

SIERRA PARK WATER COMPANY, Inc.

P. O. Box 424, Mi Wuk Village, CA 95346, (209) 586-7998

TO: Sierra Park Water Company, Inc. Shareholders
FROM: Kirk Knudsen, SPWC, Inc. President
SUBJECT: May 26, 2019 Annual Meeting
DATE: May 10, 2019

Enclosed is official notice of the upcoming SPWC, Inc. Annual Meeting of Shareholders, a Proxy Form, and Proxy Form return envelope. We strongly urge you to attend the meeting. However, please vote by proxy if you cannot attend. If you wish to have a Board member vote your proxy be advised it must be returned in the enclosed envelope no later than May 24, 2019.

Please review all enclosed information carefully.

We will be going into detail about the NOTICE OF PROPOSED RATE INCREASE your Water Company recently mailed to you. The need for the rate increases in 2019 and 2020 are several fold and were called out in the Notice.

At the meeting we will:

- walk everyone through the process that got us to this point,
- review our water quality testing process and results,
- review our revenues to expenditures over the last 3 years,
- review the study commissioned by the CPUC that examined our current system, details the improvements we will need to put in place, and sets forth a timeline and estimates the costs to implement those improvements.

With this done, we will present the rationale for the proposed rate increase.

Respectfully,

Kirk Knudsen, President

Attachments: Notice of Annual Meeting
2019 Proxy
2018 SPWC, Inc. Annual Meeting Minutes
Proxy Return Envelope

**NOTICE OF ANNUAL MEETING OF
SHAREHOLDERS OF
SIERRA PARK WATER COMPANY, Inc.**

May 26, 2019

Notice is given that the annual meeting of the shareholders of Sierra Park Water Company, Inc. (the "Corporation") will be held at the Recreation Hall that is located on Wheeler Road, Long Barn, California on Sunday, May 26, 2019, at 12:30 PM. Shareholder registration for the meeting will take place at the Recreation Hall on May 25th from 3 – 5 PM and on May 26th from 7:00 to 8:15 AM. To be considered and action on will be:

1. **Election of the 2019/2020 Board of Directors**
2. **Other Business.** Such other business as may be properly presented at the meeting for action by the shareholders.

In the event you cannot attend and do not have co-property owner or other shareholder you would like to assign your proxy to, the members of the current Board of Directors are willing to exercise your proxy for you. Current Board members are Kirk Knudsen, Bill Ordwein, Wanda Lenhardt, and Philip Barthman. All proxies designated to current board members must be received by the Corporation at P. O. Box 424, MiWuk Village, California 95346, NO LATER THAN MAY 24, 2019.

Enclosed is a return envelope for your convenience.

SIERRA PARK WATER COMPANY, Inc.

2019 PROXY

The undersigned shareholder(s) of Sierra Park Water Company, Inc., a California corporation (the “Corporation”), appoint(s) _____ [Print Name] as proxy and attorney-in-fact, with full power of substitution, to represent the undersigned at the annual meeting of shareholders to be held on May 26, 2019, at 12:30 PM, at the Recreation Hall which is located on Wheeler Road, Long Barn, California and at any adjournment of that meeting, and to vote all shares of stock that the undersigned would be entitled to vote if personally present, on the matters and in accordance with any instructions set forth below.

The proxy holder shall be entitled to cast the number of votes the undersigned would be entitled to cast if personally present, for or against any proposal, including the election of members of the board of directors, and any and all other business that may come before the meeting.

SHAREHOLDER: IF YOU WISH TO INSTRUCT THE PROXY HOLDER REGARDING THE VOTING OF YOUR SHARES, PLEASE CHECK THE APPROPRIATE BOXES BELOW AND COMPLETE THIS FORM. YOUR SHARES WILL BE VOTED IN ACCORDANCE WITH YOUR INSTRUCTIONS.

ANY SHAREHOLDER COMPLETING THIS PROXY WHO FAILS TO CHECK ANY BOXES OR OTHERWISE MARK THE PROXY FORM WILL BE DEEMED TO HAVE GIVEN THE PROXY HOLDER COMPLETE DISCRETION IN VOTING WITH RESPECT TO THE MATTERS LISTED BELOW.

1. Board of Directors:

Kirk Knudsen __ Check

Bill Ordwein __ Check

Wanda Lendhardt __ Check

Phil Barthman __ Check

Ashley Cowan __ Check

[Signature appears on following page]

[Signature page to Proxy]

Date: _____

By: _____

Print: _____

Title: _____

SHARE NUMBER(S): 211,212

SHAREHOLDER: THIS PROXY SHOULD BE MARKED, DATED, AND SIGNED BY THE SHAREHOLDER EXACTLY AS HIS OR HER NAME APPEARS ON THE SHARE CERTIFICATE(S), AND RETURNED PROMPTLY TO THE CORPORATION. A CORPORATION, LIMITED LIABILITY COMPANY, TRUST OR OTHER ENTITY, SHOULD SIGN ITS NAME BY AN OFFICER, TRUSTEE OR OTHER AUTHORIZED PERSON, DESIGNATING THE TITLE HELD.

