



BOARD OF DIRECTORS MEETING

REVISED AGENDA

September 7, 2023, Regular Meeting

Monte Rio Community Center

20488 Highway 116

Monte Rio, CA 95462

6:30 p.m.

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 August 3, 2023 Regular Board Meeting
- B. Approval of Operations Warrants/Online payments/EFT payments

- C. Receipt of Item(s) of Correspondence.
Note: Correspondence received regarding an item on the Administrative Agenda is not itemized here, but will be attached as back-up to that item in the Board packet and addressed with that item during the Board meeting.

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

V. ADMINISTRATIVE

- A. Discussion/Action re Review of Applicant and Appointment to fill Mid-Term Board Vacancy (Est. time 10 min.)
- B. Discussion/Action re Approving Resolution 23-13 Extending Contract of District Auditor (Est. time 10 min.)
- C. Discussion/Action re Creation of Recruitment and Retention Committee (Est. time 10 min.)
- D. Discussion/Action re Moscow Road project (Est. time 15 min.)
- E. Discussion/Action re Dutch Bill Creek bridge repair (Est. time 15 min.)

VI. GENERAL MANAGER'S REPORT

- 1. Laboratory Testing/Regulatory Compliance
- 2. Water Production and Sales
- 3. Leaks
- 4. Guerneville Rainfall
- 5. In-House Construction Projects
- 6. Grants
- 7. Willow Road Drainage Project
- 8. Potter Valley Project
- 9. Gantt Chart

VII. BOARD MEMBERS' ANNOUNCEMENTS

VIII. ITEMS FOR NEXT AGENDA

IX. CLOSED SESSION

- A. CONFERENCE WITH LABOR NEGOTIATOR pursuant to Section 54957.6
SSWD Negotiator: Eric Schanz
Unrepresented positions: Field Manager and Administrative Manager
and
Agency Representative: Eric Schanz
Employee Organization: Stationary Engineers, Local 39

ADJOURN

Sweetwater Springs Water District Mission and Goals

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

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

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

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

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

GOAL 4: DEVELOP AND MAINTAIN A QUALITY WORKFORCE

GOAL 5: PROVIDE EXCELLENT PUBLIC OUTREACH, INFORMATION AND EDUCATION

GOAL 6: ENHANCE BOARD COMMUNICATIONS AND INFORMATION

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BOARD MEETING MINUTES*

Meeting Date: August 3, 2023

(*In order discussed)

August 3, 2023
6:30 p.m.

Board Members Present:

Tim Lipinski
Sukey Robb-Wilder
Gaylord Schaap
Richard Holmer

Board Members Absent:

(None)

Staff in Attendance:

Eric Schanz, General Manager
Julie Kenny, Secretary to the Board
Nicole King, Secretary to the Board (training)

Others in Attendance:

Erica Gonzalez, Meyers Nave et al.
Nance Jones

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

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

II. CHANGES TO AGENDA and DECLARATION OF CONFLICT (6:33 p.m.)

(None.)

III. CONSENT CALENDAR (6:33 p.m.)

President Lipinski reviewed the items on the Consent Calendar. Director Holmer moved to approve the Consent Calendar as amended. Director Robb-Wilder seconded. Motion carried 4-0.

- A. Approval of the following Minutes of the July 6, 2023 Regular Board Meeting
- B. Approval of Operations Warrants/Online payments/EFT
- C. Receipt of items of Correspondence. (None)

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

(None.)

V. ADMINISTRATIVE (6:34 p.m.) *

**in the order discussed*

- V-A. (6:34 p.m.) Public Hearing; Discussion/Action re Resolution 23-12, Overruling Protests and Confirming Report on Annual Flat Charge for Sweetwater Springs Water District.** The GM provided an overview of this item. President Lipinski opened the Public Hearing at 6:35 p.m. Discussion ensued. Public comment was made by Nance Jones. Further discussion ensued. Director Robb-Wilder moved to adopt Resolution 23-12, Overruling Protests and Confirming Report on Annual Flat Charge for Sweetwater Springs Water District. Director Holmer seconded. Motion carried 4-0. Director Lipinski closed the Public Hearing at 6:46 P.M.
- V-B. (6:46 p.m.) Discussion/Action re Actual vs. Budgeted report – FYE 2022-2023.** Administrative Manager Julie Kenny provided an overview of this item. Discussion ensued. The GM provided further overview. Further discussion ensued. No action was taken.
- V-C. (7:08 p.m.) Discussion/Action re Resolution 23-10, Approving Side Letter with Union to amend MOU to add Crew Supervisor/Senior Crew Supervisor classification.** The GM provided an overview of this item. Brief discussion ensued. Comments were made by Legal Counsel Erica Gonzalez. Director Robb-Wilder moved to approve Resolution 23-10, Authorizing the General Manager to Execute a Side Letter with the International Union of Operating Engineers, Stationary Local 39 (Union) Adding the Senior Crew Supervisor and the Crew Supervisor positions as Union represented positions and Recognizing the Union as the Exclusive Bargaining Representative.
- V-D. (7:14 p.m.) Discussion/Action re Mid-Term Board Vacancy.** The GM provided an overview of this item. Comments were made by Legal Counsel Erica Gonzalez. Public comment was made by Nance Jones. Discussion ensued. No action was taken.
- V-E. (7:38 p.m.) Discussion/Action re Extending Contract of District Auditor.** The GM provided an overview of this item. Discussion ensued. Direction was given to staff.
- V-F. (7:42 p.m.) Discussion/Action re Dutch Bill Creek bridge repair (RH).** The GM provided an overview of this item. Director Holmer and Director Robb-Wilder provided further overview. Discussion ensued. Direction was given to staff.
- V-G. (8:01 p.m.) Discussion/Action re SDRMA Election Ballot (for three (3) Board of Director Seats).** The GM provided an overview of this item. Director Holmer moved to adopt . Director Holmer moved to fill out the ballot to select Candidates Swan and Seifert-Raffelson. Director Schaap seconded. Motion carried 4-0.

VI. GENERAL MANAGER'S REPORT (8:12 p.m.)

The GM provided a report on the following items:

1. Laboratory testing / Regulatory Compliance
2. Water production and sales
3. Leaks
4. Guerneville Rainfall
5. In-House Construction Projects
6. DWR Grant
7. Willow Road Drainage Project
8. Moscow Road
9. Potter Valley Project Update
10. Gantt Chart

Discussion ensued.

**VII. BOARD MEMBERS' ANNOUNCEMENTS/COMMENTS
(8:45 p.m.)**

(None.)

VIII. ITEMS FOR THE NEXT AGENDA (8:45 p.m.)

- 1. Audit Contract
- 2. Board vacancy nomination and appointment
- 3. SDRMA election results (GM report)
- 4. Dutch Bill Creek project update

At 8:52 p.m. the Board took a brief recess. The Meeting reconvened at 9 p.m.

