



BOARD OF DIRECTORS MEETING

AGENDA

April 2, 2026, Regular Meeting
District Offices, 17081 Hwy. 116, Ste. B
Guerneville, California
6:30 PM

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 March 5, 2026 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 Resolution 26-02, Approving the Grant Agreement for Community Development Block Grant (CDBG) Funding for Phase 1 of the Wright Drive Water Main Replacement Project (in the sum of \$759,183). *(Est. time 10 min.)*
- B. Discussion/Action re Draft FY 2026-27 Operating and Capital Budget, and Water Rates *(Est. time 20 min.)*
- C. Discussion/Action re Board participation at Council of Governments *(Est. time 10 min.)*
- D. Board Ad Hoc Committee Reports (standing item) *(Est. time 15 min.)*
 - Ad Hoc Committees:
 - 1. FY 2026-27 Budget Committee (Dir. Schaap/Dir. Barraza Tran)
 - 2. CIP Planning (Dir. Holmer/Lipinski)
 - 3. District Policies Review (Dir. Robb-Wilder/Schaap)

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. Summit Generator

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: March 5, 2026

(*In order discussed)

March 5, 2026
6:30 p.m.

Board Members Present:

Tim Lipinski
Sukey Robb-Wilder
Gaylord Schaap
Rich Holmer
Marc Barraza Tran

Board Members Absent:

None

Staff in Attendance:

Eric Schanz, General Manager
Julie Kenny, Board Secretary

Others in Attendance:

Erica Gonzalez, Redwood Public Law
Member of public

I. CALL TO ORDER (6:28 p.m.)

The properly agendized meeting was called to Order by President Robb-Wilder at 6:28 p.m.

II. CHANGES TO AGENDA and DECLARATION OF CONFLICT (6:29 p.m.)

(None.)

III. CONSENT CALENDAR (6:29 p.m.)

President Robb-Wilder reviewed the items on the Consent Calendar. Director Lipinski moved the approve the items on the Consent Calendar. Director Holmer seconded. Motion carried 5-0. The following items were approved:

- A. Approval of the Minutes of the March 5, 2026 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 Resolution 26-01, Approving Upgrading to Automated Meter Reading with Purchasing Metron LTE Cellular Registers and Badger Water Meters with a Total Projected Cost of \$1.4 Million.

The GM provided an overview of this item. Board discussion ensued. There was no public comment. Director Holmer moved to adopt Resolution 26-01, Approving Upgrading to Automated Meter Reading with Purchasing Metron Cellular Registers and Badger Water Meters with a Total Projected Cost of \$1.4 Million. Director Lipinski seconded. Motion carried 5-0.

V-B. (6:41 p.m.) Discussion/Action re Designation of Representative for Council of Governments.

The GM provided an overview of this item. Discussion ensued. Comments were made by Legal Counsel Erica Gonzalez. Further discussion ensued. The GM and Director Robb-Wilder were proposed as District representatives. There were no objections. There was no public comment.

V-C. (6:58 p.m.) Discussion/Action re CSDA Board of Directors Nominations

The GM gave a brief overview of this item. Discussion ensued. There was no public comment. No action was taken.

V-D. (7:02 p.m.) Board Ad Hoc Committee Reports (standing item).

Ad Hoc Committees:

- 1. FY 2026-27 Budget Committee (Dir. Schaap/Dir. Tran)**
- 2. CIP Planning (Dir. Holmer/Lipinski)**
- 3. District Policies Review (Dir. Robb-Wilder/Schaap)**

The GM provided an overview of this item:

- ✓ **FY 2026-27 Budget Committee:** Did not meet in February but a meeting is scheduled in March.
- ✓ **CIP Planning Committee:** The GM provided an update on discussions of this Committee. Subcommittee members (Director Holmer and Director Lipinski) provided additional thoughts. Discussion ensued.
- ✓ **District Policies Review Committee:** Director Robb-Wilder gave an update on this Committee's activities. The GM provided additional overview. Discussion ensued.

There was no public comment. No action was taken.

VI. GENERAL MANAGER'S REPORT (7:29 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. RCAC Meeting Update

Discussion ensued. There was no public comment.

**VII. BOARD MEMBERS' ANNOUNCEMENTS/COMMENTS
(7:38 p.m.)**

Director Lipinski announced For 700 Statement were due April 1.

VIII. ITEMS FOR THE NEXT AGENDA (7:39 p.m.)

1. FY 2026-27 Draft Budget/Rates
2. Council of Governments
3. Committee Reports

ADJOURN

The meeting adjourned at 7:40 p.m.

Respectfully submitted,

Julie Kenny
Clerk to the Board of Directors

APPROVED:

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

SWEETWATER SPRINGS WATER DISTRICT

TO: Board of Directors

AGENDA NO. V-A

FROM: Eric Schanz, General Manager

Meeting Date: April 2, 2026

SUBJECT: Community Development Block Grant (CDBG) Funding Agreement Approval for Phase 1- Wright Drive Water Main Replacement Project

RECOMMENDED ACTION: Approve Resolution 26-2 authorizing the General Manger to execute the funding agreement with CDBG for grant funding in the amount of \$759,183 for Phase 1 of the Wright Drive Water Main Replacement Project.

FISCAL IMPACT:

Project Cost: \$1,040,000
GDBG Grant: - \$759,183

District Cost: \$280,817

DISCUSSION:

The Funding Agreement with CDBG is for Phase 1 of construction. Phase 1 of construction replaces old water mains with new, improved water mains sufficient to provide domestic and fire flows and reduce repairs. The overall project will be completed in two phases.

Phase 1 replaces approximately 1,800 feet of watermain. The water main will be replaced with 6-inch HDPE pipe. Additionally, twenty-five service lines will be replaced along with new meter boxes, water meters and LTE registers. Five fire hydrants and valve assemblies will be added to improve fire protection in the area.

Resolution No. 26-02

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SWEETWATER SPRINGS WATER DISTRICT APPROVING THE GRANT AGREEMENT FOR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING FOR PHASE 1-WRIGHT DRIVE WATER MAIN REPLACEMENT PROJECT

WHEREAS, The Board should approve resolution 26-02 accepting the Funding Agreement with the Sonoma County Community Development Commission for Community Development Block Grant (CDBG) funding, and

WHEREAS, the County of Sonoma adopted budget includes \$759,183 in Community Block Grant (CDBG) funds for Phase1 of the Wright Drive Water Main Replacement Project; and

WHEREAS, The proposed project includes the replacement of approximately 1,800 linear feet (LF) of water main, replacement of service lines and water meters serving approximately 25 low-income households and upgrading 5 fire hydrants; and

WHEREAS, the Board has reviewed and discussed the Capital Projects that include the Wright Drive Pipe Replacement Project; and

NOW, THEREFORE BE IT RESOLVED by the District Board of Directors of the Sweetwater Springs Water District hereby approves the CDBG Funding Agreement in the amount of \$759,183 and Authorizes the General Manager to execute the agreement.

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 April 2, 2026, by the following vote.

<u>Director</u>	<u>Aye</u>	<u>No</u>
Sukey Robb-Wilder	_____	_____
Tim Lipinski	_____	_____
Richard Holmer	_____	_____
Gaylord Schaap	_____	_____
Marc Barraza Tran	_____	_____

Sukey Robb-Wilder
President of the Board of Directors

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

FUNDING AGREEMENT

FOR USE OF FY 2025-2026 FEDERAL PROGRAM FUNDS

The following is an agreement, dated as of the date of execution, by and between the Sweetwater Springs Water District "SUBRECIPIENT," and the Sonoma County Community Development Commission, a public body corporate and politic, hereinafter referred to as "COMMISSION."

WITNESSETH:

WHEREAS, on behalf of the County of Sonoma, COMMISSION administers certain housing and community development activities pursuant to the Housing and Community Development Act of 1974 and 1987 as amended, known as the Community Development Block Grant Program (CDBG); and

WHEREAS, the County of Sonoma Fiscal Year (FY) 2025-2026 adopted budget includes **\$759,183** in Community Development Block Grant (CDBG) funds for use by SUBRECIPIENT for the **Phase 1 - Wright Drive Watermain Replacement Project** (PROJECT); and

WHEREAS, SUBRECIPIENT will provide funding from other sources for the PROJECT; and

WHEREAS, COMMISSION and SUBRECIPIENT wish to enter into an agreement for partial funding of the PROJECT,

NOW, THEREFORE, it is mutually agreed as follows:

PART A – SPECIFIC PROVISIONS

1. Activities Funded by COMMISSION. For an amount not to exceed \$759,183 of the allocated CDBG funds, COMMISSION shall reimburse SUBRECIPIENT for the activities set forth in Exhibit A, attached hereto and incorporated herein by specific reference, after documentation satisfactory to COMMISSION that SUBRECIPIENT has made proper disbursement.
2. Adoption of Action Plan. The annual adoption by the Board of Supervisors of the Consolidated Plan, which includes the Annual Action Plan, shall serve as authorization and direction to COMMISSION to implement the PROJECT included in COMMISSION's final budget, within the budgeted appropriations.
3. Term of Agreement. This Agreement shall commence on the date of execution of this Agreement, and shall terminate 18 months from that date, unless extended by mutual written agreement of the parties hereto or terminated pursuant to paragraph .
4. Scope of Services. SUBRECIPIENT shall, in a manner satisfactory to COMMISSION, perform the services set forth in Exhibit A, Scope of Services, attached hereto and incorporated herein by specific reference.
5. Payment. COMMISSION agrees to pay to SUBRECIPIENT amounts not to exceed the costs incurred by SUBRECIPIENT consistent with the budget and other terms contained in

Exhibit B attached hereto and incorporated herein by specific reference, and with other provisions of this Agreement. Reimbursement payment will be made in installments in accordance with Exhibit B, Budget, after SUBRECIPIENT submits adequate written documentation of the eligible expenses incurred in a form specified by COMMISSION. Reimbursement requests should be submitted to COMMISSION at least quarterly, but not more than once monthly. In no event shall the total amount payable under this Agreement exceed **\$759,183**. Notwithstanding anything to the contrary herein, COMMISSION shall not be obligated to make any disbursement after an uncured event of default by SUBRECIPIENT.

5.1. All or part of this Agreement will be paid with Federal grant awards. COMMISSION is required to provide certain information regarding Federal grant award(s) to SUBRECIPIENT. In signing this Agreement, SUBRECIPIENT acknowledges receipt of the following information regarding Federal grant award(s) that will be used to pay this Agreement:

CFDA Title: Community Development Block Grants/Entitlement Grants
CFDA Number: 14.218
Award Name: Community Development Block Grant
Award Number: B-25-UC-06-0008
Award Year: FY 2025-2026
Federal Agency: U.S. Department of Housing and Urban Development
HUD Grantee: Sonoma County (Community Development Commission)
COMMISSION Unique Entity Identifier (UEI) Number: EB6LZJPCWEU3
SUBRECIPIENT SAM Unique Entity Identifier (UEN): MAL2V8T7CQ16

6. Method and Place of Giving Notice, Submitting Bills, and Making Payments: All notices, bills, and payments shall be made in writing and shall be given by email or personal delivery or by U.S. Mail or courier service. Notices, bills, and payments shall be addressed as follows:

COMMISSION: Sonoma County Community Development Commission
Attention: Valerie Johnson
141 Stony Circle, Suite 210
Santa Rosa, CA 95407

SUBRECIPIENT: Sweetwater Springs Water District
PO Box 48
Guerneville, CA 95546

When a notice, bill or payment is given by a generally recognized overnight courier service, the notice, bill or payment shall be deemed received on the next business day. In all other instances, notices, bills and payments shall be effective upon receipt by the recipient. Changes may be made in the names and addresses of the person to whom notices are to be given by giving notice pursuant to this paragraph.

