



## BOARD OF DIRECTORS MEETING AGENDA

December 5, 2019, Regular Meeting  
District Offices, 17081 Hwy. 116, Ste. B  
Guerneville, California  
**6:30 p.m.**

**NOTICE TO PERSONS WITH DISABILITIES:** It is the policy of the Sweetwater Springs Water District to offer its public programs, services and meetings in a manner that is readily accessible to everyone, including those with disabilities. Upon request made at least 48 hours in advance of the need for assistance, this Agenda will be made available in appropriate alternative formats to persons with disabilities. This notice is in compliance with the Americans with Disabilities Act (28 CFR, 35.102-35.104 ADA Title II).

Any person who has any questions concerning any agenda item may call the General Manager or Assistant Clerk of the Board to make inquiry concerning the nature of the item described on the agenda; copies of staff reports or other written documentation for each item of business are on file in the District Office and available for public inspection. All items listed are for Board discussion and action except for public comment items. In accordance with Section 5020.40 et seq. of the District Policies & Procedures, each speaker should limit their comments on any Agenda item to five (5) minutes or less. A maximum of twenty (20) minutes of public comment is allowed for each subject matter on the Agenda, unless the Board President allows additional time.

### I. CALL TO ORDER *(Est. time: 2 min.)*

- A. Board members Present
- B. Board members Absent
- C. Others in Attendance

### II. CHANGES TO AGENDA and DECLARATIONS OF CONFLICT *(Est. time: 2 min.)*

### III. CONSENT CALENDAR *(Est. time: 5 min.)*

***(Note: Items appearing on the Consent Calendar are deemed to be routine and non-controversial. A Board member may request that any item be removed from the Consent Calendar and added as an "Administrative" agenda item for the purposes of discussing the item(s)).***

- A. Approval of the Minutes of the November 5, 2019 Board Meeting and the November 21, 2019 Special Board Meeting

- B. Approval of Operations Warrants/Online payments/EFT payments
- C. Receipt of Item(s) of Correspondence. *Please 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. CLOSED SESSION**

- A. Conference with Labor Negotiator (pursuant to Gov. Code Section 54957.6):  
District negotiator: Glenn Berkheimer  
Employee Organization: Stationary Engineers Local 39

**VI. ADMINISTRATIVE**

- A. Discussion/Action re Emergency Response Plan Update *(Est. time 10 min.)*
- B. Discussion/Action re Wildfire and water contamination (Director Holmer) *(Est. time 20 min.)*
- C. Discussion/Action re FY 2020-24 Capital Improvement Program *(Est. time 20 min.)*
- D. Discussion/Action re District Auditor for FY 2019-20 and FY 2020-21 *(Est. time 10 min.)*
- E. Discussion/Action re Potential Changes to District Nepotism policy *(Est. time 10 min.)*
- F. Discussion/Action re Real property negotiation at 17448 River Lane, Guerneville *(Est. time 10 min.)*
- G. Discussion/Action re Board member training *(Est. time 10 min.)*
- H. Discussion/Action re Election of Board Officers *(Est. time 10 min.)*

**VII. GENERAL MANAGER'S REPORT**

**VIII. BOARD MEMBERS' ANNOUNCEMENTS**

**IX. ITEMS FOR NEXT AGENDA**

**ADJOURN**

## **Sweetwater Springs Water District Mission and Goals**

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

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

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

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

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

**GOAL 4: DEVELOP AND MAINTAIN A QUALITY WORKFORCE**

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

**GOAL 6: ENHANCE BOARD COMMUNICATIONS AND INFORMATION**



## BOARD MEETING MINUTES\*

Meeting Date: November 7, 2019

(\*In order discussed)

November 7, 2019  
6:30 p.m.

**Board Members Present:**

Tim Lipinski  
Gaylord Schaap  
Sukey Robb-Wilder  
Rich Holmer  
Pip Marquez de la Plata

**Board Members Absent:**

(None)

**Staff in Attendance:**

Ed Fortner, General Manager  
Julie Kenny, Secretary to the Board

**Others in Attendance:**

Rachel Hundley, Legal Counsel  
Steve Mack  
Kevin Gilman, Field Manager

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

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

### II. CHANGES TO AGENDA and DECLARATION OF CONFLICT (6:32 p.m.)

Director Robb-Wilder asked for clarification about Item V-E (Resolution 19-14 and 19-15 regarding Employment Agreements with Jack Bushgen and Bryon Edgmon). Public comment was made by Steve Mack. Discussion ensued. The nepotism portion of this Agenda item -- which was discussed in the staff report but not called out on the Agenda -- was removed. Director Robb-Wilder moved to calendar a Special Meeting for Thursday, November 21 at 4:30 p.m. to discuss the District's Nepotism policy and the open Maintenance Worker position. Director Marquez de la Plata seconded. Motion carried 5-0. Further discussion ensued. No further action was taken.

### III. CONSENT CALENDAR (6:52 p.m.)

President Lipinski reviewed the items on the Consent Calendar. Director Holmer and Director Marquez de la Plata announced that they would be abstaining from voting on item III-A (Minutes of the October 3 meeting) because they were not there. Director Schaap moved to approve the Consent Calendar. Director Robb-Wilder seconded. Motion carried 5-0. The following items were approved:

- A. Approval of the Minutes of the October 3, 2019 Board Meeting.
- B. Approval of Operations Warrants/Online payments/EFT payments.
- C. Receipt of Item(s) of Correspondence: (None.)

#### IV. PUBLIC COMMENT (6:53 p.m.)

(None.)

#### V. ADMINISTRATIVE (6:54 p.m.)\*

*\*in the order discussed*

- V-A. (6:54 p.m.) Discussion/Action re Kincade Fire Emergency.** The GM provided an overview of this item. Discussion ensued. Public comment was made by Field Manager Kevin Gilman. Further discussion ensued. Public comment was made by Steve Mack. Further discussion ensued.

\*\*\* At 7:34 p.m. Director Marquez de la Plata left.