IX. CLOSED SESSION (9 p.m.)

At 9 p.m. President Lipinski announced the items in Closed Session. There was no public comment. At 9:01 p.m. the Board went into Closed Session. At 9:37 p.m. the meeting reconvened from Closed Session and the following action was announced:

- B. CONFERENCE WITH LABOR NEGOTIATOR**
Gov. Code Section 54957.6
SSWD Negotiator: Eric Schanz
Unrepresented positions: Field Manager and Administrative Manager

No reportable action

ADJOURN

The meeting adjourned at 9:38 p.m.

Respectfully submitted,

Julie Kenny
Clerk to the Board of Directors

APPROVED:

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

SWEETWATER SPRINGS WATER DISTRICT

TO: Board of Directors

AGENDA NO. V-A

FROM: Eric Schanz, General Manager

Meeting Date: September 7, 2023

Subject: Board Vacancy

RECOMMENDED ACTION:

Review applications and by motion, take action to appoint applicant to serve the unexpired term of the Board of Director vacancy created by the resignation of Larry Spillane.

FISCAL IMPACT:

None, if an appointment is made.

DISCUSSION:

Effective Thursday, July 20, 2023, Director Larry Spillane resigned from his appointed position as a Director of the District. The District has several options for filling vacancies, including appointing an individual to fill the vacancy, calling an election, or allowing the county board of supervisors to make an appointment (Cal. Govt. Code section 1780).

If a vacancy occurs on the Board the Board "shall, within 60 days from the commencement of the vacancy, either fill the vacancy by appointment or call a special election to fill the vacancy." Thus, under state law, the Board must take one of these actions by September 18, 2023.

The District must also notify the county elections official of the vacancy no later than fifteen (15) days after either the date on which the Board is notified of the vacancy, or the effective date of the vacancy, whichever is later.

Director Spillane notified the Board of his intent to resign at the regularly scheduled board meeting on March 2, 2023. He submitted written notice of resignation dated May 11, 2023, stating and effective date July 20, 2023.

Thus, under state law, the District must notify the county elections of the vacancy by August 4, 2023. The District notified the county on May 23, 2023.

Filling the Vacancy by Appointment

At its regularly scheduled meeting of June 9, 2023, the Board discussed the available options under Government Code section 1780 and stated a preference for filling the vacancy by appointment. Because the vacancy will occur in the second half of a term of office, the person appointed to fill the vacancy shall fill the balance of the unexpired term of office. (Cal. Govt. Code section 1780). Director Spillane's term is set to expire in December 2024.

If the Board wishes to make an appointment, the law states that the remaining members of the District board shall make the appointment within 60 days after either the date on which the District board is notified of the vacancy or the effective date of the vacancy, whichever is later. Thus, under state law, the Board must make an appointment by September 18, 2023.

In addition, the District is required to post a notice of the vacancy in 3 or more conspicuous places in the District at least 15 days before the Board makes the appointment. In order to make an appointment at its September 7th meeting, the notice of vacancy must be posted no later than August 23, 2023. Staff prepared a Notice of Vacancy which has been posted in the District's normal posting locations and website since June 5, 2023.

The Board has implemented a procedure for selecting and interviewing candidates. Any interested persons must apply no later than July 27, 2023. At its regularly scheduled meeting of July 6, 2023, the Board of Directors invited the only candidate who applied for the position, Nance Jones, to provide her background information. Candidate Jones gave an overview of her experience, shared that she is retired, and provided her background serving on the board of several non-profit organizations. She also shared that one of her concerns is the cost of water, and feels that with her experience, she would be an asset to the Board.

The District may now review Ms. Jones' application and by motion, take action to appoint Ms. Jones to serve Director Spillane's unexpired term of the Board of Directors.

From: Nance jones <[REDACTED]>

Sent: Thursday, July 13, 2023 11:06 AM

To: eschanz@sweetwatersprings.com

Cc: Nance jones <[REDACTED]>

Subject: Application for vacant board member seat- Sweet Water Springs

Dear Board Members,

I recently heard about the vacant board seat and am interested in applying. I have a long family history in Guerneville, and we are SweetWater recipients on Armstrong Woods Road. I feel it gives me an opportunity to learn about water and distribution in our community. I am active in our community and like to volunteer now that I am retired. This role seems as though it would be a great fit for me and as I said an opportunity to learn more about our community.

I am attaching my resume and an addendum which shows activities I have been involved in to support our community. Thank you in advance for the opportunity to meet your board.

Nance Jones

cell [REDACTED]

Nance B. Jones

Guerneville, Ca. 95446

Cell

QUALIFICATIONS:

Healthcare professional with established leadership credentials and results oriented operations experience. Proficiencies include proven effectiveness in overall hospital operations management, financial administration, multidisciplinary staff leadership, maternal-child care services, women's/children's health programs and operating room management. Healthcare credentials supplemented by broad project management experience in large scale projects. Regional implementation of automated medical records. Extensive partnership skills and documented success in organized labor interactions at all levels. Strong administrative background in both outpatient and inpatient modalities.

EXPERIENCE:

2008 to 2014

**Kaiser Permanente, Santa Rosa, CA
Maternal Child, Perioperative Director, Patient Experience leadership, Payroll and Staffing**

Responsibilities:

Reporting to Chief Operating Officer, oversee hospital operations for delivery of maternal child services consisting of 8 Labor Delivery Rooms, 18 postpartum beds, 6 pediatric beds and 11 bed intermediate care nursery. Additional management duties include 4 hospital operating rooms, 4 ambulatory surgery suites, payroll and staffing department for entire patient care dept. and sterile processing unit. Direct the activities of 5 managers, supervising performance of 250 nursing and ancillary support employees, administering a 30-million-dollar operating budget. Collaborate in the development of hospital-wide service and performance improvement programs. Accountable for multi-disciplinary enhancement of clinical experience through evidence-based practice.

Accomplishments:

- Apply performance improvement methodology to maintain/increase OR performance.
- In concert with physician partner, co-lead operating room reorganization project.
- Co-chair Regional Health Connect perinatal domain committee for technology improvements.
- Implement patient experience models as part of organizational service program.
- Provide transition leadership for activation/occupancy of new women's and children's unit.

2002 to 2008

**Kaiser Permanente - NCAL KP Health Connect Project
Inpatient Suite Lead/Implementation Lead for 22 hospitals**

Responsibilities:

Direct oversight of KP Health Connect Phase 1 and Phase 2 hospital medical record automation project for Northern California. Jointly accountable to NCAL Regional Executive Sponsors and local Medical Center leadership for the development and implementation of new practices, complying with organizational directives to improve patient safety/care. Standardize hospital workflows and guide end-users through important change processes, leading both large and small groups of end-users/managers through work modification process reviews to achieve functional outcomes.