7. Subcontracts. SUBRECIPIENT shall cause all of the provisions of this Agreement in its entirety to be included in and made a part of any subcontract executed in the performance of this Agreement. SUBRECIPIENT shall monitor all subcontracted services on a regular basis to ensure contract compliance. SUBRECIPIENT shall undertake to ensure that all subcontracts let in the performance of this Agreement are awarded on a fair and open competition basis.

Executed copies of all subcontracts shall be forwarded to COMMISSION along with a summary description of the selection process.

8. Indemnification. Each party shall indemnify, defend, protect, hold harmless, and release the other, its officers, agents, and employees, from and against any and all claims, loss, proceedings, damages, causes of action, liability, costs, or expense (including attorneys' fees and witness costs) arising from or in connection with, or caused by any act, omission, or negligence of such indemnifying party or its agents, employees, contractors, subcontractors, or invitees. This indemnification obligation shall not be limited in any way by any limitation on the amount or type of damages or compensation payable to or for the indemnifying party under workers' compensation acts, disability benefit acts, or other employee benefit acts.

9. Merger. This writing is intended both as the final expression of the Agreement between the parties hereto with respect to the included terms and as a complete and exclusive statement of the terms of the Agreement, pursuant to California Code of Civil Procedure § 1856. No modification of this Agreement shall be effective unless and until such modification is evidenced by a writing signed by both parties.

10. Termination. At any time with or without cause, COMMISSION shall have the right in its sole discretion, to terminate this Agreement by giving written notice to SUBRECIPIENT. For termination without cause, SUBRECIPIENT shall be entitled to receive full payment and reimbursement for all services rendered and expenses incurred to the date of termination. If SUBRECIPIENT shall fail to perform any of its obligations hereunder, within the time and in the manner herein provided or otherwise violate any of the terms of this Agreement, COMMISSION may terminate this Agreement by giving SUBRECIPIENT written notice of such termination. In such event, SUBRECIPIENT shall be entitled to receive full payment for all services satisfactorily rendered and expenses incurred hereunder.

COMMISSION will give SUBRECIPIENT thirty (30) days written notice of termination of the Agreement. SUBRECIPIENT shall have the right to initiate the cure for the default within thirty (30) days of the date of the written notice of termination of the Agreement and shall complete said cure within ninety (90) days of the date of the written notice of termination.

Both parties have entered into this Agreement in reliance on the representation of the federal government that the program funding will continue. Notwithstanding any other provision of this Agreement, COMMISSION retains the right in its sole discretion and without notice to terminate or reduce the amount payable to SUBRECIPIENT under this Agreement in the event that the federal government does not fund in the amount projected at the time this Agreement is executed. SUBRECIPIENT agrees that the maximum amount payable under this Agreement by COMMISSION shall not exceed the amount actually funded by the federal government.

11. Reporting: 17. Reporting: SUBRECIPIENT agrees to provide a written quarterly report ten (10) days after the end of each quarter, that is, by the following dates:

Quarter 1 (Q1): December 10

Quarter 2 (Q2): March 10

Quarter 3 (Q3): June 10

Quarter 4 (Q4): September 10

Each quarterly report shall describe the progress of the project.

Within ten (10) days after the termination date of this Agreement, SUBRECIPIENT agrees to submit to COMMISSION a Final Report Addendum, the Summary of Other Funding Sources, showing all other funding sources, classification of funding sources as local, state, federal, or private, and amounts received for the specific project. All quarterly and final reports shall be submitted in a form specified by COMMISSION.

SUBRECIPIENT, if a non-profit California Corporation, agrees to submit minutes of their Board of Directors meetings to the COMMISSION, electronically or in hard copy, in a timely fashion.

COMMISSION will use reports submitted by SUBRECIPIENT to provide periodic required reports in a timely way to the state, federal, local governmental or private funding entities.

12. Amendments: COMMISSION or SUBRECIPIENT may amend this Agreement at any time providing that such amendments make specific reference to this Agreement, and are executed in writing, signed by duly authorized representatives of both organizations, and, when required, approved by the COMMISSION's governing body. Such amendments shall not invalidate this Agreement, nor relieve or release the COMMISSION or SUBRECIPIENT from its obligations under this Agreement.

COMMISSION may, in its discretion, amend this Agreement to conform to federal, state, or local governmental guidelines, policies, and changes in available funding amounts, or for other reasons. If such amendments result in a change in the funding, the scope of services, or schedule of the activities to be undertaken as part of this Agreement, such modifications will be incorporated only by written amendment signed by both COMMISSION and SUBRECIPIENT.

PART B – GENERAL TERMS AND CONDITIONS

1. Equal Opportunity Certifications

SUBRECIPIENT hereby assures and certifies that it will comply with the following Acts and/or Executive Orders:

a) Civil Rights Act of 1964 (Title VI)

Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.; P.L. 88-352) and regulations pursuant thereto (Title 24 CFR Part I) states that no person in the United States shall, on the basis of race, color, or national origin, be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity receiving federal financial assistance extended to SUBRECIPIENT. This assurance shall obligate SUBRECIPIENT, or in the case of any transfer, the transferee, for the period during which the real property and structure(s) are used for a purpose for which the federal financial assistance is extended or for another purpose involving the provision of similar services or benefits.

b) Section 109 of the Housing and Community Development Act of 1974

Section 109 of the Housing and Community Development Act of 1974 provides that no person in the United States shall on the basis of race, color, national origin, religion, or sex be excluded from participation in, be denied the benefits of, or be subjected to

discrimination under any program or activity funded in whole or in part with funds made available under this title.

Section 109 further provides that any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.) or discrimination on the basis of disability as provided in section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) shall also apply to any program or activity funded in whole or in part with funds made available pursuant to Section 109.

c) Executive Order 11246 – Equal Employment Opportunity

Executive Order 11246, 11375, 11478, 12086 and 12107, 13665, and 13672, as may be amended, and all regulations pursuant thereto (41 CFR Chapter 60) states that no person shall be discriminated against on the basis of race, color, religion, sex, sexual orientation, gender identity, or national origin in all phases of employment during the performance of federal or federally assisted construction contracts and affirmative action shall be taken to ensure equal employment opportunity. SUBRECIPIENT will incorporate, or cause to be incorporated, into any contract for construction work or modification thereof, as defined in the regulations of the Secretary of Labor at 41 CFR Chapter 60, which is paid for in whole or in part with funds obtained from the federal government or borrowed on the credit of the federal government pursuant to a grant, contract, loan, insurance, or guarantee, the following equal opportunity clause:

“During the performance of this contract, the contractor agrees as follows:

1. The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.
2. The contractor will, in all solicitations or advancements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.
3. The contractor will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an

- investigation conducted by the employer, or is consistent with the contractor's legal duty to furnish information.
4. The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
 5. The contractor will comply with all provisions of Executive Order No. 11246 of Sept. 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
 6. The contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
 7. In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be cancelled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of Sept. 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
 8. The contractor will include the provisions of paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, that in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the contractor may request the United States to enter into such litigation to protect the interests of the United States."

d) Section 3 Requirements

Compliance with the provisions of Section 3 of the Housing and Urban Development Act of 1968, as amended, and with the implementing regulations set forth in 24 CFR Part 135, shall be a condition of the assistance provided under this contract. SUBRECIPIENT shall comply with these Section 3 requirements and with the Section 3 Affirmative Action Plan attached as Exhibit C attached hereto and incorporated by specific reference.

All Section 3 covered contracts shall include the following clause (referred to as the "Section 3 Clause"):

- a. The work to be performed under this Contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. §1701u) (“**Section 3**”). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted developments covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons including persons who are recipients of HUD assistance for housing, with preference for both targeted workers living in the service area or neighborhood of the Development and Youthbuild participants, as defined at 24 CFR Part 75 (“**Section 3 Regulations**”).
- b. The Parties agree to comply with HUD's regulations in Section 3 Regulations, which implement Section 3. As evidenced by their execution of this Contract, the Parties certify that they are under no contractual or other impediment that would prevent them from complying with the Section 3 Regulations.
- c. The Development Owner agrees to send to each labor organization or representative of workers with which the Development Owner has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the Development Owner's commitments under this section of the Contract, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference and shall set forth the following: (i) minimum number and job titles subject to hire, (ii) availability of apprenticeship and training positions, (iii) qualifications for each, (iv) name and location of the person(s) taking applications for each of the positions, and (v) the anticipated date the work shall begin.
- d. The Development Owner agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in Section 3 Regulations and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in Section 3 Regulations. The Development Owner will not subcontract with any subcontractor where the Development Owner has notice or knowledge that the subcontractor has been found in violation of the regulations in Section 3 Regulations.
- e. The Development Owner will certify that any vacant employment positions, including training positions, that are filled (i) after a contractor is selected but before the contract is executed, and (ii) with persons other than those to whom the regulations of Section 3 Regulations require employment opportunities to be

directed, were not filled to circumvent the Development Owner's obligations under Section 3 Regulations.

Noncompliance with HUD's regulations in Section 3 Regulations may result in sanctions, termination of this Contract for default, and debarment or suspension from future HUD assisted contracts.

e) Executive Order 13166 – Limited English Proficiency

The Limited English Proficiency (LEP) Guidelines, based upon Title VI of the Civil Rights Act of 1964 (24 CFR 1.4 Executive Order 13166) requires recipients of federal funding to provide language translation or interpreter services to its clients and potential clients who are limited in English proficiency.

A person with Limited English Proficiency (LEP) is a person who does not speak English as their primary language and who has a limited ability to read, write, speak or understand English. Affirmative steps must be taken to communicate with people who need services or information in a language other than English. A policy must be developed to serve applicants, participants, and/or persons eligible for housing assistance and support services.

The SUBRECIPIENT must analyze the various kinds of contacts it has with the public, to assess language needs and decide what reasonable steps should be taken. In order to determine the level of access needed by LEP persons, the following four factors must be balanced:

1. The number or proportion of LEP persons eligible to be served or likely to be applying for program services;
2. The frequency with which LEP persons utilize these programs and services;
3. The nature and importance of the program, activity, or service provided; and
4. The benefits from providing LEP services, and the resources available and costs to the SUBRECIPIENT for those services.

