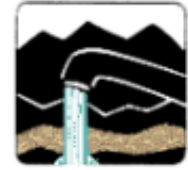


Sweetwater Springs WATER DISTRICT



Eric Schanz, General Manager

FY 2026-2027

Annual Operating & Capital Improvement Budget

Approved June 4, 2026

Resolution 26-04

Board of Directors

Sukey Robb-Wilder, President
Gaylord Schaap, Vice President
Marc Barraza Tran, Financial Coordinator
Richard Holmer
Tim Lipinski

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

The District begins its mission of producing good quality water by pumping Russian River underflow from five wells – 3 located at the Guerneville El Bonita well site and 2 located at the Monte Rio well site. That water is then treated in two separate treatment facilities at the Highlands site for Guerneville and at the Monte Rio well site for Monte Rio and environs and distributed through approximately 68 miles of distribution pipes and 3500 service laterals of varying lengths and stored in 26 tanks and reservoirs. This system is managed, and its operation administered by the District staff of 11 full-time employees and 1 part-time employee.

In addition to annual ongoing operating costs, the District plans for a Capital Improvement Program aimed at maintaining and improving the capital infrastructure to industry standards to deliver high quality water, reduce system water losses, and maintain adequate system pressure and fire flow. It is expected that the Board will – through the budget process – scrutinize expenses and then approve sufficient revenue to operate the District and fund approved capital projects. Most of the District year-to-year revenue is generated from Water Sales but the District also has an annual assessment on the property tax bill. In addition to ongoing sources of revenue, the District actively seeks out grant funding. Absent adequate revenue sources, in the past capital projects have also been financed through debt.

The Sweetwater Springs Water District is governed by a five-member Board of Directors composed of volunteer district customers elected to serve four-year terms to provide oversight and assist District Management.

FY 2026-2027 Budget Report
Sweetwater Springs Water District

Below is a table summarizing the FY 2026-2027 Combined Operating and Capital Budget. As shown in the table, total revenue is budgeted at \$4.8 million, and total expenses at \$6.1 million. This budget anticipates more expenses than revenues (approximately \$1.3 million). The District has been awarded grant funding which will lower this deficit. If it is not received at year end, District reserves will be used to cover expenses that are more than revenues.

Detailed spreadsheets of the FY 2026-2027 Operating Budget and of the Capital Projects/Capital Debt Budget are included as attachments to this Budget report.

Combined Operating and Capital Budget Summary

	FY 2025-26 (Projected)	FY 2026-27 (Budgeted)
REVENUE		
Operating		
Water Sales	\$3,726,795	\$3,838,599
Other	\$215,400	\$195,332
Total Operating Revenue	\$3,942,195	\$4,033,931
Capital		
Assessments	\$750,000	\$750,000
Grants Received	\$216,687	\$0
Other	\$82,755	\$50,000
Total Capital Revenue	\$1,049,442	\$800,000
Total Operating and Capital Revenue	\$4,991,637	\$4,833,931
 EXPENDITURES		
Operating		
Salary & Benefits	\$1,703,500	\$1,737,243
Services and Supplies	\$822,500	\$903,824
Total Operating Expenses	\$2,526,000	\$2,641,067
Capital		
CIP Projects	\$178,346	\$1,190,000
Other Projects & Equipment	\$929,034	\$1,390,000
Capital Debt/Sinking Fund Contributions	\$885,000	\$885,000
Total Capital Expenses	\$1,992,380	\$3,465,000
Total Operating and Capital Expenditures	\$4,518,380	\$6,106,067
Surplus/Deficit	\$473,257	-\$1,272,136

Operations Budget

The operating budget encompasses the “expenditures related to the operation, maintenance and repair of water facilities,” as well as the billing, collections, accounting,

FY 2026-2027 Budget Report
Sweetwater Springs Water District

fiscal management and other overall administration. The total Operating Budget revenue in FY 2026-2027 is projected to be \$4,033,930. The total Operating Budget expenses are projected to be \$2,641,067. The difference -- \$1,392,932 – will almost all be transferred to the Capital Improvement budget. A water rate increase of 3% was approved to meet increasing Operating expenses and while maintaining allocations to Capital expenses.

