  
President of the Board of Directors

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



## SWEETWATER SPRINGS WATER DISTRICT

**TO:** Board of Directors

**AGENDA NO. VI**

**FROM:** Ed Fortner, General Manager

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**Meeting Date:** June 3, 2021

**Subject:** GENERAL MANAGER'S REPORT

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

**FISCAL IMPACT:** None

### **DISCUSSION:**

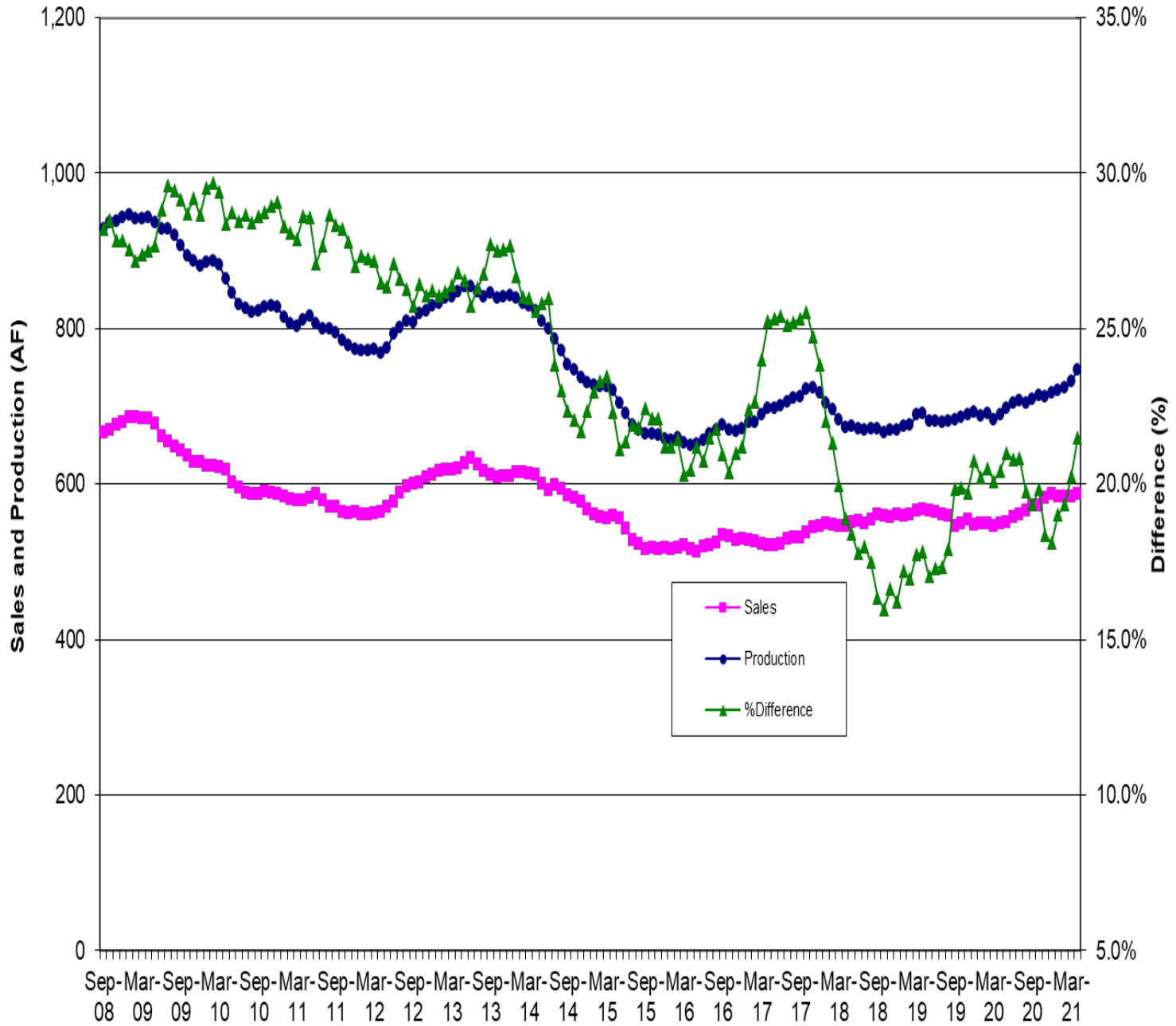
- 1. Laboratory Testing:** Water quality tests confirm that all SSWD water meets all known State and Federal water quality standards.
- 2. Water Production and Sales:** Water sales in April were 15,866 units (36.4 AF Monte Rio cycle), and production was 68.1 AF. Compared to one year ago, sales were lower, and production was lower (33.5 AF and 52.8 AF, respectively). Figure 1 shows sales, production, and % difference for the combined systems; the water loss trend was up this month as a running twelve-month average (21.5%). Looking at the data over the last ten years, water production has dropped approximately 29%, and sales have dropped 18%, although water sales and production are up during the COVID period. The water loss percentage was around 30% and now is in the 15-20% range. Much of the production and water loss drop can be attributed to capital projects.
- 3. Leaks:** In May, we had seven total leak repairs with 23 hours on them. Four leaks were in Guerneville, one was in Monte Rio, and two were in Rio Nido. All leaks were in older lines. That is less leaks and less person-hours than the prior month and more leaks and less person-hours than March one year ago (4 and 50). Figure 2 shows service and main leaks separately with a total leak line as well. For Calendar Year 2020, total leaks were 99, up from 78 in 2019. That was a drought year following a very wet year, and many of the repairs were due to ground shifting. Also, 52 leaks were on mains, and 48 were on service lines. In 2019 47 leaks were on mains, and 31 were on service lines. Leaks may go up during this second consecutive drought year. Looking at the leaks chart over the last ten