**YOUR NAME AS IT APPEARS ON YOUR STOCK
CERTIFICATE IS:**

Charles P. Varvayanis

**The Sierra Park Water Company, Inc. at P. O. BOX 424, MIWUK
VILLAGE, CALIFORNIA, 95346, must receive all proxies designated to
current board members no later than May 24, 2019**

SIERRA PARK WATER COMPANY, INC.

Annual Shareholder Meeting Minutes May 27, 2018

7:30 - 8:40 Shareholder Registration

8:41 Call to Order Kirk Knudsen, President
 Pledge of Allegiance

Wanda Lenhardt, Secretary, confirmed the Quorum with 80 shareholders represented in person or by proxy out of 173 shareholders.

Presidents Message: Kirk Knudsen welcomed every one and gave a special welcome to new property owners. He then introduced each Board Member and Mike Nessle.

Kirk reviewed the meeting that occurred on January 31, 2018 with our representatives from the State Water Board. There was a subsequent meeting with the community in February. Standard operating procedures were revised.

Vice President Philip Barthman reviewed the voting rules and procedures. Susie Lechner made a motion for no cumulative voting. Will Martin seconded the motion that was then unanimously approved with one voter abstaining.

Heidi Ordwein provided the Sierra Park Water Company Employee Report. Our last caretaker, John Marshal, left this year for a different job. Steven Wise and David Ray were hired to provide the services needed in the Park. John was replaced by Robert Tackitt as our full time caretaker.

Mike Nessel - A loan application was submitted and we are in line. We won't be funded until the end of the year. It is a low interest loan to cover improvements to the water system. The areas needing improvement are 1) Manganese Water Treatment process must be installed; 2) water meters need to be installed, 3) system improvements in the area of monitoring the system need to be put in place and 4) the system needs to be upsized. The first three items will be addressed first. The loan being looked into is a \$500,000 loan with a 5-year payback. It has a 1.8% interest rate and will work as a construction loan. This loan will not cover the expense of all required projects but it will get us started.

Bill Ordwein - Treasurer - The 2017/2018 Financials were reviewed. The 2018/2019 Budget was reviewed. The annual bills will be \$545 per property in accordance with the /CPUC rate determination. Bill has been working on a new rate case to be submitted to the CPUC for their approval. Some things that are being considered are changing our billing practices from an annual bill to a

quarterly billing cycle so property owners could spread the cost of their bill into smaller payments throughout the year.

Bill Ordwein - Capital Improvements - The first loan being taken out is for \$500,000 with a 1.8 interest rate and a 5-year payback plan. This loan will be used to develop a study evaluating our system needs. Bill also discussed looking into having someone else manage our water systems in the form of an employee.

Bill provided the answering service number, 209 533-7998. He requested everyone use that number as it goes to the answering service which will then contact the board and or the caretaker.

Clark Kellog suggested a sign with the number on it. It was also suggested that the number be added to emails.

Customers have the option to “opt out” of receiving refunds. The form for this will be on the website.

Maintenance of the generator was discussed. A periodic load test is done on the generator.

A special thank you was extended to Jesse Worsham for the help he has provided the park and the Caretaker. A special thank you was also extended to our caretaker Robert Tackitt who has maintained the Park in excellent condition. A special thank you was also extended to Marianne Gennis as she has managed the website for us again this year.

Voting for the 2018/2019 Board of Directors commenced. Running for office was Kirk Knudsen, Philip Barthman, Bill Ordwein, Mark Meyers, and Wanda Lenhardt.

Voting occurred and Ray Coyle discussed the fish derby and requested volunteer assistance with it.

Inspectors of Election were Marianne Gennis and Doris Selman.

10:20 Meeting Adjourned

BALLOT

SIERRA PARK WATER COMPANY, INC.
ANNUAL MEETING OF SHAREHOLDERS
MAY 26, 2019

SHARE CERTIFICATE NUMBER 212

PROXY SHARE CERTIFICATE NUMBER _____

SPS, INC. ITEM A

IN THE EVENT AN ISSUE FOR OTHER THAN POSITIONS FOR BOARD OF DIRECTORS
MATERIALIZES THIS PORTION OF THE BALLOT WILL BE USED FOR THAT VOTE.

YES _____

NO _____

Sierra Park Water Company
P.O. Box 424
MiWuk Village, CA 95346

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Charles Varvayanis & Patricia Jones
PO BOX 395
Long Barn, CA 95335

URGENT
TIME SENSITIVE

