



BOARD OF DIRECTORS MEETING

AGENDA

December 5, 2024, Regular Meeting
District Offices, 17081 Hwy. 116, Ste. B
Guerneville, California
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 November 7, 2024 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 2025 Organization Meeting / Board Officers elections (*Est. time 15 min.*)
- B. Discussion/Action re Res 24-16 – Accepting Lower Harrison Tank Project and Recording a Notice of Completion (*Est. time 10 min.*)
- C. Discussion/Action re Res 24-17 – Approving MOU with WiConduit/North Bay Communication Cooperative (NBCC) (*Est. time 15 min.*)
- D. Discussion/Action re Res 24-15 – Accepting FY 2023-24 Audit (*Est. time 10 min.*)
- E. Discussion/Action re Flood Assistance. (RH) (*Est. time 10 min.*)
- F. Board Ad Hoc Committee Reports (standing item) (*Est. time 10 min.*)

Ad Hoc Committees:

- 1. Recruitment/Retention
- 2. Revenue Development
- 3. Union Negotiations Planning

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. Gantt Chart
- 7. Grants
- 8. Wright Drive
- 9. Master Plan
- 10. Flood Response

VII. BOARD MEMBERS' ANNOUNCEMENTS

VIII. ITEMS FOR NEXT AGENDA

ADJOURN

Sweetwater Springs Water District Mission and Goals

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

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

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

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

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

GOAL 4: DEVELOP AND MAINTAIN A QUALITY WORKFORCE

GOAL 5: PROVIDE EXCELLENT PUBLIC OUTREACH, INFORMATION AND EDUCATION

GOAL 6: ENHANCE BOARD COMMUNICATIONS AND INFORMATION



BOARD MEETING MINUTES*

Meeting Date: November 7, 2024

(*In order discussed)

November 7, 2024
6:30 p.m.

Board Members Present:

Tim Lipinski
Rich Holmer
Sukey Robb-Wilder
Nance Jones

Board Members Absent:

Gaylord Schaap

Staff in Attendance:

Eric Schanz, General Manager
Nicole King, Board Secretary

Others in Attendance:

Erica Gonzalez, Redwood Public Law
Bob Dozer
Kathy Spicher
Mike Nichols
Nathan Gilfenbaum
Julie Kenny
Michael Celantano
Ryan Atkinson

I. CALL TO ORDER (6:27 p.m.)

The properly agendized meeting was called to Order by President Lipinski at 6:27 p.m.

II. CHANGES TO AGENDA and DECLARATION OF CONFLICT (6:28 p.m.)

(None.)

III. CONSENT CALENDAR (6:28 p.m.)

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

- A. Approval of the following Minutes of the October 3, 2024, Regular Board Meeting
- B. Approval of Operations Warrants/Online payments/EFT

- C. Receipt of items of Correspondence. (None)

IV. PUBLIC COMMENT (6:30 p.m.)

(None.)

V. ADMINISTRATIVE (6:30 p.m.) *

**in the order discussed*

- V-A. (6:30 p.m.) Discussion/Action re Presentation by North Bay Communication Cooperative about GMRS network.** Members of the NBCC, Bob Dozer, Kathy Spicher, Mike Nichols, and Nathan Gilfenbaum gave a presentation on this item. Discussion ensued. Comments were made by Legal Counsel. Further discussion ensued. Director Robb-Wilder moved to have an agreement made between Sweetwater Springs Water District and NBCC and to have it available at a future meeting. Director Holmer seconded. Motion carried 4-0.
- V-B. (7:10 p.m.) Discussion/Action re FY 2023-24 Draft Audit.** Michael Celentano gave an overview of this item. Discussion ensued. There were no public comments. No action was taken.
- V-C. (7:31 p.m.) Discussion/Action re Actual vs. Budgeted Report – FY 2024-25 1Q.** The GM gave an overview of this item. Discussion ensued. All board members were in support of transferring \$250,000.00 to the sinking fund. No formal action was taken.
- V-D. (7:38 p.m.) Discussion/Action re Holiday Party.** The GM gave an overview of this item. Discussion ensued.
- V-D. (7:42 p.m.) Board Ad Hoc Committee Reports (standing item).**
Ad Hoc Committees:
1. Recruitment/Retention
2. Revenue Development
3. Union Negotiations Planning

The Recruitment/Retention Ad Hoc Committee did not meet, therefore had nothing to report. Director Jones gave an overview of the Revenue Development committee, discussion ensued. Director Holmer gave an overview of the Union Negotiations Planning committee, further discussion ensued.

VI. GENERAL MANAGER'S REPORT (7:46 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. Gantt Chart
7. Grants
8. Wright Drive
9. Master Plan

Discussion ensued.

**VII. BOARD MEMBERS' ANNOUNCEMENTS/COMMENTS
(7:58 p.m.)**

VIII. ITEMS FOR THE NEXT AGENDA (7:59 p.m.)

1. Elect officers
2. Mt. Jackson GMRS agreement
3. Master Plan summary

ADJOURN

The meeting adjourned at 8:04 p.m.

Respectfully submitted,

Nicole King
Clerk to the Board of Directors

APPROVED:

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

SWEETWATER SPRINGS WATER DISTRICT

TO: Board of Directors

AGENDA NO. V-A

FROM: Eric Schanz, General Manager

Meeting Date: December 5, 2024

SUBJECT: 2025 ORGANIZATION MEETING / BOARD ELECTIONS

RECOMMENDED ACTION: Elect Board officers for the coming year.

FISCAL IMPACT: None.

DISCUSSION:

District policy requires the election of officers for the coming year at the December Board meeting unless there is a change in the Board due to the November election. District policy states:

"5000.50 Annual Organizational Meeting: The Board of Directors shall hold an annual organizational meeting at its regular meeting in December, except in years when new Directors are elected to the Board at the November regular election and seated after the regular December meeting. In those years, the annual organization meeting will be held at the regular January meeting. At this annual meeting, the Board will select and appoint officers, as described in sections 4050.11 through 4050.13, from among its members to serve during the coming calendar year."

Sections 4005.11 through 4050.13 describe the positions of President, Vice President, and Financial Coordinator.

This year there are no new Directors to be seated after the December meeting; thus, the Board will select and appoint officers at the December meeting.

SWEETWATER SPRINGS WATER DISTRICT

TO: Board of Directors

AGENDA NO. V-B

FROM: Eric Schanz, General Manager

Meeting Date: December 5, 2024

SUBJECT: Resolution 24-16 - NOTICE OF COMPLETION FOR THE FISCAL YEAR 2023-24 HARRISON TANK REPLACEMENT PROJECT

RECOMMENDED ACTION: Approve Resolution 24-16 which authorizes the General Manager to accept the Fiscal Year (FY) 2023-24 Harrison Tank Replacement Project as substantially complete.

FISCAL IMPACT: None

DISCUSSION: The FY 2023-24 Harrison Tank Replacement Project, which involved the removal and replacement of a 130,000-gallon water tank in Monte Rio, CA is complete. Project Engineers, Coastland Engineering (Coastland), have communicated that Piazza Construction has satisfactorily completed all elements of the project. As such it is appropriate for the Board to approve Resolution 24-16 which authorizes the General Manager to accept the Project as substantially complete, and to file a Notice of Completion.

Sweetwater Springs Water District entered into a contract with Piazza Construction (Piazza) for construction of the FY 2022-23 CIP on November 2, 2023, for a contract price of \$675,500, plus up to \$67,550 in possible change orders.

The ending project cost was \$701,353.51 which is \$25,853.51 over the bid amount due to change orders. Net total change orders for the project were the exact amount of the total cost overage of 25,853.21.

The replacement of Harrison Tank has many benefits to the community. The original tank was built in 1959 and was a welded steel tank. Due to the age of the tank and the code requirements of the time the old tank was not seismically reinforced. The new tank is built to current seismic building standards, helping to ensure water supply should an earthquake occur.

The replacement tank will require less maintenance, lowering the O&M cost. The new tank meets current OSHA standards for fall protection ensuring the District is in OSHA compliance and reduces the chance of injury to staff.

The Harrison Tank is the primary supply tank for the south side of the Monte Rio Community. The Harrison Tank is designed to provide additional emergency water supply should there be a temporary issue with the main water supply line that delivers water to that part of Monte Rio reducing the potential for water outages.

Resolution No. 24-16

A RESOLUTION OF THE SWEETWATER SPRINGS WATER DISTRICT BOARD OF DIRECTORS AUTHORIZING THE GENERAL MANAGER TO ACCEPT THE FISCAL YEAR 2023-24 LOWER HARRISON TANK PROJECT AND TO SIGN AND RECORD A NOTICE OF COMPLETION

WHEREAS, Sweetwater Springs Water District (“District”), entered into a construction contract with Piazza Construction (“Contractor”) on November 2, 2023, for the construction of the District’s Fiscal Year 2023-24 Capital Improvement Project (“Project”), which is the removal and replacement of a 130,000-gallon water tank at the Harrison Tank site in Monte Rio, CA.

WHEREAS, the Project has been overseen by Coastland Engineering (Coastland), who provided engineering services for the District on this project; and

WHEREAS, Coastland informed the District on August 13, 2024, that the Project has been substantially completed; and

WHEREAS, Coastland has recommended that the District sign and record a Notice of Completion for the project.

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

1. The General Manager is hereby authorized to accept the improvements constructed as part of the Project.
2. The District Approves the General Manager to sign and record a Notice of Completion.

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 December 5, 2024, by the following vote:

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

Tim Lipinski
President of the Board of Directors

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

SWEETWATER SPRINGS WATER DISTRICT

TO: Board of Directors

AGENDA NO. V-C

FROM: Eric Schanz, General Manager

Meeting Date: December 5, 2024

SUBJECT: Resolution 24-17 A Memorandum of Understanding (MOU) with WiConduit/North Bay Communications Cooperative (NBCC)

RECOMMENDED ACTION: Approve Resolution 24-14 authorizing a MOU with WiConduit/ North Bay Communications Cooperative (NBCC), to install and maintain communication resources on District property for the benefit of the local community.

FISCAL IMPACT: None. WiConduit/NBCC will bear all costs and fees associated with installation and maintenance.

DISCUSSION:

WiConduit is the fiscal sponsor for North Bay Communication Cooperative (NBCC). NBCC is an auxiliary communications service that provides an organized platform and support for neighborhoods seeking redundancy in communication. Utilizing General Mobile Radio Service (GMRS)/FRS/HAM radio technology, NBCC ensures reliable communication when traditional communication systems fail. NBCC has a dedicated team of volunteers that coordinate and conduct workshops throughout the region, providing comprehensive training on radio usage and how to effectively use the NBCC radio network.

At its November 7, 2024 regular meeting, the Board received a presentation from NBCC on the GMRS network in Sonoma County. NBCC requested that the Board consider allowing NBCC to install a GMRS Radio Repeater on Mount Jackson to better enhance the communications network. The Board consented to the project upon approval of a written agreement. Staff have negotiated a Memorandum of Understanding (MOU) between WiConduit/NBCC and the District, detailing the terms of the agreement, usage of District property, equipment maintenance expectations, insurance requirements, and other provisions for the installation and operation of a GMRS repeater system.

