



**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

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CASE NO. C-1203017

Fred Coleman, Steven Wallace, Larry L.
Vaughn, and Ruth Dargitz,

Complainants,

vs.

Odd Fellows Sierra Recreation
Association,

Defendant.

STATUS REPORT OF THE ODD FELLOWS SIERRA RECREATION ASSOCIATION

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January 11, 2013

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STATUS REPORT OF THE ODD FELLOWS SIERRA RECREATION ASSOCIATION

Pursuant to Administrative Law Judge Angela Minkin’s December 5, 2012 ruling, the Odd Fellows Sierra Recreation Association (“Recreation Association”) files this report on the status of CPUC Proceeding C-1203017 (filed March 12, 2012).

Since Recreation Association’s November 9, 2012 Status Report and the November 30, 2012 telephonic status conference, the following developments are relevant:

1. On December 7, 2012, the Recreation Association filed a report regarding the actual expenses for providing water for fiscal years 2010-11, 2011-12 and 2012-13 (to September 30, 2012) to the lot owners of the I.O.O.F. Odd Fellows Sierra Camp Subdivision No. 1 and I.O.O.F. Odd Fellows Sierra Camp Subdivision No. 2 (the “Park”).
2. On or about December 20, 2012, Complainants filed a very lengthy Response to Recreation Association’s December 7, 2012 report (referenced above). The Commission has not requested a reply by Recreation Association to Complainant’s Response but Recreation Association would be willing to prepare and file such a reply if requested by the Commission.
3. On or about December 7, 2012, the Recreation Association sent a letter to thirty-eight (38) lot owners of the Park who had not paid in full for water and certain other services

provided by the Recreation Association to such lot owners for the period beginning on June 1, 2012 and ending on May 31, 2013. A copy of such letter is attached hereto as **Exhibit “A”**.

4. Between December 7, 2012 and the date hereof, three (3) delinquent lot owners paid the full amount due to the Recreation Association and certain other lot owners, including Complainants, made additional partial payments to the Recreation Association (as later discussed). However, twenty-one (21) of the delinquent lot owners did not respond to such letter (or may any payment). Therefore, as of the date hereof, there is approximately thirty-five (35) lot owners of the Park who have not paid in full for water and certain other services provided by the Recreation Association to such lot owners for the period beginning on June 1, 2012 and ending on May 31, 2013. Of the thirty-five (35) delinquent lot owners, twenty-one (21) have not made ANY payment and fourteen (14), including Complainants, have made partial payments for water. A copy of Recreation Association’s receivable report showing such delinquent lot owners is attached hereto as **Exhibit “B”**.
5. Despite the agreement of the Complainants on November 30, 2012 to pay the full amount invoiced by Recreation Association for water provided to Complainants by Recreation Association [**\$571.60** (if paying on an annual basis); or **\$428.70** (if paying on a quarterly basis) with an additional payment of **\$142.90** due on **March 1, 2013**, less any partial payments previously made by Complainants **for water and maintenance of the water system**, if any, by January 1, 2013], Complainants instead only partially paid the amount of such invoice.
6. **Recreation Association requests permission from the Commission to terminate water service to the twenty-one (21) lot owners who have not made any payments for water** (which would not include the four (4) Complainants or the other ten (10) lot owners who have made partial payment for water). The Recreation Association will continue to provide water to all lot owners of the Park until the Commission has given the Recreation Association permission to terminate such water service.
7. As the Commission knows, on October 19, 2012, the Recreation Association filed its plan with Tuolumne County Local Agency Formation Commission (“LAFCO”) to form Sierra

Park Community Services District (“SPCSD”) as an independent Community Services District pursuant to *Section 61000, et seq. of the Government Code*.

8. In connection with the formation of SPCSD, Recreation Association hired Domenichelli and Associates, Inc. (the “Water Consultant”), an independent civil engineering firm with expertise in water systems, to study the water system used to provide water to the lot owners of the Park and to recommend water user fee rates for SPCSD. The Water Consultant prepared a report for LAFCO which is attached hereto as **Exhibit “C”**. As the Commission will see, the Water Consultant is recommending to LAFCO that the monthly fee for the provision of water to the lot owners of the Park be set at **\$75.09 per month (or \$901.08 per year)** for the next five (5) years. Clearly such amount is significantly more than was budgeted by the Recreation Association for 2012-13 (\$571.60). However, such amount appears to be consistent with the water use fee rates charged by other water companies and community service districts as set forth on **Exhibit “D”**. In fact, as the Commission can see, the water rate proposed by the Water Consultant would fall between the rate charged by Lake Alpine Water Co. (\$127.70 per month for 300 connections) and Grizzly Flats CSD (\$60.37 per month for 600 connections).¹
9. Since the last Status Report, LAFCO requested further information from the Recreation Association. As of the date of this Status Report, the Recreation Association has provided LAFCO with all such requested additional information other than certain information regarding the roads in the Park which will be provided by Recreation Association to LAFCO next week.

