

Sierra Park Water News and Updates

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www.sierraparkwater.com

June/July/August 2013

Board of Directors 2013-2014

President	Kirk Knudsen
Vice President	Michael Lechner
Secretary	Wanda Lenhardt
Treasurer	Bill Ordwein
Human Resources	Heidi Ordwein
Directors at Large	Yvonne Peter Ray Coyle

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President's Message

Transition of the water system is underway.

The judge overseeing the complaint filed by four homeowners with the California Public Utilities Commission (CPUC) has directed the Recreation Association to work with the water company to transition ownership. We must jointly develop a Certificate of Public Convenience and Necessity, a lengthy document that serves as the legal underpinning for operation of any water system here in California that is regulated by the CPUC, as ours will be now.

As a part of this process, the CPUC reviews and approves rates that they deem "fair and reasonable." This process will ultimately determine the legal annual charges for water in Sierra Park. We are preparing the documentation as directed, and will report back to the judge in a couple of months. More information will be available as we work through this detailed process.

Our application for a Water License for the Sierra Park Water Company, from the California Department of Public Health (CDPH), emphasizes the need to begin planning for rebuilding our aging water system as we maintain it in the meantime. During our Board of Directors meeting on July 20th 2013, we elected Bill Ordwein to be our Capital Improvement Director. Bill will help drive our plan to rebuild the water system and let the health of Sierra Park continue to thrive. More about this on page 2.

Remember, final due date for assessments is at the end of August! Sending yours will help support our mission of delivering healthy water to the community for years to come!

-- Kirk Knudsen



Water Services Contact Information

For any questions or information about water, please call water company president Kirk Knudsen at 408-269-8653, reach us via email through the link on our website or by mail at PO Box 293 MiWuk Village, CA 95346

Thoughts from the Water Company...

Clean healthy water is essential for life.

In life we take the simplest things for granted. We focus our time on work, our families and the tasks of everyday life. We don't often think much about our need for clean water and its underlying infrastructure that supports us.

But changes are coming. It's apparent from our discussions with State Regulators that it's time to upgrade the water system that has nourished us for the last 50+ years here at Sierra Park. **We must begin planning now to rebuild the park water system and meet future state requirements.**

Our community is one of several small communities in our area, and likewise, our water company is also small. The responsibility to maintain and upgrade our system falls only to us, the 360 owners of Sierra Park. As the water system continues to age the likelihood of expensive repairs increases, and potential fines we've been warned of would mean unwelcome increases to our budget. Some residents have already expressed their concern regarding the annual water company assessment. Believe me, we are struggling to come up with a budget that meets the State's future requirements but does not inflict too much pain on our residents' wallets. Might it have been wise to begin preparing for this 10+ years ago? Probably so. Can we afford to put this off for another 10+ years? No.



All residents are welcome to review our budget and suggest improvements. Due to ongoing legal battles the cost of our legal fees, water-engineering consulting fees and insurance has increased. We hope to reduce these costs as issues are resolved, so that the dollars we are now spending for legal and consulting invoices can be put toward rebuilding the water system where the money will be better spent.

The beauty of the park is a GIFT. The aquifer that lies 400+ feet below our community is a GIFT. The water that it supplies and nourishes our bodies and souls is a GIFT. The water system with its pipelines and water tanks has been a GIFT for the last 50+ years. Now it is our responsibility to give back, to rebuild the water system that supports us, so it can sustain and nourish us into the future.

Upcoming Water Newsletter Schedule:

Typically this newsletter will be published quarterly. However, since much is happening with water in the Park during the transition period, we wanted to give you information sooner.

We will make our filing with the CPUC within the next two months, and plan to give you another update at that time. The budget report for August is being reviewed by the Board and will be included in that issue, as well. After this next big milestone is complete, we will resume the normal quarterly publication schedule.

Assessment were due August 31st!



Sierra Park Water Company Board of Directors Meeting Minutes for June 15, 2013

The meeting was called to order at 8:39 by President Knudsen. Board members present:

Kirk Knudsen
Michael Lechner
Heidi Ordwein
Yvonne Peter
Ray Coyle
Wanda Lenhardt

INVOCATION: Kirk read a poem to begin the meeting with.