District operating expenses are rising. Inflation has hit the cost of services and supplies; the cost of health care saw an increase last year and higher labor costs are expected as staff becomes eligible for merit increases and promotions for Treatment and Distribution Certification.

Capital/Capital Debt Budget

The Capital Fund is projected to have approximately \$1.9 million in reserves available for spending at the beginning of FY 2026-27. Operating transfers of \$1.4 million will assist Capital revenue budgeted at \$800,000 to bring total funds available to about \$4.2 million. Capital expenses including expenditures on capital projects, investments, and annual payments on capital debt are budgeted at about \$3.5 million, which will leave approximately \$699,000 in reserves available for spending by fiscal year end. Reserves will increase if grants approved are received during the year. For FY 2026-2027 the District will start on Phase 1 of the Wright Drive Water Line and Booster Station Replacement Project, in addition to In House projects.

The District is moving forward or in the midst of several projects in FY 2026-2027:

Project	Description	FY 2026-27	FY 2027-28	FY 2028-29
Phase 1: Wright Drive/ Wright Lane Mainline Project	2026-27 Replace and upgrade approx. 1,400' mainline, replace 18 service lines, and replace pump station	\$1,070,000		
Phase 2: Wright Drive Mainline and Pump Station	2026-27 Replace and upgrade approx. 4,400' mainline, replace 46 service lines, and replace booster pump station		\$1,528,638	
Secondary River Crossing Monte Rio	Redundant Water Main River Crossing for Monte Rio			\$500,000
Vehicles and Equipment	2026-27 Dump Truck (\$80,000) New Truck 2027-28, 2028-29	\$110,000	60,000	60,000
Other Capital projects	FY 2026-27 AMR Meter Retrofit FY 2026-27 SCADA (\$100,000) FY 2028-29 Generator Harrison Booster (\$60,000)	\$1,150,000		\$60,000
Total Capital Projects		\$2,330,000	\$1,588,638	\$620,000

* The table above is not intended to reflect all Capital Budget expenses

While the Districts debt load remains a significant capital expense, the annual payments have been stabilized to \$650,000/year. This figure is net of contributions from the Sinking Fund Reserves built up over the last couple of years. (Actual loan and bond debt payments in FY 2026-27 are \$885,000).

FY 2026-2027 Budget Report
Sweetwater Springs Water District

For more information, please refer to the attached detailed FY 2026-2027 Operating Budget spreadsheet and FY 2026-2027 Capital Projects/Capital Debt Budget spreadsheet.

FY 2026-27 Capital Projects and Capital Debt Budget (Cash)