RESOLUTION 24-17

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SWEETWATER SPRINGS WATER DISTRICT APPROVING THE MEMORANDUM OF UNDERSTANDING WITH WICONDUIT/NORTH BAY COMMUNICATION COOPERATIVE (NBCC)

WHEREAS, the Sweetwater Springs Water District (“District”) recognizes the mutual benefits of enhanced communication resources for community safety and resilience, particularly during emergencies; and

WHEREAS, North Bay Communications Cooperative (“NBCC”) is an auxiliary communications service that provides communication redundancy to communities in Sonoma County, utilizing General Mobile Radio Service (GMRS) technology to facilitate reliable communication in the event of disruptions to traditional communication systems; and

WHEREAS, WiConduit, a nonprofit organization, serves as the fiscal sponsor for NBCC, providing administrative support, liability insurance, and authorized to execute agreements on behalf of NBCC to enable successful implementation of its communication services; and

WHEREAS, NBCC, through WiConduit’s fiscal sponsorship, owns and operates multiple radio repeater systems within Sonoma County, with the necessary expertise and personnel to maintain and operate such equipment according to established engineering and amateur radio practices; and

WHEREAS, the District seeks to establish this Memorandum of Understanding (MOU) to enable NBCC, with WiConduit as its fiscal sponsor, to install and maintain a GMRS repeater on Sweetwater property for the benefit of the local community; and

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

The General Manager is hereby authorized and directed to execute the Memorandum of Understanding attached hereto as Exhibit A and take all necessary actions to affect its purpose.

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 December 5, 2024, by the following vote:

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

Tim Lipinski
President of the Board of Directors

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

(Exhibit A)

MEMORANDUM OF UNDERSTANDING

BETWEEN SWEETWATER SPRINGS WATER DISTRICT AND WICONDUIT (AS FISCAL SPONSOR FOR NORTH BAY COMMUNICATIONS COOPERATIVE)

This Memorandum of Understanding (“MOU”) is made and entered into by and between WiConduit, with principal address at 11150 Canyon Road, Forestville, California 95436 (“**WiConduit**”), as fiscal sponsor and on behalf of North Bay Communications Cooperative (“**NBCC**”), and Sweetwater Springs Water District, with a principal address at 17081 Hwy 116, Suite B, Guerneville, California 95446 (“**Sweetwater**” or “**District**”), together referred to as “**Parties**” and individually as “**Party**.”

RECITALS

Whereas, NBCC is an auxiliary communications service that provides communication redundancy to communities in Sonoma County, utilizing General Mobile Radio Service (GMRS) technology to facilitate reliable communication in the event of disruptions to traditional communication systems; and

Whereas, Sweetwater is a public agency which provides drinking water distribution and maintenance services to five townships along the Russian River; and

Whereas, Sweetwater has an interest in providing its customers with safe and quality drinking water, and to manage District resources for the benefit of the community and environment; and

Whereas, WiConduit, a nonprofit organization, serves as the fiscal sponsor for NBCC, providing administrative support, liability insurance, and the execution of agreements on behalf of NBCC to enable successful implementation of its communication services; and

Whereas, NBCC, through WiConduit’s fiscal sponsorship, owns and operates multiple radio repeater systems within Sonoma County, with the necessary expertise and personnel to maintain and operate such equipment according to established engineering and amateur radio practices; and

Whereas, Sweetwater owns, leases, and/or manages various properties, including the Mount Jackson site, which historically supported amateur radio and repeater systems to aid community emergency and auxiliary communication; and

Whereas, the Parties recognize the mutual benefits of enhanced communication resources for community safety and resilience, particularly during emergencies, and seek to establish this MOU to enable NBCC, with WiConduit as its fiscal sponsor, to install and maintain a GMRS repeater on Sweetwater property for the benefit of the local community.

AGREEMENT

1. PURPOSE. This MOU is intended to detail terms of the agreement, usage of District owned property, equipment maintenance expectations, insurance requirements, and other provisions for NBCC installation and operation of a GMRS repeater system at the Mount Jackson site to enhance the emergency communication capabilities for the surrounding communities and facilitate reliable communication in the event of disruptions to traditional communication systems.

2. TERM. The term of this MOU will begin December 5, 2024 (“**Effective Date**”) and remain in full force and effect for a period of ten (10) years (“**Initial Term**”). Either party may terminate this MOU, provided written notice is given at least ninety (90) days in advance.

The Parties will have an option to extend the term of this MOU past the Initial Term, for two (2) additional periods of five (5) years each (each, a “**Renewal Term**”) unless one Party gives the other ninety (90) days’ written notice of its determination not to renew.

Upon termination, WiConduit and/or NBCC shall remove all property owned by it from District property and return all facilities in as good condition when received.

3. NBCC’S RESPONSIBILITIES.

A. Repeater Installation and Access.

NBCC, with oversight and support from WiConduit, shall, at its sole cost and expense, be responsible for the installation of no more than one (1) GMRS repeater equipment at the Mount Jackson site. Site access shall be granted to NBCC technical personnel as coordinated and approved by Sweetwater management. NBCC shall make no changes to District property without its prior written approval.

B. Operational Standards and Compliance.

NBCC, with oversight and support from WiConduit, shall, at its sole cost and expense, be responsible for the operation of the GMRS repeater. The repeater shall be operated in accordance with good engineering and amateur radio practices, ensuring compliance with Federal Communications Commission (FCC) standards. NBCC will also ensure that its operations do not interfere with other radio services at the site. Any intended changes to equipment or operational parameters will be communicated in writing and advance to Sweetwater and shall be subject to Sweetwater approval.

C. Maintenance.

NBCC, with oversight and support from WiConduit, shall, at its sole cost and expense, be responsible for the maintenance and repair of the GMRS repeater in a clean, safe, and orderly condition.

D. Access Control and Personnel Accountability.

NBCC agrees to limit access to its repeater equipment to designated personnel, whose names and contact information will be provided to Sweetwater. NBCC shall enter the Mount Jackson property at reasonable hours and abide by all requirements of Sweetwater to secure the Mount Jackson property from unauthorized public access, such as using designated lock and key. NBCC, through WiConduit's administrative support, will update Sweetwater in writing of any personnel changes requiring access to the Mount Jackson site.

E. Permits and Licenses.

NBCC at its own expense, shall obtain and maintain and cause its contractors and/or subcontractors to obtain and maintain licenses and permits required by federal, state, local, or other relevant governing or regulatory bodies needed to perform the services as prescribed herein under this MOU.

F. Ownership.

Sweetwater shall have no ownership, lease or other property interest in the GMRS repeater, which shall be the sole property of NBCC and WiConduit.

4. SWEETWATER'S RESPONSIBILITIES.

A. Repeater Installation and Access.

Sweetwater agrees to provide a non-exclusive and revocable license to use and occupy a reasonable space upon the Mount Jackson site for the installation of no more than one (1) NBCC GMRS repeater equipment at, with site access granted to NBCC technical personnel as coordinated and approved by Sweetwater management.

5. INSURANCE AND INDEMNIFICATION.

A. Insurance.

WiConduit, as the fiscal sponsor for NBCC, shall procure and maintain for the duration of this MOU insurance against claims for injuries to persons or damages to property that may arise from or in connection with the performance of the work hereunder by WiConduit, NBCC, and their respective agents, representatives and employees.

a. Minimum Scope of Insurance. Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).

2. Insurance Services Office form covering automobile Liability, code 1 (any auto), or code 8, 9 if no owned auto.
 3. Workers' Compensation Insurance as required by the State of California and Employers' Liability Insurance. If no employees are utilized, WiConduit shall sign a declaration as described in California Health and Safety Code Section 19825.
- b. Minimum Limits of Insurance. WiConduit shall maintain limits no less than:
1. General Liability: \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
 2. Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.
 3. Workers' Compensation statutory limit and Employer's Liability: \$1,000,000 per accident for bodily injury or disease.
- c. Deductibles and Self-Insured Retention. Any deductibles or self-insured retentions must be declared to and approved by the District. At the option of the District, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the District, its officers, officials, employees and volunteers, or WiConduit/NBCC shall provide a financial guarantee satisfactory to the District guaranteeing payment of losses and related investigations, claim administration and defense expenses.
- d. Other Insurance Provisions. The Commercial General Liability and Automobile Liability policies are to contain, or be endorsed to contain, the following provisions:
1. The District, its officers, officials, employees and volunteers are to be covered as Insureds as respects: liability arising out of work or operations as performed by or on behalf of WiConduit/NBCC; or automobiles owned, leased, hired or borrowed by WiConduit/NBCC.
 2. For any claims related to this MOU, WiConduit/NBCC's insurance coverage shall be primary insurance as respects the District, its officers, officials, employees and

volunteers. Any insurance or self-insurance maintained by the District, its officers, officials, employees or volunteers shall be in excess of WiConduit/NBCC's insurance and shall not contribute with it.

3. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, unless thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the District.
4. The Workers' Compensation endorsement shall contain a Waiver of Subrogation against the District. The WiConduit/NBCC shall provide to the District an endorsement from the Worker's Compensation insurer, if any, agreeing to waive all rights of subrogation against the District for injuries to employees of the Insured resulting from work for the District or use of the District's premises or facilities.
 - e. Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the District .

B. Indemnification.

WiConduit, as the fiscal sponsor for NBCC, shall indemnify, defend with counsel acceptable to District, and hold harmless to the full extent permitted by law, District and its officers, officials, employees, agents and volunteers from and against any and all liability, loss, damage, claims, expenses and costs (including, without limitation, attorney fees and costs and fees of litigation) (collectively, "Liability") of every nature arising out of or in connection with WiConduit and NBCC's performance of under this MOU, except such Liability caused by the active negligence, sole negligence or willful misconduct of the District.

C. Limitation of Liability.

Sweetwater shall not be liable for any special, incidental, indirect, or consequential damages, including without limitation, loss of profits or commitments to subcontractors, and any special, incidental, indirect or consequential damages incurred by NBCC or WiConduit.

Waiver of Subrogation.

6. **INDEPENDENT CONTRACTOR.** It is understood and agreed that in the performance of this MOU, NBCC and WiConduit (including their employees and agents) are acting in the capacity of an independent contractor, and not as an agent or employee of the District.

7. **GOVERNING LAW.** This MOU shall be construed, and its performance enforced under California law. Venue shall be in the Superior Court of the State of California in the County of Sonoma.

8. **NON-WAIVER.** The District's failure to enforce any provision of this MOU or the waiver of any provision in a particular instance shall not be construed as a general waiver of any part of such provision. The provision shall remain in full force and effect.

9. **ASSIGNMENT.** No assignment in transfer in whole or in party of this MOU shall be made without the prior written consent of District.

10. **SEVERABILITY.** If any term or portion of this MOU is held to be invalid, illegal, or otherwise enforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall continue in full force and effect.

11. **HEADINGS.** The headings of the sections and exhibits of this Agreement are inserted for convenience only. They do not constitute part of this Agreement and are not to be used in its construction.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed the day and year first above written.

SWEETWATER SPRINGS WATER
DISTRICT

WICONDUIT (ON BEHALF OF NORTH
BAY COMMUNICATIONS
COOPERATIVE)

By: _____
Eric Schanz, General Manager

By: _____
Calvin Sandeen
NBCC | Chair & WiConduit | Executive
Director (Fiscal Sponsor)

APPROVED AS TO FORM:

Erica C. Gonzalez
District Counsel

SWEETWATER SPRINGS WATER DISTRICT

TO: Board of Directors

AGENDA NO. V-D

FROM: Eric Schanz

Meeting Date: December 5, 2024

**Subject: DISCUSSION/ACTION RE RESOLUTION 24-15, ACCEPTING THE FINAL
AUDIT FOR THE FISCAL YEAR ENDING JUNE 30, 2024**

RECOMMENDED ACTION:

Approve Resolution 24-02, Accepting the Final Audit for the Fiscal Year Ending June 30, 2024.

