

Resolution No. 22-05

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SWEETWATER SPRINGS WATER DISTRICT ADOPTING THE FY 2022-2027 CAPITAL IMPROVEMENT PROGRAM

WHEREAS, the Board of Directors has reviewed the overall Capital Improvement Program and has established Priorities for the upcoming five-year period; and

WHEREAS, the Board of Directors has stressed the importance that the General Manager should make all efforts to qualify the District for all available Grant and or Loans with principal forgiveness to finance the identified Capital Projects.

NOW THEREFORE BE IT RESOLVED, that the Board of Directors of the SWEETWATER SPRINGS WATER DISTRICT, Sonoma County, California, hereby adopts the Revised FY 2022-2027 Capital Improvement Program attached as Exhibit A hereto, effective February 3, 2022.

BE IT FURTHER RESOLVED, that this Resolution supersedes and replaces Resolution No. 21-02.

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 February 3, 2022, by the following vote.

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

Gaylord Schapp
President of the Board of Directors

Attest: Julie Kenny
Clerk of the Board of Directors

Exhibit A

Sweetwater Springs Water District

**Capital Improvement Program
2022-2027**

Revised February 3, 2022

Board of Directors

Sukey Robb-Wilder

Rich Holmer

Tim Lipinski

Gaylord Schaap

Larry Spillane

General Manager

Ed Fortner

2022-2027 Sweetwater Springs Water District Capital Improvement Program February 3, 2022

Capital improvements are an important element of the District's work effort. The District has an aging infrastructure, a high amount of unaccounted for water and District staff spends significant time reacting to leaks in the distribution system. Table 1. 2022-2027 Capital Improvement Program (CIP) lists needed Prioritized District projects by year and includes estimated costs. The ranking criteria for the priority of capital projects are:

- **Improved water quality**
- **Water losses**
- **Potential Liability**
 - **Age of Pipe**
 - **Pipe Material**
 - **Terrain**
 - **Difficulty of Repair/Maintenance**
- **Storage and pressure zone requirements**
- **Costs per service**
- **Disaster Resilience/ Hardening**

Table 1. Sweetwater Springs Water District Proposed 2021-2026 CIP Prioritized Projects by Year				
Year	Projects	Estimated Cost	Grant Funds	Comments
FY 2021- FY 2022				
	Old River Rd from Morningside Dr to Hwy 116 (GV) - Replace ~3,200' of main with 31 services and one fire protection line.		\$0	Eliminate 14 lead goosenecks. Required plan by DDW submitted in 2020. Old 6" cast iron pipe. Planning and Design is underway.
	Woodland Drive – mainline replacement. (GV) Replace approximately 1,900 ft of existing mainline and 27 associated services along Woodland Dr in the main pressure zone.		\$0	Eliminate 2 lead goosenecks. Required plan by DDW submitted in 2020. Planning and Design is underway.
	FY 2021-2022 Total	\$1,650,301	\$727,000	CDBG Funds
	District Funds	\$923,301		
FY 2022- FY 2023				
	Monte Rio Well Rehabilitation	\$100,000		
	Wright Drive Upper and Lower pressure zone, Notoma Tank, and Edgehill Booster Design and Planning	\$211,840		CDBG funding application dependant. We applied for \$169,472 with a match of \$42,368. Total project cost is \$2,613,866.
	Monte Rio Bridge 800' 8" Ductile Iron Water Main Attachment Design	\$54,022		Sonoma County project. We have DWR funding for design and have submitted SRF application for construction. Total project cost is \$800,000
	Lower Harrison Tank Replacement Project	\$580,978		Sonoma County project. We have DWR funding for design and have submitted SRF application for construction.
	FY 2022-2023 Total	\$946,840	\$735,000	\$735,000 Grant funding (DWR Drought Grant)
	District Funds	\$211,840		
FY 2023- FY 2024				
	Skip Capital Project			
FY 2024- FY 2025				
	Wright Drive upper pressure zone. – (GV) Replace approximately 3,280 ft of existing mainline and 47 associated services along Wright Dr, Glenda Dr, Natoma Dr.	\$1,312,000	\$27,915	Two inch steel water main (85%) had nine leaks in 2020, six inch Asbestos/ Concrete (15%) had eight leaks in 2020. This project was approved in the 2020-2025 CIP.
	Monte Rio Bridge 800' 8" Ductile Iron Water Main Attachment Design	\$750,000		SRF Grant funding applied for.
	FY 2024-2025 Total	\$2,062,000		
FY 2025- FY 2026				
	Wright Drive main pressure zone. – (GV) Replace approximately 2,600 ft of existing mainline and 18 associated services along Wright Dr. and Wright Ln.	\$1,040,000	\$57,778	Two inch steel water main (30%) had three leaks in 2020, two inch PVC water main has been 40% replaced, six inch Asbestos/ Concrete (30%). This section of the project would be completed with the Upper Wright Drive project. This project was approved in the 2020-2025 CIP.
	Natoma Tank – Replace the existing 10,000 gallon storage tank with a 30,000 storage tank. (requires completion of Natoma Tank and includes Edgehill Booster)	\$260,000	\$5,532	Redwood Tank with liner provides little to no fire protection for this area presently. This project was approved in the 2020-2025 CIP.
	FY 2025-2026 Total	\$1,300,000		
	FY 2021-2026 Total	\$5,959,141		Total minus Grant funding
	Total District Funds	\$4,497,141		