Recreation Association files this statement individually, rather than jointly.

Respectfully submitted,

Dambacher, Trujillo, & Wright

January 11, 2013

By: /s/ Timothy T. Trujillo
Timothy T. Trujillo, Esq,
Attorneys for Defendant

¹ The Commission should also note that even Forest Hills PUD (with 1900 connection) has a **monthly** rate of \$55.80 which is more than ten (10) times the rate of \$4.57 per month (\$54.79 per year based on \$20,000 estimated cost of water / 365 lots) that Mr. Coleman unbelievably still appears to claim the water use rate for the Park is.

Exhibit "A"

Odd Fellows Sierra Recreation Association
P.O. Box 116
Long Barn, California 95335

December 7, 2012

Dear Lot Owners of I.O.O.F. Odd Fellows Sierra Camp Subdivision No. 1 and I.O.O.F. Odd Fellows Sierra Camp Subdivision No. 2 (the "Park"):

As you know, Fred Coleman, Steven Wallace, Larry L. Vaughn, and Ruth Dargitz have filed a complaint against the Recreation Association with the California Public Utilities Commission ("PUC"). As a reminder, the complaint filed by Mr. Coleman, Mr. Wallace, Mr. Vaughn and Ms. Dargitz with the PUC only relates to the provision of water in the Park.

As you also know, in May 2012, the lot owners of the Park approved an annual assessment of \$1,024 for all services provided by the Recreation Association to the lot owners of the Park for 2012-13. The foregoing assessment amount was of course based on everyone paying their pro-rata share. The 2012-13 budget of the Recreation Association for the provision of water and maintenance of the water system is \$208,061.71 or **\$571.60** per lot.

All lot owners of the Park have paid the full assessment of \$1,024.00 except thirty-eight (38) lot owners, including you. Of those 38 lot owners, fifteen (15) have made a partial payments and twenty-three (23) have made no payments. Of the fifteen (15) lot owners who have made partial payments, such lot owners allocated their minimal payment between water, garbage and pine needle removal in a letter included with such partial payment.

The Recreation Association informed the PUC that it intended to terminate water service to the lot owners of the Park who had made no payments and that it intended to re-invoice the lot owners of the Park who had made partial payments.

On December 5, 2012, PUC Administrative Law Judge Angela Minkin ordered the Recreation Association to re-invoice the thirty-eight (38) property owners who have not paid their 2012-2013 assessments in full for water and maintenance of the water system separate and apart from the other services provided by the Recreation Association to the lot owners of the Park.

Based on the foregoing, each of you is being re-invoiced for water and maintenance of the water system for 2012-13 in the amount of **\$571.60**. You have the option of paying either:

- i) **\$571.60** (if paying on an annual basis); or
- ii) **\$428.70** (if paying on a quarterly basis) with an additional payment of **\$142.90** due on **March 1, 2013**, less any partial payments previously made by you **for water and maintenance of the water system for 2012-2013**, if any.

Your payment for water and maintenance of the water system is due by **January 1, 2013** and will be considered late on January 2, 2013

Once the PUC has had an opportunity to review the Recreation Association's budget and expenses for 2012-13, it will determine if any refund is due to the lot owners of the Park for 2012-13 for the provision of water and maintenance of the water system. If a refund ordered by the PUC, the Recreation Association will immediately comply.

You will also be receiving a separate invoice for the other services provided by the Recreation to each of you for 2012-13. As noted above, such services are not within the purview of the PUC.

Sincerely,

Odd Fellows Sierra Recreation Association

By: Del Wallis, President

Exhibit "B"