Balancing these four factors will ensure meaningful access by LEP persons to critical services while not imposing undue burdens on the SUBRECIPIENT. SUBRECIPIENT shall develop and implement a LEP policy consistent with the above guidelines and provide the COMMISSION with copies of its LEP Policy.

f) Section 504 of the Rehabilitation Act of 1973

Section 504 of the Rehabilitation Act of 1973, as amended, prohibits discrimination on the basis of disability in federally assisted and conducted programs and activities.

g) Age Discrimination Act of 1975

The Age Discrimination Act of 1975, as amended, prohibits discrimination because of age in programs and activities receiving federal financial assistance.

h) Executive Orders 11625, 12432, 12138 – Minority- and Women-Owned Business Opportunities

These Executive Orders state that program participants shall take affirmative action to encourage participation by businesses owned and operated by minority groups and women.

i) Living Wage Requirements. SUBRECIPIENT, by and for itself and its successors and assigns, shall comply with any and all federal, state, and local laws – including, but not limited to the County of Sonoma Living Wage Ordinance – affecting the services provided by this contract. Without limiting the generality of the foregoing, SUBRECIPIENT expressly acknowledges and agrees that this contract is subject to the provisions of Article XXVI of Chapter 2 of the Sonoma County Code, requiring payment of a living wage to covered employees. Noncompliance during the term of the Funding Agreement will be considered a material breach and may result in termination of the Funding Agreement or pursuit of other legal or administrative remedies. Nonprofit entities shall pay employees providing services pursuant to a service contract or in connection with a county economic development assistance agreement a living wage as established by Sonoma County Code Section 2-377. The Nonprofit living wage rate schedule is located at <https://sonomacounty.ca.gov/CAO/Living-Wage-Ordinance/>.

2. Other Federal and Local Requirements

a) Audit Requirements - Compliance with 2 CFR Part 200

SUBRECIPIENT shall comply with the requirements of 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, except as otherwise specified herein.

Specifically, SUBRECIPIENT shall obtain an annual program specific or single audit, as required. SUBRECIPIENT shall provide a copy of such audit together with any management letters and supplementary or related audit letters or reports to COMMISSION within the earlier of thirty (30) calendar days after receipt of the auditor's report(s), or nine months after the end of the SUBRECIPIENT's fiscal year. The audit shall include a supplementary schedule showing all revenues and expenditures of CDBG funds and other federal funds for the fiscal year.

b) Records

SUBRECIPIENT shall retain all project development records, books, papers and documents for a period of not less than five (5) years after the completion of construction. SUBRECIPIENT shall grant COMMISSION the option of retention of the project records, books, papers, and documents if SUBRECIPIENT elects to dispose of said documents following the mandatory retention period.

SUBRECIPIENT agrees to make available for inspection and audit to representatives of COMMISSION, federal, state, and/or local county governments, their employees or agents, all books, financial records, program information, and other records pertaining to the overall operation of SUBRECIPIENT, and this Agreement. SUBRECIPIENT further agrees to allow said representatives to review and inspect its facilities and program

operations. Said representatives may monitor the operation of this Agreement to assure compliance with all applicable local, state, and/or federal regulations.

All provisions of this Agreement that require availability of records or reporting shall survive termination of this Agreement.

c) Conflict of Interest

1. *Interest of Members of a City or County:* No members of the governing body of a city or county and no other officer, employee, or agent of the city or county who exercises any functions or responsibilities in connection with the planning and carrying out of the program, shall have any personal financial interest, direct or indirect, in this Agreement; and the SUBRECIPIENT shall take appropriate steps to assure compliance.

2. *Interest of Other Local Public Officials:* No members of the governing body of the locality and no other public official of such locality, who exercises any function or responsibilities in connection with the planning and carrying out of the program, shall have any personal financial interest, direct or indirect, in this Agreement; and the SUBRECIPIENT shall take appropriate steps to assure compliance.

3. *Interest of SUBRECIPIENT and Employees:* SUBRECIPIENT understands that as a recipient of federal funds certain federal laws relating to conflict of interest apply to SUBRECIPIENT, its officers, agents, employees, and constituents; specifically, those laws are contained in 24 CFR Section 85.36 and 84.42 and can generally be summarized as follows:

Except for approved eligible administrative or personnel costs, the general rule is that no employee, agent, consultant or officer of a recipient who has exercised or would exercise any functions or responsibilities with respect to CDBG activities or who is in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a personal or financial interest or benefit from the activity, or have an interest in any respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one (1) year thereafter.

d) Program Income

“Program income” means amounts received by SUBRECIPIENT generated from the use of federal funds as defined at 24 CFR 570.500. Program income includes, but is not limited to, the following: 1) proceeds from the disposition by sale or long-term lease of real property purchased or improved with federal funds; 2) proceeds from the disposition of equipment purchased with federal funds; 3) gross income from the use or rental of real or personal property acquired by SUBRECIPIENT with federal funds, less costs incidental to generation of the income; 4) gross income from the use or rental of real property, owned by SUBRECIPIENT, that was constructed or improved with federal funds, less costs incidental to generation of the income; 5) payments of principal and interest on loans made using federal funds; 6) proceeds from the sale of loans made with federal funds; 7) proceeds from the sale of obligations secured by loans made with federal funds; 8) interest earned on program income pending its disposition; and 9) funds collected through special assessments made against properties owned and

occupied by households not of low and moderate income, where the assessments are used to recover all or part of the federally funded portion of a public improvement.

Any program income received by SUBRECIPIENT shall be immediately returned to COMMISSION. This provision shall survive the termination or expiration of this Agreement.

e) Equipment

In cases where equipment purchased with federal funds is sold, the proceeds shall be program income. Equipment not needed by SUBRECIPIENT for federally funded activities shall be transferred to COMMISSION for the federally funded program or shall be retained by SUBRECIPIENT after compensating COMMISSION.

f) Compliance with OMB Circulars A-87 and 24 CFR Part 85

In cases where SUBRECIPIENT is a non-profit organization, SUBRECIPIENT shall comply with the requirements and standards of OMB Circular No. A-122, "Cost Principles for Non-Profit Organizations" and with the applicable sections of OMB Circular No. A-110, "Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations," as listed in 24 CFR 570.502(b)(1) through (4), except as otherwise specified herein.

In cases where SUBRECIPIENT is a governmental entity, SUBRECIPIENT shall comply with the requirements and standards of OMB Circular A-87 "Cost Principles for State, Local and Indian Tribal Governments" and with the applicable sections of 24 CFR Part 85, "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments," as listed in 24 CFR 570.502(a)(1) through (20), except as otherwise specified herein.

g) Reversion of Assets

Upon expiration of this Agreement, SUBRECIPIENT shall transfer to COMMISSION any federal funds on hand at the time of expiration and any accounts receivable attributable to the use of federal funds.

h) Real Property

SUBRECIPIENT may not change the use of any real property acquired or improved in whole or in part with CDBG funds from that for which the acquisition or improvement was made until and unless SUBRECIPIENT provides COMMISSION with at least sixty (60) days' notice of the proposed change in the use of the property, in order to allow COMMISSION to provide affected persons with reasonable notice of and an opportunity to comment on any proposed change.

SUBRECIPIENT agrees that any proposed change shall meet one (1) of these two (2) criteria:

1. The new use of the property qualifies as meeting one of the national objectives established in 24 CFR Part 570.208 (formerly 24 CFR Part 570.901) and is not a building for the general conduct of government, or

2. If, after consultation with affected persons COMMISSION determines that it is appropriate to change the use of the property to a use which does not qualify under paragraph 1 above, SUBRECIPIENT may retain or dispose of the property for the changed use if SUBRECIPIENT reimburses COMMISSION in the amount of the then-current fair market value of the property, less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, and improvements to, the property.

i) Political Activity Prohibited

CDBG funds shall not be used to finance the use of facilities or equipment for political purposes or to engage in other partisan political activities, such as candidate forums, voter transportation, or voter registration. However, a facility originally assisted with CDBG funds may be used on an incidental basis to hold political meetings, candidate forums, or voter registration campaigns, provided that all parties and organizations have access to the facility on an equal basis, and are assessed equal rent or use charges, if any.

j) Lobbying Restrictions

SUBRECIPIENT agrees, to the best of its knowledge and belief:

No federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement;

If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress, in connection with this federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and the language of this paragraph shall be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that SUBRECIPIENT shall certify and disclose accordingly.

k) Religious Activity Prohibited

There shall be no religious worship, instruction, or proselytization as part of, or in connection with, the performance of this Agreement.

l) Federal Labor Standards: Davis-Bacon Act and Related Acts

SUBRECIPIENT agrees to comply with the requirements of the Secretary of Labor in accordance with the Davis-Bacon Act as amended, the provisions of Contract Work Hours and Safety Standards Act, the Copeland "Anti-Kickback" Act (40 USC 276a-276a-5; 40 USC 327 and 40 USC 276c) and all other applicable federal, state, and local laws

and regulations pertaining to labor standards insofar as those acts apply to the performance of this Agreement. As applicable, SUBRECIPIENT shall maintain documentation that demonstrates compliance with hour and wage requirements of this paragraph. Such documentation shall be made available to COMMISSION for review upon request.

SUBRECIPIENT agrees that, except with respect to rehabilitation or construction of residential property containing less than eight (8) units, all contractors engaged under contracts in excess of \$2,000 for construction, renovation or repair work financed in whole or in part with assistance provided under this Agreement, shall comply with Federal requirements pertaining to such contracts and with the applicable requirements of the regulations of the Department of Labor, under 29 CFR Parts 1, 3, 5 and 7 governing the payment of wages and ratio of apprentices to journey workers; provided, that if wage rates higher than those required under the regulations are imposed by state or local law, nothing hereunder is intended to relieve SUBRECIPIENT of its obligation, if any, to require payment of the higher wage. SUBRECIPIENT shall cause or require to be inserted in full, in all such contracts subject to such regulations, provisions meeting the requirements of this paragraph.

To the extent that the use of these funds or other funding sources may require, SUBRECIPIENT also shall comply with the applicable prevailing wage laws of the State of California, specifically including Labor Code section 1720.

m) Flood Disaster Protection

In accordance with the requirements of the Flood Disaster Protection Act of 1973 (42 USC 4001), SUBRECIPIENT shall assure that for activities located in an area identified by FEMA as having special flood hazards, flood insurance under the National Flood Insurance Program is obtained and maintained as a condition of financial assistance for acquisition or construction purposes (including rehabilitation).

n) Displacement, Relocation, Acquisition, and Replacement of Housing

SUBRECIPIENT agrees to comply with (a) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at 49 CFR Part 24 and 24 CFR 570.606 (b); (b) the requirements of 24 CFR 570.606 (c) governing the Residential Anti-displacement and Relocation Assistance Plan under section 104 (d) of the Housing and Community Development Act; and (c) the requirements in 24 CFR 570.606 (d) governing optional relocation policies. SUBRECIPIENT shall provide relocation assistance to persons that are displaced as a direct result of acquisition, rehabilitation, demolition or conversion for a CDBG-assisted project. SUBRECIPIENT also agrees to comply with the Sonoma County Residential Anti-Displacement and Relocation Assistance Plan, as amended. SUBRECIPIENT hereby agrees to pay, and to indemnify the COMMISSION from and against, any and all claims and liabilities for relocation benefits required by federal statutes and regulations in connection with activities undertaken pursuant to this Agreement.

o) Lead-Based Paint

SUBRECIPIENT agrees that any activities carried out with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR

570.608, and 24 CFR Part 35. Such regulations pertain to all HUD-assisted housing and require the proper disclosure of any known or possible presence of lead-based paint (LBP) and LBP hazards, and the notification, evaluation and reduction of lead-based paint hazards in all residential structures constructed prior to 1978 according to Sections 1012/1013 of Title X, Residential Lead-Based Paint Hazard Reduction Act of 1992, as referenced.

p) Historic Preservation

SUBRECIPIENT agrees to comply with the Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470) and the procedures set forth in 36 CFR, Part 800, Advisory Council on Historic Preservation Procedures for Protection of Historic Properties, insofar as they apply to the performance of this Agreement. In general, this requires concurrence from the State Historic Preservation Office for all ground-disturbing activities and for all rehabilitation and demolition of historic properties that are fifty years or older or that are included on or are eligible for a federal, state, or local historic property list.

q) Environmental Standards

SUBRECIPIENT will prepare, or hire the services of a third party to prepare, an environmental review in accordance with applicable standards of the National Environmental Policy Act (NEPA) and HUD regulations 24 CFR Part 58. COMMISSION staff will prepare all documentation required by HUD, publish any required notices and obtain releases from HUD, as appropriate.