	Other Projects			
	Schoeneman pressure zone- main line replacement. (GV) Replace approximately 3,000 ft of existing mainline and 47 associated services along Highland Way, Sunset Ave, Woodland Dr, Laurel Way and Morningside Drive. (requires completion of Schoeneman Tank	\$1,200,000	\$25,532	Existing two inch steel water main (50%), three inch steel water main (40%), six inch Asbestos/ Concrete (10%). This project was approved in the 2020-2025 CIP.
	Schoeneman Tank- Replace the existing 10,000 gallon tank with a 30,000 gallon storage tank.	\$150,000	\$3,191	Existing tank is undersized for fire protection. This project was approved in the 2020-2025 CIP.
	Park Ave. (GV) replace approximately 2900 lf of main line on Park Ave. and McLane, 37 services. Loop two deadend lines. Replace/repair Park Ave. Tank	\$1,160,000	\$31,351	This section of the water system has experienced twelve leaks in 2020. The existing water main is two inch steel and four inch steel that goes under a house to feed lower Summit tank.
	Cherry St. (GV) replace approximately 440 lf of main line, 13 services.	\$176,000	\$13,538	The existing water mains are two inch steel and four inch steel that runs cross country and feeds the Park Avenue Tank.
	Canyon Six Road and Canyon Six Court (GV) Replace main line.	\$500,000		The existing water main is two inch steel with four leaks in 2020
	Eagles Nest Road (GV) Replace main line.	\$500,000		The existing water main is one inch PVC that is undersized for the number of customers served (sixteen).
	Lower Harrison Tank (MR) 130,000 gallons Tank Replacement	\$580,000		Tank is over seventy years old with a failing roof and needed seismic upgrades.
	Neely Road main line.	\$500,000		The existing water mains are two inch steel that had four leaks in 2020.
	Canyon Three to Sweetwater Tank (GV) Replace 10,000 feet of main line.	\$2,000,000		The existing water mains are two inch PVC (90%) and two inch steel (10%). Ninety percent of the line is above ground.
	Monte Rio 8" 1,000 ft Russian River Boaring	\$500,000		The District needs a second, redundant line to feed the Moscow Road side of Monte Rio.
	Highway 116 (MR) Replace approximately 850 ft of main line.	\$425,000		Existing water main is six inch Asbestos/ Cement. All the water services were replaced in FY 2012-2013 CIP (3A).
	Upper Summit Tank - Construct a storage tank with a nominal capacity of approximately 120,000 gallons at the District-owned site on McLane Avenue. Project to include relocation/ construction of the existing hydro-pneumatic pump station.	\$540,000		This tank needs to be replaced to improve fire protection in the area.
	Total Approximate Cost of Future, Unapproved Projects	\$8,231,000		