	2024-25 Actual (9% rate incr.)	2025-26 Projectd (6.5% rate incr.)	2026-27 Budget (3% rate incr.)						
Total CIRF Balance Beginning of Year	\$1,177,330	\$1,620,050	\$1,963,286						
REVENUE									
Assessments/New Services	\$752,559	\$750,000	\$750,000						
CDR Transfer from Operations	\$401,984	\$428,113	\$440,956						
Operating Surplus Transfer from Operations	\$570,000	\$831,532	\$960,000						
Interest	\$76,879	\$82,755	\$50,000						
New Construction	\$0	\$26,529	\$0						
Grants Received	\$729,501	\$216,687	\$0						
Total Revenue	\$2,530,923	\$2,335,616	\$2,200,956						
Total Available for Capital Expenses	\$3,708,253	\$3,955,666	\$4,164,242						
EXPENDITURES									
	TOTAL PROJECT COST	PAID (PY)		GRANT INFORMATION					
CIP Projects				GRANTS APPROVED GRANTS RECEIVED CY GRANTS RECEIVED PY GRANTS APPROVED BUT NOT YET REC'D					
Lower Harrison	\$941,775	\$982,922	\$174,224	\$0	\$871,654	\$130,888	\$784,489	\$0	DWR
Wright Dr - Design	\$231,103	\$103,142	\$103,142	\$56,346	\$160,450	\$85,798	\$74,652	\$0	CDBG
Wright Drive - Construction Ph. I	\$1,000,000	\$0	\$0	\$2,000	\$759,183	\$0	\$0	\$759,183	CDBG
Misc. Paving and Valve costs			\$51,425	\$120,000	\$0	\$0	\$0	\$0	
Total CIP Projects			\$328,791	\$178,346	\$1,190,000	\$216,686.63			
Other Capital Expenses									
Annual transfer to Policy Reserves			\$65,708	\$8,381	\$0				
<u>In-House Project:</u>			\$126,029						
Site Improvements				\$9,000	\$30,000				
Well 5 rehab				\$41,415	\$0				
Lower Summit tank liner/standby generator				\$55,000	\$0				
Well 6 rehab				\$80,000	\$0				
Electronic Flow Production Meters				\$0	\$100,000				
AMR Upgrade	\$1,400,000			\$350,000	\$1,050,000				
SCADA system radio replacement	\$200,000			\$100,000	\$100,000				
Villa Grande/School House Roads				\$70,000	\$0				
District Master Plan	\$218,840	\$166,888	\$162,107	\$5,237	\$0				
Vehicle / Equipment			\$207,568	\$210,000	\$110,000				
Total Other Capital Projects/Equipment			\$561,412	\$929,034	\$1,390,000				
Capital Debt Payments (for next FY) + District Investment									
Debt tfer (reduced by Sinking Fund adj.)			\$698,000	\$650,000	\$650,000				
District Investment: (i.e., Sinking Fund; PERS UL; PARS)			\$500,000	\$235,000	\$235,000				
Total Debt			\$1,198,000	\$885,000	\$885,000				
Total CIP/Debt Expenditures			\$2,088,203	\$1,992,380	\$3,465,000				
Total CIRF Balance End of Year (Est.)			\$1,620,050	\$1,963,286	\$699,242				

FY 2024-25 Actuals: ElBo Well4 rehab (\$55,246.93); ElBo Well 5 Rehab (\$65,212.37G); Bathroom/Kitchen remodel (\$2,600)
 FY25-26: Hay/Bay tank liner
 FY 2026-27 Tree trimming; tank liners

FY 2024-25: \$69,000 Vac trailer; \$80,000 truck;
 FY 2025-26: El Bonita generator \$140,000; Mini Excavator \$70,000
 FY 2026-27 Dump Truck \$110,000

FY 2024-25: \$250,000 UL; \$250,000 Sinking Fund
 FY 2025-26: \$235,000 policy reserve loan
 FY 2026-27 \$135,000 sinking fund; \$100,000 PARS