FISCAL IMPACT:

Preparation of the FY 2023-24 Audit cost \$9,000.

DISCUSSION:

Our FY 2023-24 Audit was conducted by Michael Celentano, CPA. Mr. Celentano discussed the Audit with you at our November meeting.

Staff recommends the Board approve Resolution 24-15, Accepting the Final Audit for the Fiscal Year Ending June 30, 2024.

Resolution No. 24-15

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SWEETWATER SPRINGS WATER DISTRICT ACCEPTING THE FINAL AUDIT FOR THE FISCAL YEAR ENDING JUNE 30, 2024

WHEREAS, the Sweetwater Springs Water District is required to have annual audits performed relative to the spending of public funds; and

WHEREAS, Michael Celentano, CPA provides said auditing service and is under contract with the District to perform such audits.

NOW, THEREFORE BE IT RESOLVED, that the Board of Directors of the Sweetwater Springs Water District has reviewed the audit as prepared by Michael Celentano, CPA for the year ending June 30, 2024, and accepts the information contained therein.

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 December 5, 2024, by the following vote.

Director	Aye	No
Sukey Robb-Wilder	_____	_____
Tim Lipinski	_____	_____
Rich Holmer	_____	_____
Gaylord Schaap	_____	_____
Nance Jones	_____	_____

Tim Lipinski
President of the Board of Directors

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

SWEETWATER SPRINGS WATER DISTRICT

BASIC FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

**SWEETWATER SPRINGS WATER DISTRICT
FINANCIAL STATEMENTS**

JUNE 30, 2024 AND 2023

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Board of Directors
Sweetwater Springs Water District
Guerneville, California

Independent Auditor's Report

Qualified Opinions

I have audited the accompanying financial statements of the business-type activities Sweetwater Springs Water District as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Sweetwater Springs Water District's basic financial statements as listed in the table of contents. In my opinion, except for the effects of the matter described in the "Basis for Qualified Opinion" paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Sweetwater Springs Water District as of June 30, 2024 and 2023 and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion

Management has not adopted GASB Statement 68 "Accounting and Financial Reporting of Pension Plans." and amendments to GASB 68". Accounting principles generally accepted in the United States of America require that Deferred Inflows/Outflows and Adjusted Pension Expense be recorded currently which would increase the assets and liabilities and change the pension expense. The effect on Deferred Inflows/Outflows and payroll and employee benefits expenses has not been determined. See Footnote 6 for more detail.

Management has not adopted GASB Statement 75 "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions". Accounting principles generally accepted in the United States of America require that Unfunded Postemployment Benefit's Liability, Deferred Inflows/Outflows and Adjusted Employee Benefits Expense be recorded currently which would increase the liabilities and decrease the fund balance and change the employee benefit expense. The amount by which this departure would affect the liabilities by increasing Net OPEB Liability by \$201,132 and decreasing fund balance by \$201,132. The effect on Deferred Inflows/Outflows and payroll and employee benefit expenses has not been determined. See Footnote 11 for more detail.

.Basis for Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Sweetwater Springs Water District, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Sweetwater Springs Water District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sweetwater Springs Water District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Sweetwater Springs Water District's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, 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. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about 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 do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

A handwritten signature in black ink, appearing to read 'M. Celentano', with a stylized flourish at the end.

Michael A Celentano
Certified Public Accountant

October 28, 2024

Management Discussion & Analysis (Unaudited)

Management has prepared this financial overview of the activities of the Sweetwater Springs Water District for the fiscal year ended June 30, 2024. It serves as an introduction to the financial statements contained in the Audit Report and a summary of major activities of the District for the fiscal year. Much of the analysis is comparative to last year's activity.

The Discussion begins with a comparison of key financial activities to the prior year, together with a selection of financial activities that management considers worthy of special note for FY 2023-24. The condensed financial statements that follow provide a financial summary of the Audit Report. Following the financial statements are additional details on capital spending, District debt and future plans of the District.

I. SELECTED FINANCIAL ACTIVITIES IN 2023-24

Selected revenues, expenses, and balances:

	<u>FY 2023-24</u>	<u>FY 2022-23</u>
Water Sales:	\$3,156,137	\$2,926,608
Net Income (Change in Net Position):	\$1,591,838	(\$120,777)
Net Income excluding non-cash rev/exp:	\$2,699,059	\$1,878,269
Surplus operating income transferred to CIRF:	\$535,000	\$400,000
Operating Expenses (before depreciation):	\$2,169,555	\$1,995,951
Capital Improvement expenditures:	\$867,465	\$1,693,418
Debt Payments (principal + interest):	\$781,024	\$779,373
Funds available for Capital/Debt spending at FYE:	\$2,778,328	\$2,676,773
Net Pension Liability (Surplus) (PERS UL):	\$328,932	\$428,161
Capital Debt:	\$8,067,792	\$8,625,190

Other Notes for FY 2023-24:

(1) **Grants received:** FY 2023-24 income includes \$915,658 in grant funding.

(2) **PERS Unfunded Liability:** In FY 2023-24, the District made an extra payment toward PERS Unfunded Liability in the sum of \$275,000.

II. BASIC FINANCIAL STATEMENTS

The Financial Statements of the District report information about the District using accounting methods similar to those used by private sector companies. These statements offer short- and long-term financial information about its activities. The two statements contained in this Management's Discussion and Analysis are condensed versions of the statements in the Audit Report:

The Statement of Net Position is comparable to a Balance Sheet. It includes all of the District's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations of the District's creditors (liabilities). It also provides the basis for computing rate of return, evaluating the capital structure of the District, and assessing the liquidity and financial flexibility of the District.

All of the current fiscal year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position, comparable to an Income Statement. This statement measures the success of the District's operations over the past fiscal year and can be used to determine the

District's creditworthiness and whether the District has successfully recovered all its costs through its user fees and other charges.

Not included in this Management's Discussion and Analysis but required in the Audit report is the Statement of Cash Flows. The primary purpose of this statement is to provide information about the District's cash receipts and cash payments during the reporting period. It provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

STATEMENT OF NET POSITION

A summary of the District's Statement of Net Position in FY 2023-24 compared to FY 2022-23 is presented in Table 1 below. Generally, an increase in the District's net position is a good indicator of whether its financial health is improving or deteriorating. The District's net position increased by \$1,591,838 to \$16,555,770 at FYE 2024, up from \$14,963,932 at FYE 2023 as the District continued to reduce longterm debt while both cash reserves and receivables increased.

Table 1
Condensed Statement of Net Position

	<u>FYE 2024</u>	<u>FYE 2023</u>	<u>\$ Change</u>	<u>% Change</u>
Cash	3,931,275	3,227,398	703,877	21.8%
Capital Assets	20,212,248	20,310,844	(98,596)	-0.5%
Receivables/Other Assets	1,305,493	663,542	641,951	96.7%
Total Assets	25,449,016	24,201,784	1,247,232	5.2%
Bond & Loan principal debt outstanding	8,067,792	8,625,190	(557,398)	-6.5%
Other long-term liabilities	354,378	441,433	(87,055)	-19.7%
Other short-term liabilities	471,076	171,229	299,847	175.1%
Total Liabilities	8,893,246	9,237,852	(344,606)	-3.7%
Net investment in capital assets	12,344,456	11,685,654	658,802	5.6%
Restricted	0	0	0	
Unrestricted	4,211,314	3,278,278	933,036	28.5%
Total Net Position	16,555,770	14,963,932	1,591,838	10.6%

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

The Statement of Revenues, Expenses, and Changes in Net Position provides additional information concerning this year's revenues and expenses that impacted net position. Table 2 below compares the District's Statement of Revenues, Expenses, and Changes in Net Position in FY 2023-24 versus FY 2022-23. The District's normal sources of revenue and expenses were on the whole slightly better in FY 2023-24 than FY 2022-23: Both revenue and expenses were up, but revenues were up just a bit more. However, one-time revenues (grant funding) and expenses (mostly PERS UL) compared very favorably to last year: In FY 2023-24 the District recorded \$716,949 more in grant revenue than in FY 2022-23 while our unrealized expenses (mostly PERS liability expense) went *down* by \$917,921.

Table 2
Condensed Statement of Revenues, Expenses, and Changes in Net Position

	<u>FYE 2024</u>	<u>FYE 2023</u>	<u>\$ Change</u>	<u>% Change</u>
Water Sales	3,156,137	2,926,608	229,529	7.8%
Total Operating Revenues	3,156,137	2,926,608	229,529	7.8%
Operating Expenses:				
Salaries & Benefits	1,467,349	1,288,451	178,898	13.9%
Services & Supplies	702,206	707,500	(5,294)	-0.7%
Depreciation Expense (unrealized)*	972,870	933,062	39,808	-
Total Operating Expenses	3,142,425	2,929,013	213,412	7.3%
Net Operating Income (Loss)	13,712	(2,405)	16,117	670.1%
Non-Operating Revenue				
Non-Operating Revenue	1,028,237	982,312	45,925	4.7%
Non-Operating Expenses:	(217,706)	(233,409)	15,703	-6.7%
Capital Project Grants	915,658	198,709	716,949	360.8%
Unrealized Non-Operating Revenue (Expense)*	(148,063)	(1,065,984)	917,921	-86.1%
Total Non-Operating Revenue (Expenses)	1,578,126	(118,372)	1,696,498	-1433.2%
Net Income (Loss)				
or Change in Net Position	1,591,838	(120,777)	1,712,615	-1418.0%

* Unrealized income/expenses do not affect the District's FY cash flow

Total **operating and non-operating revenues** were \$4,184,374, 7.0% more than last year. Operating revenue (Water Sales) was up 7.8% from last year; water rates were increased by 7.5%. Non-operating revenue is primarily flat charge revenue and (this year) grants. Flat charge revenue is collected via property tax bills and is expected to remain constant from year to year at around \$750,000, this year it came in at \$773,695. In FY 2023-24, the District received \$915,658 in grant funding, up from \$198,709 last year.

On the expense side, total **operating and non-operating expenses (including depreciation expense)** were \$3,360,131, 6.3% more than last year. Most of this increase was in Salaries & Benefits, as existing District staff gained experience and all open positions were filled. Separate from the District's normal operating expense is the unrealized non-operating expense, which in FY 2023-24 consists mostly of increases to our PERS unfunded liability and – to a smaller extent – to investment losses on our PARS funds. We discuss this line item separately not only because PERS unfunded liability changes can swing widely from year to year, significantly skewing overall numbers, but also because they are a non-cash expense. Depreciation expense is also an unrealized, non-cash expense, but is much more stable from year-to-year.

III. CAPITAL SPENDING

In FY 2023-24, the District completed the Moscow Road Emergency project and the Neeley Road Emergency project, plus continued/started other projects as noted on the next page:

Project	Project Description	Amount spent FY 2022-23	% complete at FYE 2023
Moscow Road	Relocate 200 lf 8" C-900 line with 8" ductile on the river side	\$1,103	100% complete. This became a County -funded project. Est. at \$150,000 Project Total: \$9,000
Moscow Road Emergency Project 2023	Install 150 lf of 8" c-900 main damaged by mudslide. Install 475 lf 8" water main outside the slide area to mitigate a future slide.	\$371	100% complete Project Total: \$197,898
Neeley Road project	Replace 1200 lf 2" galvanized water main and 17 water services with 6-inch C-900 pipe, plus one fire hydrant.	\$42,164	100% complete Project Total: \$382,024
Lower Harrison Tank Replacement	Removed old tank and replace with new 125,000 gallon tank	\$748,375	85% complete Est. \$586,000 (underbudgeted)
Wright Drive project	Replace 6500 lf 2" and 6" galvanized ad asbestos line with 6" HDPE, including 65 water services plus 22 fire hydrants; replace Edghill booster station	\$33,800	1% complete As of FYE construction portion not yet out to bid Est. \$3,100,000

In addition to these capital projects, \$36,871 was spent on In-House Tanks/Facilities projects, and work began on a District Master Plan estimated to cost \$220,000.