Accomplishments:

- Lead workflow, policy and procedure sessions for inpatient, ambulatory, and revenue capture areas.
- Partner with Hospital leaders, Patient Care Leaders/ancillary departments to formulate necessary workflow practice modifications for alignment with NCAL Region standardization goals

1998 to 2002

**Kaiser Permanente - Oakland Medical Center
COO/CNO**

Responsibilities:

Direct accountability to East Bay Senior V-P for hospital, ancillary support departments and patient care services oversight. Collaborate successfully with TPMG physician leadership, defining the practice of inpatient services at Oakland and Richmond Medical Center campuses.

Accomplishments:

- Successful administration of an 81-million-dollar operating budget and 438 FTE's.
- Effective collaborative partnership with Physician and labor groups.
- Provide leadership to ensure successful CALS survey in 2001

1996 To 1998

**Columbia Medical Center - San Jose, CA.
Chief Nursing Officer**

Responsibilities:

Senior Leader for patient care, hospital-wide quality programs, infection control, risk management, trauma programs, outpatient surgery center, hospital education and emergency Services. Successfully administer a 33-million-dollar budget.

Accomplishments:

- Participate as a Senior Leader in a multi-million dollar turn-around change leadership program.

1994 To 1996

**Kaiser Permanente Medical Center – Oakland, CA.
Director of Patient Care Operations/Service Director - Specialty Services**

Responsibilities:

Progressive accountabilities for coordination of Women and Children's programs and Perioperative patient care services. Competencies include financial management, multiple site responsibility, medical staff collaboration, community outreach programs and medical center program planning/design.

Accomplishments:

- Implement Developmentally Supportive Care in 21 bed NICU and open 6 bed PICU.
- Provide oversight for 3000 deliveries annually.
- Establish positive working relationships with patient care unions.

Division Director, Maternal Child Health (1986 to 1994)

Responsibilities:

Directly responsible for Women and Children Services care programs. Proven service line management effectiveness, supervising a staff of 400 culturally diverse employees delivering pediatrics, NICU, PICU, OB, L&D and high-risk pregnancy services.

Accomplishments:

- Initiate Collaborative Practice Committees comprised of physicians, managers and staff nurses.
- Successfully complete three JCAHO/CALS surveys.

1978 to 1986

**Children's Hospital – Buffalo, NY
Director of Women's Health Services**

Responsibilities:

Provide leadership for inpatient and outpatient services, managing transport/outreach programs to 28 community facilities. Accountable for a \$14,000,000 operating budget and 350-line staff. Produce new revenue sources by promoting women's health through community outreach activities.

Accomplishments:

- Implement tertiary care for high-risk pregnancy in collaboration with Medicine Department.
- Administer 5,000 deliveries annually.

EDUCATION:

State University of New York - MSN - 1982
D'youville College – BSN/Business Administration - 1978
Trocaire College - A.A.S./RN – 1976

CERTIFICATIONS:

OB/GYN Nurse Practitioner

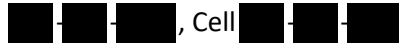
Addendum to Resume

Community Activities

Nance Jones



Guerneville Ca, 95446



Qualifications:

Active community member with excellent abilities in partnership and leadership skills and demonstrated ability to work with all levels of the community.

Experience:

2013-2018

Russian River Board Member providing leadership at board level.

Accomplishments include:

- Active member of Finance Committee
- Lead successful contract negotiations and wage reopeners for three years
- Completed new board approved long term Strategic Plan for RRFPD
- Co-Chair of Strategic Planning Committee working on replacement facility
- Co-chair of evacuation Planning Group with two successful community meetings held in 2018
- Active member for two years of the Region Five Chief Group and alternate representative on the Regional Fire Services Advisory Group
- Member of the Regional Finance Committee
- Supported development of a new standardized financial structure for Region Five which encompasses all fire stations with one more to be completed
- Participate annually as worker bee in Fire Fighter Barbeque for last ten years

2018-2021

Volunteer clerk district Five MAC's. Take meeting minutes and assist the chair with duties as assigned. Report to Elise Weiland.

2019-current Sonoma County Oversight Board

- Active member participating in review of ongoing development projects

2019-Current President of a local 501C3 community group called Friends and Residents of Guerneville. Mission is to improve health and safety of our community.

Sponsored:

- Fire safety Education Program in collaboration with County and Fire Services
- Implemented Neighborhood Watch Programs
- Developed and Implemented Public Safety Camera Project
- Work Closely with Sherrif Department in Santa Rosa and in Guerneville

SWEETWATER SPRINGS WATER DISTRICT

TO: Board of Directors

AGENDA NO. V-B

FROM: Eric Schanz, General Manager

Meeting Date: September 7, 2023

SUBJECT: Resolution 23-13, Extending a Contract for Audit Services with Michael Celentano, CPA and Authorizing the General Manager to Sign the Letter of Engagement

RECOMMENDED ACTION:

Approve Resolution 23-13.

FISCAL IMPACT:

\$9,000 for FY 2023-2024 and \$9,000 for FY 2024-2025.

DISCUSSION:

Mr. Celentano has been conducting the District's annual audit for the last nine years. At the August Board meeting, staff recommended and the Board concurred pursuing a two-year extension with Mr. Celentano.

Staff has reviewed the letter of engagement (attached) Mr. Celentano sent and found it acceptable. His proposed fees of \$9,000 and \$9,000 are \$500 and \$250 more each than the FY 2022-2023 audit.

It is recommended that the Board approve Resolution 23-13.

Resolution No. 23-13

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SWEETWATER SPRINGS WATER DISTRICT APPROVING A CONTRACT FOR AUDIT SERVICES WITH MICHAEL CELENTANO, CPA FOR FY 2023-2024 AND FY 2024-2025

WHEREAS, pursuant to District Policy 4050.15, “the District Board of Directors shall retain an independent auditor to conduct an annual review of District books, records, and financial interests; and

WHEREAS, pursuant to Water Code Section 30540 (2), the Board shall retain an auditor as an independent contractor to conduct an annual audit of the District’s books, records, and financial affairs; and

WHEREAS, the Board of Directors has evaluated the proposed letter contract of Michael Celentano, CPA for audit services for FY 2023-2024 and FY 2024-2025 at the following rates;

FY ending June 30, 2024 not to exceed \$9,000
FY ending June 30, 2025 not to exceed \$9,000

1. **NOW, THEREFORE, BE IT RESOLVED**, that the Board of Directors of the Sweetwater Springs Water District has reviewed the letter contract presented by Michael Celentano, CPA dated August 19, 2023, and finds the terms and conditions acceptable; and
2. **BE IT FURTHER RESOLVED**, that the General Manager is authorized to sign said Contract

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 September 7, 2023, by the following vote.