The SUBRECIPIENT will undertake all environmental mitigation measures that may be identified in the environmental review and comply with any conditions and mitigation required or imposed as a part of a finding of no significant impact. All such mitigation measures are incorporated in this agreement by exhibit D.

r) Clean Air Act and Federal Water Pollution Control Act

SUBRECIPIENT shall comply with and require each subcontractor to comply with all applicable standards of the Clean Air Act of 1970, the Clean Air Act of 1990, the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), as amended, and the regulations of the Environmental Protection Agency with respect thereto, at 40 CFR Part 15, as amended from time to time. (Applicable to Contracts and Subcontracts Which Exceed \$100,000)

s) Use of Debarred, Suspended or Ineligible Contractors

SUBRECIPIENT, and its subcontractors agrees that assistance provided under this Agreement shall not be used directly or indirectly to employ, award contracts to, or otherwise engage the services of, or fund any contractor or subcontractor during any period of debarment, suspension, or placement in ineligible status (24 CFR Part 24).

t) Publication Rights and Copyrights

If this Agreement results in any copyrightable material or inventions, COMMISSION reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce,

publish or otherwise use and to authorize others to use, the work or materials for government purposes.

u) Build America, Buy America Act

The Grantee must comply with the requirements of the Build America, Buy America (BABA) Act, 41 USC 8301 note, and all applicable rules and notices, as may be amended, if applicable to the Grantee's infrastructure project. Pursuant to HUD's Notice, "Public Interest Phased Implementation Waiver for FY 2022 and 2023 of Build America, Buy America Provisions as Applied to Recipients of HUD Federal Financial Assistance" (88 FR 17001), any funds obligated by HUD on or after the applicable listed effective dates, are subject to BABA requirements, unless excepted by a waiver.

Buy America Preference. Recipients of an award of Federal financial assistance from a program for infrastructure are hereby notified that none of the funds provided under this award may be used for an infrastructure project unless:

(1) All iron and steel used in the project are produced in the United States—this means all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States;

(2) All manufactured products used in the project are produced in the United States— this means the manufactured product was manufactured in the United States; and the cost of the components of the manufactured product that are mined, produced, or manufactured in the United States is greater than 55 percent of the total cost of all components of the manufactured product, unless another standard that meets or exceeds this standard has been established under applicable law or regulation for determining the minimum amount of domestic content of the manufactured product; and

(3) All construction materials are manufactured in the United States—this means that all manufacturing processes for the construction material occurred in the United States. The construction material standards are listed below.

The Buy America Preference applies to the following construction materials incorporated into infrastructure projects. Each construction material is followed by a standard for the material to be considered "produced in the United States." Except as specifically provided, only a single standard should be applied to a single construction material.

(1) Non-ferrous metals. All manufacturing processes, from initial smelting or melting through final shaping, coating, and assembly, occurred in the United States.

(2) Plastic and polymer-based products. All manufacturing processes, from initial combination of constituent plastic or polymer-based inputs, or, where applicable, constituent composite materials, until the item is in its final form, occurred in the United States.

(3) Glass. All manufacturing processes, from initial batching and melting of raw materials through annealing, cooling, and cutting, occurred in the United States.

(4) Fiber optic cable (including drop cable). All manufacturing processes, from the initial ribboning (if applicable), through buffering, fiber stranding and jacketing, occurred in the United States. All manufacturing processes also include the standards for glass and optical fiber, but not for non-ferrous metals, plastic and polymer-based products, or any others.

(5) Optical fiber. All manufacturing processes, from the initial preform fabrication stage through the completion of the draw, occurred in the United States.

(6) Lumber. All manufacturing processes, from initial debarking through treatment and planing, occurred in the United States.

(7) Drywall. All manufacturing processes, from initial blending of mined or synthetic gypsum plaster and additives through cutting and drying of sandwiched panels, occurred in the United States.

(8) Engineered wood. All manufacturing processes from the initial combination of constituent materials until the wood product is in its final form, occurred in the United States.

IN WITNESS WHEREOF, the parties hereto have executed this instrument or caused this Agreement to be executed by their duly authorized agents this _____ day of _____, 2026.

**SONOMA COUNTY COMMUNITY DEVELOPMENT
COMMISSION**

Dated: _____

By: _____
Michelle Whitman, Executive Director

SWEETWATER SPRINGS WATER DISTRICT

Dated: _____

By: _____
Eric Schanz, General Manager

EXHIBIT A

Scope of Service

The project replaces old water mains with new, improved water mains sufficient to provide domestic and fire flows and reduce repairs. The project will be completed in two phases. This application is for construction of Phase 1. Approximately 1,800 feet of water main serving 25 low-income households will be completed in Phase 1. The water main will be replaced with 6-inch HDPE piping. The water system will be upgraded with five hydrants and valve assemblies, and the service lines will be equipped with meters. The disturbed portion of the asphalt road will be repaved. The project will increase flow and pressure for hydrant requirements. Trench work will not exceed 4 feet in depth and 2 feet in width. All trench work will occur in previously disturbed areas and all areas will be restored to original line and grade.

Scope of services within CDBG guidelines

EXHIBIT B

Budget

CDBG funds will be used to pay for the bid solicitation process and construction of the new pipeline, hydrants, and service meters.

TOTAL: \$759,183

EXHIBIT C

SECTION 3 AFFIRMATIVE ACTION PLAN

Responsibilities and procedures for carrying out the requirements of Section 3 of the Housing and Urban Development Act of 1968 in connection with certain housing rehabilitation, housing construction and public construction projects assisted with funds from the U.S. Department of Housing and Urban Development (HUD).

1. Purpose

To ensure that employment and other economic opportunities generated by Section 3 covered projects shall, to the greatest extent feasible, and consistent with existing federal, state and local laws and regulations, be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low- and very low-income residents of the Sonoma County project area.

2. Policy

It shall be the policy of Sonoma County:

- (a) To comply with federal regulations in 24 CFR Part 135 as required by Section 3 of the Housing and Urban Development Act of 1968.
- (b) To provide an on-going program which assures the opportunity for recruitment, training, and employment of low- and very low-income persons residing in the Section 3 project area.
- (c) To assure that contracts for work in connection with Section 3 covered projects be awarded to Section 3 business concerns which are located in the Section 3 project area.
- (d) To ensure that Section 3 business concerns which are located in the Section 3 project area receive affirmative consideration to the greatest extent feasible in the awarding of contracts in the fields of planning, consulting, design, architecture, engineering, maintenance, construction and repairs.
- (e) To encourage firms outside the County Section 3 project area to joint venture project proposals with local Section 3 business concerns in the bidding and negotiation process.

3. Definitions and Terms

- (a) Low-income person is defined as a person whose household income does not exceed 80% of the median income of the Santa Rosa-Petaluma Metropolitan Statistic Area (SMSA).
- (b) Section 3 business concern is defined as a business entity formed in accordance with state law, and which is licensed under state, county or municipal law to engage in the type of business activity for which it was formed and:

- (1) that is 51% or more owned by low- or very low-income persons residing in the Section 3 project area; or
 - (2) whose permanent, full-time employees include persons, at least 30% of whom are currently low- or very low-income persons residing in the Section 3 project area, or within three years of the date of first employment with the business concern were low or very low-income persons residing in the Section 3 project area; or
 - (3) that provides evidence of a commitment to subcontract in excess of 25% of the dollar amount of all subcontracts to be awarded to business concerns that meet the qualifications in paragraphs (1) and (2) above.
- (c) Section 3 covered project means the construction, reconstruction, conversion or rehabilitation of housing, and other public construction which includes buildings or improvements (regardless of ownership), when the level of HUD assistance to the project is at least \$200,000. For such projects, the recipient of the HUD funds shall comply with Section 3 requirements for all work arising in connection with the project. If any contract or subcontract for work generated by the expenditure of Section 3 covered HUD funds is at least \$100,000, the contractor or subcontractor shall also comply with Section 3 requirements.
- (d) The Section 3 project area is defined as Sonoma County.
- (e) Very low-income person is defined as a person whose household income does not exceed 50% of the median income of the SMSA.

4. Contractual Requirements

In all contracts for work in connection with a Section 3 covered project, the following clause (referred to as the Section 3 Clause) will be included:

Section 3 Clause

- (a) The work to be performed under this Contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. §1701u) ("Section 3"). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted developments covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons including persons who are recipients of HUD assistance for housing, with preference for both targeted workers living in the service area or neighborhood of the Development and Youthbuild participants, as defined at 24 CFR Part 75 ("Section 3 Regulations").
- (b) The Parties agree to comply with HUD's regulations in Section 3 Regulations, which implement Section 3. As evidenced by their execution of this Contract, the Parties certify that they are under no contractual or other impediment that would prevent them from complying with the Section 3 Regulations.
- (c) The Contractor agrees to send to each labor organization or representative of workers with which the Contractor has a collective bargaining agreement or other

understanding, if any, a notice advising the labor organization or workers' representative of the Contractor's commitments under this section of the Contract, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference and shall set forth the following: (i) minimum number and job titles subject to hire, (ii) availability of apprenticeship and training positions, (iii) qualifications for each, (iv) name and location of the person(s) taking applications for each of the positions, and (v) the anticipated date the work shall begin. (d) The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the contractor is in violation of the regulations in, 24 CFR Part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.

- (d) The Contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in Section 3 Regulations and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in Section 3 Regulations. The Contractor will not subcontract with any subcontractor where the Contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in Section 3 Regulations.
- (e) The Contractor will certify that any vacant employment positions, including training positions, that are filled (i) after a contractor is selected but before the contract is executed, and (ii) with persons other than those to whom the regulations of Section 3 Regulations require employment opportunities to be directed, were not filled to circumvent the Contractor's obligations under Section 3 Regulations..
- (f) Noncompliance with HUD's regulations in Section 3 Regulations may result in sanctions, termination of this Contract for default, and debarment or suspension from future HUD assisted contracts.

5. Section 3 Compliance

Assurances required by HUD have been made by the Sonoma County Community Development Commission that, to the greatest extent feasible, contracts/subcontracts for work on Section 3 covered projects will be awarded to eligible project area Section 3 business concerns and that, to the greatest extent feasible, vacancies in the recipient's/contractor's/subcontractor's work force will be filled with low- and very low-income project area residents.

To attain this goal, the recipient of HUD funds shall develop an affirmative action plan for utilizing eligible project area Section 3 business concerns and low- and very low-income residents or adopt the following Community Development Commission Affirmative Action Plan. The following requirements are in accordance with the Commission's Plan:

For purposes of this Paragraph 5, the term “contractor” refers to the recipient of Section 3 covered assistance, as well as to any contractors and subcontractors entering into Section 3 covered contracts.