ODD FELLOWS SIERRA RECREATION ASSOCIATION				
As of January 9, 2013				
	Billing date	Late	Amount	
	6/6/12	fees/misc.	Paid	Balance
	1,024.00	75.00		1,099.00
	1,024.00	75.00	372.01	726.99
	1,024.00	75.00		1,099.00
	1,024.00	75.00		1,099.00
	1,024.00	75.00		1,099.00
	1,024.00	75.00	125.00	974.00
	1,024.00	75.00		1,099.00
	1,024.00	75.00		1,099.00
Coleman, Fred & Ann	1,024.00	75.00	372.01	726.99
	1,024.00	75.00		1,099.00
Dargitz, Ruth King	1,024.00	75.00	232.00	867.00
	1,024.00	75.00		1,099.00
	1,024.00	75.00	372.01	726.99
	1,024.00	75.00	455.00	644.00
	1,024.00	75.00	500.00	599.00
	1,024.00	75.00		1,099.00
	1,024.00	75.00		1,099.00
	1,024.00	75.00		1,099.00
	1,024.00	75.00	705.60	393.40
	1,024.00	75.00		1,099.00
	1,024.00	75.00	372.01	726.99
	1,024.00	75.00		1,099.00
	1,024.00	75.00	571.60	527.40
	1,024.00	75.00		1,099.00
	1,024.00	75.00		1,099.00
	1,024.00	75.00	372.01	726.99
	1,024.00	75.00		1,099.00
	1,024.00	75.00		1,099.00
	1,024.00	75.00		1,099.00
	1,024.00	75.00		1,099.00
Vaughn, Larry & Louanne	1,024.00	75.00	372.01	726.99
	1,024.00	90.00	300.00	814.00
Wallace, Steven & Debbie	1,024.00	75.00	372.01	726.99
	1,024.00	75.00		1,099.00

Exhibit "C"



Capital Expenditures Report

Odd Fellows Sierra Recreation Association Inc.

Long Barn, California

12-8-13

Background

The Odd Fellows Sierra Recreation Association (OFSRA) operates and maintains facilities serving a small rural development of mostly vacation homes near the community of Long Barn, California in the Sierra Nevada Mountains. The community is located off of State Highway 108 at an approximate elevation of 4600ft. The OFSRA provides services for water supply, road maintenance, refuse collection and disposal, pine needle collection and recreation facilities. This report focuses on the water supply and distribution system providing guidance to the Association towards their goal to assure that the property owners within this development will have a reliable supply of water well into the future.

The purpose of this study is to gather information on the existing water system in order help establish water user fee rates. These revenues will be used for the continued operation and maintenance of the water system, including the repair and replacement of existing facilities as needed. The period of study is for a 20 year horizon, however as many of the factors in establishing rates are based on estimates such as replacement costs, inflation rates and life of facilities, we recommend that the results of this study be re-visited every 2 to 3 years.

Annual expenses are based on information provided by the OFSRA and Golden State Surveying and Engineering Inc. (GSSE) representing the Association. Capital costs for repair and replacement of water facilities are based on recent pipeline projects designed by Domenichelli and Associates (D&A) constructed in Sacramento, El Dorado, and Calaveras counties.

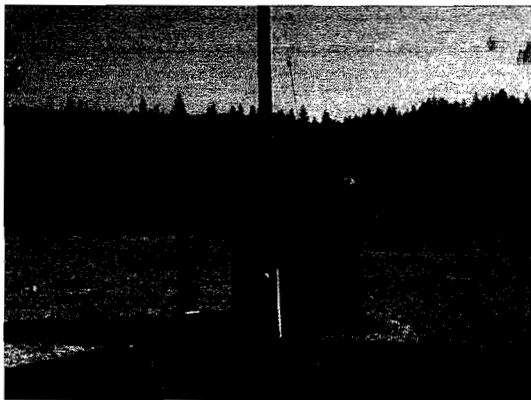


Figure 1 – OFSRA Well Site



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Study Criteria and Methodology

General Study Criteria

Given that the community served by the OFSRA is relatively small, serving 364 connections and comprised of a single user type (single family dwelling units), a relatively simple approach to establishing the user fee is appropriate. Services are not metered and the Association has not indicated the desire to meter services at this time. Therefore, providing a tiered rate based on water usage is not feasible and a flat rate for all services will be established.

According to information provided by GSSE, the Association has no current outstanding debt service that must be considered in the formulation of the user fee and there are no planned large scale improvements such as treatment facilities, new wells or tanks that would require special financing. In addition, there are no plans to expand the service area. Therefore, expenses are simplified to annual administration, operations and maintenance costs and the need to repair and replace the current infrastructure.

Reserve Account and Current Revenue

Another consideration of the analysis is the addition of a contingency, or reserve account to provide for unforeseen or emergency needs and for minor improvements unrelated to the direct repair or replacement of the water supply facilities. Such items may include: future water quality regulation compliance, future requirement to install metered services, improvements to the maintenance shop or equipment, or a major failure of a portion of the system requiring costly repair or replacement sooner than anticipated. We recommend adding a 5% contingency to the estimated rate for a reserve fund.

From information provided by the OFSRA, current revenue to the Association is through user assessments and small amount of rental income (approximately \$7000/year). No other revenue source was indicated.