Table 2. FY 2022-2027 Skip CIP in FY 2023-2024					5% Annual Rate Increase						
					3% Annual Wage Increase						
					FY 2020-2021 Budget	FY 2020-2021 Actual	FY 2021- 2022	FY 2022- 2023	FY 2023- 2024	FY 2024- 2025	FY 2025- 2026
REVENUE											
1	OPERATING REVENUE										
2	Water Bill Revenue										
3	Capital Debt Reduction Charge				316,573	317,797	333,687	350,371	367,890	386,284	405,598
4	Base Rate				1,728,369	1,737,694	1,824,578	1,915,807	2,011,598	2,112,177	2,217,786
5	Water Usage				700,541	697,378	732,247	768,859	807,302	847,667	890,050
6	Total Water Sales				2,428,910	2,435,071	2,556,825	2,684,666	2,818,900	2,959,844	3,107,837
7	Total OPERATING REVENUE				2,745,483	2,752,868	2,890,512	3,035,037	3,186,789	3,346,129	3,513,435
8	NON-OPERATING REVENUE										
9	1700 - Interest				16,000	4,869	16,000	16,000	16,000	16,000	16,000
10	xxxx - Policy Reserve Loan Proceeds				500,000	500,000					
11	3600 - Construction New Services				7,000	31,782	7,000	7,000	7,000	7,000	7,000
12	3601 - Construction Service Upgrades				3,000	14,615	3,000	3,000	3,000	3,000	3,000
13	4032 - Rent				110,810	119,915	113,026	115,287	117,592	119,944	122,343
14	4040 - Miscellaneous Income				1,500	14,920	1,500	1,500	1,500	1,500	1,500
15	4117 - SCWA Reimbursement				0	0	0	0	0	0	0
16	Total NON-OPERATING REVENUE				638,310	686,100	140,526	142,787	145,092	147,444	149,843
17	Total Income				3,383,793	3,438,969	3,031,038	3,177,824	3,331,882	3,493,573	3,663,278

18	EXPENSES										
19		OPERATING EXPENSES									
20			SALARY & BENEFITS								
21			Salary								
22			5910 · Wages	835,000	805,607	829,775	854,669	880,309	906,718	933,919	
23			5912 · Overtime	37,000	40,184	41,389	42,631	43,910	45,227	46,584	
24			5916 · On-Call Pay	37,000	39,030	40,201	41,407	42,650	43,929	45,247	
25			5918 · Extra help - Contract	36,000	37,030	38,141	39,285	40,464	41,678	42,928	
26			Total Salary	945,000	921,851	949,507	977,992	1,007,332	1,037,552	1,068,679	
27			Benefits								
28			5920 · Retirement	87,000	68,732	100,758	102,773	104,828	104,829	104,830	
29			5922 · Payroll Taxes - Employer F	16,000	14,018	17,091	17,604	18,132	18,676	19,236	
30			Retirement - UL	34,854	34,552						
31			5930 · Health/Dental/Vision/AFLA	240,000	239,043	214,582	225,311	236,576	248,405	260,825	
32			5931 · Retiree health	9,800	11,043	10,094	10,397	10,709	11,030	11,361	
33			5940 · Workers Comp Insurance	38,000	20,508	38,000	38,000	38,000	38,000	38,000	
34			Total Benefits	425,654	387,895	438,424	451,576	465,124	479,077	493,450	
35			SALARY & BENEFITS	1,370,654	1,309,747	1,387,931	1,429,569	1,472,456	1,516,629	1,562,128	
36			Unfunded Liability Increase	500,000	500,000						
38			SERVICES & SUPPLIES	801,940	781,518	801,940	801,940	801,940	801,940	801,940	
39			TOTAL OPERATING EXPENSES	2,673,594	2,586,891	2,189,871	2,231,509	2,274,396	2,318,569	2,364,068	
40			OPERATING SURPLUS/DEFICIT	\$710,199	\$852,078	\$841,167	\$946,316	\$1,057,486	\$1,175,004	\$1,299,210	
			FIXED ASSET EXPENDITURES								
			8517 · Field/Office equipment	9,500	6,170	5,000	1,000	5,000	5,000	5,001	
			8573 · Vehicles	50,000	47,677	50,000	0	50,000	50,000	50,000	
41			8511.1 · Tank/Facilities Sites	24,000	22,608	25,000	10,000	25,000	25,000	10,000	
42			Loan Payment to Policy Reserves	135,000	135,000	135,000	135,000	135,000	135,000	135,001	
43			FIXED ASSET EXPENDITURES	218,500	211,455	215,000	146,000	215,000	215,000	200,002	
44			TRANSFERS TO OTHER FUNDS								
45			Tfers to CIRF for CDR Revenue	316,573	317,797	333,687	350,371	367,890	386,284	405,598	
46			Tfers to CIRF	270,000	270,000	242,000	283,000	286,000	299,000	333,001	
47			8620.5 · Tfers to Building Fund	15,000	15,000	15,000	15,000	15,000	15,000	15,000	
48			8620.2 · Tfers to In-House Constr	25,000	25,000	25,000	25,000	25,000	25,000	25,000	
49			Total TRANSFERS TO OTHER FUNDS	626,573	627,797	615,687	673,371	693,890	725,284	778,599	
			Total DISASTER EXPENSE	0	0	0	0	0	0	1	
50			SURPLUS/DEFICIT	-134,874	12,826	10,480	126,944	148,596	234,719	320,608	