IV. DISTRICT DEBT/SOURCES OF DEBT REPAYMENT

At the beginning of FY 2023-24, the District owed a total of \$8,625,190 in bond debt and a private placement loan. During the year the District made \$557,398 in principal payments. With interest, debt payments totaled \$781,024. No new debt was taken out in FY 2023-24. At FYE, the District owed a total of \$8,067,792 in borrowed funds.

The table below summarizes activity on the bonds and loans in FY 2023-24:

<u>DEBT TYPE</u>	<u>ORIGINAL PRINCIPAL</u>	<u>PRINCIPAL OWED JULY 1, 2023</u>	<u>PRINCIPAL PAID FY 2023-24</u>	<u>PRINCIPAL OWED FYE 2024</u>
USDA G.O. Bonds	\$1,647,875 (2014)	\$1,429,161	\$30,341	\$1,398,820
USDA G.O. Bonds	\$1,535,000 (2019)	\$1,458,000	\$27,000	\$1,431,000
Capital One Bonds	7,993,000 (2013)	\$4,653,092	\$316,200	\$4,336,892
Private Placement Loan	\$3,000,000 (2008)	\$1,084,937	\$183,857	\$901,080
		\$8,625,190	\$557,398	\$8,067,792

V. DISTRICT RESERVES AND RESERVES ABOVE POLICY

The District adopted a Reserve Policy in 2009 that calls for leaving a designated amount of District funds in reserve for emergencies. In FY 2023-24, District non-operating funds totaled \$3,730,832. Of this amount, \$952,504 was designated as Reserves. The remainder - \$2,778,328 - is mostly used for Capital budget expenses, which include District debt.

VI. ECONOMIC FACTORS, PROJECTED CAPITAL EXPENDITURES/SOURCES OF FUNDING

The bulk of the District's typical and unrestricted income is tied to water sales and flat charge revenue, both unaffected in any major way by economic events. The bulk of the District's cash on hand - over 85 percent - is conservatively managed via the County of Sonoma's investment pool. Invested principal is secure, and the pool's interest rates have been rising steadily in FY 2023-24. In addition to funds invested with the County, the District has invested in mutual funds through the Public Agency Retirement System (PARS). Use of the PARS funds is limited to an amount no greater than the costs of the PERS retirement program. The PARS investment is similar to the District's investment with the California Employee Retirement Benefit Trust (CERBT), managed by CalPERS. Use of funds invested with CERBT are limited to amounts no greater than the cost of retiree health benefits.

The District's 2021-26 Capital Improvement Program identifies almost \$5 million of additional capital projects. According to the District's long-term budget for this same time period annual capital construction costs will average about \$750,000/year. The District's capital construction is funded from four sources:

- **Surplus revenue.** In FY 2023-24 surplus operating revenue was \$535,000 and surplus capital revenue was \$497,455, for a total of \$1,032,455.
- **Grants.** In FY 2023-24 the District recorded \$915,658 (including grant receivables) in grant funding for capital projects and is approved for additional grant funding expected to be received next year.
- **Loan proceeds.** The District is not considering incurring additional debt at FYE.
- **Capital Funds at FYE.** Funds available for capital spending and capital debt were at \$2,778,328 at FYE 2024. Less funds allocated for longterm debt and funds held with PARS and CERBT, at FYE funds available for future capital expenditures were approximately \$1.2 million.

VII. REQUEST FOR INFORMATION

This financial report is designed to provide our customers and creditors with a general overview of the district's finances and to demonstrate the district's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Sweetwater Springs Water District at P.O. Box 48, Guerneville, California, 95446.

SWEETWATER SPRINGS WATER DISTRICT
STATEMENT OF NET POSITION
June 30, 2024 and 2023

	June 30, 2024	June 30, 2023
ASSETS		
CURRENT ASSETS		
Cash and investments	\$ 2,574,069	\$ 1,994,936
Accounts receivable	209,941	162,609
Flat charges receivables	31,512	25,344
Grant receivable	715,995	166,323
Unbilled revenue	284,611	246,066
Inventory	56,505	56,505
Prepaid expenses	6,929	6,695
TOTAL CURRENT ASSETS	3,879,562	2,658,478
NONCURRENT ASSETS		
Land	143,053	143,053
Construction in progress	847,279	605,607
Buildings and improvements	34,973,533	34,340,931
Machinery and equipment	711,404	711,404
Less-accumulated depreciation	(16,463,021)	(15,490,151)
TOTAL CAPITAL ASSETS, NET	20,212,248	20,310,844
OTHER NONCURRENT ASSETS		
Restricted cash and investments	1,357,206	1,232,462
TOTAL OTHER NONCURRENT ASSETS	1,357,206	1,232,462
TOTAL ASSETS	25,449,016	24,201,784
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	335,592	42,633
Accrued wages	27,151	19,720
Accrued interest	81,792	87,710
Customer deposits	18,977	18,602
Road maintenance obligations	7,565	2,564
Current portion of long term debt	571,163	557,398
TOTAL CURRENT LIABILITIES	1,042,240	728,627
LONG TERM LIABILITIES		
Compensated absences	64,897	40,527
General obligation bonds payable	6,785,150	7,166,712
Citizens business bank (COP) payable	711,479	901,080
Net pension liability	328,932	428,161
Other postemployment benefits payable	(39,451)	(27,255)
TOTAL LONG TERM LIABILITIES	7,851,007	8,509,225
TOTAL LIABILITIES	8,893,247	9,237,852
NET POSITION		
Net Investment in capital assets	12,344,456	11,685,654
Unrestricted	4,211,314	3,278,278
TOTAL NET POSITION	\$ 16,555,770	\$ 14,963,932

See accompanying notes to basic financial statements

SWEETWATER SPRINGS WATER DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Fiscal Year Ended June 30, 2024 and 2023

	Totals June 30, 2024	Totals June 30, 2023
Operating Revenues		
Charges for services	\$ 3,156,137	\$ 2,926,608
Total Operating Revenues	3,156,137	2,926,608
Operating Expenses		
Salaries and employee benefits	1,467,349	1,288,451
Service and supplies	702,206	707,500
Depreciation	972,870	933,062
Total Operating Expenses	3,142,425	2,929,013
Operating Income (Loss)	13,712	(2,405)
Non-Operating Revenues (Expenses)		
Interest income	116,977	61,222
Rents	128,648	123,561
Flat charges	773,685	770,616
Grant income	915,658	198,709
Other non-operating revenue	36,635	26,913
Change in actuarial assumptions	(175,771)	(1,065,984)
Interest expense unfunded pension liability	-	-
Interest expense	(217,706)	(233,409)
Total Non-Operating Revenues (Expenses)	1,578,126	(118,372)
Net Income (Loss)	1,591,838	(120,777)
Total Net Position, Beginning of Fiscal Year	14,963,932	15,084,709
Total Net Position, End of Fiscal Year	\$ 16,555,770	\$ 14,963,932

See accompanying notes to basic financial statements

SWEETWATER SPRINGS WATER DISTRICT
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2024 and 2023

	Totals June 30, 2024	Totals June 30, 2023
Cash Flows From Operating Activities		
Cash received from customers	\$ 3,070,260	\$ 2,852,997
Payments to suppliers for goods and services	(656,492)	(775,212)
Payments to employees and related items	(1,499,150)	(1,281,975)
Net cash flows provided by operating activities	914,618	795,810
Cash Flows From Capital and Related Financing Activities		
Acquisition of capital assets	(570,483)	(2,291,258)
Grant income	365,986	721,359
Payments on long term debt	(557,397)	(540,225)
Payments on net pension liability	(275,000)	(3,001)
Interest payments	(223,624)	(239,148)
Net cash flows (used) by capital and related financing activities	(1,260,518)	(2,352,273)
Cash Flows From Non-Capital and Related Financing Activities		
Flat charges	767,517	772,131
Miscellaneous non-operating revenues	36,635	26,913
Net cash provided by non-capital and related financing activities	804,152	799,044
Cash Flows From Investing Activities		
Rents	128,648	123,561
Interest income	116,977	61,222
Net cash flows provided by investing activities	245,625	240,538
Net Increase (Decrease) in Cash and Investments	703,877	(572,636)
Cash and Investments, Beginning of Fiscal Year	3,227,398	3,800,034
Cash and Investments, End of Fiscal Year	\$ 3,931,275	\$ 3,227,398
Reconciliation of Cash and Investments to Amounts Reported on the Statement of Net Position:		
Cash and investments	\$ 2,574,069	\$ 1,994,936
Restricted cash and investments	1,357,206	1,233,462
	\$ 3,931,275	\$ 3,228,398
Supplemental Disclosures:		
Interest expense during the fiscal year	\$ 223,624	\$ 233,409
Interest capitalized during the fiscal year	\$ -	\$ -

(continued)

See accompanying notes to basic financial statements

**SWEETWATER SPRINGS WATER DISTRICT
COMPARATIVE STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2024 and 2023**

(Continued)

	Totals June 30, 2024	Totals June 30, 2023
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operations:		
Operating income (loss)	\$ 13,712	(2,405)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation	972,870	933,062
(Increase) Decrease in Operating Assets:		
Accounts receivable/Unbilled Revenue	(85,877)	(73,611)
Inventory		
Prepaid expenses	(234)	(445)
Increase (Decrease) in Operating Liabilities:		
Accounts payable	(10,834)	(49,241)
Accrued wages	7,431	4,961
Compensated absences	24,370	(2,771)
Customer deposits payable	375	(2,556)
Road maintenance obligations	5,001	(2,518)
Other postemployment benefits payable	(12,196)	(8,666)
Total Adjustments	900,906	798,215
Net Cash Provided by Operating Activities	\$ 914,618	\$ 795,810

See accompanying notes to basic financial statements

SWEETWATER SPRINGS WATER DISTRICT
Notes to Basic Financial Statements
June 30, 2024 AND 2023

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

The Sweetwater Springs Water District (District) was formed on December 6, 1988 with Resolution #88-2184 through an election under Section 30290 of the California State Water Code. The District supplies water services to residential and commercial users, and provides for connections to and the servicing of the delivering system. The District's Board of Directors has the responsibility of overseeing the financial activities of the District.

The District accounting policies conform to accounting principles generally accepted in the United States of America as applicable to governments, in accordance with the uniform system of accounts for water utility special enterprise districts as prescribed by the State Controller in compliance with the government code of the State of California.

B. Basis of Accounting

The District follows the accrual basis of accounting. The District's policy is to record all assets, liabilities, revenues, and expenses on the accrual basis of accounting and the flow of economic resources measurement focus. Under this method, revenue is recognized when earned and expenses are recognized when the related liability is incurred. In these funds, receivables have been recorded as revenue and provisions have been made for uncollectible amounts.

When an expense is incurred for the purpose for which both restricted and unrestricted net position are available, the District's policy is to apply restricted net position first.

C. Proprietary Fund Accounting

The District has one fund which is considered a proprietary fund.

Proprietary Fund Financial Statements include a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Net Position, and a Statement of Cash Flows.

The District's accounting and reporting policies conform to the generally accepted accounting principles accepted in the United States of America (GAAP) as applicable to proprietary funds of government agencies.