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

Tim Lipinski
President of the Board of Directors

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

MICHAEL A. CELENTANO
Certified Public Accountant
12204 E Camino Loma Vista
Yuma AZ 85367
707-367-9729

August 19, 2023

Board of Directors
Sweetwater Springs Water District
PO Box 48
Guerneville, CA 95446

I am pleased to confirm my understanding of the services I am to provide Sweetwater Springs Water District for the year ended June 30, 2024 and 2025. I will audit the financial statements of the business-type activities which collectively comprise the basic financial statements of Sweetwater Springs Water District as of and for the year ended June 30, 2024 and 2025. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Sweetwater Springs Water District's basic financial statements. Such information, although not a part of the basic financial statements Sweetwater Springs Water District's, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of my engagement, I will apply certain limited procedures to Sweetwater Springs Water District's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.

Audit Objective

The objective of my audit is the expression of my opinion as to whether your basic financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. My audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures I consider necessary to enable me to express such an opinion. I cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for me to modify my opinion or add emphasis-of-matter or other-matter paragraphs. If my opinion on the financial statements is other than unmodified, I will discuss the reasons with you in advance. If, for any reason, I am unable to complete the audit or am unable to form or have not formed an opinion, I may decline to express an opinion or to issue a report as a result of this engagement.

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. You agree to assume all management responsibilities for any nonattest services I provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to me and for the accuracy and completeness of that information. You are also responsible for providing me with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that I may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom I determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to me in the written representation letter that the effects of any uncorrected misstatements aggregated by me during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing me about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing me of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include my report on the supplementary information in any document that contains and indicates that I have reported on the supplementary information. Your responsibilities include acknowledging to me in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) that you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to me any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, my audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. I will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because I will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by me, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, I will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to my attention. I will also inform the appropriate level of management of any violations of laws or governmental regulations that come to my attention, unless clearly inconsequential. My responsibility as an auditor is limited to the period covered by my audit and does not extend to any later periods for which I am not engaged as auditors.

My procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. I will request written representation from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of my audit, I will require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Control

My audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, I will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I will perform tests of Sweetwater Springs Water District's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of my audit will not be to provide an opinion on overall compliance and I will not express such an opinion.

Other Services

I will prepare the financial statements of the District in conformity with U.S. generally accepted accounting principles based on information provided by you. I will perform the services in accordance with applicable professional standards.

I will propose adjusting journal entries and expect the District to accept responsibility for these entries.

The other services are limited to the financial statement services previously defined and proposing adjusting journal entries. I, in my sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Engagement Administration, Fees, and Other

I may from time to time, and depending on the circumstances, use third-party service providers in serving your account. I may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, I maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, I will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and I will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that I am unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, I will remain responsible for the work provided by any such third-party service providers.

I understand that your employees will prepare all cash or other confirmations I request and will locate any documents selected by me for testing.

The audit for the year ended June 30, 2024 and 2025 would commence on or about September and would be completed no later than January. Michael A Celentano is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it. My fee for these services will be at my standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that I agree that my gross fee, including expenses will not exceed \$9,000 for the year ended June 30, 2024 and \$9,000 for the year ending June 30, 2025. My standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. My invoices for these fees will be rendered each month as work progresses and are payable on presentation. If I elect to terminate my services for nonpayment, my engagement will be deemed to have been completed upon written notification of termination, even if I have not completed my report. You will be obligated to compensate me for all time expended and to reimburse me for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, I will discuss it with you and arrive at a new fee estimate before I incur the additional costs.

I appreciate the opportunity to be of service to Sweetwater Springs Water District and believe this letter accurately summarizes the significant terms of my engagement. If you have any questions, please let me know. If you agree with the terms of my engagement as described in this letter, please sign the enclosed copy and return it to me.

Very truly yours,

A handwritten signature in black ink, appearing to read 'M. Celentano', with a long horizontal line extending to the right.

Michael A. Celentano
Certified Public Accountant

RESPONSE:

This letter correctly sets forth the understanding of Sweetwater Springs Water District.

By: _____

Title: _____

Date: _____

SWEETWATER SPRINGS WATER DISTRICT

TO: Board of Directors

AGENDA NO. V-C

FROM: Eric Schanz, General Manager

Meeting Date: September 7, 2023

Subject: Board Recruitment and Retention Subcommittee

RECOMMENDED ACTION:

Recommend that the Board form a Recruitment and Retention Subcommittee. The Subcommittee will work with the General Manger and Staff to address recruitment and retention for the District and provide recommendations for the Board.

FISCAL IMPACT:

Depends on Board actions taken to address retention and recruitment.

DISCUSSION:

The Recruitment and Retention Subcommittee will start the planning needed to address the needs of the District in several areas of recruitment and retention. Including a plan for succession as several key senior staff members are rapidly approaching retirement.

Vital to the success of the District is the ability to retain staff. The District loses valuable knowledge and experience when an employee leaves. There is a large investment made in education and training that takes several years to accomplish. It is important that the District take steps to successfully retain current staff. The District should take steps to avoid being a training platform with constant turnover.

The Subcommittee will also look at ways to be more successful in recruitment to fill current and future vacancies with qualified candidates. Currently the District is having trouble attracting applicants to fill vacant positions.

The subcommittee would perform a review of the district policies, organizational structure, positions, salaries, benefits and make recommendations to the Board.

SWEETWATER SPRINGS WATER DISTRICT

TO: Board of Directors

AGENDA NO. V-D

FROM: Eric Schanz, General Manager

Meeting Date: September 7, 2023

Subject: Moscow Road Slide Repair

RECOMMENDED ACTION:

This is an opportunity for Staff and Board Directors to provide updates on the Moscow Road slide repairs that Sonoma County Public Infrastructure currently has underway.

FISCAL IMPACT:

None

DISCUSSION:

Ghilotti Construction has installed a 2-inch bypass water line at the 2019 slide location on Moscow Road under the supervision of Sweetwater Springs Water District Staff. The bypass line provides service to three customers west of the slide while construction is in progress.

Ghilotti Construction is excavating the site and has removed the old 8-inch water line to prepare the site for construction.

Drilling work is underway at the 2023 slide location which has caused a change in the original traffic control requirements as the work requires more time to complete. As a result, the road remains closed for longer portions of the day with scheduled opening times to allow traffic to come in and out of the area without having to use Starrett Hill. Initial communication was poor and caused confusion and aggravation with residents in the area.

SWEETWATER SPRINGS WATER DISTRICT

TO: Board of Directors

AGENDA NO. V-E

FROM: Eric Schanz, General Manager

Meeting Date: September 7, 2023

Subject: Dutch Bill Creek Bridge

RECOMMENDED ACTION:

Receive updates from Staff and Board Directors on the progress of Dutch Bill Creek bridge repair.