Extensive discussion continued, with public comments made by Administrative Manager Julie Kenny, Field Manager Kevin Gilman, and Steve Mack. Director Holmer moved to authorize President Lipinski to draft a letter to County Supervisor Lynda Hopkins. Director Robb-Wilder seconded. Motion carried 4-0. Director Holmer moved to set up a two-person committee to review fire emergency procedures and communications chain. Director Robb-Wilder seconded. Motion carried 4-0. Director Holmer and Director Lipinski volunteered to be on the committee. There were no objections. Public comment was made by Steve Mack and Field Manager Kevin Gilman. Discussion ensued. Director Robb-Wilder moved that Directors Holmer and Lipinski serve on an ad hoc Fire Emergency Committee. Director Schaap seconded. Motion carried 4-0.

- V-B. (8:03 p.m.) Discussion/Action re FY 2019-20 1st Quarter Actual vs. Budgeted (Operations and Capital) Report thru September 30, 2019.** The GM provided an overview of this item. Board discussion ensued. No formal action was taken.
- V-C. (8:06 p.m.) Discussion/Action re Resolution 19-13, Approving the Professional Services Agreement for Engineering Services for the Lower Harrison Tank Driveway Retaining Wall Project with Coastland Engineering Inc. (Coastland) for Purposes of Completing a Design, and Authorizing the General Manager to Sign.** The GM provided an overview of this item. Board discussion ensued. Director Robb-Wilder moved to adopt Resolution 19-13, Approving the Professional Services Agreement for Engineering Services for the Lower Harrison Tank Driveway Retaining Wall Project with Coastland Engineering Inc. (Coastland) for Purposes of Completing a Design, and Authorizing the General Manager to Sign, amended to remove Bidding Assistance costs (\$2,350) from the design estimate. Director Holmer seconded. Motion carried 4-0.
- V-D. (8:12 p.m.) Discussion/Action re Old Monte Rio Road project update.** The GM provided an overview of this item. Board discussion ensued. No formal action was taken.

#### VI. GENERAL MANAGER'S REPORT (8:21 p.m.)

The GM provided a report on the following items:

1. Laboratory testing
2. Water production and sales
3. Leaks
4. Guerneville rainfall
5. 2019 CIP
6. In-House Construction Projects
7. Personnel
8. Discontinuation of Service for Non-payment Law
9. SSWD Website Update
10. Flushing
11. Cross-Connection Survey and Fall Flood Warning
12. Field Trip for Board
13. Gantt Chart
14. Board Members Field Trip
15. Auditor site visit

Discussion ensued.

## VII. BOARD MEMBERS' ANNOUNCEMENTS/COMMENTS (8:30 p.m.)

1. Director Schaap announced that he might miss the December Board meeting

*\*\* At 8:31 p.m. the Board took a short break. At 8:38 p.m. the meeting reconvened.*

## VIII. ITEMS FOR THE NEXT AGENDA (8:38 p.m.)

1. Water quality after wildfire (Director Holmer)
2. Kincade Fire update
3. Emergency Response Plan
4. Capital Improvements Program
5. Election of Board officers

## IX. CLOSED SESSION (8:42 p.m.)

At 8:42 p.m. President Lipinski announced the items for discussion in Closed Session. At 8:43 p.m. the Board went into Closed Session. At 9:48 p.m. the meeting reconvened and the following action was announced:

- A. Conference with Labor Negotiator (pursuant to Gov. Code Section 54957.6):**  
**District negotiator: Ed Fortner**  
**Employee Organization: Stationary Engineers Local 39**  
 Direction was given to staff.
- B. Conference with labor Negotiator pursuant to Gov. Code Section 54957.6**  
**District negotiator: Ed Fortner**  
**Unrepresented positions: Field manager, Crew Supervisor (1)**  
 See, action taken in Open Session item V-E.
- C. Public Employee Discipline/Dismissal/Release pursuant to Gov. Code Section 54954.5(e)**  
 Direction was given to staff.

- D. **Conference with Real Property Negotiators pursuant to Gov. Code Section 54956.7**  
**Property at 17448 River Lane, Guerneville**  
**Agency negotiator: Ed Fortner**  
**Negotiating parties: SSWD and Russian River Recreation and Parks District**  
Direction was given to staff.

V. **ADMINISTRATIVE (con't) (9:53 p.m.)**

- V-E. **(9:53 p.m.) Discussion/Action re Resolution 19-14, Approving an Employment Agreement with Jack Bushgen, and Authorizing the Board President to Execute Said Agreement on the District's Behalf; and Resolution 19-15, Approving an Employment Agreement with Bryon Edgmon, and Authorizing the Board President to Execute Said Agreement on the District's Behalf** Director Robb-Wilder moved to approve Resolution 19-14, Approving an Employment Agreement with Jack Bushgen, and Authorizing the Board President to Execute Said Agreement on the District's Behalf. Director Holmer seconded. Motion carried 4-0. Director Robb-Wilder moved to approve Resolution 19-15, Approving an Employment Agreement with Bryon Edgmon, and Authorizing the Board President to Execute Said Agreement on the District's Behalf. Director Holmer seconded. Motion carried 4-0.

**ADJOURN**

The meeting adjourned at 9:55 p.m.

Respectfully submitted,

Julie Kenny  
Clerk to the Board of Directors

APPROVED:

Gaylord Schaap: \_\_\_\_\_  
Sukey Robb-Wilder: \_\_\_\_\_  
Tim Lipinski: \_\_\_\_\_  
Pip Marquez de la Plata \_\_\_\_\_  
Rich Holmer \_\_\_\_\_



## BOARD MEETING MINUTES\*

Meeting Date: November 21, 2019 (Special Meeting)

(\*In order discussed)

November 21, 2019  
4:30 p.m.

**Board Members Present:**

Tim Lipinski  
Gaylord Schaap  
Sukey Robb-Wilder  
Rich Holmer

**Board Members Absent:**

Pip Marquez de la Plata

**Staff in Attendance:**

Ed Fortner, General Manager

**Others in Attendance:**

(None.)

### I. CALL TO ORDER (4:32 p.m.)

The properly agendized meeting was called to Order by President Tim Lipinski at 4:32 p.m.