- (a) For all Section 3 covered work to be sub-contracted, the contractor shall solicit bids from local project area Section 3 business concerns.
 - (b) Contractor shall establish a goal for awarding contracts for building trades work arising in connection with Section 3 covered housing rehabilitation, housing construction and public construction of not less than 10% of the total dollar amount of all contracts to be awarded.
 - (c) The contractor shall notify all union or labor organizations with which it has collective bargaining agreements of the contractor’s commitment to comply with the Section 3 requirements, and shall request union cooperation in utilizing low- and very low-income project area residents.
 - (d) The contractor shall attempt to recruit eligible low- and very low-income project area residents to fill all vacancies in its work force by advertising in a local newspaper, by placing signs at the project site, by contacting the local State Employment Office and by requesting unions to refer lower-income project area residents.
 - (e) The contractor shall include with its proposal, a list of the names and addresses and the dollar amounts of the sub-contracts that the contractor proposes to award to eligible project area Section 3 business concerns.
 - (f) Prior to construction on a Section 3 covered project, the selected contractor shall submit to the Construction Services and Affordable Housing Finance Manager the following documents:
 - The bidder’s affirmative action plan (if applicable).
 - Copies of contractor’s notices or advertisements for soliciting bids for sub-contracts from eligible project area Section 3 business concerns.
 - Copies of contractor’s notice to unions requesting low- and very low-income project area residents.
6. The contractor shall determine the maximum number of trainee and employee positions that can be utilized on the project by the following methods:

Trainees:

For building construction, the number of trainees should be that which can reasonably be used in each trade during each phase of the project. However, this number MAY NOT be less than the minimum number of trainees determined appropriate by the Secretary of Labor for each building construction trade or occupation.

For non-construction occupations (or building construction occupations where the Secretary of Labor has not set a ratio for trainees) the contractor must set the maximum number of trainees feasible for this number.

Employees:

Identify the number of employees needed (skilled, semi-skilled, un-skilled), including management and administrative support jobs directly related to the Section 3 covered activities, by occupational categories.

Identify the number of positions currently occupied by permanent employees by occupational categories.

Establish a goal for the number of vacant positions to be filled by low- and very low-income project area residents of not less than 30% of the aggregate number of new hires during the fiscal year in which HUD assistance is received.

7. The contractor shall submit to the Construction Services and Affordable Housing Finance Manager the following documents:
 - (a) An up-to-date list of names, addresses and phone numbers of all project area residents seeking employment with the contractor, indicating those that were employed and if not employed, the reason why they were not employed.
 - (b) An up-to-date list of the contractor's work force.
 - (c) An up-to-date list of eligible project area Section 3 business concerns contacted and those utilized on the project, including the dollar amount of work performed or materials supplied.
 - (d) A statement describing contractor's good faith efforts in recruiting low- and very low-income project area residents and soliciting bids from Section 3 business concerns located in the project area.

EXHIBIT D

Environmental Mitigation Measures

1. Endangered Species

Mitigation Measure BIO-1:

Initial shrub and understory vegetation removal within the project site shall be conducted from September 1 to January 31, outside of the nesting bird season, to the extent feasible. Work initiated between February 1 and August 31 will avoid impacts to nesting birds by implementing the following measures: (1) a qualified biologist will conduct a nesting bird survey no sooner than 7 days prior to the start of work, and if no active nests are found, work may begin and no impacts to birds will result, (2) if active nests are found during the survey, the biologist will establish a protective buffer zone around the nest within which no work will be allowed, and once the young have fledged the nest or the nest becomes inactive (e.g., due to predation), then work may continue within the buffer zone area without restriction and no impacts to birds will result, (3) if work ceases for longer than 14 days, then measures 1 and 2 will be repeated.

Mitigation Measure BIO-2:

The project shall include three protocol-level pre-construction northern spotted owl surveys for Disturbance-Only Projects. The general methods to be used are outlined in The Protocol for Surveying Proposed Management Activities that May Impact Northern Spotted Owls (USFWS 2012). These surveys will begin in mid-March and can conclude by mid-April. Should owls be documented, follow-up surveys will be conducted around the general vicinity of the project site to determine an approximate nesting location and an evaluation of potential impacts will be conducted and protective measures instituted during project activities.

2. Historic Resources

Mitigation Measure HIST-1:

If buried materials are encountered, all soil-disturbing work shall be halted within 60 feet of any discovery and the SCCDC shall be notified. An archaeologist who meets the Secretary of the Interior's Standards for Archaeology must be contacted and the requirements under 36 CFR 800.13 followed. Work shall not commence in the vicinity of the inadvertent discovery until a qualified archaeologist completes a significance evaluation of the find(s) pursuant to Section 106 of the National Historic Preservation Act (36 CFR 60.4).

Mitigation Measure HIST-2:

If human remains are encountered, excavation or disturbance of the location must be halted in the vicinity of the find, and the county coroner contacted. If the coroner determines the remains are Native American, the coroner will contact the Native American Heritage Commission and the developer will notify SCCDC. The Native American Heritage Commission will identify the person or persons believed to be most likely descended

from the deceased Native American. The most likely descendent makes recommendations regarding the treatment of the remains with appropriate dignity.

Project Description

The proposed project includes the replacement of approximately 6,400 linear feet (LF) of water main serving approximately 65 low-income households and the replacement of the Edgehill Booster Station.

The existing two-inch and six-inch galvanized mainlines will be replaced by six-inch high-density polyethylene (HDPE). The project work will occur in two pressure zones: the Wright Drive Upper Pressure Zone (Upper Zone) and the Wright Drive Main Pressure Zone (Main Zone).

Preliminary site plans for the proposed project are provided in Figures 3-5.

The project replaces old water mains with new, improved water mains sufficient to provide domestic and fire flows and reduce repairs. The project will be completed in two phases. This application is for construction of Phase 1. Approximately 1,800 feet of water main serving 25 low-income households will be completed in Phase 1. The water main will be replaced with 6-inch HDPE piping. The water system will be upgraded with five hydrants and valve assemblies, and the service lines will be equipped with meters. The disturbed portion of the asphalt road will be repaved. The project will increase flow and pressure for hydrant requirements. Trench work will not exceed 4 feet in depth and 2 feet in width. All trench work will occur in previously disturbed areas and all areas will be restored to original line and grade.

All work areas will take place in previously disturbed or developed areas. The majority of the work will be confined within the existing pavement width with minor work outside the pavement for the replacement of existing water meter boxes and the installation of new fire hydrants. Trench depths are not anticipated to exceed four feet in depth and two feet in width and will be restored to the original line and grade.

The Project will include the implementation of Best Management Practices (BMPs) for erosion and sediment control during project construction, which shall include the use of one or more of the following, as appropriate:

- Construction fencing, straw wattles, and/or other appropriate stormwater pollution prevention measures to be placed around reaches of the intermittent streams to minimize sediment and/or pollutants from entering the aquatic feature.
- Construction within 15-feet of the stream will occur during the dry season (June 1 through October 15).

SWEETWATER SPRINGS WATER DISTRICT

TO: Board of Directors

AGENDA NO. V-B

FROM: Eric Schanz, General Manager

Meeting Date: April 2, 2026

SUBJECT: DRAFT FY 2026-2027 BUDGET

RECOMMENDED ACTION: Receive a report on the Draft District FY 2026-2027 Budget, including the District's proposed water rates based on four budget options plus proposed fee changes, and provide direction to staff and the *ad hoc* Budget subcommittee.

FISCAL IMPACT: Provides financial direction for FY 2026-2027.

DISCUSSION:

The *ad hoc* Budget Subcommittee met in March to discuss the Draft 2026-2027 Budget which is being presented at this meeting. Attached for your review is a spreadsheet of Rate Increase Options, Proposed Fee Changes, a detailed Operating Budget (showing a 3% rate increase), and a detailed Capital Budget (reflecting a 3% rate increase)

Proposed FY 2026-2027 Water Rates

As part of the draft budget process, several different budget options have been provided to offer a view on the fiscal impacts based on the percentage increase. Staff and the *ad hoc* Budget Committee reviewed the operating budget detail looking closely at projected operating expenses and CIP projects for the fiscal year and concluded that the District needs a moderate increase to keep up with increased operating expenses due to increased costs associated with salaries and benefits. The Budget Subcommittee and Staff concluded that a three percent rate increase will cover projected expenses.

Proposed FY 2026-2027 Fee Increases

District staff and the *ad hoc* Budget Subcommittee have reviewed the District fee schedule and recommend no changes for the FY 2026-2027 Budget.

Fiscal Year 2026-2027 Operating Budget

Staff have met several times to develop the appropriate line-item amounts for the Operating section of the Budget (attached).

On the revenue side, water sales have seen an increase in FY 2025-26 which is reflected in next year's water sales projections. On the expense side, labor negotiations have taken place and there is a more predictable budget for salaries and benefits. Some of the uncertainties of the previous year have not generated a significant increase in operating cost. Energy cost are expected to see an increase due to market fluctuations in oil causing increased fuel cost. While there is concern over higher cost of goods and services from tariffs this has not significantly impacted our budget from last year and an operating surplus is expected to carry over to the Capital Budget for this fiscal year.

The 3 percent recommended rate is sufficient to include projected transfers to CIRF from surplus operating income of \$960,000 which is \$210,000 higher than the \$750,000 recommended in the Rate Study, and approximately \$128,468 higher than FY 2025-26 transfers.

Fiscal Year 2026-2027 Capital Budget

The Capital Budget spreadsheet (attached) shows capital revenues and expenses for the past two years, plus projected expenses for FY 2026-2027. Grant funding information is also included. A multi-year view of capital spending is appropriate as many capital projects span multiple years, are subject to frequent project and timing changes, and require careful planning to finance. The spreadsheet also includes information about grant funding on a project-by-project basis.

Capital expenditures are broken down into four (4) categories:

- (1) CIP projects
- (2) In-house projects and equipment
- (3) Debt payments
- (4) District investments

(1) And (2) CIP Projects, In-House Projects, and Equipment. In FY 2026-2027 we are planning to begin construction on Phase 1 of the Wright Drive CIP project. It should be noted that staff is securing grant funding for this project, but the Capital Budget figures do not include any grant funding. Grant revenue is only reflected in the Capital Budget when received, which is often long after a project is completed. In addition, next year's Capital Budget

includes cost carry-over for the LTE Meter register upgrade and provides for 2 smaller, in-house projects plus the purchase of a new dump truck.

(3) Capital Debt Payments. The loan and bond debt payments shown on the Capital Budget total \$650,000 for FY 2026-27. This figure is net of contributions from the Sinking Fund reserves built up over the last couple of years. (Actual loan and bond debt payments in FY 2026-27 are \$777,412).

(4) District Investments. The proposed Capital Budget also allocates \$235,000 towards what staff refers to as "District Investments". This is a new name for the types of expenditures we have actually been making the last few years: Investments in setting up a Sinking Fund Reserve, investments in paying down PERS Unfunded Liability, and – this year – an additional investment in PARS. The \$235,000 budgeted line item consists of a \$135,000 addition to our Sinking Fund, and a \$100,000 contribution to continuing building our funds at PARS.

Proposition 218 Notice

Proposition 218 requires that 45-day notice be given to all property owners in the area affected by a proposed rate increase. Notice for proposed water rate increases will need to be mailed to all property owners by April 20, 2026. The Notice will provide for an increase to the Base Rate and Water Usage Charges and Capital Debt Reduction Charge based on the option selected by the board and will include the proposed rate schedules and a protest form.

