

Odd Fellows Sierra Recreation Association
Annual General Meeting
May 27, 2012

A welcome greeting to the sixty-fourth OFSRA Annual General Meeting, called to order by **President Shaun Velayas @ 9:06am**. President Velayas stated that this is a private corporation meeting and requested no recordings be made. He also stated that in the interest of time, comments from the attendees would be limited to three minutes per person. The Pledge of Allegiance was lead by Del Wallis. Ron Hawke presented the invocation. Board of Directors present: Shaun Velayas, Ron Hawke, Larry Adams, Dick Barrett, Linda Clark, Bill Ordwein, Friedhelm Peter and Del Wallis.

Reading of the minutes of the May 29, 2011 annual minutes was dispensed with as copies were made available to everyone prior to the meeting. Elsie Manning moved that the minutes of the May 29, 2011 annual meeting be approved as presented. Bob Henson seconded. Motion carried.

There were no communications to report.

COMMITTEE REPORTS:

WATER: **Ron Hawke** presented his report. Please refer to **EXHIBIT "A"** following these minutes for his report.

ROADS: **Larry Adams** reported that last year Ken's Asphalt did crack sealing throughout the park which has held up very well. A four-year plan has been established for road maintenance. This year the plan is to repave the incoming side of the entry gate, have Wheeler Road, Jordan Way East and Jordan Way West slurry sealed. Bids for this work have been received from George Reed, Ken's Asphalt and Simunaci Construction. The successful bidder will be announced in the newsletter. The work will be done sometime in early September. Notice will be put in the newsletter to allow any property owner who has work they need done on their property ample time to schedule that work at the property owner's expense.

EQUIPMENT: **Friedhelm Peter** presented his report. Please refer to **EXHIBIT "B"** following these minutes for his report.

HEALTH AND SAFETY: **Larry Adams** reported that work at the lake included the outgoing drain line had a leakage which resulted in washing away dirt all around the drain pipe. An outside company was hired to repair the drain line, including a new valve which will make it easier to drain in the future. It is planned that sand will be brought in for the beach prior to the annual fishing derby depending on budgeted availability. The geese that are presently making their home in the park are a nuisance and messy. Please do not feed them. The VFA grant for brush clearing has been approved. Work will begin either before fire season or this fall.

BUILDINGS: **Dick Barrett** reported four items were addressed this past year: 1. The short circuit to the snack shack has been resolved at a cost of \$142.00; The extension of power to the sand shed was done for lighting purposes and an extension of water to the sand shed was also done at a total cost of \$1,280.00; 3. Power to the kitchen in the lodge was extended at a cost of \$280.00; and 4. Additional lighting for the stairway in the lodge was completed for a cost of \$350.00. All electrical work was done by a licensed electrical contractor. Dick introduced Yvonne Peter, Noble

Grand of Dogwood Rebekah Lodge #200. Yvonne reported on the various community service projects that Dogwood Rebekah Lodge has completed this past year and a half for the maintenance and improvement of areas in the Park: 1. Netting for the overhead of the lodge deck was purchased and installed to deter the birds from nesting in the overhead; 2. The inside of the lodge was cleaned and painted and new flags purchased. The Rebekahs paid for half the cost of the painting and the Recreation Association paid for half; 3. Flowers under the flagpole were planted; 4. Benches were built, painted and installed. They were all resealed this last year; the apple orchard was pruned and fertilized; 5. The backstop was repainted; 6. The snack shack was cleaned, painted and re-roofed; 7. Last year there was a pick-up baseball game for all the children and the Rebekahs painted all the lines. Yvonne stated that the funds for these projects come mostly from the Rebekah fundraisers held throughout the year – such as the annual bake sale, the wine tasting, the opportunity drawings for the donated quilts and afghans. She thanked everyone for their support so these projects can be completed

GATE: Bill Ordwein reported that bearings on the inbound gate were replaced. The magnets that had been installed incorrectly were repaired and all the batteries had to be replaced both on the gate and in the gate house. The outbound gate was repaired because someone had run into it. He is in the process of bringing all the records associated with the gate up to date. Bill also addressed the methods of gate entry: The remote electronic devices, the proximity cards and the old contact cards. The program for the old contact cards cannot be repaired if it were to break. He wants all the old contact cards returned for new proximity cards at a cost of \$10.00 per card. As of September 1, 2012 the old contact cards will be deactivated and after that date will no longer work. So, if anyone has any of those cards, or has given them to family members, renters, property managers or others, they need to be returned for exchange for the new cards at \$10.00 per card. Bill is also working on updating the directory display pad at the entry gate. He requested people contact him if they wish to change their information on the directory.