### II. PUBLIC COMMENT (4:32 p.m.)

(None.)

### III. ADMINISTRATIVE (4:33 p.m.)\*

*\*in the order discussed*

**III-A. (4:33 p.m.) Discussion/Action re Nepotism Policy and maintenance Worker Position.** The GM provided an overview of this item. Discussion ensued. Director Robb-Wilder moved to approve Jamin Reed for hire as Maintenance Worker contingent on positive Union feedback relative to morale. Director Holmer seconded. Motion carried 4-0.

**III-B. (5:03 p.m.) Discussion/Action re Emergency Response Plan: Wildfire Evacuation and Power Outage Draft Plan.** The GM provided an overview of this item. Discussion ensued. Direction was given to staff to agendize the District's Emergency Response Plan for review and discussion at the December Board Meeting.

### III. CLOSED SESSION (5:53 p.m.)

At 5:53 p.m. President Lipinski announced the items for discussion in Closed Session. At 5:54 p.m. the Board went into Closed Session. At 5:55 p.m. the meeting reconvened and the following action was announced:

- A. **Public Employee Discipline/Dismissal/Release pursuant to Gov. Code Section 54954.5(e)**  
No action was taken.

## ADJOURN

The meeting adjourned at 5:58 p.m.

Respectfully submitted,

Ed Fortner  
Clerk to the Board of Directors

APPROVED:

Gaylord Schaap: \_\_\_\_\_  
Sukey Robb-Wilder: \_\_\_\_\_  
Tim Lipinski: \_\_\_\_\_  
Pip Marquez de la Plata \_\_\_\_\_  
Rich Holmer \_\_\_\_\_

# SWEETWATER SPRINGS WATER DISTRICT

**TO:** Board of Directors

**AGENDA NO. V- A**

**FROM:** Ed Fortner, General Manager

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**Meeting Date:** December 5, 2019

**Subject:** Emergency Response Plan Update

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**RECOMMENDED ACTION:**

Receive report from the General Manager. Discussion and possible action.

**FISCAL IMPACT:**

None

**DISCUSSION:**

In the wake of the Kincadee wildfire that threatened West Sonoma County, Emergency Response is a focus of SSWD. Director Holmer and President Lipinski comprise the committee appointed to help update the SSWD Emergency Response Plan (ERP) and help focus other related activities around Wildfire response, resiliency, and system hardening. The Kincadee Fire and the PG&E extended power outage caused much disruption for Sweetwater Springs Water District. A mandatory evacuation of all of West Sonoma County was also issued Saturday, October 26, 2019. The Emergency Response Plan Committee of Rich Holmer and Tim Lipinski, Ed, and Jack Bushgen met with Supervisor Lynda Hopkins on November 18<sup>th</sup> to discuss the event and determine needed improvements in future responses. Director Holmer and President Lipinski also attended a special SSWD staff meeting to discuss the ERP and solicit input from staff. The discussion was positive and helpful. Items mentioned in the staff meeting in wildfire incidents included assigning two persons to a truck for safety purposes, monitoring fire and Emergency radio frequencies, evacuation planning, proper IDs, fire blanket needs, and the importance of coordination with fire districts. Wednesday, November 27<sup>th</sup>, Sonoma County Fire District Chief Heine and Monte Rio Fire Chief Baxman will attend a meeting/ training with SSWD. These efforts are the beginning of a continued effort to coordinate and train with fire and emergency personnel.

# SWEETWATER SPRINGS WATER DISTRICT

**TO:** Board of Directors

**AGENDA NO. V- B**

**FROM:** Ed Fortner, General Manager

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**Meeting Date:** December 5, 2019

**Subject:** Wildfire and Water Contamination

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**RECOMMENDED ACTION:**

Receive report from the General Manager. Discussion and possible action.

**FISCAL IMPACT:**

None

**DISCUSSION:**

In the wake of the Kincadee wildfire that threatened West Sonoma County, potential water contamination as a result of a significant wildfire in the SSWD service area was brought up. Director Holmer, in particular, has discussed this issue with the Board broadly, and with the GM more specifically. Director Holmer attended a conference where this contamination issue involving Volatile Organic Contaminants, including Benzene resulting from melted plastic meters, PVC, and HDPE pipe and the negative pressures from empty tanks and open service laterals were discussed. Having experienced first-hand the Camp Fire and the resultant benzene contamination in the Paradise Irrigation District (PID), I can attest to the severity and the unknowns around this issue. PID has conducted hundreds of test samples for Benzene throughout its Distribution system. The resulting positive results are scattered and non-uniform. The majority of the positive results are at service laterals at homes that were burnt down, but some positives are at standing structures. There have been some positives in water mains also. Early flushing was not performed at PID due to input from "experts" from the DDW. The logic was that the contamination permeated the plastic pipe and had to sit in the line for 72 hours before sampling to achieve representative sample results. Ultimately, PID is replacing all laterals that test positive before new occupancy. PID is also replacing any contaminated infrastructure including mains, tanks, and meters. PID now requires backflow devices at all service connections.

# SWEETWATER SPRINGS WATER DISTRICT

**TO:** Board of Directors

**AGENDA NO. V- C**

**FROM:** Ed Fortner, General Manager

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**Meeting Date: December 5, 2019**

**Subject: DISCUSSION/ACTION RE REVIEW OF THE DISTRICT'S CAPITAL IMPROVEMENT PROGRAM**

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**RECOMMENDED ACTION:** Receive a presentation on the review of the 2019-2025 Capital Improvement Program (CIP) and provide direction to staff.

**FISCAL IMPACT:** none

## **DISCUSSION:**

Typically, each year, we discuss the District's multi-year Capital Improvement Program (CIP) program at the December meeting, including a discussion of what has happened in the past year and what changes, if any, are needed for the program approved the prior year. We just completed replacing the green sand filters at the Monte Rio Treatment Facility with ATEC pyrolusite filters as our 2019 CIP.