SWEETWATER SPRINGS WATER DISTRICT
OPERATING BUDGET

FY 2026-27
FINAL

	YEAR END ACTUAL (CASH)	APPROVED BUDGET 6.5% rate incr	ESTIMATED YEAR END ACTUAL	PROPOSED BUDGET 3% rate increase	+/- Change (from last year)
REVENUE	FY 2024-25	FY 2025-26	FY 2025-26	FY 2026-27	
OPERATING REVENUE					
Water Sales					
Base Rate	2,209,736	2,358,975	2,358,975	2,429,744	70,769
Current Charges	847,801	875,707	875,707	901,978	26,271
Capital Debt Reduction Charges	403,840	428,113	428,113	440,956	12,843
Water Bill Delinquency Fees	30,688	63,900	32,000	65,920	2,020
Service Charges / Outside Sales	29,782	-	32,000	0	-
TOTAL WATER SALES	3,521,847	3,726,695	3,726,795	3,838,598	111,903
Total OPERATING REVENUE	3,521,847	3,726,695	3,726,795	3,838,598	111,903
NON-OPERATING REVENUE					
1700 Interest	46,231	40,000	55,000	50,000	10,000
3600 Construction New Services	1,000	2,000	16,500	5,000	3,000
3601 Construction Service Upgrades	1,677	1,000	7,400	3,000	2,000
4032 Rent	140,578	135,000	130,000	136,332	1,332
4040 Miscellaneous Income	63,524	1,000	6,500	1,000	-
Total NON-OPERATING REVENUE	253,010	179,000	215,400	195,332	16,332
Total OPERATING INCOME	3,774,857	3,905,695	3,942,195	4,033,930	128,235
EXPENSES					
OPERATING EXPENSES					
SALARY & BENEFITS					
Salary					
5910 Wages	1,045,348	1,160,000	1,100,000	1,132,000	(28,000)
5912 Overtime	45,549	52,000	52,000	54,000	2,000
5916 On-Call Pay	39,655	44,000	40,000	40,000	(4,000)
Total Salary	1,130,552	1,256,000	1,192,000	1,226,000	(30,000)
Benefits					
5920.0 Retirement (District + EE portion)	169,032	184,000	196,000	184,837	837
5920.2 Retirement (EE deferrals)	-76,940	-87,000	-91,000	-85,784	1,216
5920.4 Retirement - UL	16,476	24,000	24,000	0	(24,000)
5920 TOTAL RETIREMENT	108,568	121,000	129,000	99,053	(21,947)
5930.0 Health/Dental/Vision	359,922	377,000	336,000	368,490	(8,510)
5930.0 Health - EE Deferrals	-17,480	-18,000	-16,000	(17,000)	1,000
5930.2 Retiree Health	12,608	14,500	14,500	14,700	200
5930.4 Workers Comp Insurance	27,032	30,000	29,000	25,000	(5,000)
5930 TOTAL HEALTH	382,082	403,500	363,500	391,190	(12,310)
5922 Payroll Taxes (District share)	19,919	20,000	18,000	20,000	-
5941 Life Insurance (GM)	0	1,000	1,000	1,000	-
Total Benefits	510,569	545,500	511,500	511,243	(34,257)
TOTAL SALARY & BENEFITS	1,641,121	1,801,500	1,703,500	1,737,243	(64,257)
SERVICES & SUPPLIES					
Communications					
6040-I Internet service	4,055	4,500	4,500	4,044	(456)
6040-C Cell Phones/Radios	12,512	6,500	9,000	7,000	500
6040-T Telephones	41,980	43,000	43,000	20,000	(23,000)
Total Communications	58,547	54,000	56,500	31,044	(22,956)
Insurances					
6101 Liability & Auto Ins.	59,559	60,000	64,000	70,000	10,000
Total Insurances	59,559	60,000	64,000	70,000	10,000
Maintenance - Office & Vehicles					
6140 Vehicle Maintenance	35,851	25,000	30,000	30,000	5,000

