SWEETWATER SPRINGS WATER DISTRICT

TO: Board of Directors **AGENDA NO. V-E**

FROM: Steve Mack, General Manager

Meeting Date: October 5, 2017

SUBJECT: DISCUSSION/ACTION RE 2016 - 2017 ANNUAL REVIEW

RECOMMENDED ACTION: Receive a staff presentation regarding the 2016-2017 Annual Review.

FISCAL IMPACT: none

DISCUSSION:

The District does an annual review each year at the July meeting. Because of my injury, this has been put off until now. One reflection on the past year is the impact of flooding on staff activities.

This is the fifth year that we are using this format, and, as before, it is still a work in progress and comments and suggestions are welcome. Periodic review of District activities is a good check on what we are doing and with Board concurrence, we will continue the practice.

Exhibit A: Sweetwater Springs Water District Annual Review, Fiscal Year 2016-2017

The annual review is a look back of the achievements of the past fiscal year and a look forward to what we are expecting for the coming fiscal year.

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

FY 2017 Achievements:

- Seventh year that 3% increase to Base Rate and Water Usage Charges was approved; fifth Year of 3% increase to Capital Debt Reduction Charge.
- Reserve Policy met by FY 2017 Budget.
- Statewide drought publicity is still affecting water sales and revenues; water use is increasing.
- Restarted USDA Bond process for Phases 2 and 3 of 2017 CIP.

FY 2018 Projections:

- Investigate/monitor need for rate increase in May 2018, effective July 2018. Longer term impact of reduced water sales unknown; we may have a new normal on water sales (lower) and may need to adjust to this, $500,000 target for CIP funding may need to wait until State Loans paid off.
- Review financial planning model to ensure it is meeting current financial planning needs; revise where appropriate.
- Meet Reserve Policy with FY 2017 Budget.
- Close USDA Bond in March 2018

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

FY 2017 Achievements:

- Compliance with California Division of Drinking Water (formerly Department of Public Health (DPH)) regulations achieved. Annual report submitted according to schedule.
- The Drought is over but monthly reporting continues.
- 2017 CIP Phase 1 (River Road from Foothill to Rio Nido) construction contract awarded in May 2017.
- We changed direction twice on our capital projects this year - we decided to self fund our CIP and spread the projects out early in the fiscal year and then reversed course and reinstated the USDA funding for Phases 2 and 3 of the 2017 CIP.
- Total Leaks for calendar year 2016 at 112 (target was 140).
- System leakage at 26% (June 2017) (target was 20%).
- Flood Inundation issues with El Bonita Well Field satisfactorily resolved with the State Division of Drinking Water.
- Urban Water Management Plan (UWMP) completed in October 2016.

FY 2018 Projections:

- FY 2017 CIP Phase 1 (Old River Road) should be completed in October 2017. Phases 2 and 3 should have award of contract in April or May 2018.
- Total leaks for calendar year 2016 at 100.
- System leakage at 20%. Continue use correlation equipment on regular basis to identify and fix leaks. Review use of State Water Audit methodology to improve reporting of system losses
- Continue use of automated map. Become better at it; start making needed revisions.

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

FY 2017 Achievements:

- Emergency Action Plan was reviewed and updated in October 2016.
- Attended 2015 Flood Preparation meeting in November 2016
- During January and February flooding, staff followed Emergency Action Plan which worked out well.

FY 2018 Projections:

- Update of Emergency Action Plan in October 2017.
- Participate in County Emergency Operations communications/meetings in 2017.

- Continue efforts to communicate with local agencies re emergency preparedness.
- Work with local efforts for specific plans (Wild Fire Preparation for Guernewood Park?)

GOAL 4: DEVELOP AND MAINTAIN A QUALITY WORKFORCE

FY 2017 Achievements:

- Field staff oversight of 2017 CIP, Phase 1.
- 20 in-house projects totaling 851.5 man-hours (down from 43 projects and 1562.5 hours). Flooding response a factor in reduction in in-house projects.
- Second year of implementation of new MOU; it went well.

FY 2018 Projections:

- Continue staff training efforts.
- Oversee completion of 2017 CIP Phase 1 construction.
- Oversee start of 2017 CIP Phase 1 and 2 startup.
- Continue focus on in-house projects.
- Participate in more webinars and workshops.

GOAL 5: PROVIDE EXCELLENT PUBLIC AND GOVERNMENTAL OUTREACH, INFORMATION AND EDUCATION

FY 2017 Achievements:

- Meeting summary sent to local media on monthly basis.
- Website updated on at least monthly basis.
- Continued display in lobby that shows examples of pipes that are being replaced by capital projects – good public response to this.
- Making effort to provide outreach with local Chambers regarding the drought response.
- Making monthly reports to State on required drought response information.
- 2015 UWMP completed in October 2016.

FY 2018 Projections:

- Get healthy
- Restart meeting summary.
- Look for opportunities to provide community leadership/participation on water-related issues.
- Continue to look for ways to make website more useful.

GOAL 6: ENHANCE BOARD COMMUNICATIONS AND INFORMATION

FY 2017 Achievements:

- Communicated flooding response activities.

FY 2018 Projections:

- Review sections of Policies and Procedures for revision.
- Evaluate facility tour opportunities.