The 2019-2025 CIP presented (Table 1) is the result of a comprehensive staff and Board review of the District's capital projects, augmented by the work of the ad hoc CIP Review Subcommittee. Items that the Subcommittee addressed (last year) included the selection criteria listed below:

- **Improved water quality**
- **Water losses**
- **Potential Liability**
  - **Age of Pipe**
  - **Pipe Material**
  - **Terrain**
  - **Difficulty of Repair/Maintenance**
- **Storage and pressure zone requirements**
- **Costs per service**
- ❖ ***Fire Resilience/ Hardening (Recommended Addition)***

Each year we reconsider the capital planning model, as shown in Table 3, updating the model to include FY19 actual budget, proposed UAL funding, and the latest CIP costs placed in the year occurring. A review of Table 3 shows that holding to this schedule, the District will go below District Reserve Policy funding in FY 2023 and FY 2025, and it will be tight to make debt payments at the beginning of those fiscal years - cash flow would be an issue.

The decision made for CIP planning last year was to push the 2020 CIP to 2021 and skip doing a major capital project in FY 2020, 2022, and 2024. This allowed two things. The District has more time to build up reserves, and the new management (new GM and new Field Manager) had a year to consider the District approach to capital projects. Management made minor adjustments

compared to what was presented in last year's District plans. Following this schedule, the plan was to have the same projects completed by FY 2025 and the District would be in a similar, comfortable reserve position with no cash flow issues in the intervening years. Unfortunately, projections did not hold given the current projections of revenue using an assumed 3% annual rate increase. As we move into the Cost of Service Study in the Spring of 2020, it seems that a 4-5% increase would allow us to keep this conservative (skipping a major project every other year) Capital Improvement Plan in place.

The FY 19-25 CIP includes construction projects at the cost of approximately \$3.51 million and project costs of \$1.35 million of additional, unapproved projects beyond 2025. The revised schedule to skip 2020, 2022, and 2024 is a realistic construction plan and should keep the District's reserves in good shape. As always, we review the CIP annually and, so far, have made adjustments to the plan nearly every year.

As stated last year, the Guerneville Park Resort (GPR) does not fit in this plan. Modeling of the District's Guerneville System last year demonstrated that the GPR if constructed with fire-safe materials and methods, can be served by existing District facilities.

That leaves open the question of whether the District will add facilities to bring water supply to fringe areas of the District, namely upper Summit area, the upper Schoeneman pressure zone area, and the upper Natoma Tank pressure zone area (planned for 2023). The District gets inquiries on an infrequent but regular basis about water supply to parcels in these areas that currently we cannot serve.

If the Board agrees with the approach recommended here, we will come back at the January meeting with a resolution to approve the CIP with the revised schedule.

**Table 1. Sweetwater Springs Water District Proposed 2019-2025 CIP Projects by Year**

Year	Projects	Estimated Cost	Cost/Service	Comments
2019				
	Monte Rio Treatment Plant Green Sand Filter Replacement. Serves Monte Rio system (1100 services)	\$225,000	\$205	
2020	<b>Skip Capital Project</b>			
2021				
	Old River Rd from Morningside Dr to Hwy 116 (GV) - Replace ~3,200' of main with 31 services and one fire protection line.	\$650,000	\$20,968	Eliminate 14 lead goosenecks. Required plan by DDW by 2020. Old 6" cast iron pipe.
	Woodland Drive – mainline replacement. (GV) Replace approximately 1,900 ft of existing mainline and 27 associated services along Woodland Dr in the main pressure zone.	\$400,000	\$14,815	Estimated two lead goosenecks
	2021 Total	\$1,050,000		
2022	<b>Skip Capital Project</b>			
2023				
	Wright Drive main pressure zone. – (GV) Replace approximately 1,120 ft of existing mainline and 18 associated services along Wright Dr. and Wright Ln.	\$275,000	\$15,278	
	Wright Drive upper pressure zone. – (GV) Replace approximately 3,280 ft of existing mainline and 47 associated services along Wright Dr, Glenda Dr, Natoma Dr. (requires completion of Natoma Tank and includes Edg Hill Booster)	\$870,000	\$18,511	
	Natoma Tank – Replace the existing 10,000 gallon storage tank with a 30,000 storage tank. 2005 cost estimate (updated 2019)	\$250,000	\$5,319	
	2023 Total	\$1,395,000		
2024	<b>Skip Capital Project</b>			
2025				
	Schoeneman pressure zone- main line replacement. (GV) Replace approximately 3,000 ft of existing mainline and 47 associated services along Highland Way, Sunset Ave, Woodland Dr, Laurel Way and Morningside Drive. (requires completion of Schoeneman Tank & Pumpstation)	\$814,300	\$17,326	
	Schoeneman Tank– Replace the existing 10,000 gallon tank with a 30,000 gallon storage tank. 2005 cost estimate (updated 2019)	\$250,000	\$5,319	
	2025 Total	\$1,064,300		
	<b>Total Cost of 2021-2025 Projects</b>	<b>\$3,509,300</b>		

	<b>Other Projects</b>			
	Monte Rio 8" 1,000 ft Russian River boaring.	\$400,000		
	Highway 116 (MR) Replace approximately 850 ft of main line.	\$280,000		
	Main St (MR) Replace approximately 800 ft of mainline along Main St.	\$180,000		
	Upper Summit Tank - Construct a storage tank with a nominal capacity of approximately 120,000 gallons at the District-owned site on McLane Avenue. Project to include relocation/ construction of the existing hydro-pneumatic pump station.	\$490,000		
	<b>Total Approximate Cost of Future, Unapproved Projects</b>	<b>\$1,350,000</b>		