System Repair and Replacement Criteria

To estimate the water system repair and replacement costs, an inventory of all of the existing facilities was conducted. Given system maps and technical data for the wells and tanks, sizes and capacities of the facilities were established. In addition, GSSE staff provided estimated age of the pipelines and history of upgrades to the pipelines and other water system facilities. An important component of this study is to estimate the life of facilities in order to provide adequate revenue for replacement and repair during the 20 year study horizon.

Replaced pipelines should be adequate to convey fire protection flow rates. Therefore, as pipe are replaced the recommended minimum pipe sizes will be 6-inch for short interior runs and 8-inch major loops connecting the supply and storage facilities.

The following section describes the existing and water supply system and recommended replacement facilities used to establish annual repair and replacement costs.

Existing Water Supply System and Recommended Upgrades

Supply and Storage Capacity

The existing water system is depicted in the following schematic drawing, Figure 2. The supply is from three wells located in the lower portion (elevation) of the system that pump groundwater into the distribution system and up into 6 storage tanks. The total pumping capacity of the wells is approximately 170 gallons per minute (gpm). The total volume of storage is approximately 300,000 gallons. These sizes and volumes have served the community adequately over the years.

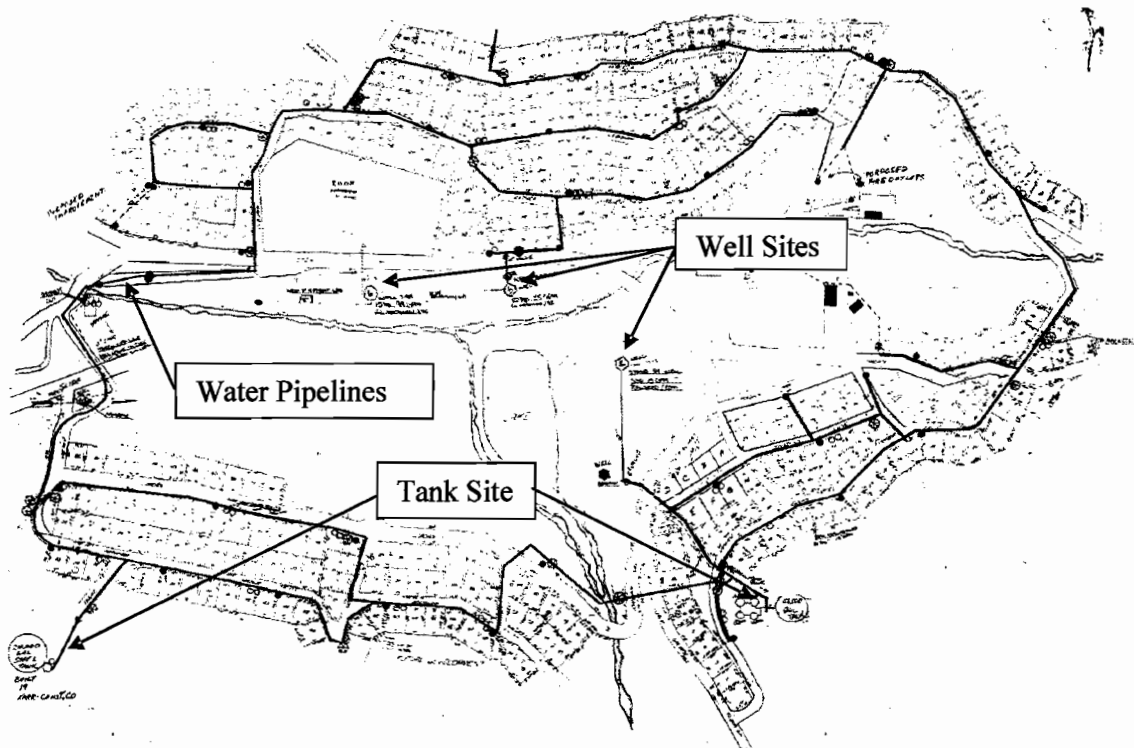


Figure 2 – Water System Schematic

Between the wells and the tanks, maximum domestic demands are met as long as there are no major system failures. Fire fighting capacity could be increased but is sufficient to provide several hours of flow within an acceptable range. Improvements to the wells and storage tanks will be related mainly to repairs such as lining for the tanks and upgrades such as pump or motor replacement for the wells. Due to the age of the wells, at least two of the three wells should require major rehabilitation within the next 20 years. Some of the tanks have received recent re-lining upgrades and the largest tank is relatively new (See Figure 3), therefore tank improvements in the next 20 years will be less extensive. The following Table 1 provides a schedule for well and tanks improvements.