years, we've come down from around 300 leaks per year to under 100 - quite a difference and very noticeable in what the field crews are able to do - address ongoing issues with in-house projects instead of chasing leaks every day.

- 4. Guerneville Rainfall:** April rainfall was .00", which is lower than the long-term average month and puts the yearly total (15.73") well below the long-term annual average. We are experiencing a second consecutive drought year in 2021. Governor Newsom declared a drought emergency for Sonoma and Mendocino Counties and Sonoma County has issued a drought emergency also. We expect declared mandatory reductions in water use in the near future. I have posted an updated notice on our website.
- 5. In-House Construction Projects:** There was one in-house construction projects in May. A one-inch meter upgrade was installed at 14470 Southern Ave. in Guerneville. Two hours were dedicated to the project.
- 6. Lower Russian River Community Advisory Group Governance Meeting:** There was a virtual meeting of the LRRCAG on May 27th to discuss Wastewater solutions for Monte Rio and Villa Grande. I have been participating in the Interagency Team meetings and the Sacramento State Governance meetings. A public news release was issued to announce \$500,000 in State Grant funding for the feasibility study. The CAG is lobbying for another \$500,000 due to the fact that two communities are under study.
- 7. Monte Rio Bridge:** The District has continued to consider funding options for the water main attachment for the new Monte Rio Bridge. The cost of the District project is estimated at over \$800,000. Rich Holmer and I met with Elise Weiland with Supervisor Hopkins office on March 28<sup>th</sup> to discuss funding options.
- 8. Personnel:** The District is hiring Victor Mendez June 21st as a Water Maintenance Operator Trainee.
- 9. Grants Update:** I continue coordination with FEMA and CalOES to fund damages due to the Walbridge Fire (DR-4558) at our Mt. Jackson site ("A" category) for debris removal.  
  
We are applying for the FY 2021-2022 round of CDBG funding for the FY 2020-2021 CIP. That funding approval decision will take place in July.
- 10. Gantt Chart:** The Gantt Chart is updated for June 2021.
- 11. Local Hazard Mitigation Plan:** The Local Hazard Mitigation Plan has been reviewed by CalOES and has been submitted to FEMA for their review. We expect approval by the July Board meeting. We will hold a Public Hearing in July for Board approval.

- 12. Tax Lien List Approval:** We intended on bringing a list of customers that were delinquent over sixty days with over \$500 owed to ask the Board to approve tax liens. Our attorney is helping us understand the types of forms to use. We will hold a Public Hearing in July for Board approval.
- 13. Economic Impact of no Disconnects for Non-payment:** The total uncollected amount in this Monte Rio billing cycle due to non-payment with the non-Disconnect Executive Order is **\$4,040.58**. This amount is tracking downward. The chart is updated with separate columns for billing cycles. We will continue to follow this amount.