Introduce Budget Process	March 5, 2026
Budget Committee Meeting	March 10, 2026
Draft Budget to Board for Discussion/Action, Including Direction on Water Rates and Fees	April 2, 2026
Prop 218 Mailing for Water Rate/Fees Increase	April 20, 2026
Draft Budget to Board for Discussion/Action	May 7, 2026
Adopt Budget/ Rates and Fees <ul style="list-style-type: none">• Prop 218 Public Hearing on Rates/Fees	June 4, 2026

2026-27 Operating Budget Options

	2025-26 Actual (Est.)	2026-27 Option 1	2026-27 Option 2	2026-27 Option 3	2026-27 Option 4
	6.5% rate increase	2% rate increase	3% rate increase <i>(staff recommendation)</i>	4% rate increase	5% rate increase
Base Rate	\$94.27	\$96.16	\$97.10	\$98.04	\$98.98
CDR	\$17.26	\$17.61	\$17.78	\$17.95	\$18.12
Tier 1 rate	\$2.44	\$2.49	\$2.51	\$2.54	\$2.56
Tier 2 rate	\$5.19	\$5.29	\$5.35	\$5.40	\$5.45
SFD Bimonthly Bill (6 hcf)	\$126.17	\$128.69	\$129.96	\$131.22	\$132.48
REVENUE					
Water Sales					
Base Rate	\$2,358,975	\$2,406,155	\$2,429,744	\$2,453,334	\$2,476,924
Current Charges	\$875,707	\$893,221	\$901,978	\$910,735	\$919,492
CDR	\$428,113	\$436,675	\$440,956	\$445,238	\$449,519
Delinquency + Other Fees	\$64,000	\$65,280	\$65,920	\$66,560	\$67,200
Total Water Sales	\$3,726,795	\$3,801,331	\$3,838,599	\$3,875,867	\$3,913,135
Rent	\$130,000	\$136,500	\$136,500	\$136,500	\$136,500
Other	\$85,400	\$58,900	\$58,900	\$58,900	\$58,900
Total Non-Operating Revenue	\$215,400	\$195,400	\$195,400	\$195,400	\$195,400
Total Income	\$3,942,195	\$3,996,731	\$4,033,999	\$4,071,267	\$4,108,535
EXPENDITURES					
Salary and Benefits					
Wages/Overtime/On-Call	\$1,192,000	\$1,226,000	\$1,226,000	\$1,226,000	\$1,226,000
Benefits	\$511,500	\$518,243	\$518,243	\$518,243	\$518,243
Total Salary and Benefits	\$1,703,500	\$1,744,243	\$1,744,243	\$1,744,243	\$1,744,243
Total Services and Supplies*	\$822,500	\$867,495	\$867,495	\$867,495	\$867,495
Total Expenditures*	\$2,526,000	\$2,611,738	\$2,611,738	\$2,611,738	\$2,611,738
OPERATING INCOME	\$1,416,195	\$1,384,993	\$1,422,261	\$1,459,529	\$1,496,797
Transfers to Capital					
CIRF (CDR Revenue)	\$428,113	\$436,675	\$440,956	\$445,238	\$449,519
CIRF (Operating Surplus)*	\$831,532	\$930,000	\$960,000	\$995,000	\$1,025,000
Building Fund	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Total Transfers to Capital	\$1,274,645	\$1,381,675	\$1,415,956	\$1,455,238	\$1,495,000
Undesignated Oper surplus	\$141,550	\$3,318	\$6,304	\$4,291	\$1,797

* Does not include CIRF sustainable revenue surplus, estimated at app. \$150,000/year.

* Does not include grants or new construction.

SWEETWATER SPRINGS WATER DISTRICT
DRAFT OPERATING BUDGET

FY 2026-27
DRAFT

	YEAR END ACTUAL (CASH)	APPROVED BUDGET 6.5% rate incr	ESTIMATED YEAR END ACTUAL	PROPOSED BUDGET 3% rate increase	+/- Change (from last year)
REVENUE	FY 2024-25	FY 2025-26	FY 2025-26	FY 2026-27	
OPERATING REVENUE					
Water Sales					
Base Rate	2,209,736	2,358,975	2,358,975	2,429,744	70,769
Current Charges	847,801	875,707	875,707	901,978	26,271
Capital Debt Reduction Charges	403,840	428,113	428,113	440,956	12,843
Water Bill Delinquency Fees	30,688	63,900	32,000	65,920	2,020
Service Charges / Outside Sales	29,782	-	32,000	0	-
TOTAL WATER SALES	3,521,847	3,726,695	3,726,795	3,838,598	111,903
Total OPERATING REVENUE	3,521,847	3,726,695	3,726,795	3,838,598	111,903
NON-OPERATING REVENUE					
1700 Interest	46,231	40,000	55,000	50,000	10,000
3600 Construction New Services	1,000	2,000	16,500	5,000	3,000
3601 Construction Service Upgrades	1,677	1,000	7,400	3,000	2,000
4032 Rent	140,578	135,000	130,000	136,332	1,332
4040 Miscellaneous Income	63,524	1,000	6,500	1,000	-
Total NON-OPERATING REVENUE	253,010	179,000	215,400	195,332	16,332
Total OPERATING INCOME	3,774,857	3,905,695	3,942,195	4,033,930	128,235
EXPENSES					
OPERATING EXPENSES					
SALARY & BENEFITS					
Salary					
5910 Wages	1,045,348	1,160,000	1,100,000	1,132,000	(28,000)
5912 Overtime	45,549	52,000	52,000	54,000	2,000
5916 On-Call Pay	39,655	44,000	40,000	40,000	(4,000)
Total Salary	1,130,552	1,256,000	1,192,000	1,226,000	(30,000)
Benefits					
5920.0 Retirement (District + EE portion)	169,032	184,000	196,000	184,837	837
5920.2 Retirement (EE deferrals)	-76,940	-87,000	-91,000	-85,784	1,216
5920.4 Retirement - UL	16,476	24,000	24,000	0	(24,000)
5920 TOTAL RETIREMENT	108,568	121,000	129,000	99,053	(21,947)
5930.0 Health/Dental/Vision	359,922	377,000	336,000	368,490	(8,510)
5930.0 Health - EE Deferrals	-17,480	-18,000	-16,000	(17,000)	1,000
5930.2 Retiree Health	12,608	14,500	14,500	14,700	200
5930.4 Workers Comp Insurance	27,032	30,000	29,000	32,000	2,000
5930 TOTAL HEALTH	382,082	403,500	363,500	398,190	(5,310)
5922 Payroll Taxes (District share)	19,919	20,000	18,000	20,000	-
5941 Life Insurance (GM)	0	1,000	1,000	1,000	-
Total Benefits	510,569	545,500	511,500	518,243	(27,257)
TOTAL SALARY & BENEFITS	1,641,121	1,801,500	1,703,500	1,744,243	(57,257)
SERVICES & SUPPLIES					
Communications					
6040-I Internet service	4,055	4,500	4,500	4,044	(456)
6040-C Cell Phones/Radios	12,512	6,500	9,000	7,000	500
6040-T Telephones	41,980	43,000	43,000	20,000	(23,000)
Total Communications	58,547	54,000	56,500	31,044	(22,956)
Insurances					
6101 Liability & Auto Ins.	59,559	60,000	64,000	67,671	7,671
Total Insurances	59,559	60,000	64,000	67,671	7,671
Maintenance - Office & Vehicles					
6140 Vehicle Maintenance	35,851	25,000	30,000	30,000	5,000

SWEETWATER SPRINGS WATER DISTRICT
DRAFT OPERATING BUDGET

FY 2026-27
DRAFT

	YEAR END ACTUAL (CASH)	APPROVED BUDGET 6.5% rate incr	ESTIMATED YEAR END ACTUAL	PROPOSED BUDGET 3% rate increase	+/- Change (from last year)	
6151	Office Maintenance	6,594	8,400	10,000	8,460	60
	Total Maintenance - Office & Vehicles	42,445	33,400	40,000	38,460	5,060
	Maintenance - Facilities					
6085	Janitorial Services	11,255	12,000	13,000	11,600	(400)
6100	SCADA System	3,401	8,000	8,000	8,000	-
6180	Distribution System Repairs	106,903	70,000	70,000	75,000	5,000
6235	Treatment Sys/Well Repairs	7,171	30,000	30,000	45,000	15,000
6143	Generator Maintenance	2,682	2,700	6,000	7,000	4,300
	Total Maintenance - Facilities	131,412	122,700	127,000	146,600	23,900
	Miscellaneous Expenses					
6280	Memberships	12,041	13,000	13,000	13,300	300
6303	Claims	7,000	1,000	1,000	5,000	4,000
6593	Governmental Fees	25,432	25,000	25,000	25,000	-
	Total Miscellaneous Expenses	44,473	39,000	39,000	43,300	4,300
	Office Expense					
6410	Postage	15,696	20,000	20,000	20,000	-
6430	Printing Expense	7,063	5,000	4,000	5,000	-
6461	Office Supplies	8,309	8,500	8,500	9,200	700
6800	Subscriptions/Legal Notices	1,253	1,500	1,500	1,000	(500)
6890	Computers/Software	8,710	4,000	4,000	3,800	(200)
6895	Billing System	16,493	17,000	19,000	18,000	1,000
6897	Website	3,474	4,000	4,000	4,200	200
	Total Office Expense	60,998	60,000	61,000	61,200	1,200
	Operating Supplies					
6300	Chemicals	18,450	18,000	18,000	19,000	1,000
6880	Tools and Equipment	7,031	7,500	8,000	8,000	500
6881	Safety Equipment	3,631	3,500	3,500	3,500	-
	Total Operating Supplies	29,112	29,000	29,500	30,500	1,500
	Professional Services					
6514	Lab/Testing Fees	17,435	18,000	18,000	18,000	-
6570	Consultant Fees	24,086	25,000	20,000	50,000	25,000
6590	Engineering	5,738	8,000	4,000	6,000	(2,000)
6610	Legal	21,072	20,000	23,000	25,000	5,000
6630	Audit/Accounting	46,870	51,000	56,000	54,500	3,500
	Total Professional Services	115,201	122,000	121,000	153,500	31,500
	Rents & Leases & Loans					
6820	Equipment	1,673	2,000	2,000	1,700	(300)
6840	Building & Warehouse	32,832	33,000	33,000	33,820	820
	Total Rents, Leases & Loans	34,505	35,000	35,000	35,520	520
	Transportation & Travel					
7120	Seminars & related travel	449	2,000	2,000	2,000	-
7201	Vehicle Gas	36,237	49,000	45,000	45,000	(4,000)
7300	Travel Reimbursements	4,173	4,200	4,200	4,400	200
	Total Transportation & Travel	40,859	55,200	51,200	51,400	(3,800)
	Uniforms					
6021.1	Boots	1,780	2,300	2,300	2,300	-
6021.3	T-shirts	1,440	1,500	1,500	1,500	-
6021.4	Jackets	1,005	1,000	500	500	(500)
	Total Uniforms	4,225	4,800	4,300	4,300	(500)
	Utilities					
7320	Electricity	174,880	200,000	190,000	200,000	-
7321	Propane	2,404	4,000	4,000	4,000	-
	Total Utilities	177,284	204,000	194,000	204,000	-
	Total SERVICES & SUPPLIES	798,620	819,100	822,500	867,495	48,395