SHAREHOLDERS PRESENT:

Mark Higgins, Ed Lesnornicz, John Morgenroth, John Coate, Maynard Wollen, Richard Barueti, Bill Ordwein, Ron Hawke, Del Wallis, David Tuly, Alexia Tuley, Robert Cesena, Shawn Velayas, & Clair Velayas

CORRESPONDENCE

• **Email: The following emails were received:**

1. Alice Markham - Questions regarding water assessment - reply sent.
2. Judy Brown - confirmation of merged lots. Reply sent - further confirmation needed.
Del Wallace said that that lot merger will be in the minutes from the annual meeting that are coming out soon.
3. Email has been received requesting information about why the water assessments are so high. There was further discussion about the water assessments, which included the following:
 - A. Why do part timers pay as much as full timers? Michael Lechner and Kirk Knudson both explained that much thought has gone into the budget for the 2013/2014 fiscal year. We have had to budget for legal fees, high insurance costs, and additional fees to pay for consultants to assist us in getting started with the CPUC and Public Health Department.
 - B. Concern was expressed about paying \$90,000 to the OFSRA for the leasing of the land the pipes and tanks are on. Michael Lechner clarified that the OFSRA does not receive that amount of money. The money paid for easements is paid to the Sierra Park Services Corporation which is then incorporated into their budget.
 - C. Concern was expressed regarding the amount of the assessment and the fact that those who use their cabins part time would pay the same as those who live in the Park full time.
 - D. One member stated that he felt the fees were too low. He explained that when they built their place he was amazed that there was no connection fee. Further discussion followed comparing the water costs of those who live in the valley to the costs in the Park. Michael Lechner explained that the majority of the water costs are from fixed costs such as the easements and the administrative costs. Those costs are shared by everyone, equally. The actual costs of the water include the cost of the electricity and the testing of the water, and those costs are snared by everyone who has structures on their property. That cost is less than \$100 a year.
 - E. A question was asked about whether costs would go down in years to come. Kirk shared that the information he has received is that we are paying less than we should be to support the system. If there is a surplus of money at the end of the year the shareholders will decide what to do with that surplus. Del Wallace shared that in the history of the park money has always gone back into the next year's budget.
 - F. It was requested that the information from this discussion be shared with all property owners to alleviate negative emails and letters.

- G. One person in the meeting asked how water could be provided with the CPUC's process with OFSRA not yet completed. It was explained that the CPUC is involved with us and will assist in setting the water rates we will operate with.
4. There have been two requests for bylaws, one from Paul Slakey and one from Ed Lesnowicz. A reply was sent.
5. Two new letters - Ray read.

MINUTES OF BOARD MEETING OF: Minutes of the May 26th 2013 meeting have not been reviewed by board members and therefore are not ready for Board of Directors' approval. Once approved, they will be available to shareholders.

WATER OPERATOR REPORT: Mark Higgins reported that everything is going on schedule. There are currently no breaks and no imminent problems.

DIRECTOR REPORTS:

President - Kirk Knudsen - Kirk has been working on the Conditional Operating Permit and (TMF} update. There is a TMF meeting on Monday. Kirk is hopeful the process will go smoothly. The packet of completed paperwork is large and contains procedures, an emergency plan, cleaning tanks, budgets, information regarding policies and procedures and daily operations.

Vice President - Michael Lechner - none

Treasurer - Ray Coyle - There has been \$5800.00 in assessments collected. The OFSRA is going to advance the Water Company money to assist in paying bills during this transition time. Del Wallace requested advance notice regarding how much money needs to be transferred.

Secretary - Wanda Lenhardt - As of the Organizational Meeting we had 51 Shares of stock sold. A share of stock was brought in to show what they will look like. Shares should be brought to the next board meeting for signatures. Emails have been received and answered as quickly as possible.

Human Resources - Heidi Ordwein. The Water Company has two employees, one full time and one part time. Heidi has obtained W4s and other documents needed for the employees. The timecard format has been revised, which will be more efficient in tracking how much time is being allotted to each corporation. Benefit agreements have been given to Mark and Carlson Accounting Office. Mark's vacation has been verified. Heidi presented a report that is 18 pages long. She is working on a 401k/IRA which will be set up. Money for benefits has been allocated. Mark is the caretaker, not a general manager. Mark is a full time employee of the Water Company. He provides services to the Sierra Park Services Corporation, which then pays the Water Company. Having a caretaker employed by one company provides a savings as compared with the costs associated with having a part time caretaker employed by each corporation.

OLD BUSINESS: There is no old business for this meeting.