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



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

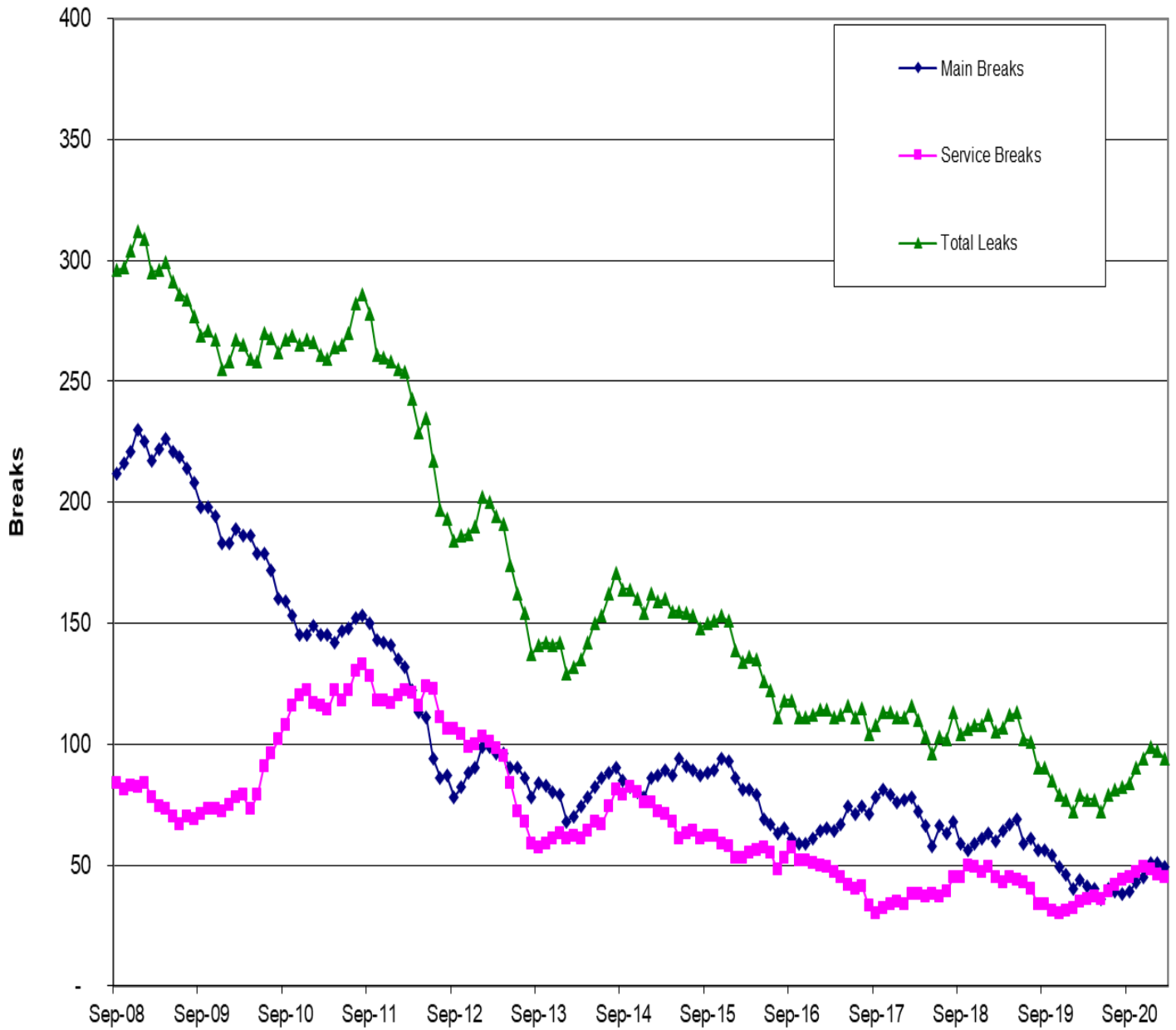
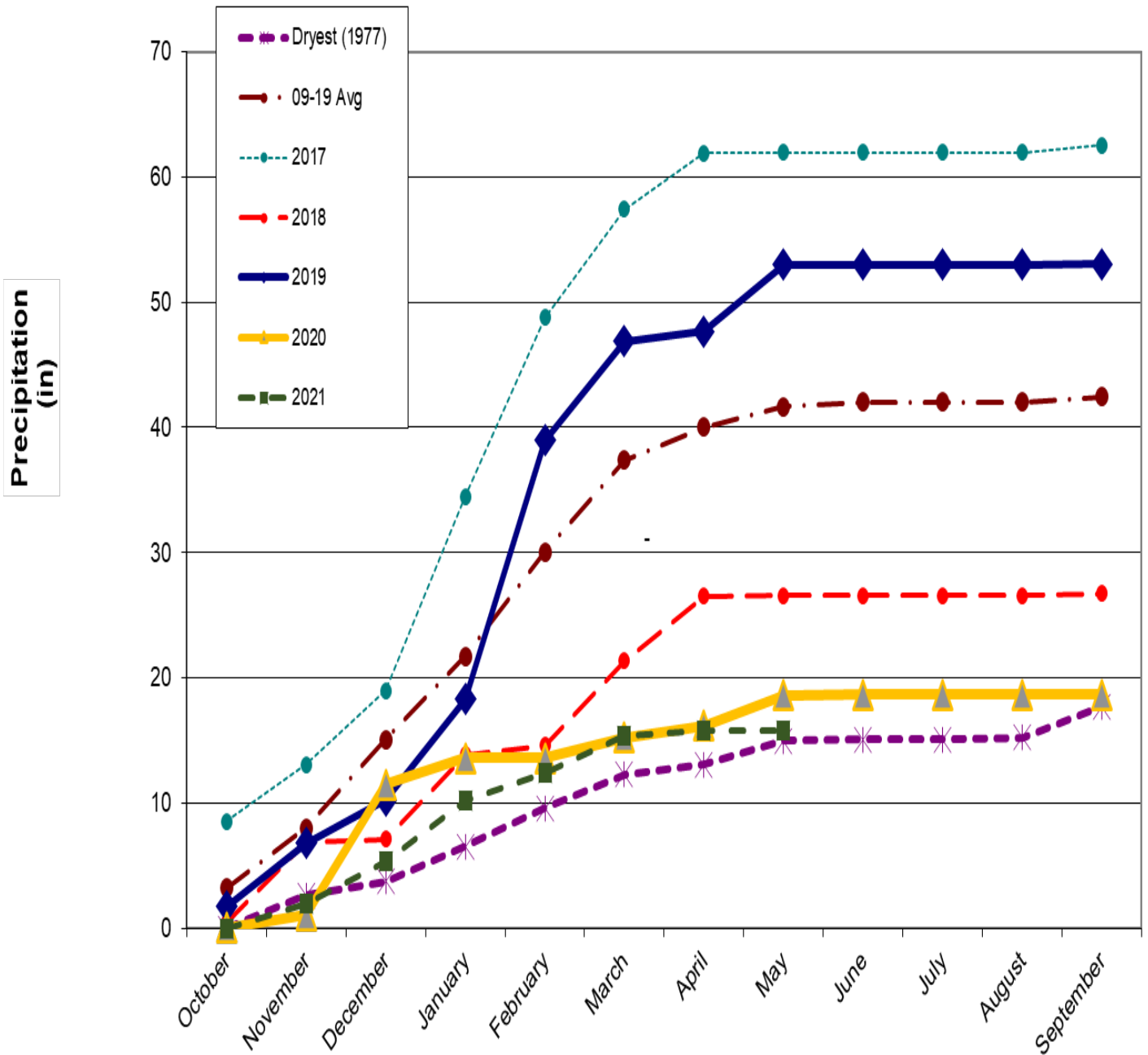