FISCAL IMPACT:

None

DISCUSSION:

During this past winter damage occurred to part of the support structure to the Dutch Bill Creek bridge due to tree debris. Shortly after the damage was discovered Sonoma Public Infrastructure closed one lane of the bridge and then later after further evaluation closed the bridge to vehicle traffic completely.

The closure of the bridge is a cause for concern to the community and the District. Of concern to the District is access during flooding and severe storms. Should flooding occur on Bohemian at the current detour the District would not have the ability to access its facilities and provide services. Dutch Bill Creek bridge is vital to access. The current closure of Moscow Road only makes the situation worse as there is no access from Duncans Mills.

The latest update from Sonoma County Public Infrastructure are plans to install traffic control lights at the bridge to open one lane allowing traffic to cross. The County has fast tracked the repair of the bridge. However, the window of opportunity is passing delaying repairs until the end of winter. The good news is that the traffic light will allow access to the area should the alternate bypass route flood during winter storms.

SWEETWATER SPRINGS WATER DISTRICT

TO: Board of Directors

AGENDA NO. VI

FROM: Eric Schanz, General Manager

Meeting Date: September 7, 2023

Subject: GENERAL MANAGER'S REPORT

RECOMMENDED ACTION: Receive report from the General Manager.

FISCAL IMPACT: None

DISCUSSION:

- 1. Laboratory Testing/ Regulatory Compliance:** Water quality tests confirm that all SSWD water meets all known State and Federal water quality standards.
- 2. Water Production and Sales:** Water sales in July were 17,833 units (Monte Rio cycle). Water Sales continue to track lower for the month of July as compared to previous years. Total combined Monte Rio and Guerneville water production for June was 69.54 AF.
- 3. Leaks:** There were a total of 6 water main repairs in July requiring 31 work hours total, and 7 service line leaks requiring 65 work hours total. (Figure2).
- 4. Guerneville Rainfall:** Cumulative rainfall for July was 53.96 inches compared to last year, the cumulative rainfall was only 29.90 inches in July (Figure 3). No rain was recorded for the month.
- 5. In-House Construction Projects:** There were no in house construction projects for the month of August due to culvert replacements and paving on Neeley Road and the Moscow Road slide repairs that have taken staff time to mark USA's and monitor construction activities.

6. Grants:

DWR Grant: The first grant disbursement has been reviewed by DWR and a first disbursement in the amount of \$119,304.59 has been approved. I met with DWR staff to discuss the progress of our projects and talk about the changes that have happened to the Monte Rio bridge replacement project. Since the Monte Rio bridge replacement has been abandoned for a bridge retrofit the District will be unable to meet the design requirements in the time frame of the DWR agreement. DWR is supportive of a project change to use

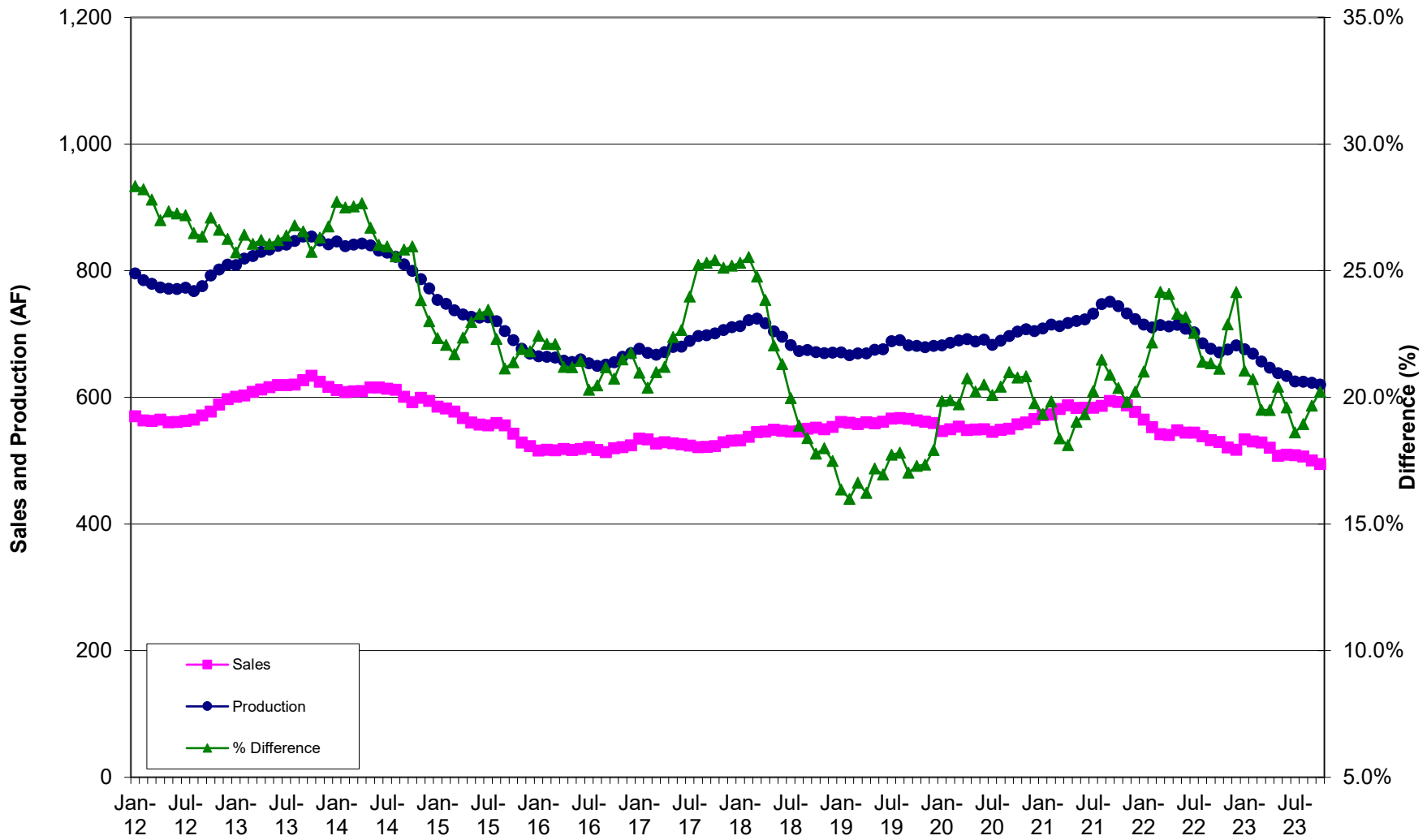
the design funding for another project that can be completed during the scope of the grant agreement.

FEMA Grant Moscow Road: The FEMA Grant is still in the review process.