Table 3. OPERATING AND CAPITAL BUDGET SUMMARY Skip CIP in FY20,22,24			Sales Flat						
			Effective Rate Increase	3%					
			FY19 Actual	FY20	FY21	FY22	FY23	FY24	FY25
<b>REVENUE</b>									
	<b>OPERATING REVENUE</b>								
	Water Bill Revenue								
	Capital Debt Reduction Charge		278,867	287,233	295,850	304,726	313,868	323,284	332,982
	Base Rate		1,585,609	1,633,177	1,682,173	1,732,638	1,784,617	1,838,155	1,893,300
	Water Usage		647,749	667,181	687,197	707,812	729,047	750,918	773,446
	Total Water Sales		2,233,358	2,300,358	2,369,369	2,440,450	2,513,664	2,589,074	2,666,746
	Total OPERATING REVENUE		2,512,225	2,587,592	2,665,219	2,745,176	2,827,531	2,912,357	2,999,728
	<b>NON-OPERATING REVENUE</b>								
	1700 - Interest		10,900	10,900	10,900	10,900	10,900	10,900	10,900
	xxxx - Policy Reserve Loan Proceeds			500,000	500,000				
	3600 - Construction New Services		6,978	6,978	6,978	6,978	6,978	6,978	6,978
	3601 - Construction Service Upgrades		10,384	10,384	10,384	10,384	10,384	10,384	10,384
	4032 - Rent		105,717	107,832	109,988	112,188	114,432	116,720	119,055
	4040 - Miscellaneous Income		2,745	2,745	2,745	2,745	2,745	2,745	2,745
	4117 - SCWA Reimbursement		3,482		0	0	0	0	0
	Total NON-OPERATING REVENUE		140,206	638,838	640,995	143,195	145,438	147,727	150,062
<b>Total Income</b>			2,652,431	3,226,430	3,306,214	2,888,371	2,972,970	3,060,084	3,149,790
<b>EXPENSES</b>				New GM					
	<b>OPERATING EXPENSES</b>								
	<b>SALARY &amp; BENEFITS</b>								
	Salary								
	5910 - Wages		835,923	852,641	869,694	887,088	904,830	922,926	941,385
	5912 - Overtime		36,645	37,378	38,126	38,888	39,666	40,459	41,268
	5916 - On-Call Pay		35,788	36,504	37,234	37,979	38,738	39,513	40,303
	5918 - Extra help - Contract		37,047	37,788	38,543	39,314	40,101	40,903	41,721
	Total Salary		945,403	1,006,400	1,026,528	1,047,059	1,068,000	1,089,360	1,111,147
	Benefits								
	5920 - Retirement		67,856	96,845	98,782	100,758	102,773	104,828	104,829
	5922 - Payroll Taxes - Employee		14,603	18,115	18,478	18,847	19,224	19,608	20,001
	Retirement - UL		125,451	55,000	32,000				
	5930 - Health/Dental/Vision/AF		185,364	194,632	204,363	214,582	225,311	236,576	248,405
	5931 - Retiree health		7,842	8,077	8,320	8,569	8,826	9,091	9,364
	5940 - Workers Comp Insurance		27,297	27,297	27,297	27,297	27,297	27,297	27,297
	Total Benefits		428,413	441,265	454,503	468,138	482,182	496,648	511,547
	<b>SALARY &amp; BENEFITS</b>		1,373,815	1,520,768	1,481,031	1,515,197	1,550,182	1,586,007	1,622,694
	Unfunded Liability Increase			500,000	500,000				
	SERVICES & SUPPLIES increase =								
	<b>SERVICES &amp; SUPPLIES</b>		577,738	620,630	626,836	633,105	639,436	645,830	652,288
	<b>TOTAL OPERATING EXPENSES</b>		1,951,553	2,141,395	2,607,867	2,148,301	2,189,618	2,231,838	2,274,982
<b>OPERATING SURPLUS/DEFICIT</b>			\$700,878	\$558,155	\$698,347	\$740,069	\$783,352	\$828,247	\$874,807
	<b>FIXED ASSET EXPENDITURES</b>								
	8517 - Field/Office equipment			5,000	1,000	5,000	1,000	5,000	5,000
	8573 - Vehicles		45,037	35,000		35,000		35,000	35,000
	8511.1 - Tank/Facilities Sites		(531)	200,000	10,000		10,000		
	Loan Payment to Policy Reserves				135,000	135,000	135,000	135,000	135,000
	<b>FIXED ASSET EXPENDITURES</b>		44,506	240,000	146,000	175,000	146,000	175,000	175,000
	<b>TRANSFERS TO OTHER FUNDS</b>								
	Tfers to CIRF for CDR Revenue		288,172	287,233	295,850	304,726	313,868	323,284	332,982
	Tfers to CIRF		210,000	-	210,000	215,000	275,000	280,000	320,000
	8620.5 - Tfers to Building Fund		15,000	15,000	15,000	15,000	15,000	15,000	15,000
	8620.2 - Tfers to In-House Constr		25,000	25,000	25,000	25,000	25,000	25,000	25,000
	Total TRANSFERS TO OTHER FUNDS		538,172	327,233	545,850	559,726	628,868	643,284	692,982
	Total DISASTER EXPENSE			0	0	0	0	0	0
<b>SURPLUS/DEFICIT</b>			118,200	-9,078	6,497	5,344	8,484	9,963	6,825



# SWEETWATER SPRINGS WATER DISTRICT

**TO:** Board of Directors

**AGENDA NO. V-D**

**FROM:** Ed Fortner, General Manager

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**Meeting Date: December 5, 2019**

**SUBJECT: DISCUSSION/ACTION REGARDING DISTRICT AUDITOR FOR FY 2019-20 and FY 2020-21**

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**RECOMMENDED ACTION:**

Consider a second two-year extension of audit services with Michael Celentano, CPA.

**FISCAL IMPACT:**

Unknown, but the FY 2018-19 Audit cost \$8,000 and Mr. Celentano has indicated his costs should his contract be extended would remain close to that amount.

**DISCUSSION:**

Mr. Celentano has been conducting the District's annual audit for the last five years, based on an original 3-year contract for FY 2015-16, FY 2016-17, and 2017-18 audits, and a 2-year contract extension for the FY 2017-18 and 2018-19 audits. His work has been very satisfactory and his costs consistently low. He was recently on-site auditing District records for the FY 2018-19 audit and indicated he would be interested in continuing to conduct our audits.

Traditionally the District conducts an RFP for an auditor every few years -- even if the current auditor has been satisfactory -- with the rationale of having our audits reflect a "fresh look" at the District's accounting and finances. This year, however, the District has a new General Manager working to familiarize himself with the District's finances and annual revenue and expense activities. With that in mind, Mr. Celentano's willingness to continue auditing our books coupled with his experience and unique perspective on the District's accounting activities is attractive and may outweigh the benefits of a "fresh look".

