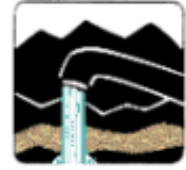


# Sweetwater Springs WATER DISTRICT



Eric Schanz, General Manager

**FY 2024-2025**

**Annual Operating & Capital Improvement Budget**

**Approved June 6, 2024**

**Resolution 24-07**

**Board of Directors**

*Tim Lipinski, President*  
*Richard Holmer, Vice President*  
*Nance Jones, Financial Coordinator*  
*Sukey Robb-Wilder*  
*Gaylord Schaap*

**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.

FY 2024-2025 Budget Report  
Sweetwater Springs Water District

Below is a table summarizing the FY 2024-2025 Combined Operating and Capital Budget. As shown in the table, total revenue is budgeted at \$4.4 million, and total expenses at \$4.5 million. This budget anticipates more expenses than revenues (approximately \$110,000). The District has been approved for grant funding which may lower this deficit but grant funding can take time to be received. 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 2024-2025 Operating Budget and of the Capital/Capital Debt Budget are included as attachments to this Budget report.

<b>Combined Operating and Capital Budget Summary</b>			
		FY2023-24 (Projected)	FY 2024-25 (Budgeted)
<b>REVENUE</b>			
<b>Operating</b>			
	Water Sales	\$3,171,890	\$3,457,360
	Other	\$168,800	\$166,000
	<b>Total Operating Revenue</b>	<b>\$3,340,690</b>	<b>\$3,623,360</b>
<b>Capital</b>			
	Assessments	\$750,000	\$750,000
	Grants Received	\$146,234	\$0
	Other	\$121,394	\$30,000
	<b>Total Capital Revenue</b>	<b>\$1,017,628</b>	<b>\$780,000</b>
	<b>Total Operating and Capital Revenue</b>	<b>\$4,358,318</b>	<b>\$4,403,360</b>
<b>EXPENDITURES</b>			
<b>Operating</b>			
	Salary & Benefits	\$1,520,366	\$1,716,018
	Services and Supplies	\$878,965	\$918,250
	<b>Total Operating Expenses</b>	<b>\$2,399,331</b>	<b>\$2,634,268</b>
<b>Capital</b>			
	CIP Projects	\$514,366	\$773,810
	Other Projects & Equipment	\$282,821	\$408,000
	Capital Debt/Sinking Fund Contributions	\$1,098,018	\$698,000
	<b>Total Capital Expenses</b>	<b>\$1,895,205</b>	<b>\$1,879,810</b>
	<b>Total Operating and Capital Expenditures</b>	<b>\$4,294,536</b>	<b>\$4,514,078</b>
	<b>Surplus/Deficit</b>	<b>\$63,782</b>	<b>-\$110,718</b>

**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, fiscal management and other overall administration. The total Operating Budget revenue in FY 2024-2025 is projected to be \$3,623,360. The total Operating Budget expenses are projected to be \$2,634,268. The difference -- \$989,092-- will be transferred to the Capital Improvement fund. A water rate increase of 9% was approved to meet increasing Operating expenses and while maintaining allocations to Capital expenses.

FY 2024-2025 Budget Report  
Sweetwater Springs Water District

District operating expenses are rising. The cost of services and supplies have seen a large increase due to inflation. The cost for health care increased more than expected. Labor cost will increase as our newer field staff acquire the necessary certifications and are qualified for promotion. At the same time the District is in the process of succession planning to fill positions opening due to staff retirements.

In 2025, the District will be entering into MOU Union negotiations. It is anticipated that the cost of labor will increase to be more in line with industry standards. Recruitment and retention of qualified applicants is critical to the operation of the District.

**Capital/Capital Debt Budget**

The Capital Fund is projected to have approximately \$1.17 million in reserves available for spending at the beginning of FY 2024-25. Operating surpluses of just over \$980,000 will assist Capital revenue budgeted at \$780,000 to bring total funds available to about \$2.9 million. Capital expenses including expenditures on capital projects and annual payments on capital debt are budgeted at about \$1.8 million, which will leave approximately \$1.05 in reserves available for spending by fiscal year end. Reserves will increase if grants approved are received during the year. Grants totaling about \$1.06 have been approved but have not yet been received. For FY 2024-2025 the Districts Master Plan is under development included in the plan is a GIS Mapping component. The Master plan will provide an engineered evaluation of the water system and provide guidance on future CIP projects.