NEW BUSINESS:

1. Motion: Michael. Property owners will be allowed to attend board of director's meeting for three months. After that time non-shareholders will only be allowed to attend the initial portion of the meeting. After that only shareholders can stay. Ray seconded the motion, which was then carried unanimously.
2. Needs relating to TMF - Kirk explained that TMF is requiring that we obtain clear policies about how we will deal with the following:
 - Nonpayment of water charges
 - Unauthorized use of water
 - Complaint responses
 - In order to meet all the requirements needed with the TMF Assessment, the following tasks needed to be completed. Golden State Survey and Engineering has provided the following proposal **for services:**
 1. Provide a map of water valve locations determined during the Road Inventory Survey with a Latitude, Longitude and elevation for each valve. The cost of this process is estimated to be

\$990. Yvonne Peter made a motion to pay between \$990 and \$1,100 to pay for the Survey. Ray Coyle seconded the motion, which was then carried unanimously.

2. Determine the best solution for providing for future location of water valves by a hand held GPS device with pre-loaded values for each valve. The idea being that an operator could use the hand held GPS device with the location map described above to locate valves during an emergency. The estimated cost of this device is \$900. This will provide the water valve location data pre-loaded and ready to go, including testing in real time. Yvonne made a motion to pay \$900 to cover the expense of this system. Ray Coyle seconded the motion, which was then carried unanimously.
3. Provide legal descriptions necessary for the RA to convey ownership to the SPWC for all water infrastructure within the limits of the service area.
 - a. Provide legal descriptions for easements to the water tanks and access roads from the RA to the SPWC. Estimate is \$1,550. Yvonne Peter made a motion for legal descriptions necessary for the RA to convey ownership to the SPWC for all water infrastructure within the limits of the service area, to include easements to the water tanks and access roads, be obtained and are not to exceed \$1,550.00. Ray Coyle seconded the motion, which was unanimously carried.
 - b. Provide legal descriptions for easements to all water infrastructure within the service area from the SPSC to the SPWC. The estimated cost for this was between \$4,800 and \$6,500. Yvonne Peter made a motion to pay for the legal descriptions for easements to all water infrastructure within the service area from the SPSC to the SPWC, the cost for which is not to exceed \$6500. Ray Coyle seconded the motion, which was then carried unanimously.
3. Employee Communication
 - Upgraded internet access for Water Operator is being requested. In open discussed it was determined that we need to figure out the best mode of communication between the Water Operator and the BOD.
4. Michael made a motion that the policies and procedures for lot mergers and board of directors' responsibilities and budget approval levels be approved. Yvonne Peter seconded the motion, which was then unanimously carried.

Closure - The board then moved to Executive Session to discuss personnel matters. Stocks were made available for purchase just prior to the commencing of executive session.

The meeting officially ended at 11:30am with no one present from the community. There were no matters voted on in executive session.



Sierra Park Water Company Board of Directors Meeting Minutes for July 20, 2013

The meeting was called to order at 8:33 by President Knudsen. Board members present:

Kirk Knudsen
Michael Lechner
Heidi Ordwein
Yvonne Peter
Ray Coyle
Wanda Lenhardt

INVOCATION: Kirk Knudsen opened the meeting.

PRESENT:

John Bruggeman and Bill Ordwein

MINUTES OF BOARD MEETINGS: Minutes taken from the May 26th 2013 Organizational Meeting have been completed and are ready for Board of Directors' approval. Michael Lechner moved for the minutes from the Organizational Meeting to be approved, Ray Coyle seconded the motion, which was carried unanimously. Minutes from the June 15th Board of Directors Meeting are complete and have been provided to the board members for review. Michael Lechner **moved** to approve the minutes; Ray Coyle seconded the motion that was then unanimously approved.

NOMINATE AND ELECT CAPITAL IMPROVEMENT DIRECTOR: Kirk reported that we have obtained a temporary water permit through the Public Health Department (CDPH). We will have to show we can take care of the water system. The CPUC focuses on the cost of the water and CDPH focuses on the quality of the water, wanting it to be safe. It is very important that we meet the criteria established by both governmental agencies. Kirk Knudsen discussed some of the capital improvements that will be needed to sustain our water system. Water meters will be required by the year 2025. Our water system is very old and we will need to replace piping when we hook up to the meters. We need to have a board member appointed to look into how we can most effectively create and prepare for the Capital Improvement Plan that will be required by the CPUC and the Public Health Department.