SWEETWATER SPRINGS WATER DISTRICT
 DRAFT OPERATING BUDGET
 FY 2026-27
 DRAFT

		YEAR END ACTUAL (CASH)	APPROVED BUDGET 6.5% rate incr	ESTIMATED YEAR END ACTUAL	PROPOSED BUDGET 3% rate increase	+/- Change (from last year)
Total OPERATING EXPENSES		2,439,741	2,620,600	2,526,000	2,611,738	-8,862
TRANSFERS TO OTHER FUNDS						
8620.7	Tfers to CIRF for CDR Revenue	401,984	428,113	428,113	440,956	12,843
8620.3	Tfers to CIRF	570,000	831,532	831,532	960,000	128,468
8620.5	Tfers to Building Fund	15,000	15,000	15,000	15,000	-
Total TRANSFERS TO OTHER FUNDS		986,984	1,274,645	1,274,645	1,415,956	141,311
OPERATING SURPLUS/DEFICIT AFTI		348,132	10,450	141,550	6,236	-4,214

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

	2024-25 Actual (9% rate incr.)	2025-26 Projectd (6.5% rate incr.)	2026-27 Budget (3% rate incr.)	
Total CIRF Balance Beginning of Year	\$1,177,330	\$1,620,050	\$1,737,474	
REVENUE				
Assessments/New Services	\$752,559	\$750,000	\$750,000	
CDR Transfer from Operations	\$401,984	\$428,113	\$440,956	
Operating Surplus Transfer from Operations	\$570,000	\$831,532	\$960,000	
Interest	\$76,879	\$50,000	\$50,000	
New Construction	\$0	\$26,529	\$0	
Grants Received	\$729,501	\$186,920	\$0	
Total Revenue	\$2,530,923	\$2,273,094	\$2,200,956	
Total Available for Capital Expenses	\$3,708,253	\$3,893,144	\$3,938,430	
EXPENDITURES				
GRANT INFORMATION				
CIP Projects	TOTAL PROJECT COST			GRANTS APPROVED BUT NOT YET REC'D
Lower Harrison	\$941,775	\$174,224	\$0	\$871,654
Wright Dr - Design	\$231,103	\$103,142	\$30,669	\$160,450
Wright Drive - Construction Ph. I	\$1,000,000	\$0	\$0	\$0
Misc. Paving and Valve costs		\$51,425	\$120,000	\$0
Total CIP Projects		\$328,791	\$150,669	\$186,920.23
Other Capital Expenses				
Annual transfer to Policy Reserves		\$65,708	\$8,381	\$0
In-House Project/Site Improvements:		\$126,029		\$60,000
Well 5 rehab			\$41,415	\$0
Lower Summit tank liner/standby generator			\$55,000	\$0
Electronic Flow Production Meters			\$0	\$100,000
AMR Pilot Program			\$800,000	\$600,000
SCADA system radio replacement			\$0	\$100,000
District Master Plan	\$218,840	\$162,107	\$5,205	\$0
Vehicle / Equipment		\$207,568	\$210,000	\$110,000
Total Other Capital Projects/Equipment		\$561,412	\$1,120,002	\$970,000
Capital Debt Payments (for next FY) + District Investment				
Debt tfer (reduced by Sinking Fund adj.)		\$698,000	\$650,000	\$650,000
District Investment: (i.e., Sinking Fund; PERS UL; PARS)		\$500,000	\$235,000	\$235,000
Total Debt		\$1,198,000	\$885,000	\$885,000
Total CIP/Debt Expenditures		\$2,088,203	\$2,155,670	\$3,045,000
Total CIRF Balance End of Year (Est.)		\$1,620,050	\$1,737,474	\$893,430
Actual CIRF Balance End of Year before receivables: \$1,662,009				
Receivables (incl. above)		\$32,957		
Payables (incl. above)		-\$74,917		
Final Capital Budget EOY:		\$1,620,050		

FY 2024-25 Actuals: ElBo Well4 rehab (\$55,246.93); ElBo Well 5 Rehab (\$65,212.37G); Bathroom/Kitchen remodel (\$2,600)
 FY 26-27 Driveways School House /Villa Grande (\$60,000)

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

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

FY 2025-26 Water Utility Comparison					
Cost for 2 months (Bi-Monthly); 9000 gallons (12 units)					
Agency	Fixed	Usage	Tiers	Notes	Total FY 2025-26
Calistoga	\$140.72	\$180.96	\$15.08/unit		\$321.68
St. Helena	\$158.04	\$83.88	\$6.99/unit		\$241.92
Cal Water	\$75.19	\$127.05	\$3.86 X 6 units = \$23.16 \$15.39 X 3 units = \$46.17 \$19.24 X 3 units = \$57.72	Fixed charges include \$11.47 in non-service charges	\$202.24
Healdsburg	\$99.22	\$98.00	\$7.78 X 10 units = \$77.80 \$10.10 X 2 units = \$20.20		\$197.22
Sweetwater Springs W.D.	\$144.53	\$40.28	\$2.44 X 8 = \$19.52 \$5.19 X 4 = \$20.76	Includes \$33 bi-monthly flat charge	\$184.81
Cloverdale	\$81.56	\$95.52	\$7.96 X 12 units		\$177.08
Rohnert Park	\$77.20	\$72.72	\$4.71 X 3 1000 gal units = \$14.13 \$6.51 X 9 1000 gal units = \$58.59	After 14% 1/1/2026 mid-year increase	\$149.92
Valley of the Moon WD	\$41.16	\$97.08	\$5.45 X 4 units = \$21.80 \$9.41 X 8 units = \$75.28		\$138.24
Forestville W.D.	\$34.98	\$99.24	\$8.27 X 12 units		\$134.22
Bodega Bay PUD	\$83.61	\$42.92	\$0 X 8 unit = \$0 \$10.73 X 4 units = \$42.92	3.5% rate increase proposed	\$126.53
Sebastopol	\$70.38	\$49.68	\$5.20 X 7 1000 gal units = \$36.40 \$6.64 X 2 1000 gal units = \$13.28		\$120.06
Petaluma	\$44.24	\$72.40	\$5.85 X 8 units = \$46.80 \$6.40 X 4 units = \$25.60		\$116.64
Cotati	\$62.98	\$48.24	\$5.36 X 9 1000 gal units		\$111.22
Rio Linda	\$73.22	\$22.68	\$1.89/unit		\$95.90
Santa Rosa	\$30.76	\$64.89	\$7.21 X 9 1000-gal units		\$95.65
Windsor	\$29.20	\$40.66	\$3.98 X 7 1000 gal units = \$27.86 \$6.40 X 2 1000 gal units = \$12.80	Some accounts have a pumping surcharge	\$69.86

SWEETWATER SPRINGS WATER DISTRICT

TO: Board of Directors

AGENDA NO. V-C

FROM: Eric Schanz, General Manager

Meeting Date: April 2, 2026

Subject: Council of Governments

RECOMMENDED ACTION:

Discussion/Action re Council of Governments meeting April 18,2026 at the Monte Rio Community Center.

FISCAL IMPACT:

None

DISCUSSION:

This item was introduced at the February Board meeting. The Board wanted to allow for further discussion and give Director's time to provide further input on questions and concerns that could be addressed at the Council of Governments meeting in April. Additionally, during the March meeting the Board selected Director Robb-Wilder to attend the meeting with the General Manager to represent the District.

Lynda Hopkins office has sent out a confirmation email for the meeting on April 18,2026 from 1PM to 4PM at the Monte Rio Community Center. The gathering is intended to strengthen regional collaboration across districts with a focus on shared challenges, coordination opportunities and ways the County and the River MAC can help support the essential work districts do every day.

Special district board members from the Lower Russian River area including water, sewer, fire, school and community service districts are encouraged to participate.

This will be a noticed special meeting of the Lower Russian River Municipal Advisory Council. The agenda will be posted on April 10th.

SWEETWATER SPRINGS WATER DISTRICT

TO: Board of Directors

AGENDA NO. V-D

FROM: Eric Schanz, General Manager

Meeting Date: April 2, 2026

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:

FY 2026-27 Budget Committee- *(Dir. Schaap/Tran)*

This committee is responsible for assisting staff with the budget and rates development for the FY 2026-27 Budget. Make recommendations to the Board.

CIP- *(Dir. Holmer/Lipinski)*

This committee is responsible for evaluating a process to set project priorities and recommending a CIP Plan. Make recommendations to the Board.

District Policies Review- *(Dir. Robb-Wilder/Schaap)*

This committee is charged with reviewing and updating the necessary sections of the Policies and Procedures Manual.

SWEETWATER SPRINGS WATER DISTRICT

TO: Board of Directors

AGENDA NO. VI

FROM: Eric Schanz, General Manager

Meeting Date: April 2, 2026

Subject: GENERAL MANAGER'S REPORT

RECOMMENDED ACTION: Receive report from the General Manager.

FISCAL IMPACT: None

DISCUSSION:

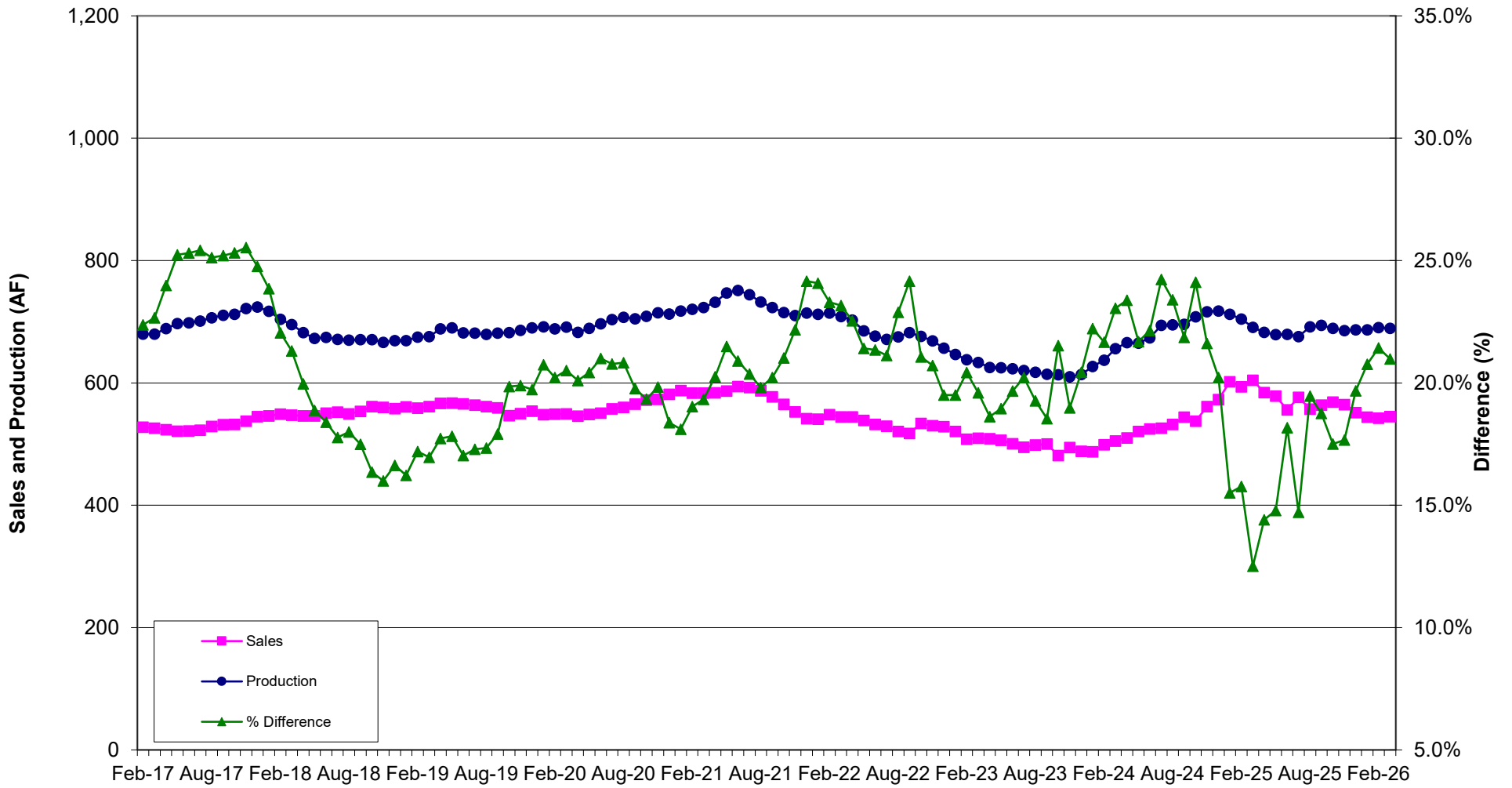
- 1. Laboratory Testing/ Regulatory Compliance:** Water quality tests confirm that all SSWD water meets all known State and Federal water quality standards.
- 2. Water Production and Sales:** Water sales in February were 20,354 units (Guerneville cycle). Water sales are slightly up compared to previous years. Total combined Monte Rio and Guerneville water production for February was 41.03AF (Figure 1).
- 2. Leaks:** There were a total of 2 water main repairs in February requiring 12 work hours in total (Figure 2). There was 1 water main repair in Guerneville and 1 in Monte Rio. There were no service line repairs in February.
- 4. Guerneville Rainfall:** Total cumulative rainfall to the end of February was 29.35 inches (Figure 3). Last year cumulative rainfall was 45.66 inches by the end of February.
- 5. In-House Construction Projects:** February projects included:
 - Installation of two new 1-inch services at 22455 Hwy 116.
 - Eight inch water main tie in for Burbank Housing Project.
- 6. Gantt Chart:** The Gantt Chart is updated for February 2025 (Figure 4).
- 7. Grants:** CDBG grant funding for Wright Drive Phase I in the amount of \$759,183 is approved and the agreement is ready for approval by the Board.
- 8. Wright Drive:** Coastland has completed the 100% design plans for Phase 1 and Phase 2 of the project. Staff have reviewed the Phase 1 plans and Coastland is now working on

