



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

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

Complainants,

vs.

Odd Fellows Sierra Recreation
Association,

Defendant.

CASE NO. C-1203017

REPORT OF THE ODD FELLOWS SIERRA RECREATION ASSOCIATION

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December 7, 2012

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Pursuant to Administrative Law Judge Angela Minkin's December 5, 2012 ruling, the Odd Fellows Sierra Recreation Association ("Recreation Association") files this report with regard to CPUC Proceeding C-1203017 (filed March 12, 2012).

1. The following information is consistent with information provided to Tuolumne County Local Agency Formation Commission ("LAFCO") in connection with formation of a Community Services District ("CSD") to service 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. Attached hereto as **Exhibit "A"** is a comparison of the Recreation Association's actual expenses for **2010-11** compared to its budget for 2010-11 for all services provided to the Odd Fellows Sierra Recreation Homeowners' Association. As the Commission will see, the 2010-11 budget for the provision of water and maintenance of the water system was \$122,984 and the actual expenses were \$158,312.39. Actual expenses therefore exceeded budgeted expenses by **\$35,328.39** for the provision of water and maintenance of the water system for 2010-11. As there are 364 lots in the Park, this represents an actual expense of **\$434.92** per lot for the provision of water and maintenance of the water

system for 2010-11. For the Commission's information, Recreation Association had a total net *loss* in 2010-11 of **\$43,554**.

3. Attached hereto as **Exhibit "B"** is a comparison of the Recreation Association's actual expenses for **2011-12** compared to its budget for 2011-12 for all services provided to the Odd Fellows Sierra Recreation Homeowners' Association. As the Commission will see, the 2011-12 budget for the provision of water and maintenance of the water system was \$185,943.40 and the actual expense was \$187,754.35. Actual expenses therefore exceeded budgeted expenses by **\$1,810.95** for the provision of water and maintenance of the water system for 2011-12. As there are 364 lots in the Park, this represents an actual expense of **\$515.81** per lot for the provision of water and maintenance of the water system for 2011-12. It is important to note that Recreation Association had a net *loss* in 2011-12 of **\$227,718**.¹
4. Attached hereto as **Exhibit "C"** is a comparison of the Recreation Association's expenses for **2012-13 through September 30, 2012** compared to its total budget for 2012-13 for all services provided to the lot owners of the Park. As the Commission will see, the 2012-13 budget for the provision of water and maintenance of the water system was \$208,061.71. The actual expenses through September 20, 2012 are \$71,155.45.² As there are 364 lots in the Park, this represents a budgeted expense of **\$571.60** per lot for the provision of water and maintenance of the water system for 2012-13. Recreation Association will obviously not know its actual expenses for the provision of water and maintenance of the water system for 2012-13 until May 31, 2013 (the end of its fiscal year).

¹The total income received by Recreation Association for 2011-12 was only \$94,541 (representing approximately one-half (1/2) of the actual expenses for only water and maintenance of the water system for 2011-12).

² The expenses incurred by Recreation Association in connection with the provision of water and maintenance of the water system are not incurred equally over each month and thus Recreation Association will not know the actual expenses incurred by it for the provision of water and maintenance of the water system until May 31, 2013.

Based on the foregoing, Recreation Association demands that any lot owner of the Park who has not yet paid in full for water and maintenance of the water system for 2012-13 pay 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 such lot owners **for water and maintenance of the water system**, if any, by January 1, 2013.

By way of an example only, as Complainant Fred Coleman has paid \$54.79 (\$20,000 estimated cost of water / 365 lots according to Mr. Coleman) for water based on the Status Report of the Complainants dated November 21, 2012³, Mr. Coleman would have the option of paying by January 1, 2013 either \$515.81 (annual payment) or \$373.91 with a further payment of \$142.90 due on March 1, 2013 (quarterly payments).

If the Commission requires any further information regarding the foregoing, the Recreation Association would be willing to provide it at the Commission's request.

Respectfully submitted,

Dambacher, Trujillo, & Wright

December 7, 2012

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

³ Mr. Coleman paid additional amounts to the Recreation Association for garbage and pine needle removal which are not relevant to the Commission. Recreation Association does however dispute Mr. Coleman's calculation of the amounts due for garbage and pine needle removal.