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Table 1 - Estimated Well and Tank Improvements

Total Number of Facilities	Number to be Improved in Next 20 Years	Type of Improvements
3 wells	2 wells	Replace 2 pump/motor & upgrade controls and building
6 tanks	3 tanks	Re-lining of Tank, Level controls



Figure 3 – Storage Tank

Pipeline System Improvements

Although the well supply and storage systems are not currently planned for upsizing, the size of the distribution pipelines are a concern. The pipe network is comprised of mostly 4-inch diameter lines with some 2-inch lines. For fire protection, these lines cannot deliver adequate flow per current standards. In addition, standard fire hydrants should be added to the system. For this study, aging lines are assumed to be replaced with adequately sized pipeline. A system of 8-inch and 6-inch pipelines are recommended and used for estimating replacement costs. Figure 4 below shows the proposed pipeline improvements used for the replacement analysis.



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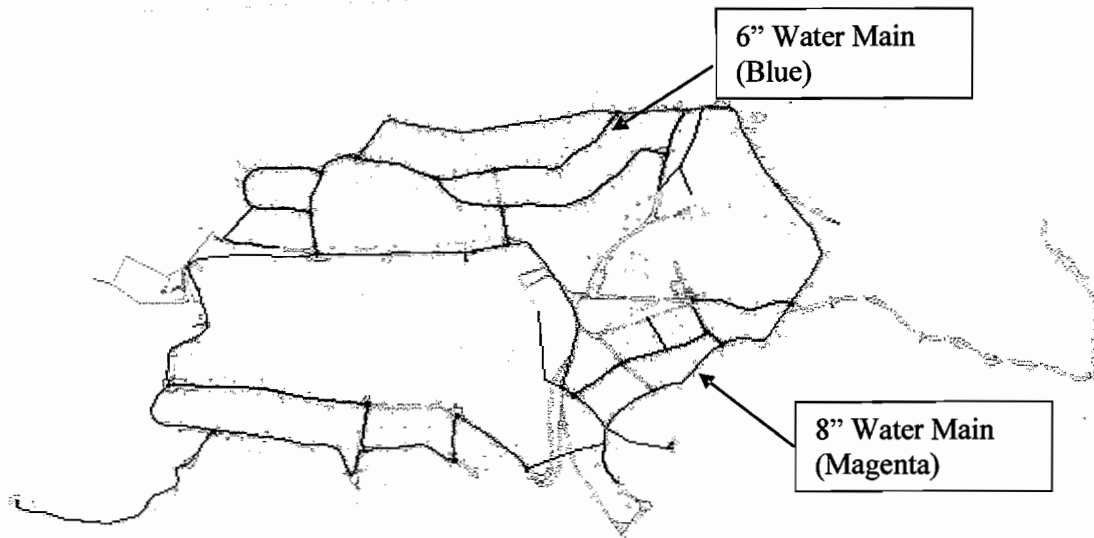


Figure 4 – New pipeline sizing for fire protection

The age of the distribution system is addressed when considering replacement needs. According to information provided, much of the system is approximately 60 years old and some replacement has already been occurring. To estimate future costs, a schedule of replacement must be established. For this study, we have assumed that 100% of the system will be replaced within the next 40 years and 50% within the 20 year horizon of this study. The following Table 2 provides a replacement schedule for the next 20 years.

Table 2 - Estimated Pipeline Improvements

New Pipe Size	Total Pipeline Length (lineal feet)	Pipe Already Replaced (5%) (lineal feet)	To be Replaced in 20 Years (45%) (lineal feet)
8-inch	16,400	820	7,380
6-inch	10,400	520	4,680

It should be noted that these estimates of required facilities are based on an estimate by D&A with limited knowledge of the type and condition of the existing pipe materials and the current condition of the well equipment. Association staff and consulting engineers for the OFSRA should review these conditions and estimates closely before finalizing the system needs and associated costs.



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Estimated Annual & Capital Improvement Costs

Total annual cost to OSRA over the next 20 years will be a combination of annual operational cost and system repair and replacement cost.

Annual Administration, Operation, and Maintenance Cost

OSRA provided their complete 2009-2012 expenses for use in determining annual operational cost. Table 3 below shows the portion of the expenses used for water system operation and maintenance. Complete expenses can be found in Appendix A.