TIMBER: Del Wallis reported that the timbering plan has been put on hold for this year. The Recreation Association has looked at timbering about 21-22 acres by Cedarbrook to use as a demonstration for what a clean-up operation would look like. However, due to timing, the upcoming fire season and the fact that the cost versus the income projection would end up a break-even situation, the project has been put on hold. Del will be talking with the forester to determine if possibly more acreage would be included to make it cost effective to generate income. The project will probably be done sometime next year, allowing enough time to put a workable plan together.

FINANCE: Del Wallis noted that draft copies of the May 31, 2012 fiscal year Budget Report were available to all at registration for today's meeting. This report is a draft as the May bank statement is not yet available for reconciliation. Del stated that with a few bills still to come in for May, the bottom line is the year's expenses will be under budget. Dell directed everyone to the second page of the draft for review of the balances left in the Reserve Accounts. He stated there is enough in the reserves to effect a cash flow to be able to pay the upcoming bills for a couple of weeks and that after that time assessments should be coming in to keep park operations going. Del stated that all activity for the Cedar Brook property is accounted for separately. Del then addressed the assessment for the 2012/2013 fiscal year and the reasons for the increase. Please refer to **EXHIBIT C 2012/2013 Proposed Operating Budget**. Payroll/Labor expense has been increased by \$7,000.00 to cover pay increases and related payroll taxes. Due to depletion in the prior year, the Equipment, Road and Water Reserves need to be funded in the amount of \$6,900 for all. Road Maintenance has been increased by \$10,000.00 to provide for work that needs to be done as reported by Larry Adams in his report. Professional services-consulting is a

new item. Whether a CSD or a Mutual Water District is formed, it is more than likely that an analysis of the area will be required and the cost could easily be as much or more than the \$25,000.00. General Maintenance has been increased due to the concerns about the safety of the old foot bridge, the east side bridge and the lake levees. These three items need to be addressed. The overall increase in the proposed budget is approximately \$55,000.00 which equates to an assessment of \$1024.00 per property based on 364 properties.

NEW BUSINESS

AGENDA ITEMS 9.b. and 9.c. 2012/2013 PROPOSED BUDGET AND ASSESSMENT FOR 2012/2013 Del Wallis made a motion to approve the budget as presented and the annual assessment of \$1024.00 per property for fiscal year 2012/2013. David Unruh seconded.

After the above motion was made and seconded, discussion was held off the motion of matters relevant to the motion including the following agenda item.

AGENDA ITEM 9.e. Proposed formation of a Community Services District

Michael Lechner was introduced to present his views on a group that has gotten together to research what can be done for the good of the homeowners in the park. He mentioned a survey that had been sent out to all property owners a few months back asking what the property owners want for their park. He has put together a proposal to form a committee to research the possibility of a Community Services District (CSD). The purpose of the committee is three fold: 1. Learn about a CSD. 2. Communication and 3. Make suggestions. Mr. Lechner requested that anyone interested in this committee contact him after the meeting. A petition has been filed with LAFCO (Local Area Formation Commission) by the Recreation Association to form a CSD. LAFCO has the power to approve or disapprove the formation of a CSD. The actual governance of the CSD would be done by the membership of the CSD under the guidance of a Board of Directors elected by the property owners. If a CSD were to be formed, all business of the Park would come under the governance of the CSD including all the equipment and all the buildings. Monies held by the Recreation Association would be relinquished to the CSD with the one exception being the timber fund monies and management of the timberland which would remain under the control of the Recreation Association.

After the above discussion, a call for the vote was requested on the motion on the floor to approve the budget and the annual assessment of \$1,024.00 for the 2012/2013 fiscal year. President Velayas asked for the vote on the motion to approve the 2012/2013 budget and the 2012/2013 assessment. **By hand held ballots, there were 89 yes votes and 17 no votes. The motion carried.**

President Velayas called for a break at 11:15 am

President Velayas called the meeting back to order at 11:35 am

OLD BUSINESS (out of agenda sequence)

Mike Ford spoke about the upcoming annual Fish Derby. He stated that \$2,200.00 has been turned over from the Homeowner's Association to the Recreation Association for the derby expenses. Fish have been ordered. He requested help for the derby - both volunteers and money.

NEW BUSINESS – (continued)

Agenda Item 9.a. Proposed By-Laws Changes

Proposed change #1:

Eliminate the automatic sequence of candidates filling Board of Directors vacancies.

Article III. Directors

Section 4. Vacancies.

From the EXISTING:

Vacancies in the Board of Directors shall be filled by the runners-up in order of finish in the prior election of Directors.

Change TO:

Vacancies in the board of Directors shall be filled by majority vote of the remaining members of the Board of Directors. Such Director's term shall end at the next annual meeting of the shareholders or special meeting of the shareholders that has been called for such purpose.