EXHIBIT "A"

5.3	HEALTH AND SAFETY	1,500.00	1,227.00	273.00	81.80%
5.4	RECREATION EXPENSES (24)	5,000.00	1,211.00	3,789.00	24.22%
		8,141.00	6,872.38		
ADMINISTRATION					
6.1	INSURANCE - GENERAL (FROM 8.1)	2,325.00	1,857.12	467.88	79.88%
6.2	EQUIPMENT RENTAL (FROM 8.21)	-	-	-	0.00%
6.3	MAINTAIN EQUIPMENT - CAPITAL EXPENSE (18)	-	-	-	0.00%
6.4	EQUIPMENT MAINTENANCE (FROM 8.23)	1,200.00	2,805.90	(1,605.90)	233.83%
6.5	EMPLOYEE BENEFITS (FROM 8.31)	156.00	300.07	(144.07)	192.35%
6.6	EMPLOYEE PAYROLL (FROM 8.32)	2,106.00	1,939.01	166.99	92.07%
6.7	EMPLOYEE PAYROLL TAXES (FROM 8.33)	195.00	186.58	8.42	95.68%
6.8	UTILITIES (FROM 8.41)	600.00	593.60	6.40	98.93%
6.9	FUEL (FROM 8.51)	300.00	389.65	(89.65)	129.88%
6.10	ACCOUNTING CONSULTING (FROM 8.61)	240.00	255.72	(15.72)	106.55%
6.11	PROFESSIONAL SERVICE - LEGAL (FROM 8.62)	-	-	-	0.00%
6.12	BANK CHARGES (FROM 8.71)	50.00	52.00	(2)	104.00%
6.13	FRANCHISE TAX (FROM 8.81)	800.00	8,221.00	(7,421)	1027.63%
6.14	TAXES - PROPERTY (FROM 8.83)	3,000.00	3,167.00	(167)	105.57%
6.15	TAXES AND LICENSE (8.84)	150.00	135.90	14	90.60%
6.16	TAXES - INCOME (8.85)	-	14,544.00	(14,544)	0.00%
6.17	DUES AND SUBSCRIPTIONS (38)	339.00	-	339.00	0.00%
6.18	MEMBER COMMUNICATION (FROM 8.93)	432.00	503.76	(71.76)	116.61%
6.19	OFFICE SUPPLIES (FROM 8.94)	500.00	1,175.00	(675.00)	235.00%
6.20	MAINTAIN STRUCTURES (FROM 8.96)	15,000.00	9,376.00	5,624.00	62.51%
6.21	MAINTAIN STRUCTURES - CAPITAL EXPENSE (FROM 8.97)	-	-	-	0.00%
6.22	AUTO EXPENSES (2)	-	210.00	(210.00)	0.00%
6.23	PERMITS AND FEES (21)	250.00	-	250.00	0.00%
6.24	OUTSIDE SERVICE (37)	2,500.00	2,212.00	288.00	88.48%
6.25	DIVER INSPECTION REALTED (42)	-	6,262.00	(6,262.00)	0.00%
		30,143.00	54,186.31	(45,000.39)	
		294,362	304,034	(9,672.00)	103.29%
	EXPENSES FROM ACCOUNTANT	294,362.00	304,034		
		294,362.00	304,034		

EXHIBIT "B"