Table 3 – 12 Month 2012 Water System Operation and Maintenance Budget

Item #	Item Description	Item Cost
1.1	ADMINISTRATION AND FEES	134,446.50
1.2	MAINTAIN WATER SYSTEM	21,737.00
1.3	MAINTAIN RESERVES	-
1.4	WATER TESTING	4,708.00
1.5	WATER EQUIPMENT MAINTENANCE	12,154.50
1.6	WATER UTILITIES	13,204.05
1.7	WATER FUEL	594.30
1.8	WATER SUPPLIES	910.00
Total		187,754.35

Estimated Repair and Replacement Cost (Capital Improvement Program)

In addition to the above annual cost, OSRA will need to begin the process of replacing the aging distribution system. Based on the inventory of improvements required over the next 20 years (Table 1 and Table 2) and present day estimates for construction with all related ancillary cost a yearly budget for replacement and repair (capital improvement program) was developed. Table 4 provides a summary of present day cost for the anticipated repair and replacement of water system facilities. A detailed breakdown of Table 4 is provided in Appendix B.

Table 4 – Anticipated Repair and Replacement Cost (Capital Improvement Program)

Pipeline Replacement			
	Replacement of Pipe in Next 20 Years	Unit Cost	Total 20-Year Cost
8-inch to replace	7,380 LF	\$165.00 / LF	\$1,217,700
6-inch	4,680 LF	\$130.00 / LF	\$608,400
Well and Tank Repair			
	Number of Facilities for Rehabilitation	Unit Cost	Total 20-Year Cost
Rehab Well Facilities	2	\$50,000	\$100,000
Repair Tanks	3	\$30,000	\$90,000
Total			\$2,016,100



User Rate Formulation and Options

The previous section of this report provides present day annual costs for administration, operations and maintenance (Admin, O&M) as well as an estimate of present day capital improvement program (CIP) costs over the next 20 years. These costs must be combined with consideration for inflation to establish appropriate user fees.

With no consideration for inflation and assuming an equal amount of capital improvement for each year, the annual water system cost to the community would simply be as follows:

Fee without Inflation:

$$\text{Annual cost} = (\$188,000/\text{yr (Admin, O \& M)}) + (\$2,016,000 \text{ (CIP)}/20\text{Years}) = \$288,800/\text{year}$$

To equate this cost to a user fee, dividing \$288,800 by the number of users (364) = \$793/year per connection, or \$66.10 per month per connection.

This fee of \$66.10 will theoretically cover the annual costs for 2012 plus this year's annual contribution to the CIP costs. As years pass, these costs are expected to increase with inflation. To account for inflation, the fee can be increased at a set inflation rate each year or a fee can be assigned for a given period providing a fixed rate over time to account for inflation. The following provides a set 5-year rate based on an anticipated 3% inflation rate.

Fee with Inflation Included:

The following Table 5 provides a schedule of user fees over the next 5 years given an annual inflation rate of 3%, and the resulting 5 year fixed monthly rate. A complete breakdown of the fee calculation can be found in Appendix C.

Table 5 – User Fees over the 20-Year Study Horizon

Year	2013	2014	2015	2016	2017
Monthly Rate	\$67.35	\$69.37	\$71.45	\$73.60	\$75.80
5-Year Fixed Monthly Rate	\$71.52				

Reserve Fund Fee

A monthly reserve fee added to the user fee described above is necessary for emergencies or CIP expenditure occurring prior to when they are expected. An added reserve fee of 5% is typical for this purpose. This fee should also be re-visited over time to review the reserve account balance and adjusted as necessary.

Rate Comparison to Other Mountain Communities

Comparing the above rate calculated for OFSRA to other mountain communities within the Sierras shows that this rate is within typical values found to support smaller water systems (less than 1000 connections) with ageing facilities. Appendix D provides a list of water system user fee rates for other mountain communities.



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Conclusions & Recommendations

As previously noted, the user fee schedule provided in Table 5 is for the water system only. Other services provided by the Association, should be funded separately.

The rates provided in this report are based on annual cost data provided by the Association for the past three years and on an assessment of the current conditions of the water system facilities. These costs and condition assessments should be reviewed closely by the Association administration, accounting and operations staff for accuracy and concurrence, before setting a final user fee schedule to be reviewed by the community.

The 5 year fixed user fee of \$71.52 includes an inflation factor of 3% and we recommend that a reserve fee percentage (5%) be added for a total monthly fee of \$75.09. This fee should be revisited at least every two to three years for confirmation of the assigned inflation rate, repair and replacement needs, and annual operating expenses.