Capital Budget				FY 2020-2021 Budget	FY 2020-2021 Actual	FY 2021- 2022	FY 2022- 2023	FY 2023- 2024	FY 2024- 2025	FY 2025- 2026
REVENUE/SOURCES OF FUNDS										
51	Net Operating Revenues**			135,126	282,826	252,480	409,944	434,596	533,719	653,609
52	Assessments			758,152	755,043	758,152	758,152	758,152	758,152	758,152
53	Capital Debt Reduction Charge***			316,573	317,797	333,687	350,371	367,890	386,284	405,598
54	Capital Interest			10,722	30,001	30,000	30,000	30,000	30,000	30,000
55	Transfers From CIRF/Reserves			270,000	270,000	242,000	283,000	286,000	299,000	333,001
56	Grant Revert	USDA Loan			93,283	727,000	735,000			
57	TOTAL REVENUE			1,490,573	1,748,950	2,343,319	2,566,468	1,876,638	2,007,156	2,180,360
58	EXPENSES						State Loan Done			
59	Total Debt Payments			1,013,064	1,418,000	866,325	866,325	866,325	866,325	866,325
60										
61				No P	2021 CIP	2022 CIP	2023 CIP	No Project	2025 CIP	2026 CIP
62	Annual CIP			365,000	250,000	1,650,000	846,840	-	2,062,000	1,300,000
63	In-House Construction Projects, etc.			40,000	31,000	40,000	40,000	40,000	40,000	40,001
64	TOTAL EXPENSES			1,418,064	1,699,000	2,556,325	1,753,165	906,325	2,968,325	2,206,326
65	SURPLUS/DEFICIT			72,509	49,950	-213,006	813,303	970,313	-961,169	-25,966
66										
67	FUND AND LOAN BALANCES (EOY)									
68	Beg Funds above District Reserve Policy			2,006,499	2,330,240	2,110,190	1,655,185	2,185,487	2,869,800	1,609,631
69	Policy Reserves			1,572,704	1,402,661	1,342,530	1,359,185	1,376,340	1,394,009	1,412,209
70	Ending Funds ab District Policy (DP)			1,809,008	2,110,190	1,655,185	2,185,487	2,869,800	1,609,631	1,250,664
71	Funds ab DP and Debt Payments			795,944	692,190	788,860	1,319,162	2,003,475	743,306	384,339
72	NET CAPITAL FUNDING****			207,509	(32,333)	507,994	682,143	724,313	841,831	981,034
	* Starting values based on actual FY17 EOY									
	** =Transfer to CIRF plus net operating surplus									
	*** =Transfers from CDRC									
	**** =Net Operating Revenues + Assessments + CDRC + Capital Interest - Total Debt Payments									