Yvonne Peter made a motion to nominate Bill Ordwein to the Board of Directors to be a Capital Improvement Director. Michael Lechner seconded the motion, which was then approved unanimously. Bill accepted the appointment to the board. Bill will be in charge of creating a Capital Improvement Plan that will meet the requirements of the CPUC and the Public Health Department.

CORRESPONDENCE

Email: The following correspondences were received:

Wanda Lenhardt reported that there were seven address updates and one property owner misplaced their shareholder certificate and needed a replacement. One correspondence was received informing the Sierra Park Water Company that the sender no longer owned their property. Two correspondences were received stating that assessments were too high. Two correspondences were received indicating that they were being charged for a developed lot when their lots had no structures on them.

Michael Lechner reported that Daryl and Pat Clark have purchased a lot that joins their existing lot. The lot was developed at one time but the cabin on it was removed years ago. The Clarks are requesting the water bill be adjusted to the level of an undeveloped lot. The Board of Directors agreed to bill this as an undeveloped lot.

Joyce Ashton contacted Michael Lechner and praised Mark Higgins for the professional way he handled the last water breaks. She said she is on a fixed income and would appreciate the water bills remaining as low as possible.

Complaints about the water rates were discussed. Bill Ordwein discussed the current condition of our water system. For years the Park has done nothing but fix breaks in the system. The CPUC has determined that our lines are not up to current standards and so we must make changes. The improvements we are obligated to make are costly but must be done. Surveys have been completed which will assist in this process. Bill will be forming a committee to assist him in creating a Capital Improvement Plan.

WATER EMPLOYEE REPORT: Heidi Ordwein reported that Kirk Knudson is now getting reports from the caretaker, Mark Higgins, regarding water usage on a regular basis. Heidi reported that the gate going to the water tank has been completed. The roads to the two main tanks needed to be graded and this has been completed.

DIRECTOR REPORTS:

President - Kirk Knudsen reported that the process with the TMF is moving forward. The water usage between May 16, 2013 and June 29, 2013 was 1,580,000 gallons. The manganese levels will now be monitored on a quarterly basis. It was found to be slightly elevated at one point, but the manganese levels were never in an unhealthy range. Increased monitoring is being done to monitor these levels.

Vice President - Michael Lechner - none

Treasurer - Ray Coyle - There are currently 93 shares sold for the corporation. Bill Ordwein stated that the current bills that need to be paid come to \$14,489. Yvonne Peter made the motion for the bills to be paid. Michael Lechner seconded that motion which was approved unanimously. Bill further mentioned that a little over one third of all the water assessments have been received. As of July 17, 2013 the bank balance was \$78,958.94. After the bills are paid the bank balance will be approximately \$64,900.00.

Secretary - Wanda Lenhardt - Stocks have been prepared and were brought to the meeting for signatures.

Human Resources - Heidi Ordwein - Mark Higgins' hours continue to be monitored, including any overtime needed. This is a busy time of year with a lot to get done before winter sets in, so the part time employee is also working an average of 4 days a week. Mark Higgins' Fidelity Plan will be implemented before August. Five hundred dollars had to be accrued in the account before the plan could be established.

OLD BUSINESS : There is no old business for this meeting.

NEW BUSINESS:

1. The Water Company Newsletter was discussed. It is anticipated that the newsletter will typically be sent out quarterly. Newsletters will contain the minutes from the meetings, year to date financial information, a message from the president of the Water Company, and seasonal information.
2. Carlson will be sending a second bill to property owners who have not paid their water bill. On September 1, 2013 unpaid bills will be considered delinquent. CPUC policies regarding delinquent bills will be followed.
3. Heidi Ordwein is working on a list of Rules and Regulations that apply to the caretaker's position. Mark will not be able to provide services to property owners who have a problem with the water on their property. He will only be able to deal with problems that occur as a result of an issue with the Water Company equipment/pipes. A list of rules will be published in the near future. If Mark's services are requested for issues that are the property owner's responsibility, the property owner will be billed for those services.
4. The Park's phone will continue to take messages. Wanda Lenhardt will now be responsible for taking messages and distributing them to those to need to receive them. Bill Ordwein said that there is a way the voicemail can be divided into a message tree system so the messages will be saved for the appropriate corporation.
5. The August meeting will be moved to August 10th at 8:30 a.m. Bill Ordwein pointed out that the Financial Statements are created at the end of the month and are therefore somewhat outdated by the time a meeting occurs on the 3rd Saturday of the month. The September meeting will occur on the 3rd Saturday of the month, but all subsequent meetings will be held on the second Saturday of the month.

