SIERRA PARK WATER COMPANY

BOARD OF DIRECTORS MEETING MINUTES

March 21, 2026 11:00
In Person at the Lodge and Virtual/Google Meet

Executive Session Report - No Executive Sessions have occurred.

I. Call to Order- Heidi Ordwein: 11:04

II. Attendees BOD & Contractors: Heidi Ordwein , Kevin Bonner, and Wanda Lenhardt; Remotely: Aileen Loe, Dan Demoss, Ed Jackson, Ariella Gahan
In Person: Dennis Johnson, Joe Garner, Robbie Bettencourt, Beatrice Johnson, Marianne Worsham, Brent : Cadigan, Chuck Walker, Lori Crivelli, B. Mike Van Gundy, Richard Erickson, Rich Nisbet, Greg Crivelli, Michelli Nisbit
Virtual Attendees:

III. Review and Approve Agenda:

IV. Approval of Minutes – December 6, 2025 and January 17, 2026: Wanda made a motion to approve the minutes from both the December 7, 2025 BOD meeting and the Jan 17, 2026 meetings. Kevin seconded the motion that was then unanimously approved.

V. Manager Reports

a) Manager – Dan DeMoss
Dan reported that the meter project is winding up. The Consumer Confidence Report is due in June. The EAR report is April 1. The CPUC Annual Report will be submitted to the CPUC in April.

b) Contract Operator – Mountain Valley Environmental Services - Randy Johnson was not present.
   1. Water Quality Update
   2. Operations Update - Dan reported that the system has been flushed in accordance with our operational plan.

VI Projects Update - Aileen Loe/Ed Jackson

a) Meter Project Update: Aileen reported that the meter project was a huge success. All work was completed by the 27th of February. We have two claims for reimbursement at the State. SPWC has also requested release of the funds that were retained during the course of the project. Integration of the meters and billing software is in process. Once that has been completed the Water Company will be able to start billing for usage. We advertised a contract to replace about a one-mile section of mainline... We received 7 bids for the work which is anticipated to cost $1.25 Million. "A contract could not be awarded due to insufficient funding available. The State denied SPWC request for a time extension and additional funding to complete the project under the current funding program."

Discussion followed which showed where the pipeline will be routed. We have plans in place and will be able to apply for any future grand money at the point it becomes available. The first segment of the pipeline replacement is scheduled to go from the water tan above Abraham to the Bridge on Jordan Way East. Rick Nisbet asked if the pipeline could follow the path of the existing pipeline through the south end of the meadow. Aileen put the plans on the screen so everyone could see them. The water will still go from the well to the tank, after filtration, and then it will come out and travel on Upper Abraham. The larger line will provide more water to the standpipes for fire suppression. There was concern about the damage this will do to the roads. The work would involve excavation of a trench and then filling and paving back over the top of the trench once the work is completed. It was emphasized that this will not be occurring any time soon as there is no funding available. It is helpful to have plans in place to submit once funding is again released.

Dennis Johnson asked about why new lids had to be ordered for the meters. Different box lids were needed and this was not known until work was ready to begin. This was further complicated by supply chain issues. New lids were ordered and it all resolved.

Debbie Kagay asked about the need for a valve to be on every cabin to shut water off. Discussion followed regarding the use of the valve that was installed after the water meter. Those were installed as they were needed as part of the construction process. Rick Nisbet referenced a leak that occurred in February. He shut off the company valve to stop the water leaking. It was stressed that no one, other than operators should be using the water company valves. Rick said that in emergencies he was going to continue doing so. The Board agreed to look into customers using the valve between the meter and the cabin further and report back regarding SPWC Part policy about customers using that valve.

Lori Crivelli brought up the OFSRA water meter. She indicated that they had asked a question that was not answered regarding what the cost of a larger meter later would be if the meter they have is not big enough. Rick Nisbit said that they did not want to change the meter they had to a larger meter. He said they could make it work and would just put more sprinkler lines off of it as needed.

b) Water Treatment Plant Update –Aileen Loe pointed out that Ed was the Construction Manager for the Meter Project; Blackwater Engineering is providing Construction Management services for the Treatment Plant Project. The Treatment Plant will have a Scada system that will monitor water levels of the tank.. Part of the cost for that system was covered by the meter grant, which paid $150,000. The work on the Treatment Plant was stalled due to high ground water and freezing temperatures. French drains have been installed. Concrete needs to be poured but temperatures need to be above freezing to do that for the concrete to cure properly. Work on that will resume this summer. We have filed claims with the state that are waiting to be paid. There is a great deal of documentation needed by the state to obtain reimbursement for expenses on the project. The equipment for the Treatment Plant has been ordered. The Plant can still be completed by the Grant Deadline at the end of 2027.

VII. Old Business

a) Integration of Financial Systems/Records: Lori asked if this integration was about integration of the software and billing. Aileen reported that meter numbers have been attached to accounts of all developed properties. The current base rate will remain the same until the meters report water usage. At that point the base rate will be reduced and water fees will be added to the lower base rate.