Operating revenues in the proprietary fund are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operation of the fund. All other expenses are reported as non-operating expenses.

D. Budgetary Reporting

The annual budget is prepared in accordance with the basis of accounting utilized by the District. The budget is not legally required and therefore budget to actual information has not been presented, either as a statement or required or other supplementary information.

E. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the District considers both operating and restricted cash balances purchased with maturities of less than ninety days to be cash and cash equivalents.

SWEETWATER SPRINGS WATER DISTRICT
Notes to Basic Financial Statements
June 30, 2024 AND 2023

Note 1: Summary of Significant Accounting Policies (Continued)

In accordance with the Governmental Accounting Standards Board (GASB) Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, investments are stated at fair value, based on quoted market values.

F. Receivables

Bad debts associated with accounts receivable for services are tracked each year by staff, but have been deemed immaterial. Other receivables, if any, are shown at the anticipated recoverable amount, unless otherwise noted.

G. Flat Charges Receivable

Flat charges receivable represent direct charges owed to the District by property owners.

H. Inventories

Inventory consists primarily of water meters, water pipes, valves and fittings. Inventory is valued at estimated cost.

I. Capital Assets

Capital assets are recorded at cost or estimated historical cost if actual cost is not available. Contributed assets are recorded at their fair value at the time of transfer to the District. Assets with a value of \$1,000 or less are expensed in the years acquired.

Depreciation is recorded using the straight-line method over the estimated useful lives of the assets. Depreciation is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. The range of estimated useful lives are as follows:

Water system	20 - 40 years
Leasehold improvements	7 years
Equipment	3-5 years

J. Vacation and Sick Leave

Vacation pay is accrued by the District in the period earned. At June 30, 2024 and 2023, accrued vacation pay amounted to \$64,897 and \$40,527 respectively.

K. Deferred Compensation Plans

The District offers its employees two deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans are available to all employees. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) held in trust by a third party administrator (ING and AIG Valic) for the exclusive benefit of the plan participants and their beneficiaries as prescribed by Internal Revenue Code Section 457 (g). Accordingly, these assets have been excluded from the accompanying financial statements.

SWEETWATER SPRINGS WATER DISTRICT
Notes to Basic Financial Statements
June 30, 2024 AND 2023

Note 1: Summary of Significant Accounting Policies (Continued)

L Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

M. Risk Management

The District participates in a joint venture under a joint powers agreement (JPA) with the Special District Risk Management Authority (SDRMA) for insurance purposes. The SDRMA is a joint powers agency formed pursuant to Section 6500 et seq., California Government Code, is comprised of California special districts, and agencies. The relationship between the District and JPA is such that the JPA is not a component of the District for financial reporting purposes. The SDRMA's purpose is to jointly fund and develop programs to provide stable, efficient, and long term risk financing for special districts. These programs are provided through collective self-insurance; the purchase of insurance coverage's; or a combination thereof. SDRMA provides general and auto liability, workers' compensation, public officials' and employees' errors and omissions, employment practices liability, property loss, and boiler and machinery coverage.

N. Net Position

Net Position are classified into three components: 1) invested in capital assets, 2) restricted for debt services, and 3) unrestricted. These classifications are defined as follows:

Net invested in capital assets– This component of net position consists of capital assets, net of accumulated depreciation and reduced by outstanding debt related to financing the acquisition of capital assets.

Restricted for debt service – This component of net position consists of cash and investments that are restricted for debt service pursuant to debt service covenants.

Unrestricted net position – This component of net position consists of net position that does not meet the definitions of “restricted for debt service” or “invested in capital assets.

SWEETWATER SPRINGS WATER DISTRICT
Notes to Basic Financial Statements
June 30, 2024 AND 2023

Note 2: Cash and Investments

The cash and investments are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of District debt instruments or District agreements.

The District's cash and investments are comprised of the following at June 30, 2024:

	Unrestricted	Restricted	Totals
Cash on hand	\$ 300	\$ -	\$ 300
Cash in bank	267,488	156,634	424,122
Cash and investments	2,306,281	1,200,572	3,506,853
Total Cash and Investments	\$ 2,574,069	\$ 1,357,206	\$ 3,931,275
Statement of Net Position:			
Cash and investments	\$ 2,574,069		
Restricted cash and investments	1,357,206		
Total	\$ 3,931,275		

Investments Authorized by the California Government Code and the District's Investment Policy

The table below identifies the investment types that are authorized for the Sweetwater Springs Water District (District) by the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District's investment policy.

SWEETWATER SPRINGS WATER DISTRICT
Notes to Basic Financial Statements
June 30, 2024 AND 2023

Note 2: Cash and Investments (Continued)

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
State of California Obligations	5 years	None	None
CA Local Agency Obligations	5 years	None	None
U.S. Agencies	5 years	None	None
Bankers' Acceptances	180 days	40%	30%
Commercial Paper - Selected Agencies	270 days	25%	10%
Commercial Paper - Other Agencies	270 days	40%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements & Securities Lending Agreements	92 days	20 % of the base value of the portfolio	None
Medium-Term Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	None
Collateralized Bank Deposits	5 years	None	None
Mortgage Pass-Through Securities	5 years	20%	None
Time Deposits	5 years	None	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	\$ 50 Million

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in the market interest rates. The District manages its exposure to interest rate risk by investing a majority of its cash and investments in the County Pooled Investment Fund.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

Investment Type	Totals	Remaining maturity (in Months)					
		12 Months or Less	13 to 24 Months	25-36 Months	37-48 Months	49-60 Months	More Than 60 Months
Public Agency Retirement Svc	\$ 260,858	\$ 260,858					
County Pooled Investment Fund	\$ 3,245,995	\$ 3,245,995	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 3,506,853	\$ 3,506,853	\$ -	\$ -	\$ -	\$ -	\$ -

SWEETWATER SPRINGS WATER DISTRICT
Notes to Basic Financial Statements
June 30, 2024 AND 2023

Note 2: Cash and Investments (Continued)

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by the California Government Code and the District's investment policy, and the actual rating as of fiscal year end for each investment type.

Investment Type	Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Fiscal Year End			
				AAA	AA	A	Not Rated
Public Agency Retirement Svc	\$ 260,858						\$ 260,858
County Pooled Investment Fund	\$ 3,245,995	N/A	\$ -	\$ -	\$ -	\$ -	\$ 3,245,995
Total	\$ 3,506,853		\$ -	\$ -	\$ -	\$ -	\$ 3,506,853

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments that represent 5% or more of total District investments (other than Sonoma County Investment Pool).

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the District's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2024, the District's deposits with financial institutions were \$218,313 in excess of federal depository insurance limits.

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as the Sonoma County Investment Pool).

SWEETWATER SPRINGS WATER DISTRICT
Notes to Basic Financial Statements
June 30, 2024 AND 2023

Note 3: Capital Assets

Capital asset activity for the fiscal year ended June 30, 2024 was as follows:

Capital assets, not being depreciated:

Land	\$ 143,053	\$ -	\$ -	\$ -	\$ 143,053
Construction in progress	605,607	786,956	(545,284)		847,279
	<u>748,660</u>	<u>786,956</u>	<u>(545,284)</u>		<u>990,332</u>
Total capital assets, not being depreciated					

Capital Assets, being depreciated:

Building and improvements	34,340,931	632,602			34,973,533
Machinery and equipment	711,404				711,404
	<u>35,052,335</u>	<u>632,602</u>			<u>35,684,937</u>
Total capital assets, being depreciated					

Accumulated depreciation:

Building and improvements	(14,815,851)	(960,960)			(15,776,811)
Machinery and equipment	(674,300)	(11,910)			(686,210)
	<u>(15,490,151)</u>	<u>(972,870)</u>			<u>(16,463,021)</u>
Total accumulated depreciation					
Total depreciable assets, net	<u>19,562,184</u>	<u>(340,268)</u>			<u>19,221,916</u>
Total capital assets, net	<u>\$ 20,310,844</u>	<u>\$ 446,688</u>	<u>\$ (545,284)</u>	<u>\$ -</u>	<u>\$ 20,212,248</u>

Depreciation expense of \$972,870 was incurred and recorded as an operating expense for June 30, 2024.

Note 4: Long-Term Debt

The following is a summary of changes in long-term debt for the District for the fiscal year ended June 30, 2024:

	Balance at June 30, 2023	Additions	Repayments	Balance at June 30, 2024	Due Within One Year
2003 General Obligation Bonds	2,887,160		(57,340)	2,829,820	58,062
2013 General Obligation Refunding Bonds	4,653,092		(316,200)	4,336,892	323,500
Citizens Business Bank Certificates of Participation	1,084,937		(183,857)	901,080	189,601
Total	<u>\$ 8,625,189</u>	<u>\$ -</u>	<u>\$ (557,397)</u>	<u>\$ 8,067,792</u>	<u>\$ 571,163</u>

SWEETWATER SPRINGS WATER DISTRICT
Notes to Basic Financial Statements
June 30, 2024 AND 2023

Note 4: Long-Term Debt (Continued)

2003 General Obligation Bonds

On April 29, 2003, and pursuant to Resolution No. 03-15, the District authorized the issuance of General Obligation Bond of 1990, Series 2003 in the principal amount of \$4,000,000. The bond was issued as a single fully registered bond and matures in installments of the same principal amounts on the same dates as the registered bonds it represents. Interest on the bond is 4.5% per annum, payable commencing on March 1, 2004 and semi-annually thereafter on September 1st and March 1st in each year to maturity. During the fiscal year ended June 30, 2014, the District prepaid \$1,994,000 of the outstanding principal on the 2003 General Obligation Bonds from a portion of the proceeds of the 2013 General Obligation Refunding Bonds. The first installment payment that was due September 1, 2014 was deferred until September 1, 2015. The accrued interest of \$36,875, as a result of the deferred payment date, was added to the principal balance for a total outstanding balance of \$1,647,875.

The scheduled annual minimum debt service requirements at June 30, 2024 are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2025	31,062	\$ 33,225	\$ 64,287
2026	31,799	32,488	64,287
2027	32,555	31,733	64,288
2028	33,328	30,960	64,288
2029	34,119	30,169	64,288
2030-2034	183,143	138,304	321,447
2035-2039	205,949	115,510	321,459
2040-2044	231,597	89,877	321,474
2045-2049	260,436	61,052	321,488
2050-2054	292,866	28,637	321,503
2055	61,966	1,491	63,457
Total	<u>\$ 1,398,820</u>	<u>\$ 593,446</u>	<u>\$ 1,992,266</u>

2018 General Obligation Bonds

On December 1, 2018, and pursuant to Resolution No. 17-6 and 17-7, the District authorized the issuance of General Obligation Bonds in the principal amount of \$1,535,000. The bond was issued as a single fully registered bond and matures in installments of the same principal amounts on the same dates as the registered bonds it represents. Interest on the bond is 2.25% per annum, payable commencing on June 1, 2019 and semi-annually thereafter on December 1st and June 1st in each year to maturity.

