

Sierra Park Water News and Updates

Phone 209-533-7998

Volume 4.4

March 2017

Board of Directors 2016-2017

President & CEO	Kirk Knudsen
Vice President	Philip Barthman
Secretary	Wanda Lenhardt
Chief Operating Officer	Bill Ordwein
Human Resources	Heidi Ordwein

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President's Message

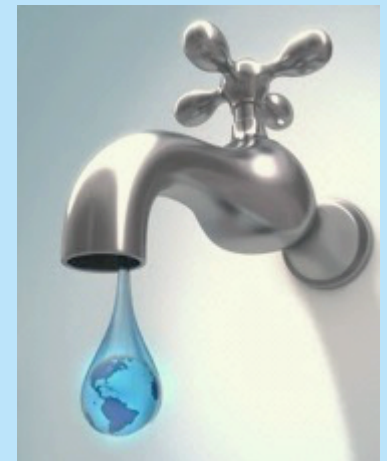
Memorial Day is fast approaching

This will mark my fourth year as President of the Sierra Park Water Company. It's been a very interesting four years! It hasn't been an easy task, but during this time the Board of Directors has pulled together. We've learned to work as a team and become problem solvers with a common goal: creating a reliable company that provides consistent, healthful water to our customers. We have worked closely with the California Department of Public Health California Water Resource Board, along with many residents who share our wish for a comfortable home or getaway spot with no hassles about drinking water. I encourage other volunteers to step up and join us!

During the week I work full-time, attend my kids' sporting and school events -- and still have time to help support the SPWC. Our board meetings are held only once a quarter, and members can now participate via con call. If you want to see stability or improvement in the Park, the best way to contribute is by volunteering. Working together we can make Sierra Park a cheerful, relaxing place for us all.

On our website you'll find the Engineering Report, now being reviewed by the CPUC. Identified projects will need to be started ASAP. In the next several months we will be working with the CPUC and water experts on obtaining grants and loans to help cover the costs of these projects. We know that many of our customers are on fixed incomes, and we will do our best to cushion the cost impact. I look forward to hearing your feedback at the Annual Meeting on May 28th.

Enjoy these nice spring days -- *Kirk Knudsen*



Water Services Contact Information

For any questions or information about water, please call the Water Company at 209-533-7998, reach us via email through the link on our website or by mail at:

Sierra Park Water Company
PO Box 424



Sierra Park Water Company Board of Directors Meeting Minutes for March 4th, 2017

The meeting was called to order at 8:42 by president Kirk Knudsen.

BOARD MEMBERS PRESENT: Kirk Knudsen, Heidi Ordwein, Bill Ordwein and Wanda Lenhardt. Phil Barthman attended via telephone.

SHAREHOLDERS PRESENT: Michael Lechner, Susie Lechner.

Others Present: Michael Nessler.

COMMUNICATIONS:

- One anonymous communication regarding the CPUC advice letters
- One email to update contact information
- One notification of a property sale
- One share of stock returned pending change of ownership for property

WATER EMPLOYEE REPORT: Heidi Ordwein - John is fully recovered from concussion. He dealt with one water line break, the result of a tree falling on the line.

DIRECTOR REPORTS:

President's Report - Will be discussed in executive session.

Vice President - Phil Barthman - Nothing to report.

Secretary - Wanda Lenhardt - Nothing to report.

Treasurer - Bill Ordwein - The budget allowed by the CPUC for this fiscal year is \$198K. Bill projects expenses totaling \$203K by the end of May for a shortfall of \$5000. Costs higher than anticipated by the CPUC's budget are 1) legal expenses due to ongoing challenges to the CPUC ruling by some property owners, and 2) bad debt from property owners who have not paid their bills, in some cases for years. These two groups tend to overlap. However, the Water Company has enough cash on hand to make it through the remainder of this fiscal year in the black. The Company will request a rate increase for the next fiscal year, to reflect these conditions.

Refund checks - Bill noted that many owners are either returning their refund checks or simply not cashing them, as they feel they received value for the amount paid. Bill has learned that the Water Company is unable to take advantage of this generous gesture because if checks remain uncashed their value must be held in a separate account and eventually forfeited to the State. When this happens, the Water Company incurs additional accounting costs. **Sadly, it is less costly for the Water Company if owners go ahead and cash their refund checks.** Michael Lechner has petitioned the judge to allow owners the option of removing their names from the refund list, but the court has not yet responded. The Board will add a flyer to the next refund check, explaining this issue.

Human Resources - Heidi Ordwein - Nothing to report.

Director of Capital Improvements - Bill Ordwein - No capital improvement projects can be started until the CPUC has approved the final engineering report and agreed to the timing of proposed improvements. Timing and cost for the projects will be discussed at the annual meeting.

The Water Company's final Petition to Modify has been submitted to the CPUC, proposing alterations to the mandated property transfer. The Water Company and the Rec Association have agreed that some properties necessary for maintaining the water system will be transferred outright, including the land beneath them. The lodge will continue to be held by the Rec Association, which will grant the Water Company a 99-year renewable lease at no charge.

The Water Company, in turn, will allow the Services Company to use the lodge at no charge for meetings and gatherings when it is not in use by the Water Company. A Memorandum of Understanding will be created to spell out the terms and

The property transfer and the affiliate transactions agreement are the last two items to be completed before the Water Company receives its un-encumbered license to operate. It has been a long journey, but we are almost there! The Board extends its thanks to Bill Ordwein, who has spent untold hours on the paperwork required to make this happen. The Water Company is still enjoined in a cross-complaint springing from the Rec Associations lawsuit against non-paying property owners. A mandatory non-binding arbitration meeting is scheduled for June.

OLD BUSINESS:

- The CPUC has directed the Water Company to collect payment from every property owner in Sierra Park. As authorized by the CPUC, the Company is moving forward to put liens on properties where bills remain unpaid, with the eventual goal of seizing properties in lieu of payment.
- Preparation for the Annual Meeting on May 28th is underway. Reminder postcards will go out to all property owners before the end of March.
- Michael Nessler joined the Board to review the final capital improvements survey report. Michael stated that the CPUC says this is one of the best reports they have ever read. The next step will be a phone conference with the CPUC to discuss timing and priorities for the projects identified.

NEW BUSINESS: Shareholder information packets will be sent out before April 28th. **Property owners who are shareholders of record by April 1st, 2017 will be eligible to vote at the meeting.**

Closure: The board moved to executive session at 9:40 to discuss financial and legal matters.

Executive Session ended at 10:58. Nothing to report from executive session. The meeting was adjourned at 10:59.

No meeting in April; the next meeting will be on May 6th at 8:30am.

Note: These minutes reflect our recollection of the proceedings. If additions or revisions are needed, they may be noted by calling the hotline number, 209-533-7998, emailed via the link on our website, or brought to the Board's attention at the following meeting.

All property owners, shareholders and Park residents are welcome to attend Board meetings to observe the discussion, and will be given an opportunity to address the Board with comments, questions or concerns. However, Board policy prohibits video or audio recording of the meetings. Since there is business to conduct during these meetings, any visitors who become disruptive will be asked to leave.

Annual Meeting May 28th

All property owners are invited to the Annual Meeting of the Sierra Park Water Company, to be held in the lodge on May 28th at 8:30 am. Shareholder registration begins at 7:30 pm. **It is critical that shareholders either plan to attend, or forward their proxy** to a trusted friend, relative or board member who will vote in their place. Your participation is needed for us to conduct business during this important meeting. Hope to see you there!