SERVICES TO BE PROVIDED BY SPCSD		2011-2012 BUDGET	VARIANCE	% OF BUDGET EXPENDED*
1.0	PROVIDE WATER AND MAINTAIN SYSTEM			
1.1	ADMINISTRATION AND FEES			
1.11	INSURANCE (FROM 8.1)	25,248.00	1,280.55	94.93%
1.12	EMPLOYEE BENEFITS (FROM 8.31)	7,236.00	(2,185.27)	130.20%
1.13	EMPLOYEE PAYROLL (FROM 8.32)	37,989.00	517.37	98.64%
1.14	EMPLOYEE PAYROLL TAXES (FROM 8.33)	3,798.90	193.56	94.90%
1.15	ACCOUNTING CONSULTING (FROM 8.61)	14,824.00	1,948.05	86.86%
1.16	PROFESSIONAL SERVICES (FROM 8.62)	30,000.00	(14,013.00)	146.71%
1.17	TAXES AND LICENSES (FROM 8.84)	1,350.00	327.60	75.73%
1.18	MEMBER COMMUNICATION (FROM 8.94)	3,397.50	1,328.04	60.91%
1.2	MAINTAIN WATER SYSTEM (13 + 23K FROM 8.91)	30,000.00	8,263.00	72.46%
1.3	MAINTAIN RESERVES (NO BUDGET ITEM)	-	-	0.00%
1.4	WATER TESTING (34)	6,050.00	1,342.00	77.82%
1.5	WATER EQUIPMENT MAINTENANCE (FROM 8.23)	11,250.00	(904.50)	108.04%
1.6	WATER UTILITIES (FROM 8.41)	13,300.00	95.95	99.28%
1.7	WATER FUEL (FROM 8.51)	1,350.00	755.70	44.02%
1.8	WATER SUPPLIES (FROM 8.98)	150.00	(760.00)	606.67%
		185,943.40	(1,810.95)	
2.0	MAINTAIN AND REPAIR ROADS			
2.1	ADMINISTRATION AND FEES			
2.11	INSURANCE (FROM 8.1)	3,776.00	191.51	94.93%
2.12	EMPLOYEE BENEFITS (FROM 8.31)	3,696.00	(1,116.19)	130.20%
2.13	EMPLOYEE PAYROLL (FROM 8.32)	19,404.00	264.26	98.64%
2.14	EMPLOYEE PAYROLL TAXES (FROM 8.33)	1,940.40	98.87	94.90%
2.15	ACCOUNTING CONSULTING (FROM 8.61)	1,921.00	252.44	86.86%
2.16	MEMBER COMMUNICATION (FROM 8.94)	562.50	219.87	60.91%
2.2	MAINTAIN ROADS (14) AND SNOW REMOVAL	15,000.00	9,643.00	35.71%
2.3	MAINTAIN ROADS - CAPITAL EXPENSE (14)	-	-	0.00%
2.4	ROADS EQUIPMENT MAINTENANCE (FROM 8.23)	2,250.00	(180.90)	108.04%
2.5	ROADS FUEL (FROM 8.51)	7,200.00	4,030.40	44.02%
2.6	ROADS SUPPLIES (FROM 8.97)	150.00	(760.00)	606.67%
2.7	OPERATE AND MAINTAIN GATE			
2.72	GATE EXPENSES (9)	3,873.00	1,735.00	55.20%
2.73	TELEPHONE (32)	1,200.00	144.00	88.00%
		60,972.90		
3.0	REFUSE COLLECTION AND DISPOSAL			
3.1	ADMINISTRATION AND FEES			
3.11	EMPLOYEE BENEFITS (FROM 8.31)	348.00	453.10	(105.10)
3.12	EMPLOYEE PAYROLL (FROM 8.32)	1,827.00	24.88	98.64%
3.13	EMPLOYEE PAYROLL TAXES (FROM 8.33)	182.70	9.31	94.90%
3.2	GARBAGE (6)	14,000.00	1,656.00	88.17%
		16,357.70		
4.0	PINE NEEDLE COLLECTION			
4.1	ADMINISTRATION AND FEES			
4.11	EMPLOYEE BENEFITS (FROM 8.31)	168.00	218.74	(50.74)
4.12	EMPLOYEE PAYROLL (FROM 8.32)	882.00	12.01	98.64%
4.13	EMPLOYEE PAYROLL TAXES (FROM 8.33)	88.20	4.49	94.91%
4.2	NEEDLE EXPENSE (39)	20,000.00	12,690.00	36.55%
		21,138.20		
5.0	MAINTAIN RECREATIONAL FACILITIES*			
5.1	ADMINISTRATION AND FEES			
5.11	EMPLOYEE BENEFITS (FROM 8.31)	84.00	(25.37)	130.20%
5.12	EMPLOYEE PAYROLL (FROM 8.32)	441.00	6.01	98.64%

EXHIBIT "C"