Staff recommends pursuing a contract extension and letter of engagement from Mr. Celentano for an additional two years (FY 2019-20 and FY 2020-21) for approval at the January Board meeting.

# SWEETWATER SPRINGS WATER DISTRICT

**TO:** Board of Directors

**AGENDA NO. V- E**

**FROM:** Ed Fortner, General Manager

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**Meeting Date:** December 5, 2019

**Subject:** Potential Changes to Nepotism Policy

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**RECOMMENDED ACTION:**

Receive report from the General Manager. Discussion and possible action.

**FISCAL IMPACT:**

None

**DISCUSSION:**

At the November 21<sup>st</sup> Special Board Meeting, the Board asked to agendize potential changes or clarifications to the SSWD Nepotism policy. Specifically, the reference to "Direct Supervisory Relationship." I have attached excerpts from the legal feedback from Rachel Hundley for reference.

President Lipinski and Members of the Board,

In preparation for your Special Meeting on Thursday, you asked me to look into the phrase "direct supervisory relationship" to see if a prevailing interpretation existed. This is one of the operative phrases in the District's "anti-nepotism" policy. Here are the two pertinent policies in full:

2120.10 Employment: Employment of relatives of employees is discouraged. Relatives of present employees may be hired by the District only if (1) the individuals concerned will not work in a direct supervisory relationship, and (2) the employment will not pose difficulties for supervision, security, safety or morale. Relatives are defined as spouse, registered domestic partners, children, sisters, brothers, mothers, or fathers, and persons related by marriage.

2120.20 Present Employees: Present employees who marry or who become related by marriage, will be permitted to continue employment with the District only if they do not work in a direct supervisory relationship with one another, or otherwise pose difficulties for supervision, security, safety or morale. If employees who marry, or who become related by marriage, do work in a direct supervisory relationship with one another, the District will attempt to reassign one of the employees to another position

for which he or she is qualified, if such a position is available. If no such position is available, then one of the employees will be required to leave the District unless the General Manager recommends a waiver of this provision and this decision is confirmed by the Board of Directors.

As a preliminary matter, "relatives" is defined under the District policy as "spouse, registered domestic partners, children, sisters, brothers, mothers, or fathers, and persons related by marriage." This includes a son-in-law, since he would be a person related by marriage to a child of an employee.

"Direct supervisory relationship" and "direct supervision" are fairly common phrases in anti-nepotism policies, although it doesn't appear its meaning has been interpreted by the courts.

I reviewed a number of personnel policies for other agencies and organizations, and the following are examples of definitions that would include anyone in a "chain of command" or who had "authority over" another:

Direct Supervision: Is defined as a direct line of authority no matter how far removed (an employee who reports to a Manager who reports to a Director who reports to the Vice President is in a direct line of authority to the Vice President).

A "direct supervisory relationship" is an employment relationship where one relative has direct influence over a relative's employment through decisions, recommendations or judgments related to such matters as appointment, assessment of performance, salary, career growth and discipline. Accordingly, a "direct supervisory relationship" may exist despite direct intervening levels of supervision between the relatives where the intervening supervision does not have the kind of direct influence previously described.

On the other hand, I found at least one definition that is more focused:

Direct Supervision: Defined as when one employee is responsible for the day-to-day supervision and direction of another employee. The direct supervisor is the person who assigns, prioritizes, and evaluates the employee's work.

Based on this, the Board has discretion to interpret the policy and the meaning of "direct supervisory relationship." The one caveat I'll give is that whatever interpretation is given should be consistently used hereafter. These types of policies are almost always upheld, but one place employers can get into trouble is allowing the policy to have a disparate impact on women by giving the policy a loose interpretation with a man and later a strict interpretation with a woman.

It does not appear the Board has the authority to waive this particular policy. I included the policy about employees who become relatives after employment because it specifically includes a waiver procedure. The policy about hiring does not. The Board does have the authority to amend the policy, but it would have to do so in a similar

manner that the policy was adopted initially. Also, if the maintenance worker position is included in the labor agreement, the labor representative would need to be consulted.

# SWEETWATER SPRINGS WATER DISTRICT

**TO:** Board of Directors

**AGENDA NO. V-F**

**FROM:** Ed Fortner, General Manager

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**Meeting Date:** December 5, 2019

**SUBJECT: REAL PROPERTY NEGOTIATION 17448 RIVER LN.**

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**RECOMMENDED ACTION:** Receive report from the General Manager. Discussion and possible action.

**FISCAL IMPACT:** none

**DISCUSSION:**

The Russian River Recreation and Parks District (RRR&PD) applied to Sonoma County Permit and Resource Management Department for an ordinance interpretation for legal non-conforming determination for 17448 River Ln. This application includes the letter from the Sweetwater Springs Water District Board and many other letters confirming the historical use of the property as a pathway to the Russian River dating back to the 1950s. The GM signed the application as the Owner, and Paige MacDonell signed as the RRR&PD applicant. This reclassification should smooth the pathway to sale of the property while keeping the historical use.

# SWEETWATER SPRINGS WATER DISTRICT

**TO:** Board of Directors

**AGENDA NO. V-G**

**FROM:** Ed Fortner, General Manager

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**Meeting Date:** December 5, 2019

**SUBJECT: BOARD MEMBER TRAINING / RETREAT**

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**RECOMMENDED ACTION:** Receive report from the General Manager. Discussion and possible action.

**FISCAL IMPACT:** none

**DISCUSSION:**

Board member roles and training are available in many forums through California Special Districts Association (CSDA). Conferences, remote training and online training are all available options. The presently available on-demand webinar training link is: <https://members.csda.net/iMIS1/ondemand> Ethics and Sexual Harassment training is required every two years (legal opinion?).

Director Robb-Wilder has suggested consideration of a Board and GM retreat to discuss roles, training, etc. Perhaps possible dates and locations can be discussed.