SWEETWATER SPRINGS WATER DISTRICT
Notes to Basic Financial Statements
June 30, 2024 AND 2023

Note 4: Long-Term Debt (Continued)

The scheduled annual minimum debt service requirements at June 30, 2024 are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2025	27,000	\$ 31,894	\$ 58,894
2026	28,000	31,275	59,275
2027	29,000	30,634	59,634
2028	29,000	29,981	58,981
2029	30,000	29,318	59,318
2030-2034	160,000	136,035	296,035
2035-2039	178,000	117,045	295,045
2040-2044	204,000	95,563	299,563
2045-2049	230,000	72,213	302,213
2050-2054	255,000	43,937	298,937
2055-2059	261,000	13,984	274,984
Total	<u>\$ 1,431,000</u>	<u>\$ 631,879</u>	<u>\$ 2,062,879</u>

2013 General Obligation Refunding Bonds

On August 1, 2013, the District issued \$7,993,000 of General Obligation Refunding Bonds bearing interest of 4.50% and payable semi-annually on September 1 and March 1, maturing on September 1, 2033. The proceeds of the Bonds were used to (i) prepay, in full, the 1992 General Obligation Bonds; (ii) partial prepayment of the 2003 General Obligation Bonds, and (iii) pay the costs of issuing the Bonds. The outstanding principal balance of the 2013 General Obligation Refunding Bonds at June 30, 2015 was \$7,553,000.

\$7,821,765 from the 2013 General Obligation Refunding Bonds was placed in an irrevocable trust that is to be used to service the future debt requirements of the 1992 General Obligation Bonds and the 2003 General Obligation Bonds. The refunding resulted in an economic gain (difference between the present value of the debt service payments on the old and new debts) of \$648,545. The aggregate difference in debt service between the old and new debt is \$923,427.

The District defeased the 1992 General Obligation Bonds by placing a portion of the proceeds of the 2013 General Obligation Refunding Bonds in an irrevocable trust to provide for all future debt service payments on the 1992 General Obligation Bonds. Accordingly, the trust account assets and the liability for the defeased 1992 General Obligation Bonds is not included in the District's financial statements.

SWEETWATER SPRINGS WATER DISTRICT
Notes to Basic Financial Statements
June 30, 2024 AND 2023

Note 4: Long-Term Debt (Continued)

2013 General Obligation Refunding Bonds (Continued)

The scheduled annual minimum debt service requirements at June 30, 2024 are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2025	\$ 323,500	\$ 116,069	\$ 439,569
2026	330,800	106,974	437,774
2027	339,900	97,651	437,551
2028	437,273	86,849	524,122
2029	450,050	74,515	524,565
2030-2034	2,455,369	174,579	2,629,948
Total	<u>\$ 4,336,892</u>	<u>\$ 656,637</u>	<u>\$ 4,993,529</u>

Citizens Business Bank Certificates of Participation Payable

On August 1, 2008, Citizens Business Bank as assigned from Municipal Finance Corporation provided a \$3,000,000 loan to the District in the form of Certificates of Participation.

The Certificates of Participation bear interest at 4.75% through August 1, 2018 and then due to a rate renegotiation with Citizen Business Bank in November 2016 was reduced to 3.1% and will remain until the loan matures on August 1, 2028. Principal and interest payments are due semi-annually on February 1st and August 1st in the amount of \$117,007 through August 1, 2018 and \$108,038 for the remainder of the loan.

The scheduled annual minimum debt service requirements at June 30, 2024 are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2025	\$ 189,601	\$ 26,475	\$ 216,076
2026	195,524	20,552	216,076
2027	201,633	14,444	216,077
2028	207,932	8,145	216,077
2029	106,390	1,649	108,039
Total	<u>\$ 901,080</u>	<u>\$ 71,265</u>	<u>\$ 972,345</u>

SWEETWATER SPRINGS WATER DISTRICT
Notes to Basic Financial Statements
June 30, 2024 AND 2023

Note 5: Operating Leases

The District has entered into an operating lease arrangement as lessee for the District offices. The term of the lease was for five years with an option to extend for seven, one year periods. The initial five year lease expired on July 31, 2014. On May 6, 2014, the District renegotiated the office lease. The new lease commences August 1, 2014 and expires on July 31, 2017, at a cost of \$2,364 per month. The new lease had an option to extend for one additional term of three years which was extended on July 31, 2017 through July 31, 2020 at \$ 2,483 per month. On April 16, 2020 the District exercised its option to extend the lease for an additional three years at \$2,606 per month. This extension has an option to extent the lease for an additional three years at \$2,736 per month which was extended in July 2023.

The District has also entered into an operating lease arrangement as lessee for a postage machine. The term of the lease is five years, beginning in October 2020. The District's current quarterly lease expense for the postage machine is \$418.

The total rental payments for all leasing arrangements charged to expenses were \$34,502 and \$32,945 for June 30, 2024 and 2023 respectively.

Note 6: Employees Retirement Plan (Defined Benefit Pension Plan (Unaudited))

General Information about the Pension Plan

Plan Description, Benefits Provided and Employees Covered

The plan is a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes, and membership information is listed in the June 30, 2023 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the June 30, 2023 actuarial valuation report. This report is a publicly available valuation report that can be obtained at CalPERS' website under Forms and Publications.

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the measurement period ended June 30, 2021 (the measurement date), the active employee contribution rate is 6.92 percent of annual pay and the average employer's contribution rate is 11.84 percent of annual payroll for the 2% @ 55 plan and the active employee contribution rate is 7.75 percent of annual pay and the average employer's contribution rate is 7.68 percent of annual payroll for the 2% @ 62 plan. Employer contributions rates may change if plan contracts are amended.

SWEETWATER SPRINGS WATER DISTRICT
Notes to Basic Financial Statements
June 30, 2024 AND 2023

Note 6: Employees Retirement Plan (Defined Benefit Pension Plan (Continued))

Annual Pension Cost

For June 30, 2023, the District's annual pension cost of \$ 83,196 for PERS was equal to the District's required and actual contributions and plus an additional \$275,000 towards its unfunded liability. The required portion of the contribution was determined as part of the June 30, 2021 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 6.80% investment rate return of (net of administrative expenses), (b) projected annual salary increases that vary by duration of service, and (c) 2.80% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 2.75%. The actuarial value of PERS assets was determined by an amortization that will pay for all gains and losses over a fixed 20-year period. The required and actual contribution rate for June 30, 2024 was determined as part of the June 30, 2021 actuarial valuation in which PERS using the same assumptions as the previous year

Three-Year Trend Information For PERS

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/22	66,612	100%	0
6/30/23	67,115	100%	0
6/30/24	83,196	100%	0

The table below shows a three-year analysis of the actuarial accrued liability of the 2% @55 plan, the plan's share of the pool's market value of assets, plan's share of the pool's unfunded liability, funded ratio and the annual covered payroll as of June 30:

<u>Valuation Date</u>	<u>Accrued Liability</u>	<u>Shared Mkt Value/Assets</u>	<u>Unfunded Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>
6/30/21	5,998,048	6,613,573	(615,525)	110.3%	406,661
6/30/22	6,367,329	5,991,216	376,113	94.1%	281,300
6/30/23	6,460,867	5,916,965	543,902	91.6%	294,983

The table below shows a three-year analysis of the actuarial accrued liability of the 2% @62 plan, the plan's share of the pool's market value of assets, plan's share of the pool's unfunded liability, funded ratio and the annual covered payroll as of June 30:

<u>Valuation Date</u>	<u>Accrued Liability</u>	<u>Shared Mkt Value/Assets</u>	<u>Unfunded Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>
6/30/21	187,446	205,360	(17,914)	109.6%	367,075
6/30/22	194,883	178,896	15,987	91.8%	343,636
6/30/23	315,851	286,842	29,009	90.8%	524,942

SWEETWATER SPRINGS WATER DISTRICT
Notes to Basic Financial Statements
June 30, 2024 AND 2023

Note 7: Contingencies

In March, 2022, the District agreed to a Task Order with Coastland Civil Engineering for Design/Engineering Services related to Lower Harrison Tank driveway retaining wall in the sum of \$69,675. As of June 2024, \$68,545 was paid to Coastland.

In April 2023, the District entered into a contract with Piazza Construction in the sum of \$144,000 for construction of Moscow Road Water Line Repairs project. Including change orders, as of June 2024 a total of \$159,662 was paid to Piazza. This project was completed.

In April 2023, the District entered into a contract with Coastland Civil Engineering for Construction Management Services related to the Moscow Road Water Line Repairs project in the sum of \$50,000. As of June 2024, a total of \$24,435 was paid to Coastland. This project was completed.

In April 2023, the District entered into a contract with Piazza Construction in the sum of \$377,190 for construction of the Neeley Road project. Including change orders, as of June 2024 a total of \$352,644 was paid to Piazza. This project was completed.

In April 2023, the District entered into a contract with Coastland Civil Engineering for Construction Management Services related to the Neeley Road project in the sum of \$112,000. As of June 2024, a total of \$29,380 was paid to Coastland. This project was completed.

In October 2023, the District entered into a contract with WRA Environmental Consulting for Environmental Compliance work associated with the Wright Drive Water Main, Natoma Tank and Edgehill Booster Station Replacement CIP Project in the sum of \$31,970. As of June 2024 a total of \$30,895 was paid to WRA.

In November, 2023, the District entered into a contract with Piazza Construction for the Lower Harrison Water Tank Replacement Project in the sum of \$675,500. As of June 2024, a total of \$571,958 was paid to Piazza.

In November, 2023, the District entered into a contract with Coastland Civil Engineering for Construction and Inspection Services related to the Lower Harrison Water Tank Replacement Project in the sum of \$129,060. As of June 2024, a total of \$166,780 was paid to Coastland.

In January, 2024, the District entered into a contract with Coastland Civil Engineering for an Update to the District's Master Plan and Development of a District GIS System in the sum of \$218,840. As of June, 2024, a total of \$4,781 was paid to Coastland.

SWEETWATER SPRINGS WATER DISTRICT
Notes to Basic Financial Statements
June 30, 2024 AND 2023

Note 8: Post-Retirement Health Insurance (Unaudited)

The District provides certain health insurance benefits to retired employees in accordance with memoranda of understanding as follows:

For employees who retire from the District and from CalPERS after at least five (5) years of service with CalPERS and who have reached the age of fifty-two (52) years old (fifty (50) years old for Classic PERS members), and who continue health insurance through a District-sponsored health insurance plan, the District will contribute the minimum monthly amount (as required by CalPERS) of the health insurance premium (\$157 in 2024 and \$151 in 2023).

Funding Policy

The District adopted a resolution to enter into an agreement with CalPERS to participate in the California Employer’s Retiree Benefit Trust Program (CERBT). For fiscal year 2023-24 the District contributed a total of \$16,617 -- \$10,617 to cover retiree current premiums plus \$3,000 of additional prefunding of benefits. Currently, there are 5 retirees who are receiving benefits.

Annual OPEB and Net OPEB Obligation

The District’s annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45’s Alternative Measurement Method allowed for employers with less than 100 plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District’s annual OPEB cost for the fiscal year, the amount actually contributed to the plan, and changes in the District’s net OPEB obligation:

Annual required contribution	\$	4,245
Interest on net OPEB obligation		(1,259)
Adjustment to ARC		1,435
Annual OPEB cost (expense)		4,421
Contributions made		<u>(16,617)</u>
Increase in net OPEB obligation		(12,196)
Net OPEB obligation – Beginning of the year		<u>(12,196)</u>
Net OPEB obligation – End of year	\$	<u>(39,451)</u>

The District’s annual actual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years 2021-22, 2022-23, and 2023-24 were as follows:

Fiscal Year	Annual OPEB Cost	Percent of Annual OPEB Cost	OPEB Obligation (Asset)
6/30/2022	\$ 9,089	121%	\$ (18,589)
6/30/2023	\$ 12,684	132%	\$ (27,255)
6/30/2024	\$ 11,304	147%	\$ (39,451)

SWEETWATER SPRINGS WATER DISTRICT
Notes to Basic Financial Statements
June 30, 2024 AND 2023

Note 8: Post-Retirement Health Insurance (Continued)

Funded Status and Funding Progress

As of June 30, 2024, the most recent Alternate Measurement Method valuation date, the plan was 29.4% funded. The actuarial accrued liability for benefits was \$254,477, and the actuarial value of assets was \$74,910, resulting in an unfunded actuarial accrued liability (UAAL) of \$179,567. The covered payroll (annual payroll of active employees covered by the plan) was \$306,650, and the ratio of the UAAL to the covered payroll was 59 percent.