SERVICES TO BE PROVIDED BY SPCSD

1.0 PROVIDE WATER AND MAINTAIN SYSTEM

1.1 ADMINISTRATION AND FEES					
1.11 INSURANCE (FROM 8.1)	13,420.00	4,374.13	9,045.87	32.59%	
1.12 EMPLOYEE BENEFITS (FROM 8.31)	7,237.71	2,471.68	4,766.03	34.15%	
1.13 EMPLOYEE PAYROLL (FROM 8.32)	42,220.00	14,063.48	28,156.52	33.31%	
1.14 EMPLOYEE PAYROLL TAXES (FROM 8.33)	4,222.00	1,199.65	3,022.35	28.41%	
1.15 ACCOUNTING CONSULTING (FROM 8.61)	15,702.00	8,843.72	6,858.28	56.32%	
1.16 LEGAL CONSULTING (FROM 8.62)	30,000.00	5,207.00	24,793.00	17.36%	
1.17 PROFESSIONAL SERVICES CONSULTING (FROM 8.63)	12,500.00	17,671.00	(5,171.00)	141.37%	
1.18 TAXES AND LICENSES (FROM 8.84)	3,600.00	-	3,600.00	0.00%	
1.19 MEMBER COMMUNICATION (FROM 8.94)	3,397.00	1,487.89	1,909.11	43.80%	
1.2 MAINTAIN WATER SYSTEM (21) + 25K FROM 8.92 + 5K FROM 8.97	38,000.00	6,453.00	31,547.00	16.98%	
1.3 WATER RESERVES (45)	3,113.00	-	3,113.00	0.00%	
1.4 WATER TESTING (46)	8,000.00	2,270.00	5,730.00	28.38%	
1.5 WATER EQUIPMENT MAINTENANCE (FROM 8.2)	11,250.00	2,610.00	8,640.00	23.20%	
1.2 WATER UTILITIES (FROM 8.41)	13,300.00	3,843.70	9,456.30	28.90%	
1.20 WATER FUEL (FROM 8.51)	1,350.00	491.70	858.30	36.42%	
1.23 WATER SUPPLIES (FROM 8.98)	750.00	168.50	581.50	22.47%	
	208,061.71	71,155.45			
	571.60				

2.0 MAINTAIN AND REPAIR ROADS

2.1 ADMINISTRATION AND FEES				
2.11 INSURANCE (FROM 8.1)	2,000.00	651.88	1,348.12	32.59%
2.12 EMPLOYEE BENEFITS (FROM 8.31)	3,694.29	1,261.60	2,432.69	34.15%
2.13 EMPLOYEE PAYROLL (FROM 8.32)	21,550.00	7,178.31	14,371.69	33.31%
2.14 EMPLOYEE PAYROLL TAXES (FROM 8.33)	2,155.00	612.33	1,542.67	28.41%
2.15 ACCOUNTING CONSULTING (FROM 8.61)	2,025.00	1,140.52	884.48	56.32%
2.16 PROFESSIONAL SERVICES CONSULTING (FROM 8.63)	12,500.00	17,671.00	(5,171.00)	141.37%
2.17 MEMBER COMMUNICATION (FROM 8.94)	563.00	246.59	316.41	43.80%
2.2 MAINTAIN ROADS (20) AND SNOW REMOVAL	35,000.00	35,280.00	(280.00)	100.80%
2.3 ROADS RESERVES (32) + (8K FROM 8.97)	2,000.00	2,000.00	0.00%	
2.4 ROADS EQUIPMENT MAINTENANCE (FROM 8.2)	2,250.00	522.00	1,728.00	23.20%
2.5 ROADS FUEL (FROM 8.51)	7,200.00	2,622.40	4,577.60	36.42%
2.6 ROADS SUPPLIES (FROM 8.98)	750.00	168.50	581.50	22.47%
2.7 OPERATE AND MAINTAIN GATE				
2.72 GATE EXPENSES (13)	3,873.00	1,481.00	2,392.00	38.24%
2.73 TELEPHONE (39)	1,200.00	750.00	450.00	62.50%
	96,760.29	69,586.13		

3.0 REFUSE COLLECTION AND DISPOSAL

3.1 ADMINISTRATION AND FEES				
3.11 EMPLOYEE BENEFITS (FROM 8.31)	342.86	117.09	225.77	34.15%
3.12 EMPLOYEE PAYROLL (FROM 8.32)	2,000.00	666.20	1,333.80	33.31%
3.13 EMPLOYEE PAYROLL TAXES (FROM 8.33)	200.00	56.83	143.17	28.42%
3.2 GARBAGE (12)	14,000.00	4,708.00	9,292.00	33.63%
	16,542.86	5,548.12		