Proposed change #2:

Establish that any Board of Directors member resigning after the filing of a petition to recall that director, and before the completion of the recall process, will be considered as recalled.

ADDITION of paragraph:

Article III. Directors

Section 3. Election and Term of Office

Add second paragraph to Section 3:

Any Director resigning after the filing of a petition to recall such director but before the completion of the recall process, will be considered as recalled.

Proposed By-laws change #1 was read and discussion followed. After discussion, Clark Kellogg moved that By-Laws change #1 be adopted as presented. Elsie Manning seconded. A hand held yellow ballot vote of OFSRA members resulted in 25 yes votes and 2 no votes. Motion carried.

Proposed By-Laws change #2 was read and discussion followed. After discussion, Yvonne Peter moved that By-Laws change #2 be adopted as presented. Daryl Clark seconded. A hand held yellow ballot vote of OFSRA members resulted in 25 yes votes and 5 no votes. Motion carried.

Agenda Item 9.e. Proposed formation of a Community Services District revisited

Michael Lechner spoke about the Ad Hoc committee formed to research a Community Services District and stated that this committee is not associated with either the Recreation Association or the Homeowners' Association. It is a strictly independent group of property owners. He said that every mailing the committee does costs approximately \$300.00 for paper, envelopes and postage. Any donations to help defray those costs would be greatly appreciated. He encouraged people to give him their email addresses for receipt of information in that manner. He presented a "Statement of Purpose" for the committee and an application form for membership on the committee.

President Velayas spoke to the fact that the Recreation Association Board of Directors is unanimously in favor of a Community Services District. **Ron Hawke** spoke to the fact that legal counsel has been contacted for guidance. The Board is trying to minimize the use of attorneys. The idea of a CSD came from one of the Town Hall meetings. There are presently two CSDs in Tuolumne County: Twain Harte and Groveland. Twain Harte is being very helpful in giving information as to the operation of a CSD. Collection of assessments for operation of the CSD could be collected by a variety of methods: property taxes, the CSD could bill directly, billing could be done by a third party agency. This would be determined at a later date. **Del Wallis** addressed the relinquishing of assets to a CSD which would include all the infrastructure – water system, roads, buildings (with the exception of the caretaker's cabin), all open spaces, all funds in the bank. The only entity that would remain under control of the Recreation Association would be the timber fund and the timber land.

Agenda Item 9.f. Proposal to sell timber during the 2012/2013 fiscal year.

This item was addressed in Del Wallis' Timber Report.

Agenda Item 9.g. Other New Business: Director Ordwein spoke to the fact that Assessment payments can now be made by credit card as well as by check.

President Velayas spoke about the purchase of the Cedar Brook property. A lot line adjustment was made and approximately 19 (+-) acres were transferred to the timber fund. The main cabin and approximately 2 acres will be put up for sale. The other out buildings will be torn down and the swimming pool demolished. The two wells will be retained for use by the park. The Cedar Brook property was purchased with timber fund money.

Agenda Item 9.d. Election of Board of Directors: There are four vacancies on the Board of Directors: Three three-year terms and one one-year term. Four candidates are on the Annual Meeting Notice Proxy Statement: Robert Cloak, Sharon Mc Dougall, Freidhelm Peter and Claire Velayas. President Velayas asked for nominations from the floor. There were none. Bob Hence moved that the nominations for Board of Directors be closed. John Bordes seconded. Motion carried. All the candidates introduced themselves and spoke a little about themselves. Robert Cloak indicated he would be interested in serving the one year term. Elsie Manning moved that all four candidates be elected by acclamation. Larry Adams seconded. Motion carried.

There being no further business to discuss, President Velayas adjourned the meeting at 12:43 p.m.

Linda Clark
Secretary

Water Report for 2012 Annual Meeting

Past Year

During this past year, several items relating to our water system have been dealt with.

State Department of Public Health, CDPH, Approvals

Renewal of our Water Permit by CDPH.

Status

Permit Received on Feb 28, 2011

Contingent upon completion of 4 tasks:

BSSP, Bacterial Sample Siting Plan,
Numerous water tests thought to be delinquent,
Cross Connection Control Survey,
Emergency Chlorination Plan

Approved April 27, 2011

State's Electronic recording system was at fault.

Verified it does not apply to our system. May 19, 2011

Approved Aug. 26, 2011

Note: Compliance with these requirements was effectively achieved by two experienced, licensed water operators, at considerable cost to the Park.

Routine Maintenance

Replaced several broken valves and repaired broken pipes.

All water samples met or exceeded CDPH standards. No bacterial contamination incidents.

Major Line Break

A 4-inch line broke under the West Jordan Way paved road. An outside contractor was used to repair the break and restore the road.