CDBG Grant Wright Road Design: New requirements for recipients of CDBG funding require that the environmental portion of the project be completed prior to the grant agreement being approved. Funding for the design portion of the Wright Drive CIP project is being held by CDBG until the environmental work is complete. Coastland Engineering is working on getting cost quotes from environmental firms to complete the environmental requirements for the grant. Funding available for design: \$160,450.00.

- 7. Willow Road Drainage Project:** Sonoma Public Infrastructure has not provided a start date for the project.
- 8. Pottery Valley Project Update:** There has been a lot of activity recently around the Potter Valley Project. A proposal was submitted by The Mendocino County Inland Water and Power Commission, the Round Valley Indian Tribes and the Sonoma County Water Agency to preserve Potter Valley diversions and to have fish passage by creating a regional entity that will have the legal and financial capacity to own, construct and operate a new water diversion facility near PG &E's Cape Horn Dam on the Eel River. Please review the attached press release about the Potter Valley proposal.
- 9. Gantt Chart:** The Gantt Chart is updated for August 2023 (Figure 4).

**Figure 1. Water Production and Sales 12 Month Moving Averages
Sweetwater Springs Water District Since January 2012**



**Figure 2. Sweetwater Springs Water District Main and Service Pipeline Breaks
Moving Annual Average Since July 2012**

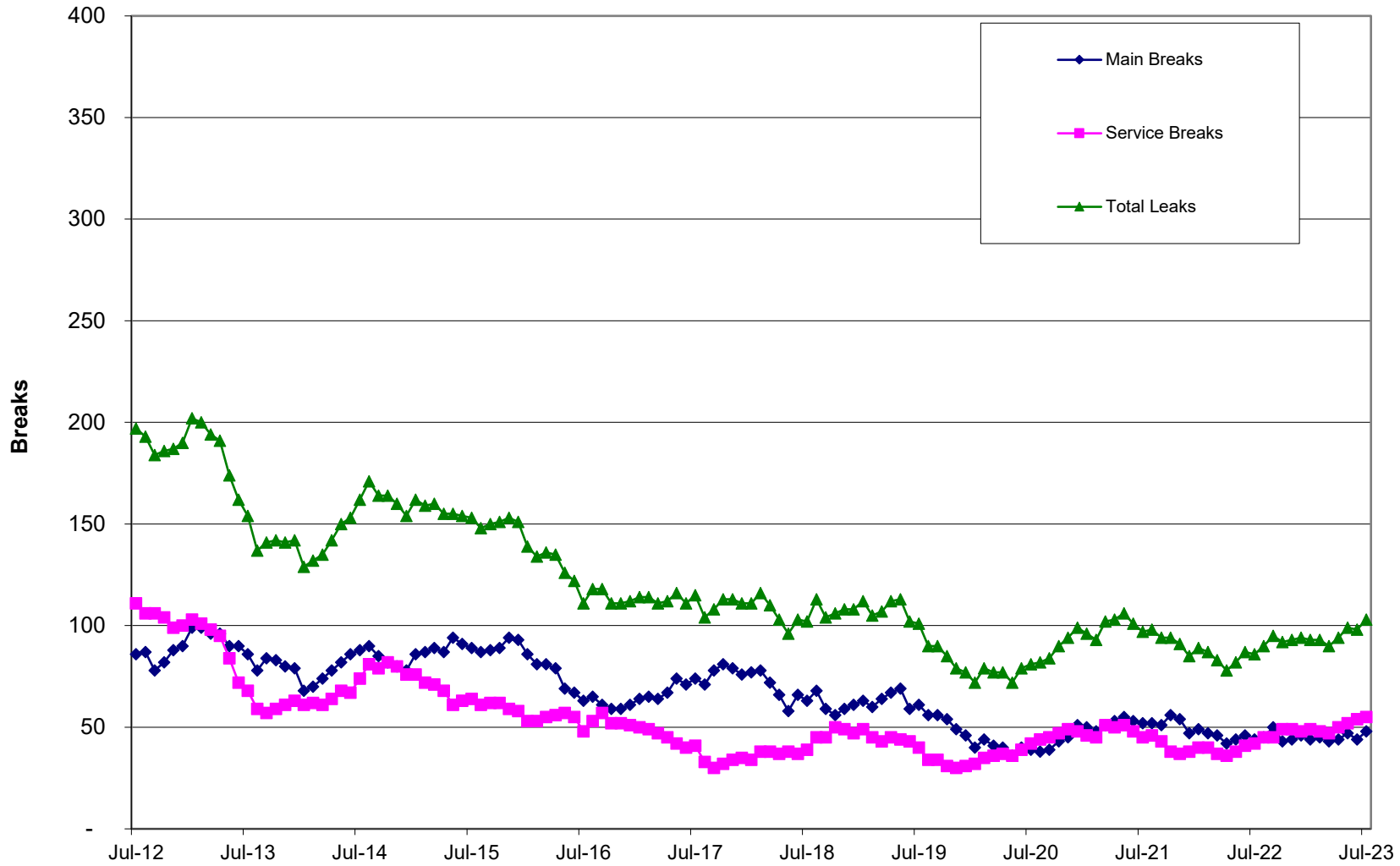
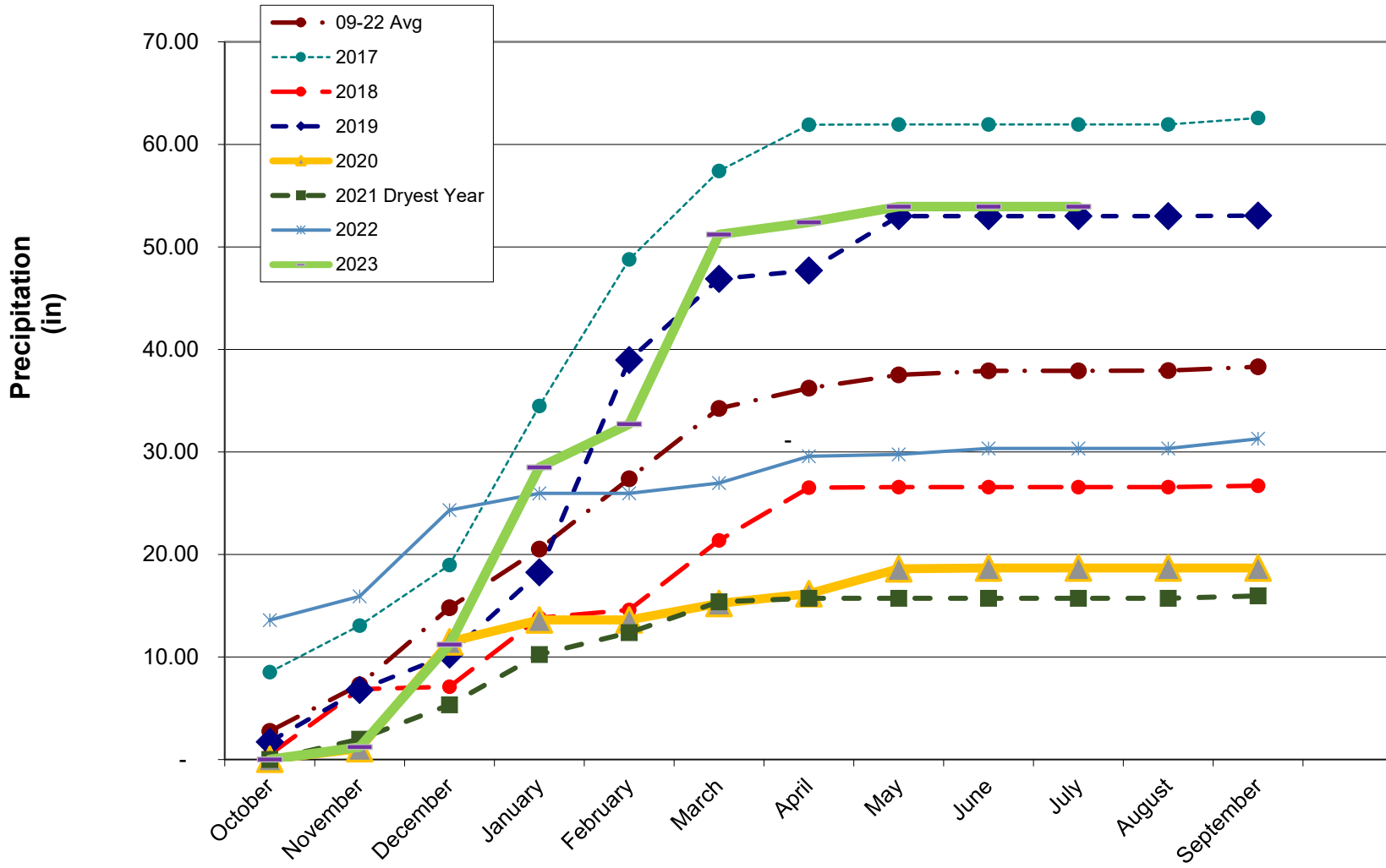
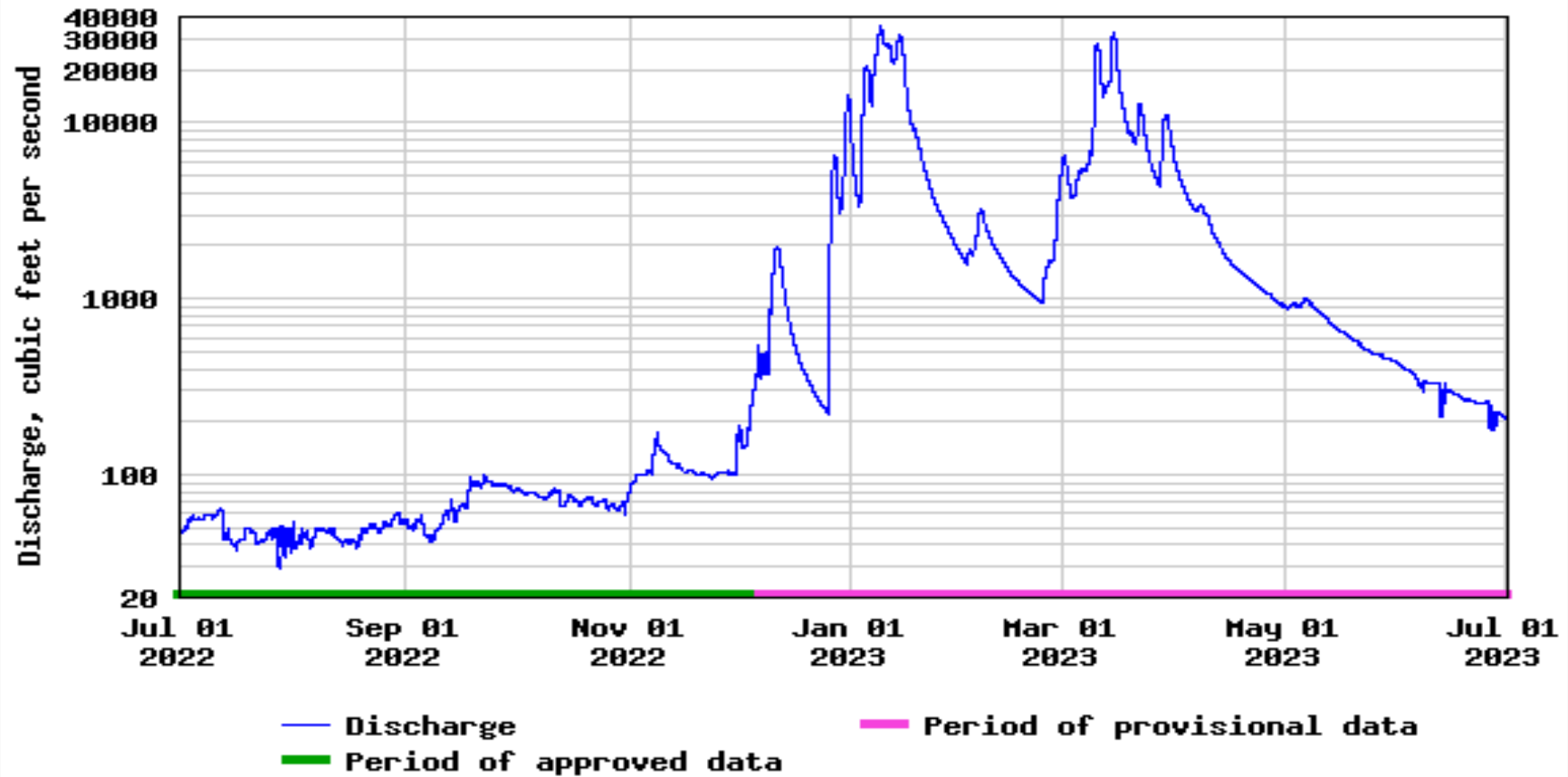