The District is moving forward or in the midst of several projects in FY 2024-2025:

Project	Description	FY 2024-25	FY 2025-26	FY 2026-27
<b>Lower Harrison Tank Replacement</b>	Replace existing 130,000 gallon steel tank with new epoxy-coated bolted steel tank, with appurtenances and cathodic protection system. This project started in FY 2023-24.	\$430,000		
<b>Master Plan/ GIS</b>	Coastland is completing the district Master plan and GIS Component. This project started in FY 2023-2024. Total cost \$218,840.	\$145,000		
<b>Wright Drive Design</b>	Environmental and Design CDBG Grant Funding \$160,450	\$243,000		
<b>Wright Drive Mainline and Pump Station project</b>	Replace and upgrade approx. 5800' mainline, replace 64 service lines, and replace pump station		\$1,543,500	\$1,543,500
<b>Bohemian Hwy Boring Project</b>	Repair/Replace 500 Ft. water main line at creek crossing from Main Street to Bohemian Hwy.	\$100,000		
<b>Other Capital projects</b>	El Bonita well rehab, Lower Summit tank liner and Improvements, Eagles Nest water line, New utility truck.	\$175,000		
<b>Total Capital Projects</b>		<b>\$1,093,000</b>	\$1,543,500	\$1,543,500

FY 2024-2025 Budget Report  
Sweetwater Springs Water District

Finally, the District debt load remains a significant capital expense, with annual payments at around \$780,000/year. When possible, the District will allocate funds to a designated Sinking Fund used to reduce annual payments over a number of years. A total of \$200,000 was allocated to the Sinking Fund in FY 2023-24, added with the prior year's sinking fund allocations the annual budgeted debt load is lowered to \$698,018/year in future years.

For more information, please refer to the attached detailed FY 2024-2025 Operating Budget spreadsheet and FY 2024-2025 Capital Projects/Capital Debt Budget spreadsheet.

SWEETWATER SPRINGS WATER DISTRICT  
OPERATING BUDGET  
FY 2024-25

		YEAR END ACTUAL (CASH)		APPROVED BUDGET 7.5% rate incr	ESTIMATED YEAR END ACTUAL		APPROVED BUDGET 9% rate increase		+/- Change (from last year)
<b>REVENUE</b>		<b>FY 2022-23</b>		<b>FY 2023-24</b>	<b>FY 2023-24</b>		<b>FY 2024-25</b>		
<b>OPERATING REVENUE</b>									
<b>Water Sales</b>									
	Base Rate	1,900,134		2,128,436	2,117,309		2,307,867		179,431
	Current Charges	493,571		697,430	685,788		747,509		50,079
	Capital Debt Reduction Charges	348,408		389,419	368,793		401,984		12,565
	<b>TOTAL WATER SALES</b>	<b>2,742,113</b>		<b>3,215,285</b>	<b>3,171,890</b>		<b>3,457,360</b>		<b>242,075</b>
	<b>Total OPERATING REVENUE</b>	<b>2,742,113</b>		<b>3,215,285</b>	<b>3,171,890</b>		<b>3,457,360</b>		<b>242,075</b>
<b>NON-OPERATING REVENUE</b>									
	Grant Proceeds	20,000		0			-		-
1700	Interest	15,168		6,000	27,000		22,000		16,000
3600	Construction New Services	3,206		8,000	8,000		8,000		
3601	Construction Service Upgrades	7,065		6,000	6,000		6,000		
4032	Rent	121,061		124,800	124,800		128,500		3,700
4040	Miscellaneous Income	19,859		1,500	3,000		1,500		-
	<b>Total NON-OPERATING REVENUE</b>	<b>186,359</b>		<b>146,300</b>	<b>168,800</b>		<b>166,000</b>		<b>19,700</b>
	<b>Total OPERATING INCOME</b>	<b>2,928,472</b>		<b>3,361,585</b>	<b>3,340,690</b>		<b>3,623,360</b>		<b>261,775</b>
<b>EXPENSES</b>									
<b>OPERATING EXPENSES</b>									
<b>SALARY &amp; BENEFITS</b>									
<b>Salary</b>									
5910	Wages	831,242		999,600	964,558		1,052,814		53,214
5912	Overtime	36,600		35,000	40,000		45,000		10,000
5916	On-Call Pay	43,430		40,000	42,000		44,000		4,000
	<b>Total Salary</b>	<b>911,272</b>		<b>1,074,600</b>	<b>1,046,558</b>		<b>1,141,810</b>		<b>67,210</b>
<b>Benefits</b>									
5500	Flex Spending	-2,315		0	0		0		-