The Alternate Measurement Method valuation of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, present multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The Alternate Measurement Method valuation methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Actuarial assumptions used to calculate the ARC as follows: (1) The minimum Employer Contribution rate of increase is 2.75 percent based on five years' actual MEC increases. (2) The discount rate used is 3.50 percent based on methodology presented in GASB 75. In addition actuarial assumptions presume 75 percent of employees will choose to participate in CalPERS health upon retirement. The UAAL is being amortized as a over thirty years. The remaining amortization period at June 30, 2024 was twenty (20) years.

Other Postemployment Benefits

Schedule of Funding Progress				
Valuation Date	Liability (a)	Assets (b)	Net Liability (a)-(b)	Status (b)/(a)
6/30/2015	\$ 422,461	\$ 21,482	\$ 400,979	5.1%
6/30/2016	\$ 418,666	\$ 25,428	\$ 393,238	6.1%
6/30/2017	\$ 479,571	\$ 31,495	\$ 448,076	6.6%
6/30/2018	\$ 370,760	\$ 37,076	\$ 333,684	10.0%
6/30/2019	\$ 360,271	\$ 42,621	\$ 317,650	11.8%
6/30/2020	\$ 319,468	\$ 47,203	\$ 272,265	14.7%
6/30/2021	\$ 298,913	\$ 63,884	\$ 235,029	21.4%
6/30/2022	\$ 236,807	\$ 57,837	\$ 178,970	24.4%
6/30/2023	\$ 263,990	\$ 62,858	\$ 201,132	23.8%
6/30/2024	\$ 254,477	\$ 74,910	\$ 179,567	29.4%

SWEETWATER SPRINGS WATER DISTRICT
Notes to Basic Financial Statements
June 30, 2024 AND 2023

Note 9: Subsequent Event

Subsequent events are those events or transactions that occur subsequent to the effective date of the financial statements, but prior to the issuance of the final reports, which may have a material effect on the financial statement or disclosures therein.

There are no subsequent events that have occurred through October 18, 2024 that meet the above definition.

MICHAEL A. CELENTANO

Certified Public Accountant

7518 Wight Way

Kelseyville CA 95451

707-367-9729

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To the Management and
The Board of Directors of
Sweetwater Springs Water District

I have audited the financial statements of the business-type activities of Sweetwater Springs Water District for the year ended June 30, 2024. Professional standards require that I provide you with information about my responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of my audit. I have communicated such information in my letter to you dated October 28, 2024. Professional standards also require that I communicate to you the following information related to my audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Sweetwater Springs Water District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. I noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the District's financial statements was:

Management's estimate of the other postemployment benefits payable and pension liabilities are based on industry guidelines and actuarial tables. I evaluated the key factors and assumptions used to develop these other postemployment benefits payable and pension liabilities in determining that it is reasonable in relationship to the financial statements taken as a whole

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

I encountered no significant difficulties in dealing with management in performing and completing my audit.

Corrected and Uncorrected Misstatements

Professional standards require me to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to my satisfaction, that could be significant to the financial statements or the auditor's report. I am pleased to report that no such disagreements arose during the course of my audit.

Management Representations

I have requested certain representations from management that are included in the management representation letter dated October 28, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, my professional standards require the consulting accountant to check with me to determine that the consultant has all the relevant facts. To my knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

I generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of my professional relationship and my responses were not a condition to my retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, I made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to my audit of the financial statements. I compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of management and the Board of Directors of Sweetwater Springs Water District and is not intended to be, and should not be, used by anyone other than these specified parties.

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

October 28, 2024

MICHAEL A. CELENTANO

Certified Public Accountant

7518 Wight Way

Kelseyville CA 95451

707-367-9729

maccpa@pacific.net

To the Management and
The Board of Directors of
Sweetwater Springs Water District

In planning and performing my audit of the financial statements of the business-type activities of Sweetwater Springs Water District as of and for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America, I considered Sweetwater Springs Water District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Sweetwater Springs Water District's internal control. Accordingly, I do not express an opinion on the effectiveness of the Sweetwater Springs Water District's internal control.

My consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, I identified certain deficiencies in internal control that I consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. I did not identify any deficiencies in internal control that I consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. I consider the following deficiency in Sweetwater Springs Water District's internal to be significant deficiency:

District Structure

The size of the District's accounting and administrative staff precludes certain internal controls that would be preferred if the office staff were large enough to provide optimum segregation of duties. This situation dictates that the Board of Directors remains involved in the financial affairs of the District to provide oversight and independent review functions.

This communication is intended solely for the information and use of management, Board of Directors, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



Michael A Celentano
Certified Public Accountant
October 28, 2024

SWEETWATER SPRINGS WATER DISTRICT

TO: Board of Directors

AGENDA NO. V-E

FROM: Richard Holmer, Director

Meeting Date: December 5, 2024

Subject: Flood Assistance

RECOMMENDED ACTION: Discussion/ Action Flood Assistance

FISCAL IMPACT:

Varies depending on applicants and amount of assistance offered.

DISCUSSION:

Director Holmer requested that this item be placed on the agenda for the Board to discuss further. Currently the District does not offer assistance for water used for cleaning up after flooding.

The cost to implement an assistance program is unknown and would largely depend on the number of people requesting assistance and the type of assistance the District would provide.

Generally, the amount of water used for flood cleanup is relatively small. If two units (1,500 Gallons) of water were used that would be about ten dollars. Even a large cleanup operation would be very low in actual cost to the customer compared to the cost of labor and debris removal. The District would have to extend this assistance to all customers and administer the program and track water used for cleanup versus water used for normal consumption.

SWEETWATER SPRINGS WATER DISTRICT

TO: Board of Directors

AGENDA NO. V-F

FROM: Eric Schanz, General Manager

Meeting Date: December 5, 2024

Subject: Board Committee Reports

RECOMMENDED ACTION:

Receive updates from active Board committees.

FISCAL IMPACT:

Varies.

DISCUSSION:

This item is a standing placeholder for any Board committee updates that have not been addressed in a separate item.

Ad Hoc Committees:

Recruitment and Retention
Revenue Development
Union Negotiations Planning

SWEETWATER SPRINGS WATER DISTRICT

TO: Board of Directors

AGENDA NO. VI

FROM: Eric Schanz, General Manager

Meeting Date: December 5, 2024

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 October were 32,581 units (Guerneville cycle). Water Sales for October are significantly higher compared to last year and are in the higher range when compared to other previous years of record. Total combined Monte Rio and Guerneville water production for September was 58.25AF.
- 3. Leaks:** There were a total of 3 water main repairs in October requiring 29 work hours total, and 2 service line leaks requiring 13 work hours total (Figure 2). There were 2 main water repairs in Guerneville and 1 in Monte Rio. There was 1 service line repair in Guerneville and 1 service line repair in Monte Rio.
- 4. Guerneville Rainfall:** Total cumulative rainfall to the end of October was .17 inches (Figure 3). Last year cumulative rainfall was .90 inches by the end of October. New rainy season started on October 1.
- 5. In-House Construction Projects:** None.
- 6. Gantt Chart:** The Gantt Chart is updated for November 2024 (Figure 4).
- 7. Grants:** Received DWR grant disbursement in the amount of \$147,153.85 for the Harrison tank Project. Final Closeout of the DWR grant will be initiated once final billing is completed and all deliverables are submitted. Final grant retention will be released at close of grant.

8. **Wright Drive:** CDBG sent the NEPA package to HUD on 11/13, so the last day of the objection period is Monday, 12/2. Assuming they have no objections, CDBG estimated that we will receive the Authority to Use Grant Funds sometime the week of 12/16/2024.
9. **Master Plan:** Below is a summary progress report from Coastland Engineering.

Scope Review & Budget Remaining

For the Master Plan Preparation Coastland has utilized approximately 46% of the budget allocated to this task (\$80,000 out of the \$174,000 +/-)

For the GIS WebApp Build Coastland has utilized approximately 70% of the budget allocated to this task (\$30,500 out of the \$44,000 +/-)

Actions Completed to Date

The initial actions for the master plan were to complete an audit of all record drawings and previous CIP constructed since the previous 1990 Preliminary Engineering Report prepared by Winzler & Kelly.

This information was then reconciled with existing GIS Mapping & Base Maps for the District's systems that Coastland had developed previously. An updated base map for both systems has been assembled, and has been used as the basis for the GIS Web App.

Using the production & billing data the District provided, Coastland then completed a assessed the trends for supply & demand from the past 10 years (2012 – 2023) to determine Average Day / Max Day Demands and complete an assessment of the systems storage capacity.

The Baseline hydraulic model for the Guerneville System has been updated from an earlier version that was prepared by Coastland, and new baseline model has been assembled for the Monte Rio system.

Coastland has assembled and reviewed Sonoma County parcel data to develop exhibits that further detail the Districts customers types, distribution, extent of new connection moratoriums, and present an overview of the other water systems in the vicinity of the District.

Pending Actions

Refine hydraulic models for upper pressure zones in both Guerneville & Monte Rio models. Some additional information on the existing Booster Pumps & system configuration is needed to adjust model for the upper pressure zones.

Continue to identify future CIP list of projects and update probable construction estimates for these potential projects.