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Appendix A Annual Budget Data

Summary of Annual Water System Operations & Maintenance Expenses
Oddfellows Sierra Recreation Association

	2011-2012 BUDGET	TWELVE MONTHS ENDED 5/31/2012	VARIANCE	% OF BUDGET EXPENDED*	
SERVICES TO BE PROVIDED BY SPCSD					
1.0 PROVIDE WATER AND MAINTAIN SYSTEM					
1.1	ADMINISTRATION AND FEES				
1.11	INSURANCE	25,248.00	23,967.45	1,280.55	94.93%
1.12	EMPLOYEE BENEFITS	7,236.00	9,421.27	(2,185.27)	130.20%
1.13	EMPLOYEE PAYROLL	37,989.00	37,471.63	517.37	98.64%
1.14	EMPLOYEE PAYROLL TAXES	3,798.90	3,605.34	193.56	94.90%
1.15	ACCOUNTING CONSULTING	14,824.00	12,875.95	1,948.05	86.86%
1.16	PROFESSIONAL SERVICES	30,000.00	44,013.00	(14,013.00)	146.71%
1.17	TAXES AND LICENSES	1,350.00	1,022.40	327.60	75.73%
1.18	MEMBER COMMUNICATION	3,397.50	2,069.46	1,328.04	60.91%
1.2	MAINTAIN WATER SYSTEM	30,000.00	21,737.00	8,263.00	72.46%
1.3	MAINTAIN RESERVES (NO BUDGET ITEM)	-	-	-	0.00%
1.4	WATER TESTING	6,050.00	4,708.00	1,342.00	77.82%
1.5	WATER EQUIPMENT MAINTENANCE	11,250.00	12,154.50	(904.50)	108.04%
1.6	WATER UTILITIES	13,300.00	13,204.05	95.95	99.28%
1.7	WATER FUEL	1,350.00	594.30	755.70	44.02%
1.8	WATER SUPPLIES	150.00	910.00	(760.00)	606.67%
		185,943.40	187,754.35		



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Appendix B Replacement Cost Data

Summary of 20 yr Water Infrastructure Repair and Replace Expenses
Oddfellows Sierra Recreation Association

Replace Water Lines (Including Hydrant & Services)					
	Total Length	Already Repaired / Replaced - 5%	Replaced next 20 Years - 45%	\$/ft	R/R cost 20 Years
8-inch to replace	16,400	820	7,380	\$ 165.00	\$ 1,217,700
6-inch	10,400	520	4,680	\$ 130.00	\$ 608,400
Total	26,800	1,340	12,060		\$ 1,826,100
First Year Annual R/R Cost (Total Cost / 20 Years)					\$ 91,305.00
First Year Monthly R/R Cost					\$ 20.90
Rehab Well facilities					
	Total Wells		Rehab	\$/well	
	3		2	\$ 50,000	\$ 100,000
First Year Annual R/R Cost (Total Cost / 20 Years)					\$ 5,000
First Year Monthly R/R Cost					\$ 1.14
Repair Tanks					
	Total Tanks		Rehab		
	6		3	\$ 30,000	\$ 90,000
First Year Annual R/R Cost (Total Cost / 20 Years)					\$ 4,500
First Year Monthly R/R Cost					\$ 1.03
Total First Year R&R Cost/Month:					\$ 23.08