SWEETWATER SPRINGS WATER DISTRICT  
OPERATING BUDGET  
FY 2024-25

		YEAR END ACTUAL (CASH)	APPROVED BUDGET 7.5% rate incr	ESTIMATED YEAR END ACTUAL	APPROVED BUDGET 9% rate increase	+/- Change (from last year)
5920	Retirement (District portion)	67,115	85,600	72,000	88,000	2,400
5920.4	Retirement - UL	3,001	1,500	1,385	9,400	7,900
5922	Payroll Taxes (District share)	15,010	18,400	20,000	22,000	3,600
5930	Health Benefits (District share)	266,803	321,600	330,000	405,308	83,708
5931	Retiree Health	13,800	14,100	14,000	14,500	400
5940	Workers Comp Insurance	23,829	32,000	35,423	34,000	2,000
5941	Life Insurance (GM)	0	1,000	1,000	1,000	-
	<b>Total Benefits</b>	<b>387,243</b>	<b>474,200</b>	<b>473,808</b>	<b>574,208</b>	<b>100,008</b>
	<b>TOTAL SALARY &amp; BENEFITS</b>	<b>1,298,515</b>	<b>1,548,800</b>	<b>1,520,366</b>	<b>1,716,018</b>	<b>167,218</b>
<b>SERVICES &amp; SUPPLIES</b>						
<b>Communications</b>						
6040-I	Internet service	5,714	4,600	5,500	4,500	(100)
6040-C	Cell Phones/Radios	7,490	7,250	6,000	5,500	(1,750)
6040-T	Telephones	32,196	35,000	40,000	38,000	3,000
	<b>Total Communications</b>	<b>45,400</b>	<b>46,850</b>	<b>51,500</b>	<b>48,000</b>	<b>1,150</b>
<b>Insurances</b>						
6101	Liability & Auto Ins.	45,266	50,000	50,150	53,000	3,000
	<b>Total Insurances</b>	<b>45,266</b>	<b>50,000</b>	<b>50,150</b>	<b>53,000</b>	<b>3,000</b>
<b>Maintenance - Office &amp; Vehicles</b>						
6140	Vehicle Maintenance	16,218	18,000	25,000	25,000	7,000
6151	Office Maintenance	4,951	5,000	6,000	8,400	3,400
	<b>Total Maintenance - Office &amp; Vehicles</b>	<b>21,169</b>	<b>23,000</b>	<b>31,000</b>	<b>33,400</b>	<b>10,400</b>
<b>Maintenance - Facilities</b>						
6085	Janitorial Services	10,562	12,000	12,000	12,000	-
6100	SCADA System	9,000	8,000	8,000	10,000	2,000
6180	Distribution System Repairs	40,951	60,000	60,000	65,000	5,000
6235	Treatment Sys/Well Repairs	42,435	45,000	40,000	40,000	(5,000)
6143	Generator Maintenance	467	5,000	3,000	4,000	(1,000)
	<b>Total Maintenance - Facilities</b>	<b>103,415</b>	<b>130,000</b>	<b>123,000</b>	<b>131,000</b>	<b>1,000</b>
<b>Miscellaneous Expenses</b>						

SWEETWATER SPRINGS WATER DISTRICT  
OPERATING BUDGET  
FY 2024-25

		YEAR END ACTUAL (CASH)	APPROVED BUDGET 7.5% rate incr	ESTIMATED YEAR END ACTUAL	APPROVED BUDGET 9% rate increase	+/- Change (from last year)
6280	Memberships	10,906	11,500	11,500	11,500	-
6303	Claims	0	1,000	1,000	1,000	-
6593	Governmental Fees	32,203	31,755	22,000	24,000	(7,755)
	<b>Total Miscellaneous Expenses</b>	<b>43,109</b>	<b>44,255</b>	<b>34,500</b>	<b>36,500</b>	<b>(7,755)</b>
	<b>Office Expense</b>					
6410	Postage	17,545	20,000	20,000	20,000	-
6430	Printing Expense	4,333	8,200	5,000	5,000	(3,200)
6461	Office Supplies	9,368	6,000	11,000	12,000	6,000
6800	Subscriptions/Legal Notices	1,980	1,400	1,000	1,500	100
6890	Computers/Software	3,237	2,500	2,500	1,500	(1,000)
6895	Billing System	15,780	15,400	15,400	16,500	1,100
6897	Website	2,400	3,000	3,000	3,500	500
	<b>Total Office Expense</b>	<b>54,643</b>	<b>56,500</b>	<b>57,900</b>	<b>60,000</b>	<b>3,500</b>
	<b>Operating Supplies</b>					
6300	Chemicals	17,803	20,000	20,000	22,000	2,000
6880	Tools and Equipment	3,947	7,500	14,000	7,500.00	-
6881	Safety Equipment	2,468	3,000	4,000	5,000	2,000
	<b>Total Operating Supplies</b>	<b>24,218</b>	<b>30,500</b>	<b>38,000</b>	<b>34,500</b>	<b>4,000</b>
	<b>Professional Services</b>					
6514	Lab/Testing Fees	16,066	16,000	16,000	17,000	1,000
6570	Consultant Fees	25,231	23,000	20,000	27,000	4,000
6590	Engineering	9,346	10,000	8,000	10,000	-
6610	Legal	27,513	30,000	25,000	30,000	-
6630	Audit/Accounting	44,821	45,850	45,850	45,000	(850)
	<b>Total Professional Services</b>	<b>122,977</b>	<b>124,850</b>	<b>114,850</b>	<b>129,000</b>	<b>4,150</b>
	<b>Rents &amp; Leases &amp; Loans</b>					
6820	Equipment	1,670	3,800	2,000	2,000	(1,800)
6840	Building & Warehouse	31,275	32,000	32,000	33,000	1,000
7913	Policy Reserve Loan	135,000	135,000	135,000	135,000	-
	<b>Total Rents, Leases &amp; Loans</b>	<b>167,945</b>	<b>170,800</b>	<b>169,000</b>	<b>170,000</b>	<b>(800)</b>
	<b>Transportation &amp; Travel</b>					