The meeting ended without an executive session at 10:13 a.m.



Sierra Park Water Company Board of Directors Meeting Minutes for August 10, 2013

The meeting was called to order at 8:35 am by Heidi Ordwein.

PLEDGE OF ALLEGIANCE: All

Board members present:

Heidi Ordwein
Yvonne Peter
Ray Coyle
Bill Ordwein

Board members excused: Kirk Knudsen, Michael Lechner, Wanda Lenhardt (proxy submitted to Heidi Ordwein)

Other attendees: Ron Hawke

INVOCATION: Ray Coyle

MINUTES OF BOARD MEETING: Minutes of the July 20, 2013 Board Meeting have been reviewed by the Board. Additions or corrections: none. Motion to approve them by Ray Coyle; Bill Ordwein seconded. Minutes were approved by all Board members.

NEW BUSINESS:

1. New Treasurer: With the resignation of Ray Coyle, the Water Company needed to designate a new Treasurer. Motion was made to elect Bill Ordwein as Treasurer by Yvonne Peter. Second: Ray Coyle. Vote: Approved by all Board members.
2. Insurance for Rec. Association: during the transition period, the RA has requested that the Water Company add the RA to their insurance. Motion by Yvonne Peter, Second by Ray Coyle. Vote: Approved by all Board members.
 - Coldwell Insurance must be contacted to facilitate this change. Heidi Ordwein will email them to add the RA to the Water Company Insurance.

CORRESPONDENCE: Wanda Lenhardt - emails, letters, etc.

1. Ralph Pombo - states being billed at the higher rate for property that does not have a dwelling. Letter to be sent to him stating he should get County to correct their records and submit same to us before a change is made to his bill for water. The Board has decided it is not in a position to make adjustments unless the governing body (Tuolumne County) is in agreement. We use the County records for billing purposes and we should not be making our own adjustments that do not correspond to their records.
2. Letter from Sweet Family regarding their bill.

DIRECTOR REPORTS:

Secretary - Wanda Lenhardt - see correspondence items.

Treasurer - Bill Ordwein said that the Finances are incomplete and he is working on these with the Accounting firm.

Motion to Pay Bills: Made by Yvonne Peter, Second: Ray Coyle. Vote: Approved by all Board members

Human Resources - Heidi Ordwein

Continuing to monitor the hours worked and any overtime. This is a busy time of the year with lots to get done before winter sets in so the part time employee is working an average of 4 days a week.

Mark has been given the "Performance Objectives - Caretaker" and has signed a copy that he has received this document. Copy to be maintained with the Sierra Park Water Company records.

Fidelity Plan for Mark Higgins: Mark has the paperwork and is to complete this to begin his plan. Could not be implemented until there was \$500 in the account to open. We have accrued that amount and the plan should be implemented.

Caretaker Report - Heidi Ordwein:

Reports regarding water usage sent to Kirk Knudsen.

Grading of road to Isaac tank has begun. This has not been done in 4 years and the road is very rutted. Work is slow because a sprinkler system needs to be used to wet the very dry dirt before grading can take place. The road to the Wheeler tank farm will also be done but it is not as bad a shape as the Isaac road.

Sign at gate has been painted and waiting for lettering to be added.

Broken valve next to Basketball Court is being reviewed for reattachment or to decommission altogether.

We have found that past information of breaks, what was done to repair and costs seems to have gone missing. Therefore, a log book of all broken line incidents has been initiated and Mark is to keep up the log. Bill Ordwein and committee for planning line work will need this information to identify weakest areas and where to focus most of the effort, although the whole Park will need this review. Mark will update the book and share the information with the Water Company President and the Committee as needed or requested.

OTHER BUSINESS:

New Property Owner 'Quick-Start' Guide:

Realtor Distribution: Use the format sent to us by the Escrow offices as a template as to what information is wanted/needed by the Realtors. Bill Ordwein has a copy of this document.

Charge for adding a new property owner: \$100 for processing. Motion to add the charge: Yvonne Peter; Second: Ray Coyle. Vote: Approved by all Board members.

Comments from Attendees: One attendee. No comments.

Executive Session 9:50 am: Finance.

Resumed open meeting 9:55am.

Adjourn: 10:00 am.

Respectfully Submitted,

Heidi Ordwein

Financial Statements will be available in next month's newsletter.