encroachment permits with the County of Sonoma and separation waivers from the State in preparation for bidding the project.

9. Summit Booster Station Generator: The electricians have installed the transfer switch and the new backup generator at the Summit Booster Station site. Leet generator as part of the generator purchase provided start up testing to ensure the generator and transfer switch are fully operational.



**Figure 1. Water Production and Sales 12 Month Moving Averages
Sweetwater Springs Water District Since February 2017**



**Figure 2. Sweetwater Springs Water District Main and Service Pipeline Breaks
Moving Annual Average Since February 2015**

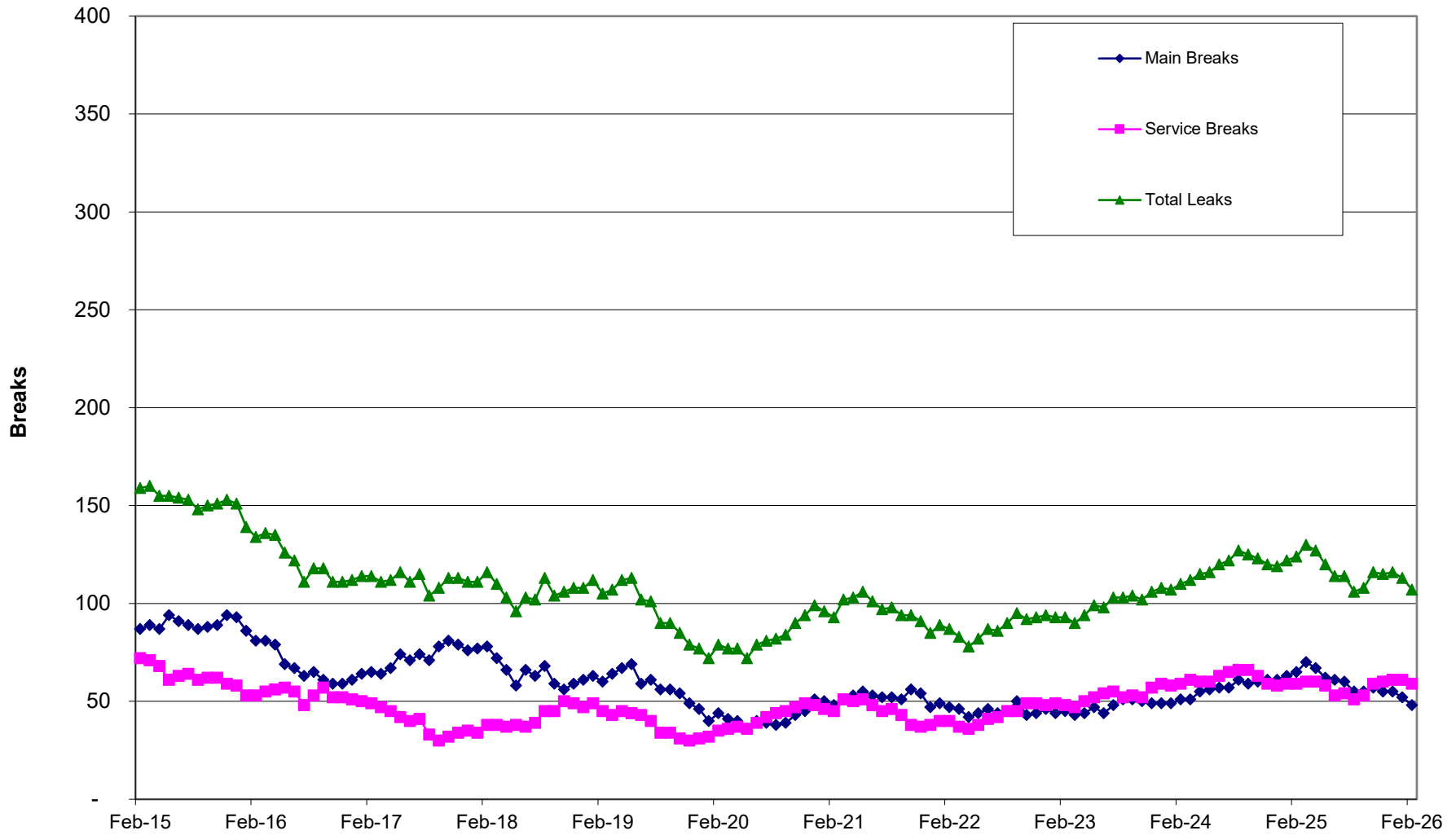
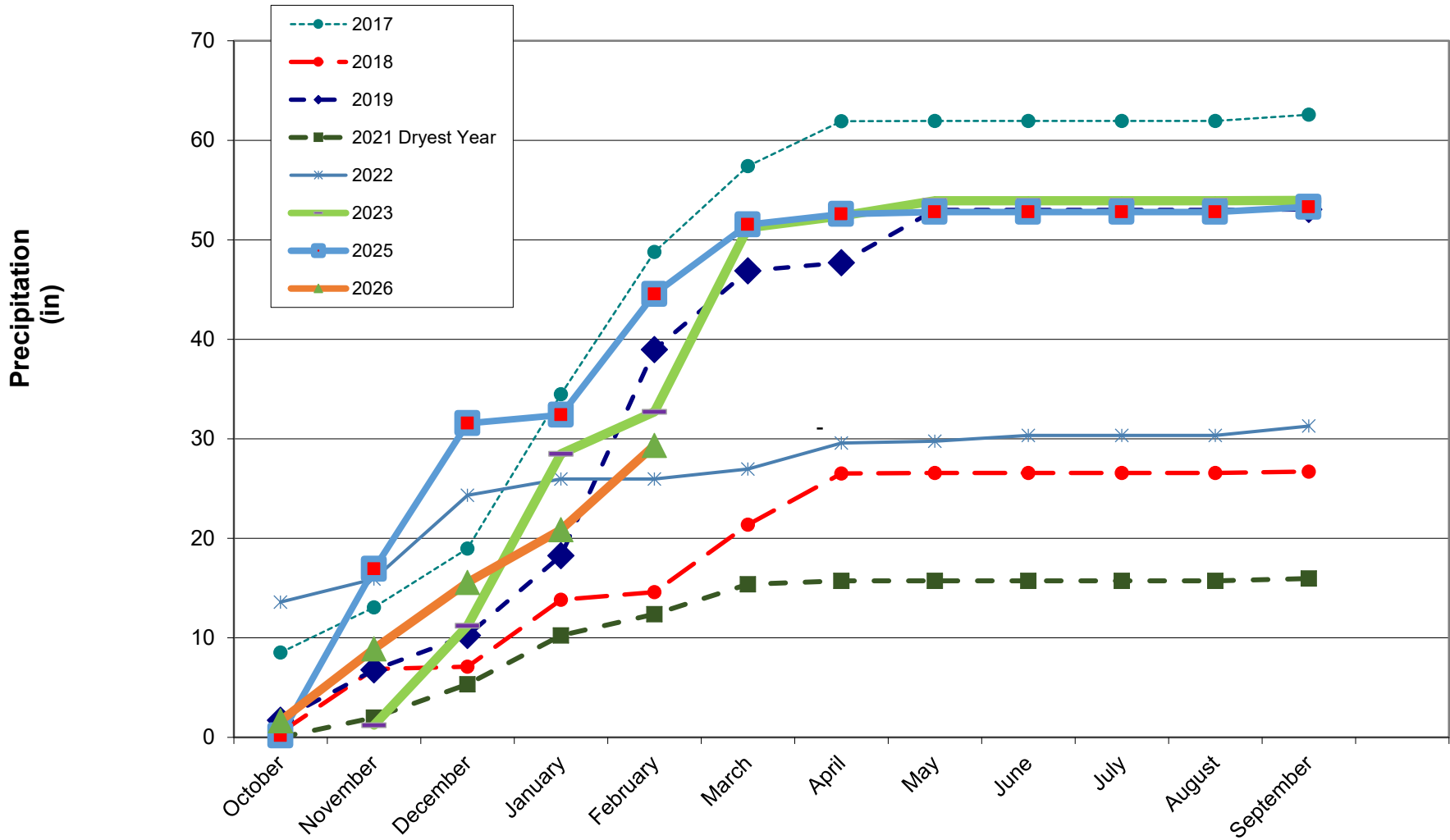


Figure 3. Guerneville Cumulative Monthly Rainfall



NUMBER OF WATER UNITS SOLD FY 25 - 26

	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	FY 25-26
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	18,687
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	29,876
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	22,884
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	30,868
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	22,606	16,931
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	24,034	20,806
JANUAI	16,091	19,287	16,799	15,416	16,127	15,862	13,309	14,631	14,764	13,734	14,645	16,242	16,316	11,914	12,727	13,676	14,146	15,335	12,925	15,529	15,062	11,588	11,270	14,449	13,703
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	19,340	20,354
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	10,173	0
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	14,442	0
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	11,250	0
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	27,306	0
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	242,425	174,109