Caretaker Assumed Responsibility as our Water Operator

Our caretaker has studied for and obtained a D1 water license thereby enabling him to be our primary system operator and eliminating the need for a monthly outside contract. The prior operators are available as backup if needed.

Current Issues Under Consideration

Purchase and installation of an altitude valve at the Wheeler tank site in order to regain the full storage capacity of the Isaac tank whose top is about 5 feet higher than the Wheeler tanks. This would regain the Isaac storage capacity from the current limit of 166,250 gallons to its original capacity of 210,000 gallons. Hence the complete storage would be increased from the current 259,000 gallons to its potential of 302,750 gallons.

Incorporate a well on the Cedarbrook property into the system as a third operational well. Defer the option to incorporate a more distant well from the Cedarbrook property into the water system.

Miscellaneous Improvements

Rebuilt stairway for access to well #6 for improved safety, especially during ice and snow conditions.

Water Use

During the past 12 months, May 2011 through April 2012, we have pumped 10,146,100 gallons of water. The electric utility cost for this pumping is approximately \$12,000.

Respectfully Submitted for the Annual OFSRA Meeting, May 27, 2012

Ron Hawke

May 27, 2012

Equipment Report

With the exception with the old Dump Truck, all equipment is working good.

Back Hoe

We have had some major breakdown with the hydraulic ram on the backhoe attachment. It seems that something was in the hydraulic fluid and scored the ram where hydraulic fluid was bypassing and made the backhoe inoperable. Mark Higgins and Larry Jones were able to take the ram apart and repair the ram. New parts were quite expensive (about \$1200.00), but it was much less than if we had a repair service perform the work. It is now in good working condition.

International Snow Plow Truck

Routine service was performed by Mark and it is working good.

Old Tractor

Working good and it is a good unit for grass cutting operations.

Grader

Much effort has gone into the Grader to make the front wheels work. Because of its age, parts are difficult to obtain and a new control board was no longer available. The mechanic working on the Grader was able to fabricate a control board that controls the front wheel power. At this time the Grader is fully functional, but because of its age all hydraulic hoses show cracks and it is just a matter of time before they will start to completely deteriorate and start breaking. A financial decision and evaluation will have to be made at that time as to how much money needs to be spent.

Old Dump Truck

This truck has served us well but it is now to the point where it is not prudent to spend any more money on this truck. The brakes are marginal and the transfer case is leaking fluid and jumps out of gear.

Toyota Pick Up

Regular routine service was performed by Mark and it is running fine.

Conclusion

By having all service performed by Mark and Larry, we have been reducing the cost of general maintenance on the equipment. The old Dump Truck should be sold for scrap and the International Snow Plow truck will be used for general Dump Truck duty.

Respectfully submitted

Friedhelm Peter

Operating Budget

	2012-2013 Proposed
Maintenance Income	\$372,736
Rental Income (Caretaker's Cabin)	6,900
Fish Donations	
Refunds	
Tax Refunds	
Recreation Income	
Unrealized gain/loss on investments	
Interest Income	
Miscellaneous Income	
Timber Income	**
Timber Interest	
Total Operating Income	379,636
Accounting	18,000
Bank Charges	50
Contingency	6,900
Employee Benefits	12,000
Equipment Rental	
EQUIPMENT RESERVES	2,000
Fish Derby Expense	2,800
Franchise Tax Expenses (CA)	800
Fuel	9,000
Garbage	14,000
Gate Expense	3,873
Health and Safety	4,000
Insurance General	17,000
Maintenance/Buildings	11,000
Maintenance Buildings/ Cedarbrook	
Maintenance/Equipment	15,000
Maintenance/General Park	25,000
Maintenance/Roads	35,000
Maintenance/Roads Cap Exp	
Maintenance/Water	8,000
Maintenance/Lake	9,000
Member Communications	4,500
Needle Expense	10,000
Office Expense (includes clerical)	1,500
Payroll/Labor	70,000
Permits and Fees	2,500
Permits and Fees Cedarbrook	
Professional Services - Legal	30,000
Professional Services - Consulting	25,000
Recreation	1,000
ROAD RESERVES	2,000
Supplies Shop	1,500
Supplies/Recreation Hall	100
Taxes and Licenses	1,500
Taxes/Payroll	7,000
Taxes/Property	3,300
Taxes/Property Cedarbrook	3,800
Telephone	1,200
Timber Expense	**
Unrealized Loss on Investment	
Utilities	14,000
Utilities Cedarbrook	*
WATER RESERVES	3,113
Water Testing	8,000
Total Operating Budget Expenses	383,436
Less Cedarbrook expenses	*
Less Timber expenses	**

TOTAL OPERATING BUDGET EXPENSES

\$379,636 divided by 364 = 1024.00