# SWEETWATER SPRINGS WATER DISTRICT

**TO:** Board of Directors

**AGENDA NO. V-H**

**FROM:** Ed Fortner, General Manager

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**Meeting Date:** December 5, 2019

**SUBJECT: 2020 ORGANIZATION MEETING / BOARD ELECTIONS**

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**RECOMMENDED ACTION:** Elect Board officers for the coming year.

**FISCAL IMPACT:** none

**DISCUSSION:**

District policy requires the election of officers for the coming year at the December Board meeting unless there is a change in the Board due to the November election. District policy states: "5000.50 Annual Organizational Meeting: The Board of Directors shall hold an annual organizational meeting at its regular meeting in December, except in years when new Directors are elected to the Board at the November regular election and seated after the regular December meeting. In those years, the annual organization meeting will be held at the regular January meeting. At this annual meeting the Board will select and appoint officers, as described in sections 4050.11 through 4050.13, from among its members to serve during the coming calendar year." Sections 4005.11 through 4050.13 describe the positions of President, Vice President, and Financial Coordinator.

This year there are no new Directors to be seated after the December meeting, thus our elections occur at the December meeting.

# SWEETWATER SPRINGS WATER DISTRICT

**TO:** Board of Directors

**AGENDA NO. VII**

**FROM:** Ed Fortner, General Manager

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**Meeting Date:** December 5, 2019

**Subject:** GENERAL MANAGER'S REPORT

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**RECOMMENDED ACTION:** Receive report from the General Manager.