SWEETWATER SPRINGS WATER DISTRICT
OPERATING BUDGET

FY 2026-27
FINAL

		YEAR END ACTUAL (CASH)	APPROVED BUDGET 6.5% rate incr	ESTIMATED YEAR END ACTUAL	PROPOSED BUDGET 3% rate increase	+/- Change (from last year)
6151	Office Maintenance	6,594	8,400	10,000	8,460	60
	Total Maintenance - Office & Vehicles	42,445	33,400	40,000	38,460	5,060
	Maintenance - Facilities					
6085	Janitorial Services	11,255	12,000	13,000	11,600	(400)
6100	SCADA System	3,401	8,000	8,000	8,000	-
6180	Distribution System Repairs	106,903	70,000	70,000	75,000	5,000
6235	Treatment Sys/Well Repairs	7,171	30,000	30,000	45,000	15,000
6143	Generator Maintenance	2,682	2,700	6,000	7,000	4,300
	Total Maintenance - Facilities	131,412	122,700	127,000	146,600	23,900
	Miscellaneous Expenses					
6280	Memberships	12,041	13,000	13,000	13,300	300
6303	Claims	7,000	1,000	1,000	5,000	4,000
6593	Governmental Fees	25,432	25,000	25,000	25,000	-
	Total Miscellaneous Expenses	44,473	39,000	39,000	43,300	4,300
	Office Expense					
6410	Postage	15,696	20,000	20,000	20,000	-
6430	Printing Expense	7,063	5,000	4,000	5,000	-
6461	Office Supplies	8,309	8,500	8,500	9,200	700
6800	Subscriptions/Legal Notices	1,253	1,500	1,500	1,000	(500)
6890	Computers/Software	8,710	4,000	4,000	3,800	(200)
6895	Billing System	16,493	17,000	19,000	18,000	1,000
6897	Website	3,474	4,000	4,000	4,200	200
	Total Office Expense	60,998	60,000	61,000	61,200	1,200
	Operating Supplies					
6300	Chemicals	18,450	18,000	18,000	19,000	1,000
6880	Tools and Equipment	7,031	7,500	8,000	8,000	500
6881	Safety Equipment	3,631	3,500	3,500	3,500	-
	Total Operating Supplies	29,112	29,000	29,500	30,500	1,500
	Professional Services					
6514	Lab/Testing Fees	17,435	18,000	18,000	18,000	-
6570	Consultant Fees	24,086	25,000	20,000	84,000	59,000
6590	Engineering	5,738	8,000	4,000	6,000	(2,000)
6610	Legal	21,072	20,000	23,000	25,000	5,000
6630	Audit/Accounting	46,870	51,000	56,000	54,500	3,500
	Total Professional Services	115,201	122,000	121,000	187,500	65,500
	Rents & Leases & Loans					
6820	Equipment	1,673	2,000	2,000	1,700	(300)
6840	Building & Warehouse	32,832	33,000	33,000	33,820	820
	Total Rents, Leases & Loans	34,505	35,000	35,000	35,520	520
	Transportation & Travel					
7120	Seminars & related travel	449	2,000	2,000	2,000	-
7201	Vehicle Gas	36,237	49,000	45,000	45,000	(4,000)
7300	Travel Reimbursements	4,173	4,200	4,200	4,400	200
	Total Transportation & Travel	40,859	55,200	51,200	51,400	(3,800)
	Uniforms					
6021.1	Boots	1,780	2,300	2,300	2,300	-
6021.3	T-shirts	1,440	1,500	1,500	1,500	-
6021.4	Jackets	1,005	1,000	500	500	(500)
	Total Uniforms	4,225	4,800	4,300	4,300	(500)
	Utilities					
7320	Electricity	174,880	200,000	190,000	200,000	-
7321	Propane	2,404	4,000	4,000	4,000	-
	Total Utilities	177,284	204,000	194,000	204,000	-
	Total SERVICES & SUPPLIES	798,620	819,100	822,500	903,824	84,724

SWEETWATER SPRINGS WATER DISTRICT
 OPERATING BUDGET
 FY 2026-27
 FINAL

		YEAR END ACTUAL (CASH)	APPROVED BUDGET 6.5% rate incr	ESTIMATED YEAR END ACTUAL	PROPOSED BUDGET 3% rate increase	+/- Change (from last year)
Total OPERATING EXPENSES		2,439,741	2,620,600	2,526,000	2,641,067	20,467
TRANSFERS TO OTHER FUNDS						
8620.7	Tfers to CIRF for CDR Revenue	401,984	428,113	428,113	440,956	12,843
8620.3	Tfers to CIRF	570,000	831,532	831,532	930,000	98,468
8620.5	Tfers to Building Fund	15,000	15,000	15,000	15,000	-
Total TRANSFERS TO OTHER FUNDS		986,984	1,274,645	1,274,645	1,385,956	111,311
OPERATING SURPLUS/DEFICIT AFTI		348,132	10,450	141,550	6,907	-3,543