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Appendix C Rate Tables

Rate Calculation Sheet

BUDGET CATEGORY	2012 Expenses	Budget	Fixed %	Fixed Cost	Variable Cost	Annual Inflation	2013	2014	2015	2016	2017
ADMINISTRATION AND FEES											
Insurance	\$23,967.45	\$23,967	100%	\$23,967	\$0	3.0%	\$24,686	\$25,427	\$26,190	\$26,976	\$27,785
Employee Benefits	\$9,421.27	\$9,421	100%	\$9,421	\$0	3.0%	\$9,704	\$9,995	\$10,295	\$10,604	\$10,922
Employee Payroll	\$37,471.63	\$37,472	100%	\$37,472	\$0	3.0%	\$38,596	\$39,754	\$40,946	\$42,175	\$43,440
Employee Payroll Taxes	\$3,605.34	\$3,605	100%	\$3,605	\$0	3.0%	\$3,714	\$3,825	\$3,940	\$4,058	\$4,180
Accounting Consulting	\$12,875.95	\$12,876	100%	\$12,876	\$0	3.0%	\$13,262	\$13,660	\$14,070	\$14,492	\$14,927
Professional Services	\$44,013.00	\$44,013	100%	\$44,013	\$0	3.0%	\$45,333	\$46,693	\$48,094	\$49,537	\$51,023
Taxes and Licenses	\$1,022.40	\$1,022	100%	\$1,022	\$0	3.0%	\$1,053	\$1,085	\$1,117	\$1,151	\$1,185
Member Communication	\$2,069.46	\$2,069	100%	\$2,069	\$0	3.0%	\$2,132	\$2,195	\$2,261	\$2,329	\$2,399
Annual Sub-Total	\$134,447	\$134,447		\$134,447	\$0		\$138,480	\$142,634	\$146,913	\$151,321	\$155,860
DEBT PAYMENTS											
Taxes	\$0	\$0									
Retirement of Debt	\$0	\$0									
Intrest on Long Trem Debt	\$0	\$0									
Fixed Assets- Building & Imp.	\$0	\$0									
Annual Sub-Total	\$0	\$0		\$0	\$0		\$0	\$0	\$0	\$0	\$0
OPERATION & MAINTENANCE											
Maintain Water System	\$21,737	\$21,737	100%	\$21,737	\$0	3.0%	\$22,389	\$23,061	\$23,753	\$24,465	\$25,199
Maintain Reserves			100%			3.0%					
Water Testing	\$4,708	\$4,708	100%	\$4,708	\$0	3.0%	\$4,849	\$4,995	\$5,145	\$5,299	\$5,458
Water Equipment Maintenance	\$12,155	\$12,155	100%	\$12,155	\$0	3.0%	\$12,519	\$12,895	\$13,282	\$13,680	\$14,090
Water Fuel	\$594	\$594	100%	\$594	\$0	3.0%	\$612	\$630	\$649	\$669	\$689
Water Supplies	\$910	\$910	100%	\$910	\$0	3.0%	\$937	\$965	\$994	\$1,024	\$1,055
Total Water Utilities	\$13,204	\$13,204	100%	\$13,204	\$0	3.0%	\$13,600	\$14,008	\$14,428	\$14,861	\$15,307
Annual Sub-Total	\$53,308	\$53,308		\$53,308	\$0		\$54,907	\$56,554	\$58,251	\$59,998	\$61,798
REPAIR AND REPLACE (CIP)											
Waterline Replacement	\$0	\$0	100%	\$0	\$0	3.0%	\$91,305	\$94,044	\$96,865	\$99,771	\$102,765
Well Rehabilitation	\$0	\$0	100%	\$0	\$0	3.0%	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628
Tank Repairs	\$0	\$0	100%	\$0	\$0	3.0%	\$4,500	\$4,635	\$4,774	\$4,917	\$5,065
Annual Sub-Total	\$0	\$1		\$0	\$0		\$100,805	\$103,830	\$106,945	\$110,153	\$113,457
SUB TOTAL OF ABOVE ANNUAL EXPENSES											
	\$187,755	\$187,756				Total Inflation: 3.0%	\$294,192	\$303,019	\$312,110	\$321,473	\$331,116
Monthly Rate							\$67.35	\$69.37	\$71.45	\$73.60	\$75.80
5-Year Fixed Monthly Rate							\$71.52				
5-Year Fixed Monthly Rate (With 5% Reserve Funding)							\$75.09				



DOMENICHELLI AND ASSOCIATES, INC.
CIVIL ENGINEERING

Appendix D Mountain Community Water Rate Research Letter



DOMENICHELLI AND ASSOCIATES, INC.
CIVIL ENGINEERING

Robert Ozbirn
Golden State Surveying and Engineering, Inc.
488 South Stewart Street
Sonora, CA 95370

November 16, 2012

Subject: Odd Fellows Recreation Association, Request for Water Rate Research

Dear Robert,

Per our discussion, we have researched annual user rates charged by water purveyors, community service districts, and public utility districts serving mountain communities in the Sierras. We have spoken to agency staff, system customers and reviewed several website to obtain the following data.

The following is a table showing current rates charged by several water providers. These rates are for single family residential users and typical 3/4 -inch service. The rates are either a flat rate per connection or a base rate for a (metered) tiered service charge. The base rate is for a typical volume of use, with additional surcharges for usage over the base volume.

Water Provider	3/4 inch Residential Rate (\$/month) *	Approximate Number of single family residential connection in system
Forest Hill PUD	\$55.80	1900
Twain Harte CSD	\$46.73	1500
Grizzley Flats CSD	\$60.37	600
Lake Alpine Water Co.	\$127.70	300
Lili Valley Water Co.	\$120.00	40

*rate per month pro-rated from monthly, bi-monthly or annual charge. See individual agency websites for rate breakdown and billing cycle data.

From this small sample, it appears evident that rates will likely increase for smaller systems due to the number of users and the similar basic services required for all systems. Other variations can occur due to treatment requirements, age of facilities, meter versus un-metered and possibly salaries based on demographics, among other factors. These and other rates can be found on associated websites.

Let me know if you have any questions.

Sincerely,

Joseph Domenichelli, P.E.
President, Domenichelli and Associates, Inc.

Exhibit “D”



DOMENICHELLI AND ASSOCIATES, INC.
CIVIL ENGINEERING

Robert Ozbirn
Golden State Surveying and Engineering, Inc.
488 South Stewart Street
Sonora, CA 95370

November 16, 2012

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