

## SIERRA PARK

**TO: All Property Owners**

**FROM: Ad Hoc Property Owners Committee**

**SUBJECT: Community Services District (CSD) and Other Options Evaluation: Update**

**DATE: June 22, 2012**

### Overview:

At the Annual Meeting of the Sierra Park Recreation Association (RA) on May 27<sup>th</sup>, the idea of evaluating the prospects of forming and operating the Park under a Special District was discussed, as detailed in the yellow flyer sent to you in April. An Ad Hoc Committee of volunteers, independent of either the RA or the inactive Homeowners Association (HOA), was formed to explore this option. The Committee's intent is to learn the pros and cons of options for future operation of the Park, including a Special District and other potential options as well. This memo is to update all property owners on what we have learned so far.

Note: because of complaints filed with the California Public Utilities Commission, continued operation of the Park as it was run in the past and more recently over the last year is **NOT AN OPTION**.

### The Committee:

The members of the volunteer committee are:

Larry Cowles

Chris Kiriakou

Michael Lechner

Wanda Lenhardt

Andrea Miller

Heidi Ordwein

Pam Vieira

This team has been researching California legal statutes to determine if it is possible to form a Special District to provide services for the Park. Follow-up study has looked at how the Special District could be put in place, its operations governed and conducted, and what services it could provide, along with the pros and cons of using a form of Special District over other operational methods that might serve the interests of property owners. The basis used to determine the priority for services to be provided was the Property Owners' Survey conducted earlier in the year.

**Refresher** – from the Survey Results: (Roughly 175 responses of 329 Surveys mailed.)

"All items mentioned as contenders for 'MOST IMPORTANT' services in the Park are listed here, in descending order of votes:

1. Road maintenance and repair
2. Snow removal
3. Maintaining and having access to playground and picnic area
4. Garbage service
5. Live-in caretaker
6. Maintaining private water, unmetered, maintained by the Park
7. Pine needle disposal site
8. Maintaining and having access to lake and beach area"

### The Questions:

What types of organizational and operational options might be available to provide the services listed above to the Park? And if not all services can be included, how could they be otherwise provided?

Here are the options we are aware of and have explored:

1. Special District Options
  - a. Community Services District
  - b. Community Facilities District
  - c. Municipal Water District
  - d. Municipal or Public Utilities District
2. Legally Functioning Homeowners Association
3. California Public Utility Commission (CPUC) regulated privately (RA) owned water system

### **The Findings:**

We don't have all of the answers yet, but here is a summary of what we've learned so far:

- Items 1c, 1d, and 3 would be water-centric. Other services, e.g. snow removal, road maintenance and repair, etc. would have to be contracted for separately. It is not clear how that could be structured and funded to ensure the same level of service and convenience now afforded. Estimated costs for these approaches, how property owners could have a say in costs and operation, and the long-term impact on property values have yet to be determined – more study is needed.
- Item 2 would require **all** property owners in the Park to agree to put CC&Rs (Covenants, Conditions, and Restrictions) on their properties. This would then constitute a legally binding HOA in which all would be able to have a voice. Any homeowners who did not accept the imposition of CC&R's would not be entitled to receive services, but obviously would benefit without the need to pay assessments, so financing for provision of services could be difficult.
- Item 1b is a bond-funding mechanism to provide capital for construction projects and services, obligating property owners to repay the debt over time.
- Items 1a, 1b, and 1d do not require CC&Rs and would result in a single, land-owner elected Board of Directors operating the Park under the direction of all property owners based on an annually approved budget.
- To establish a Special District with its own independent Board of Directors would require a majority vote of land-owners.

***Please refer to the last mailing to all property owners just before the Annual Meeting that provided additional information on CSD prospects (the yellow flyer).***

### **Where Things Stand:**

There will be a Town Hall meeting starting at **9:00 AM on July 7<sup>th</sup>** in the Lodge – **please attend if you can.**

- Pros and Cons and additional information on all options will be discussed.
- The status of the RA's petition to the County's CSD Local Area Formation Commission (LAFCo) will be reviewed, along with what the next steps in that process would be.
- The results of the June 28<sup>th</sup> CPUC hearing on the complaints filed by the old HOA and four Park individuals concerning the water supply issue will be discussed.
- Status of the RA with respect to various options for solving the problem will be discussed.
- An update on the Park's budget situation will be provided.

### **How Can I Help?**

The Ad Hoc Committee is operating without a budget. Donations totaling \$395.00 were made to the Committee during and after the Annual meeting to help offset the costs of mailings to keep all informed – many thanks to all who contributed so far. Mailing each update to you and 330 other property owners costs about \$250. ***No funding for this effort is being provided by the RA or the HOA.*** We are attempting to obtain a list of email addresses for future mailings; this could help defray costs going forward.

If you can help to offset the cost of keeping owners informed, we would welcome your contribution. Just \$20 will help, and some have contributed more. There is no obligation on your part. Contribute on July 7<sup>th</sup> or mail contributions to:

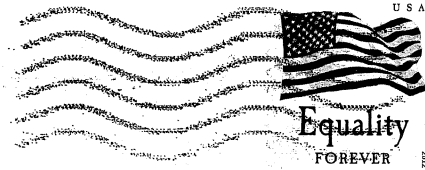
Michael Lechner (committee chair)  
1696 Husted Avenue  
San Jose, CA, 95124

If you would like additional information please call Michael at 408-309-6015, after 6:00 PM please.

**THANKS FOR LISTENING!!**

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