A policy has been developed to ensure all financial systems are integrated. We have the accountant, Sylvia, who pays our bills, Ariella who bills customers, and the secretary who manages Shareholder purchases. The board adopts policies and procedures. Lori Crivelli indicated that this was a business practice and not in need of a motion approved by the Board.. Aileen made the following motion: I move the Board to adopt a policy providing for the integration of three financial systems, Financial, Billing and shareholders. Kevin seconded the motion which was then unanimously approved.

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b) Billing Systems Update - Aileen reported that the uptake by customers to online billing and payments is going well.. Bills are being sent monthly and customers are getting their accounts set up online. Payments by check must be sent to the billing office address which is P.O. Box 193, Standard, CA 95373. If payments are mailed to any other address a delay in getting checks deposited. Heidi said that we prefer customers use credit cards and auto pay even though there are fees associated with these types of payments, $2.95 for credit card and $1.95 for electronic checks. SPWC does not receive those fees as they are paid to the credit card companies. Payment with automatic payments eliminates late fees that occur when other payment methods are used after the payment deadlines. Aileen said that while there are no fees associated with regular checks mailed in, the company pays more to process those checks due to labor costs. She also pointed out that postage is high enough that paying by other methods provides the savings of not needing to buy a stamp. Ariella Gaughan said that the larger banks allow Bill Pay services and do not charge for payments made through their services. Lori Crivelli said that even the contacted smaller banks provide these services. Robbie Bettencourt asked who responds to emails. He has the company and not received a response. Heidi explained that Ariella has other obligations and can't always respond to information requests the same day they are made. She will respond though. If contact is made by phone, messages are distributed to those who need them. If they are billing questions they go to Areilla. If messages are related to emergencies they are sent to our operators at Mountain Valley Environmental Services who respond quickly. We request our customers contact us by either calling (209) 533-7998 or sending emails to hello@sierraparkwater.com. There is a method of distribution behind these intake points to ensure that questions and requests are referred to the right people to address. It is important for messages, especially messages relating to emergencies to be identified properly so the correct people receive the message.

c) Revised Bylaws Update - We have been working on updating the bylaws. They have never been updated since the inception of the company in 2013. There have been changes in laws since that time and we found errors in them that needed to be corrected. The revised bylaws will be presented in the Annual Meeting for ratification by shareholders.

d) Reminder: All customers must have their own shut off valve at their cabin by October 2026 - This was discussed earlier in the meeting.

VIII. New Business –

a) Rate Case - Ed Jackson -

Ed gave a presentation and stated that A GRC is the process by which state regulators determine how much customers will pay for water service. Sierra Park Water Company's most recent GRC was submitted to the CPUC in January of 2019.

The purpose of the GRC is to increase rates necessary for the Company to:

(1) Recover reasonable and necessary operating expenses

(2) Ensure adequate revenue to provide safe and reliable service

(3) Maintain compliance with the CPUC and the Division of Drinking Water rules and regulations

(4) Update Rate Base

<u>What's in a GRC FILING</u>

The GRC filing will include an operating expense budget, capital budget, rate design, proposed tariffs, and supporting documentation.

Ed said will forecast the expenses for 2026. We spent a great deal of money repairing the 210 water tank on Isaac. The GRC request will include a rate schedule for fixed costs as well as costs for usage levels.

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Treatment Plant operating expenses will not be included in this GRC as it will not be operational Robbie Bettencourt asked why we needed to do a GRC now? It was explained that we haven't done one since 2019. Robbie said they had been asking for information regarding how much money we needed and had not been given answers. Information Robbie requested has not been available. The GRC will include information regarding expenses for the past three years and forecast expenses for the next three. Dan DeMoss explained that moving forward we will additionally have costs in operating the treatment plant. It will require chemicals and operators. Those costs will not be in this rate case. Dan said that the average water bill in California is $90 a month. Ed is planning to submit the GRC in June. All customers will be notified. Several attendees requested to obtain information regarding the GRC prior to having it submitted. Ed explained that the CPUC will review the GRC, have public meetings after which the Commission will determine what our rates will be.

b) 2026 SPWC Annual Meeting - Confirm Date
Wanda explained that the OFSRA had moved their Annual Meeting to the 23rd of May, which will be a Saturday. Wanda felt it would be a good idea of us to move the meeting to that Saturday as well. It will make it more convenient for our customers to meet on the same day and our bylaws allow us to move the meeting. Aileen made the motion to move the meeting to Saturday May 23, 2026. Kevin seconded the motion which was unanimously approved.

IX. Officer Reports

a) Treasurer – Aileen Loe
Aileen reported on the Profit and Loss as of February 2026. She has been updating our insurance and looking into "Pooled insurance". This is a new opportunity for small water companies with a new State law which allows small water companies to be eligible for pooled insurance t which offers better rates that are often only available to larger companies

b. Secretary Wanda Lenhardt
Preparations will be made for the Annual Meeting. Shareholder purchases are allowed until the 15th of April. If anyone would like to run for the board we need to know by the 15th.

VIII. Adjourn 12:36

Wanda Lenhardt