Figure 3. Guerneville Cumulative Monthly Rainfall



Tracking the Economic Impact of Suspending Water Disconnects for Non-payment					
EVEN CYCLE			ODD CYCLE		
Billing Date	# of Customers whose prior bill was still unpaid when next bill mailed	\$ Value of Past Due Amounts** (including unpaid customer deposits)	Billing Date	# of Customers whose prior bill was still unpaid when next bill mailed	\$ Value of Past Due Amounts** (including unpaid customer deposits)
2/15/2020 (Historical disconnect procedure)	0	\$0	3/15/2020 (SB 998 extends time before disconnect)	10	\$1,565
4/15/2020 (Exec. Order N-42-20: Disconnects completely suspended)	24	\$4,096	5/15/2020	5	\$594.02
6/15/2020	9	\$2,947.56	7/15/2020	8	\$1,261.02
8/15/2020	7	\$2,464.32	9/15/2020 (Suspended delinquency process due to wildfire.)	57	\$7,646.52
10/15/2020	16	\$5,094.43	11/15/2020	18	\$4,406.13
12/15/2020	23	\$7,260.48	1/15/2021	20	\$3,766.59
2/15/2021	35	\$11,140.50* (\$3,555 of this total is one customer)	3/15/2021	18	\$6,203.05
4/15/2021	28	\$11,762.54	5/15/2021	16	\$4,040.58

*As of 5/15/2021, 9 customers are in COVID-19 Agreements. These customers are not included in the numbers above if their COVID Agreements are in good standing.*