4.0 PINE NEEDLE COLLECTION

4.1 ADMINISTRATION AND FEES				
4.11 EMPLOYEE BENEFITS (FROM 8.31)	171.43	58.54	112.89	34.15%
4.12 EMPLOYEE PAYROLL (FROM 8.32)	1,000.00	333.10	666.90	33.31%
4.13 EMPLOYEE PAYROLL TAXES (FROM 8.33)	100.00	28.41	71.59	28.41%
4.2 NEEDLE EXPENSE (25)	10,000.00	-	10,000.00	0.00%
	11,271.43	420.05		

5.0

MAINTAIN RECREATIONAL FACILITIES*

5.1	ADMINISTRATION AND FEES					
5.11	EMPLOYEE BENEFITS (FROM 8.31)	85.71	29.27	56.44		34.15%
5.12	EMPLOYEE PAYROLL (FROM 8.32)	500.00	166.55	333.45		33.31%
5.13	EMPLOYEE PAYROLL TAXES (FROM 8.33)	50.00	14.21	35.79		28.42%
5.2	MAINTAIN LAKE (19)	9,000.00	-	9,000.00		0.00%
5.3	MAINTENANCE COMMON AREA (22) + 4000 FROM 8.93	4,000.00	6,662.00	(2,662.00)		166.55%
5.4	RECREATION (31) (INCLUDES FISHING DERBY (9))	3,800.00	2,709.00	1,091.00		71.29%
5.5	SUPPLIES-RECREATION HALL (34)	100.00	-	100.00		0.00%
		17,535.71	9,581.03			

6.0

ADMINISTRATION

6.1	INSURANCE - GENERAL (FROM 8.1)	1,580.00	514.99	1,065.01		32.59%
6.2	EQUIPMENT RENTAL (FROM 8.21)	-	1,055.00	(1,055.00)		0.00%
6.3	EQUIPMENT RESERVES (FROM 8.22)	5,000.00	-	5,000.00		0.00%
6.4	EQUIPMENT MAINTENANCE (FROM 8.23)	1,500.00	348.00	1,152.00		23.20%
6.5	EMPLOYEE BENEFITS (FROM 8.31)	468.00	159.82	308.18		34.15%
6.6	EMPLOYEE PAYROLL (FROM 8.32)	2,730.00	909.36	1,820.64		33.31%
6.7	EMPLOYEE PAYROLL TAXES (FROM 8.33)	273.00	77.57	195.43		28.41%
6.8	UTILITIES (FROM 8.41)	700.00	202.30	497.70		28.90%
6.9	FUEL (FROM 8.51)	450.00	163.90	286.10		36.42%
6.10	ACCOUNTING CONSULTING (FROM 8.61)	273.00	153.76	119.24		56.32%
6.11	LEGAL CONSULTING (FROM 8.62)	-	-	-		0.00%
6.12	BANK CHARGES (FROM 8.71)	50	272.00	(222.00)		544.00%
6.13	CREDIT CARD FEES (FROM 8.72)	-	1,026.00	(1,026.00)		0.00%
6.14	FRANCHISE TAX (FROM 8.81)	800	800.00	-		100.00%
6.15	TAXES - PROPERTY (FROM 8.83)	3,300	-	3,300.00		0.00%
6.16	TAXES AND LICENSE (8.84)	400	-	400.00		0.00%
6.17	CONTINGENCY (FROM 8.91)	3,100.00	-	3,100.00		0.00%
6.18	MEMBER COMMUNICATION (FROM 8.94)	540.00	236.52	303.48		43.80%
6.19	OFFICE EXPENSES - INCLUDES CLERICAL (FROM 8.95)	1,500.00	90.00	1,410.00		6.00%
6.20	MAINTAIN STRUCTURES (FROM 8.97)	3,000.00	5,936.00	(2,936.00)		197.87%
		25,664.00	11,945.22	207,600.00		

375,836.00	168,236.00	(207,600.00)	44.76%
EXPENSES	375,836	168,236.00	
FROM ACCOUNTANT	375,836	168,236.00	