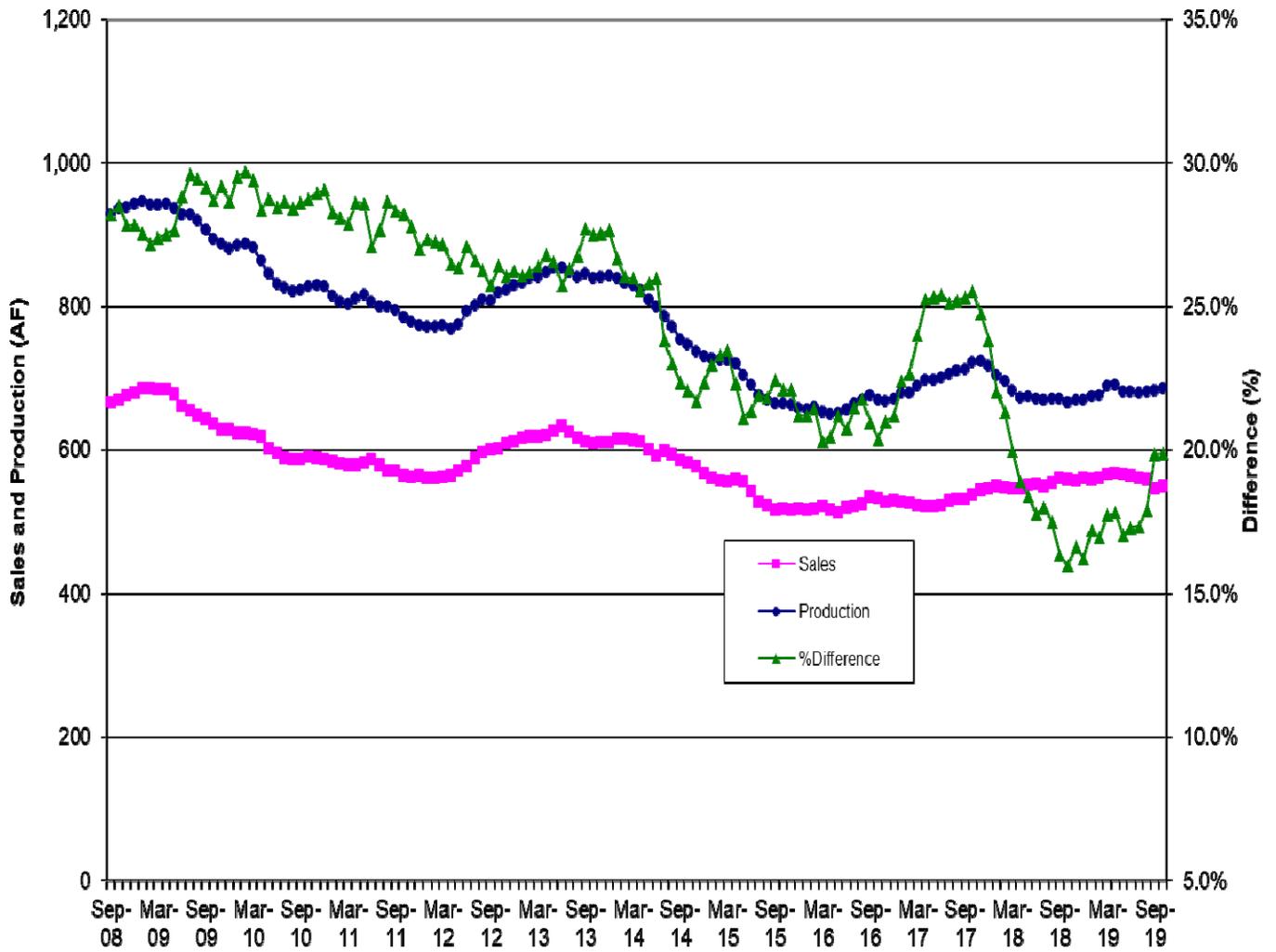
**FISCAL IMPACT:** None

**DISCUSSION:**

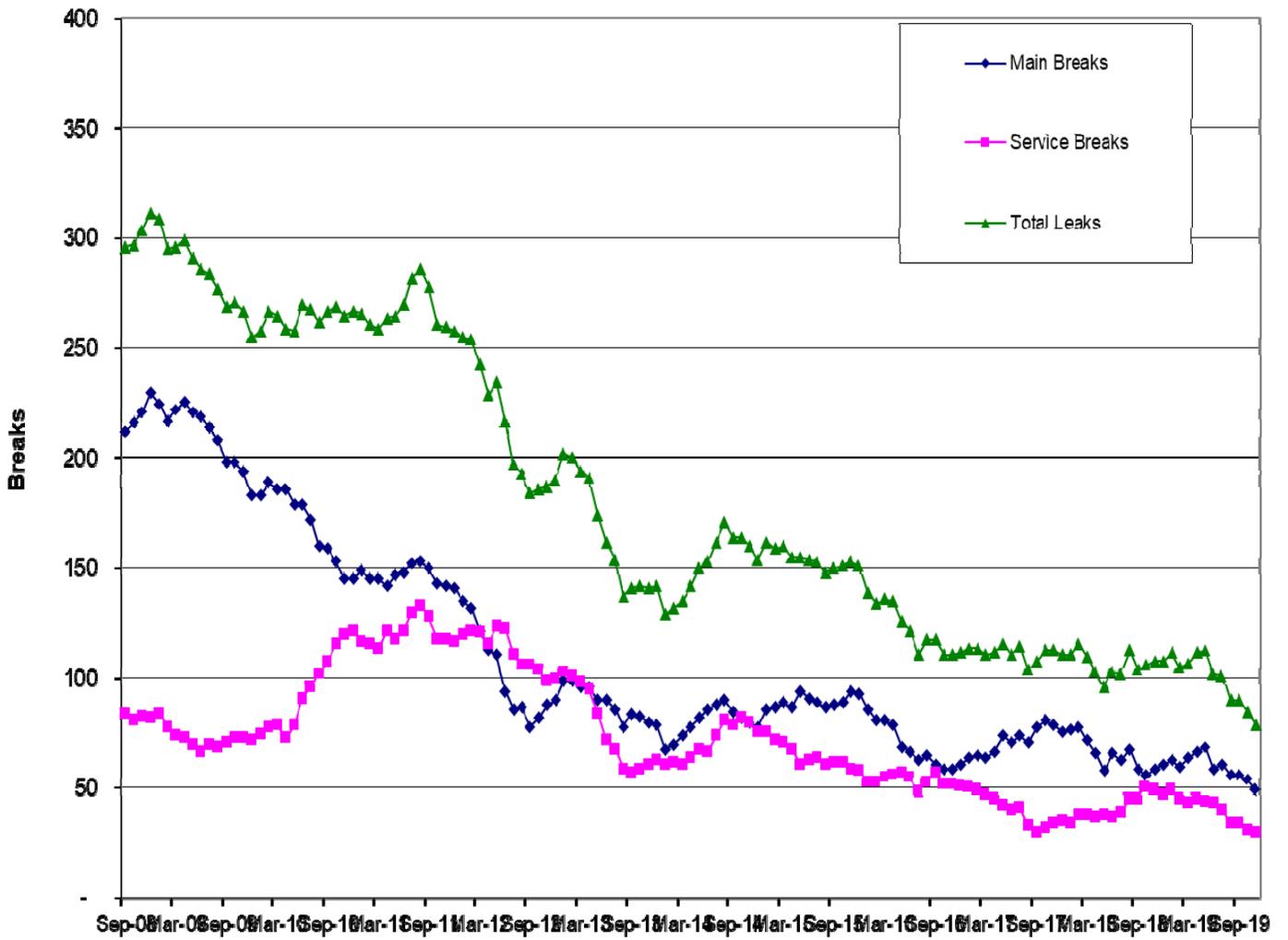
- 1. Laboratory Testing:** Water quality tests confirm that all SSWD water meets all known State and Federal water quality standards.
- 2. Water Production and Sales:** Water sales in October were 22,640 units (52.0 AF Guerneville cycle), and production was 59.7 AF. Compared to one year ago, sales and production were lower (49.0 AF and 55.7 AF, respectively). Figure 1 shows sales, production and % difference for the combined systems; the water loss trend was unchanged this month (19.9%). Looking at the data over the last ten years, water production has dropped approximately 29%, and sales have dropped 18%. The water loss percentage was around 30% and now is in the 15-20% range. Much of the production and water loss drop can be attributed to the capital projects funded by Redevelopment. The sales drop is probably due to the drought public education; it's unlikely historic use levels will return soon.
- 3. Leaks:** In November, we had five total leak repairs with 29 hours on it. Two leaks were in Guerneville and three leaks were in Monte Rio. All leaks were in older lines. That is fewer leaks and person-hours compared to the prior month and fewer leaks and fewer person-hours compared to October one year ago (11 and 49). Figure 2 shows service and main leaks separately with a total leak line as well. Looking at the leaks chart over the last ten years, we've come down from around 300 leaks per month to just over 100 - quite a difference and very noticeable in what the field crews are able to do - address ongoing issues with in-house projects instead of chasing leaks every day.
- 4. Guerneville Rainfall:** November rainfall was 0.05," which is lower than the long-term average month and keeps the yearly total below the long-term annual average.

- 5. 2019 CIP:** Piazza completed final punch list items.
- 6. In-House Construction Projects:** There were no in-house construction projects in November. There were no toilet rebates.
- 7. Personnel:** Kevin Gonzalez started November 14<sup>th</sup> as Maintenance Operator Trainee. Jamin Reed will begin as Maintenance Operator Trainee on December 16<sup>th</sup>.
- 8. Discontinuation of Service for Non-payment Law:** Continue to work on implementation by the 02/2020 deadline.
- 9. SSWD Website Update:** Continue to investigate.
- 10. Flushing:** System Hydrant Flushing was completed for Monte Rio in November. Downtown Guerneville will be completed in early December. Advance notice has been mailed to all customers, and the schedule is posted to our website.
- 11. Kincade Fire Meeting:** On November 18<sup>th</sup>, Director Holmer and President Lipinski, Jack Bushgen and Ed met with Supervisor Hopkins to discuss improvements in the Emergency Response coordination in future events.
- 12. Gantt Chart:** The Gantt Chart is updated for November, FY 2020.

**Figure 1. Water Production and Sales 12 Month Moving Averages  
 Sweetwater Springs Water District Since September 2008**



**Figure 2. Sweetwater Springs Water District Main and Service Pipeline Breaks Moving Annual Average Since September 2008**



**Figure 3. Guerneville Cumulative Monthly Rainfall**