SWEETWATER SPRINGS WATER DISTRICT  
OPERATING BUDGET  
FY 2024-25

		YEAR END ACTUAL (CASH)	APPROVED BUDGET 7.5% rate incr	ESTIMATED YEAR END ACTUAL	APPROVED BUDGET 9% rate increase	+/- Change (from last year)
7120	Seminars & related travel	2,006	3,000	1,500	2,000	(1,000)
7201	Vehicle Gas	37,541	42,000	46,000	49,000	7,000
7300	Travel Reimbursements	4,307	4,100	4,100	4,100	-
<b>Total Transportation &amp; Travel</b>		<b>43,854</b>	<b>49,100</b>	<b>51,600</b>	<b>55,100</b>	<b>6,000</b>
<b>Uniforms</b>						
6021.1	Boots	2,108	1,715	1,715	2,000	285
6021.3	T-shirts	825	1,500	1,500	1,500	-
6021.4	Jackets	901	250	250	250	-
<b>Total Uniforms</b>		<b>3,834</b>	<b>3,465</b>	<b>3,465</b>	<b>3,750</b>	<b>285</b>
<b>Utilities</b>						
7320	Electricity	137,240	139,000	150,000	160,000	21,000
7321	Propane	4,157	4,000	4,000	4,000	-
<b>Total Utilities</b>		<b>141,397</b>	<b>143,000</b>	<b>154,000</b>	<b>164,000</b>	<b>21,000</b>
<b>Total SERVICES &amp; SUPPLIES</b>		<b>817,227</b>	<b>872,320</b>	<b>878,965</b>	<b>918,250</b>	<b>45,930</b>
<b>FIXED ASSET EXPENDITURES</b>						
8517	Field/Office equipment	0	-	0	-	-
8511.1	Tank/Facilities Sites	11,980	-	0	-	-
8511.6	Leasehold Improvements	0	0	0	-	-
<b>Total FIXED ASSET EXPENDITURES</b>		<b>11,980</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>
<b>Total OPERATING EXPENSES</b>		<b>2,127,722</b>	<b>2,421,120</b>	<b>2,399,331</b>	<b>2,634,268</b>	<b>213,148</b>
<b>TRANSFERS TO OTHER FUNDS</b>						
8620.7	Tfers to CIRF for CDR Revenue	349,022	389,419	389,419	401,984	12,565
8620.3	Tfers to CIRF	400,000	535,000	535,000	570,000	35,000
8620.5	Tfers to Building Fund	15,000	15,000	15,000	15,000	-
8620.2	Tfers to In-House Constr	25,000	-	0	-	-
<b>Total TRANSFERS TO OTHER FUNDS</b>		<b>789,022</b>	<b>939,419</b>	<b>939,419</b>	<b>986,984</b>	<b>47,565</b>
<b>OPERATING SURPLUS/DEFICIT AFTER TFERS</b>		<b>11,728</b>	<b>1,046</b>	<b>1,940</b>	<b>2,108</b>	<b>1,062</b>

FY 2023-24 - 4Q Added DWR grants funds received (Lower Harrison \$108,124.52)