Figure 3. Guerneville Cumulative Monthly Rainfall





USGS 11467000 RUSSIAN R A HACIENDA BRIDGE NR GUERNEVILLE CA



NUMBER OF WATER UNITS SOLD FY 23 - 24

	FY01-02	FY02-03	FY03-04	FY04-05	FY05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24
JULY	34,371	26,447	26,355	33,578	22,195	27,469	27,147	28,091	21,035	17,808	20,061	22,850	25,890	22,074	16,377	19,044	19,608	20,255	19,273	22,297	21,558	20,306	17,833
AUGUS	39,803	37,750	42,080	41,615	37,799	41,863	37,202	37,907	34,878	32,328	28,486	33,190	29,163	32,208	26,070	26,811	29,485	28,325	27,419	28,582	26,302	22,555	
SEPTEN	33,723	34,532	36,056	35,309	29,823	35,984	31,721	32,753	30,320	29,673	26,091	29,829	26,157	24,091	21,678	22,893	24,037	25,805	24,886	27,175	22,746	21,271	
OCTOBI	40,672	34,063	37,008	38,553	38,707	37,900	36,493	34,938	32,282	32,334	32,091	33,727	31,628	27,724	24,606	29,333	29,495	32,827	27,310	30,099	24,731	31,859	
NOVEM	28,272	28,729	26,973	27,839	26,680	24,076	24,444	25,746	23,111	24,160	21,350	22,218	20,729	19,489	20,101	19,462	21,884	21,351	22,640	23,173	17,984	16,472	
DECEMI	25,380	27,758	27,283	25,508	23,925	25,550	21,556	24,762	21,116	20,802	20,299	22,818	23,452	21,256	20,873	18,070	21,297	20,468	22,288	25,982	21,110	20,372	
JANUAI	16,091	19,287	16,799	15,416	16,127	15,862	13,309	14,631	14,764	13,734	14,645	16,242	16,316	11,914	12,727	13,676	14,146	15,335	12,925	15,529	15,062	11,588	
FEBRU	21,697	23,010	20,689	19,695	22,716	20,963	18,647	21,199	19,233	18,386	16,641	18,372	20,967	17,770	17,189	16,504	17,693	16,950	17,284	15,506	18,727	13,139	
MARCH	17,207	15,092	17,374	14,985	15,456	16,693	14,556	14,417	14,414	12,387	12,569	13,884	13,772	12,351	13,058	12,315	11,657	12,653	12,827	12,846	11,236	11,980	
APRIL	17,728	19,527	21,406	21,089	18,825	21,047	19,227	18,414	17,611	17,129	17,936	17,914	17,053	16,636	17,748	16,809	16,279	18,547	16,886	17,038	17,024	16,685	
MAY	19,118	16,237	19,793	16,372	13,921	15,402	15,721	15,861	14,273	14,134	14,880	15,075	14,514	16,120	14,217	13,083	13,011	13,319	14,602	15,866	13,375	12,354	
JUNE	29,799	27,074	28,882	22,512	24,108	25,457	29,211	26,259	19,143	20,871	23,765	26,850	22,092	20,436	19,020	19,198	21,220	20,612	21,453	24,720	21,975	19,426	
Total	323,861	309,506	320,698	312,471	290,282	308,266	289,234	294,978	262,180	253,746	248,814	272,969	261,733	242,069	223,664	227,198	239,812	246,447	239,793	258,813	231,830	218,007	17,833



PRESS RELEASE

August 7, 2023

Contact:

Ann DuBay

Email: Ann.DuBay@scwa.ca.gov

Phone: 707-322-8185

Regional Partners Submit Proposal to Preserve Potter Valley Diversion and Fish Passage Options

Potter Valley – The Mendocino County Inland Water and Power Commission (MCIWPC), the Round Valley Indian Tribes (RVIT), and the Sonoma County Water Agency (Sonoma Water) last week submitted a proposal to advance a regional solution for preserving flows in the Russian River and improving Eel River fisheries.

In the absence of this proposal, Pacific Gas and Electric Company's (PG&E) decommissioning plan for the Potter Valley Hydroelectric Project (PVP) would include removing facilities that allow for water diversions to the Russian River. These water diversions have been vital to the Russian River basin for more than 100 years. The proposal is also important to assure that removal or modification of facilities allow for upstream and downstream fish migration at Cape Horn Dam, consistent with goals for a sustainable and harvestable Eel River fishery.

The New Eel-Russian Facility (facility) proposal submitted to PG&E would provide for the creation of a regional entity that has the legal and financial capacity to own, construct and operate a new water diversion facility near PG&E's Cape Horn Dam on the Eel River. The yet-to-be designed facility would allow for ongoing water diversions through the PVP's tunnel between the Eel River and Russian River, while allowing for upstream and downstream fish migration to support larger efforts aimed at achieving naturally reproducing, self-sustaining and harvestable native anadromous fish populations.

The regional solution proposal was submitted to PG&E in response to its decision to surrender its license for operating the PVP, and its requirement to receive a proposal by July 2023 from any entity interested in owning part the PVP facilities. PG&E's schedule for filing a license surrender application and decommissioning plan calls for the utility company to complete an initial draft surrender application by November 2023, and a final draft surrender application by May 2024. The final application is required for submittal to the Federal Energy Regulatory Commission (FERC) by January 31, 2025.

The proposal seeks PG&E to include provisions in its final license surrender application that would allow the regional entity to preserve some of the water diversion components near Cape Horn Dam (which PG&E plans to remove) and obtain FERC approval for the regional entity to construct the New Eel-Russian Facility.

“Our goals are to restore the Eel River watershed from its degraded condition and to restore our salmon fishery to sustainable and harvestable populations. We join this proposal because it is one pathway to achieving these goals. We look forward to working with our partners in both the Eel River watershed and Russian River watershed and the environmental community to ensure that the decommissioning plan fully protects our Eel River fish and respects our federal fishing rights and water rights,” said Bill Whipple, President, Round Valley Indian Tribes Tribal Council.

“This is all about achieving a solution that honors the needs of all the ecosystems and communities within the region,” said Sonoma County Supervisor and Sonoma Water Director James Gore. “The train has already left the station in terms of decommissioning. Our proposal endeavors to improve the health of the Eel while preserving critical water diversions, at the appropriate times and levels, to the Russian River watershed.”

“The proposal that we submitted to PG&E benefits from the Two-Basin Solution Partnership and draws directly from technical studies and other work that the partners have undertaken together in recent years. We are very hopeful to find a pathway forward with these critical stakeholders” said Sonoma County Supervisor and Sonoma Water Director David Rabbitt.

“We have many details to consider, including the new diversion facility design, who will operate and maintain it and how it will be financed. We’re looking forward to ongoing work with stakeholders through the Planning and Working groups of the [Russian River Water Forum](#),” said Janet Pauli, chair of the MCIWPC.

“We are very grateful to Representative Jared Huffman, California Trout, allied conservation groups and Humboldt County for their leadership in advancing a regional solution,” said Grant Davis, Sonoma Water general manager. “The input received from multiple stakeholders was invaluable in developing this proposal.”

In a statement, PG&E said “PG&E has received the proposal from Sonoma Water, MCIWPC and RVIT about the Potter Valley Project and is reviewing it. PG&E has previously shared we would consider proposals for a third party to retain certain project features. We will have an initial draft Surrender Application and Decommissioning Plan available for review in late November.”

For additional information, go to <https://mendoiwpc.com/our-shared-water/> or <https://SonomaWater.org/RegionalPartnership>

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