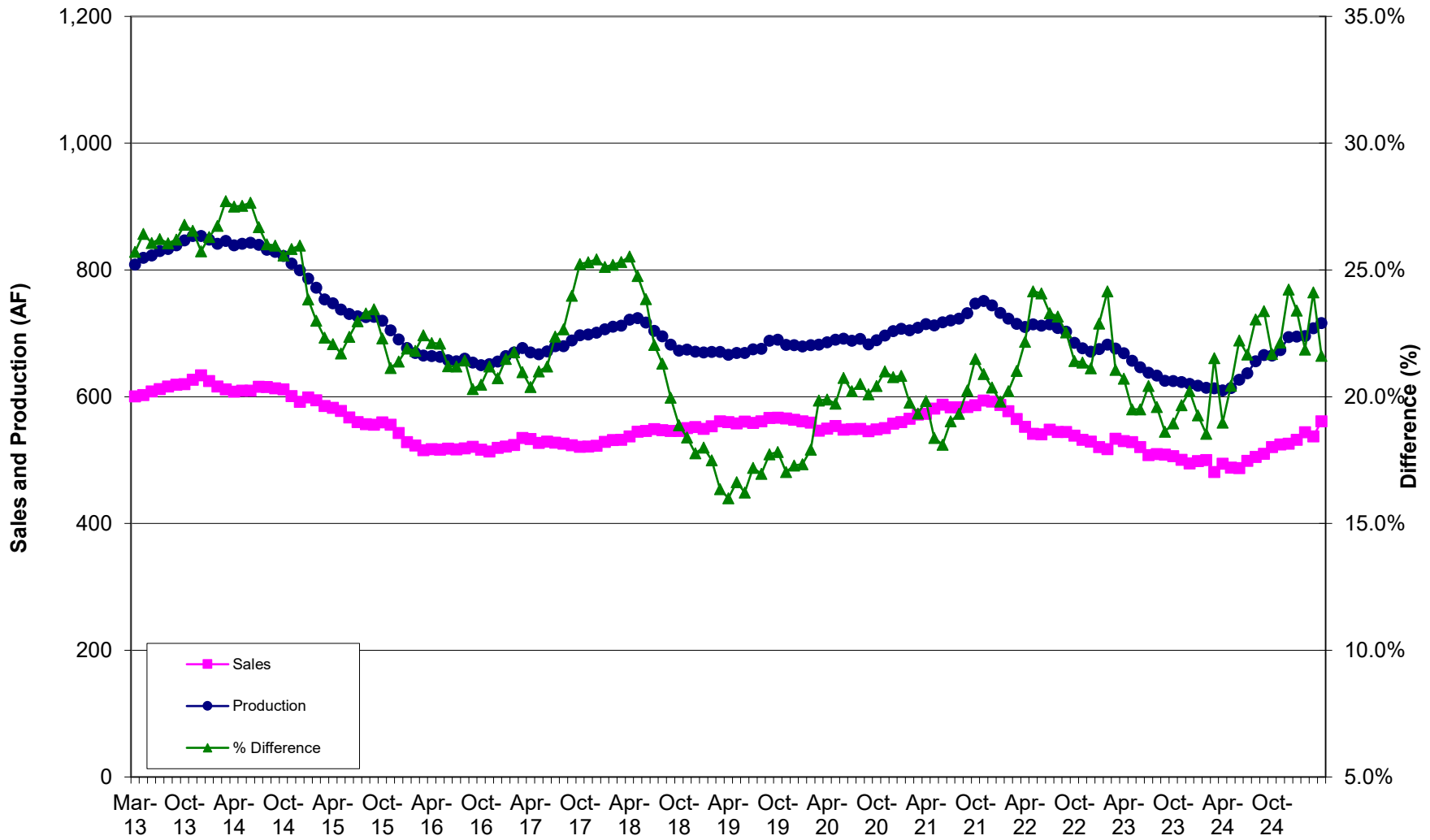
Coordinate with District Staff to complete an audit of the system pipeline sizes and materials, update GIS Web App & Hydraulic model accordingly.

Publish Draft Report to District for internal review & comments.

- 10) **Flood Response Winter Storm:** The end of November brought on the first winter storm of the season. The storm while delivering lots of rain fortunately did not have much wind. However, there was localized flooding in those areas along the river that are in the lower flood plain. The greatest impact on the District was flooding at the El Bonita Wells in Guerneville. While inconvenient this was not unexpected with the amounts of rainfall in the region. District Staff implemented the Flood Plan for the Guerneville Water System on Friday November 22nd as the river was expected to rise above the well vaults. Residents on the Guerneville system were notified with a flood announcement through our billing system by phone, text and email. This was the first test of our new notification system, and it seems to have worked very well.

The Operations Staff performed flood protocols at the Highland Treatment Plant. Monitoring the water quality, well operation and rotating the water tanks per the flood plan. Once the flood water receded precautionary sampling was performed in the water system and at the wells to ensure water quality. District Staff maintained contact with the SWRCB Engineer and followed direction given to ensure regulatory compliance.

**Figure 1. Water Production and Sales 12 Month Moving Averages
Sweetwater Springs Water District Since March 2013**



**Figure 2. Sweetwater Springs Water District Main and Service Pipeline Breaks
Moving Annual Average Since October 2013**

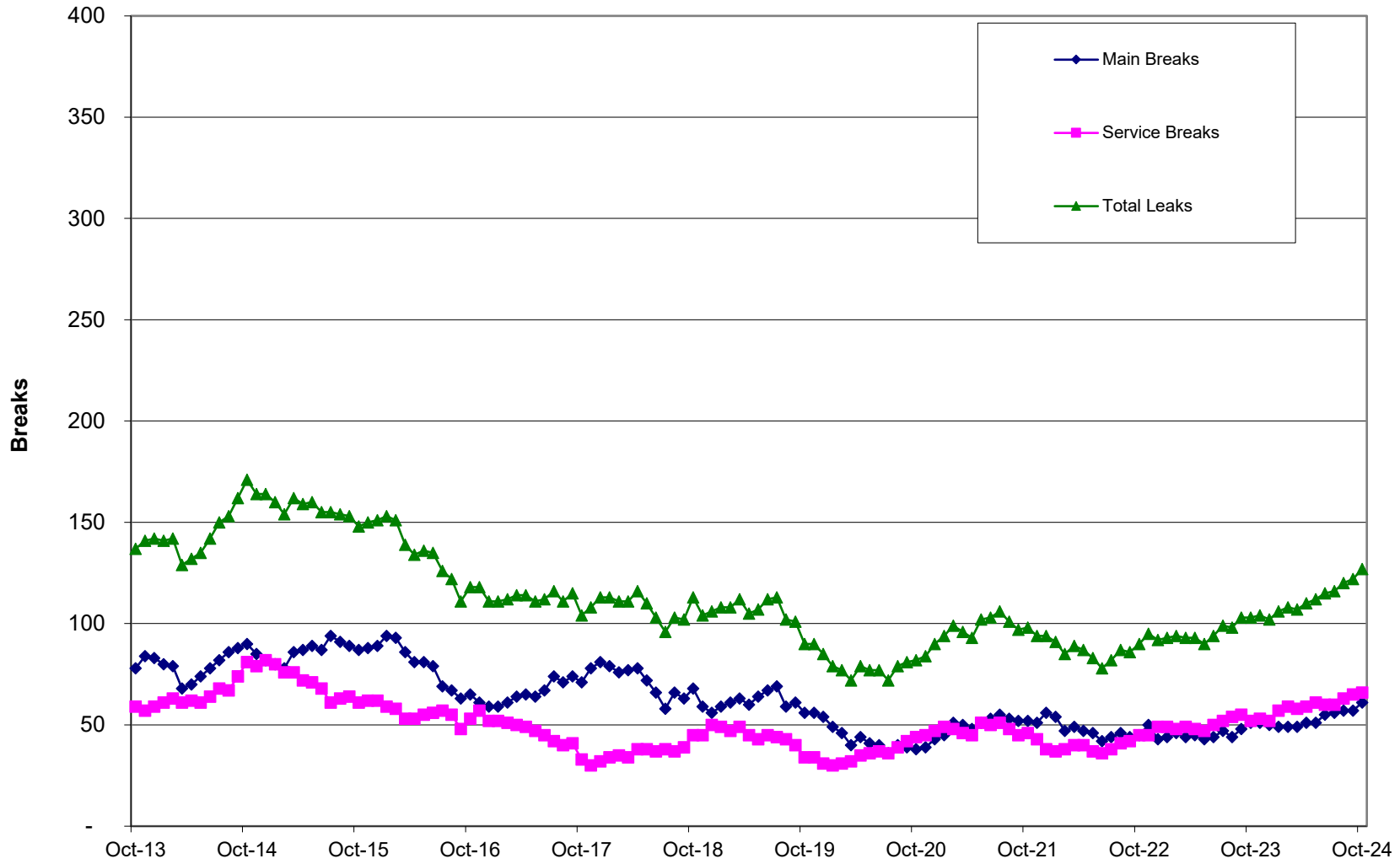
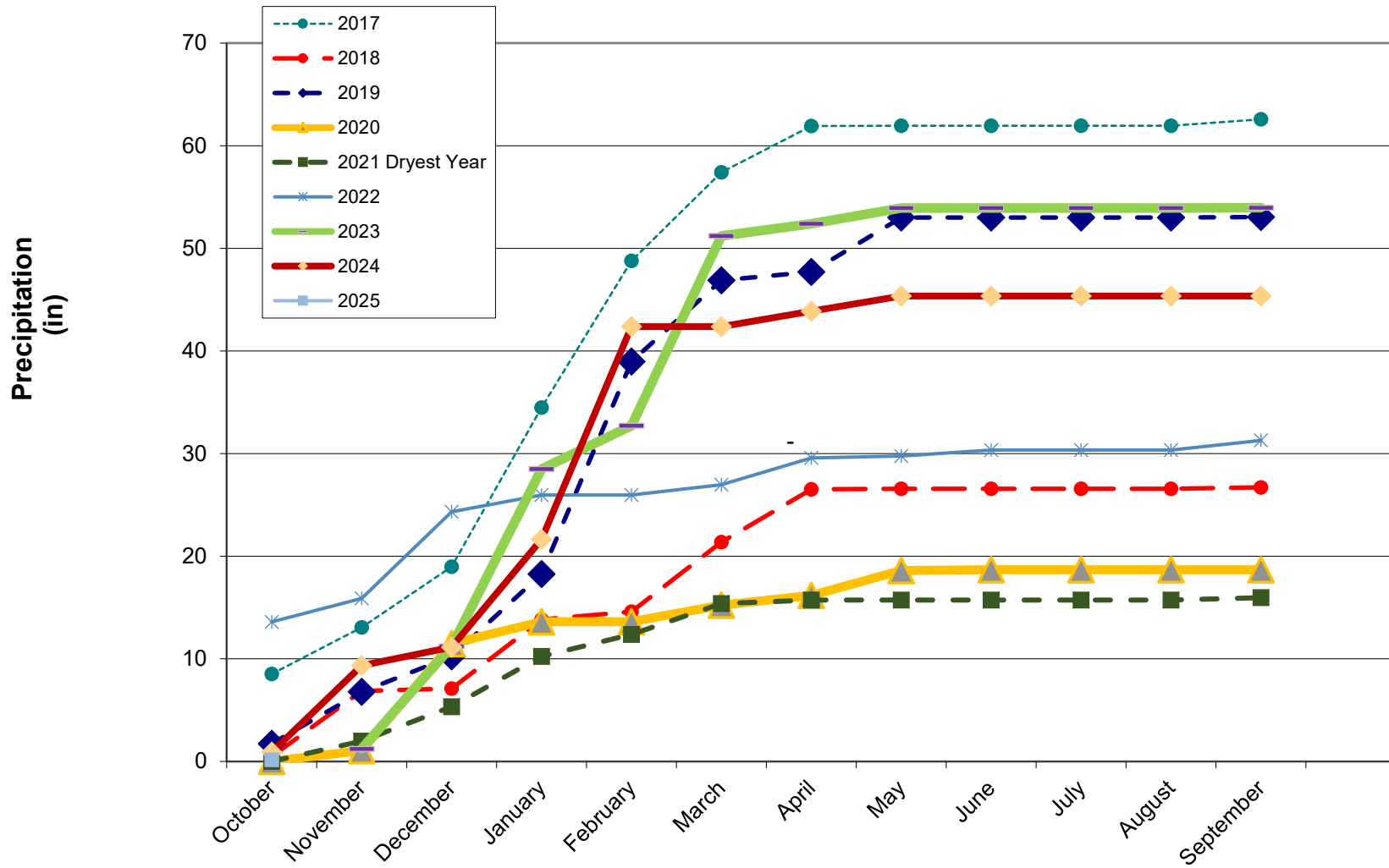


Figure 3. Guerneville Cumulative Monthly Rainfall



NUMBER OF WATER UNITS SOLD FY 24 - 25

	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	FY 24-25
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	18,396
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	24,231	26,990
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	21,933	20,858
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	23,693	32,581
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	15,777	
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	17,713	
JANUA	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	11,270	
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	18,122	
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	14,557	
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	18,958	
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	12,750	
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	21,153	
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	217,990	98,825



USGS 11467000 RUSSIAN R A HACIENDA BRIDGE NR GUERNEVILLE CA