## FY 2023-24 Capital Projects and Capital Debt Budget (Cash)

			2022-23 (Estimate) (Actual)	2023-24 Budget/Actual (7.5% incr.)	2024-25 Budget (9% incr.)					
<b>Total CIRF Balance Beginning of Year</b>			<b>\$1,994,980</b>	<b>\$1,031,288</b>	<b>\$1,176,178</b>					
<b>REVENUE</b>										
Assessments/New Services			\$781,634	\$750,000	\$750,000					
CDR Transfer from Operations			\$349,022	\$389,419	\$401,984					
Operating Surplus Transfer from Operations			\$400,000	\$535,000	\$570,000					
Close out In-House Construction acct			\$0	\$54,637	\$0					
Interest			\$16,579	\$40,377	\$30,000					
New Construction			\$15,636	\$16,304	\$0					
Grants Received			\$701,360	\$254,358	\$0					
<b>Total Revenue</b>			<b>\$2,264,231</b>	<b>\$2,040,095</b>	<b>\$1,751,984</b>					
<b>Total Available for Capital Expenses</b>			<b>\$4,259,211</b>	<b>\$3,071,383</b>	<b>\$2,928,162</b>					
<b>EXPENDITURES</b>										
			TOTAL PROJECT COST	PAID (PY)			<b>GRANT INFORMATION</b>			
						GRANTS APPROVED	GRANTS RECEIVED CY	GRANTS RECEIVED PY	GRANTS APPROVED BUT NOT YET REC'D	
<b>CIP Projects</b>										
CIP 2021			\$1,790,608	\$1,790,608	\$1,650,342	\$0	\$0	\$818,280	\$0	\$818,280
Lower Harrison			\$941,775	\$60,323	\$38,754	\$450,000	\$430,000	\$871,654	\$168,960	\$0
MR Well 5			\$120,047	\$110,191	\$32,678	\$0	\$0	\$90,860	\$81,774	\$0
County	MR Bridge (CANCELLED)		\$4,028	\$4,028	\$1,373	\$0	\$0	\$4,028	\$3,625	\$0
County	Moscow Road 2019 slide		\$50,000	\$7,898	\$3,353	\$0	\$0	\$0	\$0	\$0
County	Moscow Road 2023 slide		\$257,640	\$205,685	\$192,079	\$1,298	\$0	\$188,884	\$0	\$0
County	Neeley Road Emergency Proj		\$489,790	\$339,860	\$339,860	\$42,164	\$0	\$0	\$0	\$0

Wright Dr - Design	\$243,810	\$0		\$20,905	\$243,810	\$160,450	\$0	\$0	\$160,450
Wright Drive main pressure zone*	\$3,087,093	\$0		\$0	\$0	\$0	\$0	\$0	\$0
Wright Drive upper pressure zone		\$0		\$0	\$0	\$0	\$0	\$0	\$0
Bohemian Hwy Boring Proj	\$100,000	\$0	\$0	\$0	\$100,000	\$0	\$0	\$0	\$0
Schoeneman pressure zone	\$900,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Schoeneman tank	\$600,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total CIP Projects</b>		OBLIGATIONS:	<b>\$2,258,438</b>	<b>\$514,366</b>	<b>\$773,810</b>				
<b>Other Capital Expenses</b>									
Annual transfer to Policy Reserves			\$8,174	\$32,821	\$88,000				
In-House Project/Site Improvements			\$15,289	\$105,000	\$95,000				FY 2023-24: El Bo Well Rehab (\$80G); In-House projects; Office carpeting) FY 2024-25: Eagle Nest water line (\$20,000; Lower Summit equipment improvements (pump, generator, tank liner \$60,000)
District Master Plan	\$218,840	\$0	\$0	\$75,000	\$145,000				FY 2023-24: \$69,000 Vac trailer; \$1,000 truck downpymt
Vehicle / Equipment			\$0	\$70,000	\$80,000				
<b>Total Other Capital Projects/Equipment</b>			<b>\$23,463</b>	<b>\$282,821</b>	<b>\$408,000</b>				
<b>Capital Debt Payments (for next FY)</b>									
Debt tfer (reduced by Sinking Fund adj.)			\$744,661	\$698,018	\$698,000				
Debt or UL Sinking Fund			\$200,000	\$400,000	\$0				FY 2023-24: \$200,000 UL; \$200,000 Debt
<b>Total Debt</b>			<b>\$944,661</b>	<b>\$1,098,018</b>	<b>\$698,000</b>				
<b>Total CIP/Debt Expenditures</b>			<b>\$3,226,563</b>	<b>\$1,895,205</b>	<b>\$1,879,810</b>				
<b>Total CIRF Balance End of Year (Est.)</b>			<b>\$1,032,648</b>	<b>\$1,176,178</b>	<b>\$1,048,352</b>				
		<b>Actual CIRF</b>	<b>\$1,031,288</b>						