

Sierra Park Water News and Updates

Phone 209-533-7998

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August 2016

Board of Directors 2015-2016

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

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www.sierraparkwater.com

PO Box 424, MiWuk Village, CA 95346

President's Message

Summer has come and gone and the last 4 months has been busy for the SPWC. We have been working hard on the requirements set forth by the CPUC. We have hired Black Water Consulting Engineers to conduct the necessary Engineering Study. The Study began on August 1st and we expect it to conclude towards the end of November. Bill Ordwein and Don Nessel have also met with the TUD to understand their interest in the SPWC. Per Bill's notes, here are some relevant points:

1. TUD's Board of Directors authorized the Operations staff to review the current condition of SPWC and prepare a report specifying what would have to be done to bring SPWC to the TUD standards.
2. TUD would wait until the SPWC's Engineering Report was completed in order to avoid duplicate review/study efforts.
3. There would have to be NO incremental costs to TUD in order for them to consider any type of management/ownership of SPWC. Therefore, all capital improvements such as valve and line upgrades, Manganese/Iron filtration and water meter installations would have to be completed and fully paid for before TUD would be interested in SPWC.

We have heard your concerns in regards to how water emergencies and breaks are communicated to the customers. We have posted our Water System Operations Plan onto our website. In it you'll find an updated Water System Map, which when distributing Boil Water Notice, we'll indicate which portion of the park and valves are affected by the breakage. You'll also find our Emergency Notification Plan and Incident report.

In the coming weeks we plan on adding more details to the Website, so that the Water Company continues to be transparent to its customers.

-- Kirk Knudsen

Next SPWC Board Meeting will be at 8:30 am on November 5th, 2016.



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
MiWuk Village, CA 95346



Sierra Park Water Company Board of Directors Meeting Minutes for May 7th, 2016

The meeting was called to order at 8:38 by president Kirk Knudsen.

BOARD MEMBERS PRESENT: Kirk Knudsen, Heidi Ordwein, Bill Ordwein, Wanda Lenhardt and Philip Barthman.

SHAREHOLDERS PRESENT: Mark Logan, Darin Jewell, Michael Lechner and Susie Lechner.

Others Present: Mike Van Gundy.

MINUTES OF BOARD MEETING: Phil Barthman moved to approve the March 5th, 2016 Board of Director's meetings minutes. Heidi Ordwein seconded the motion, which was then unanimously approved.

COMMUNICATIONS:

- One email regarding a stock purchase
- Multiple requests to opt out of SPWC refund checks
- Multiple contacts relating to the CPUC ruling and subsequent protests made
- Multiple contacts regarding balances on unpaid bills
- One change in a mailing address
- One inquiry regarding the annual bills for 2016/2017
- One notice of change in property ownership

WATER EMPLOYEE REPORT: Heidi Ordwein - Now that snow removal is over the caretaker's schedule shifts to Monday-Friday.

DIRECTOR REPORTS:

President - Kirk Knudsen - We have received notification from the CPUC approving our Tier 1 Advice Letter setting tariffs (billing rates), despite protests from a number of residents. The State Water Board continues to be very supportive of Water Company operations.

Vice President - Phil Barthman - Nothing to report.

Secretary - Wanda Lenhardt - The Annual Meeting notices and proxy information will go out this week.

Treasurer - Bill Ordwein - There is still an approximate \$40,000 uncollected from bills to property owners. We will follow the CPUC-mandated process for collection. The CPUC has made it clear that there will be **no free water service** in this State.

Human Resources - Heidi Ordwein - John has received his T-1 water operator's license.

Director of Capital Improvements - Bill Ordwein - The CPUC has directed an engineering study to determine the state of our water system and quantify any needed improvements or updates. Requests for Proposals have been prepared and are being reviewed by CPUC staff. Once approved, they will be sent to potentially interested firms for solicitation of bids.

OLD BUSINESS:

- Wanda Lenhardt and Bill Ordwein will draft a policy regarding property transfer fees for the Board to review.
- The proxy packet for the annual meeting will be sent to all shareholders early in May.

NEW BUSINESS:

- The newsletter will go out prior to the annual meeting.
- The CPUC has set the budget for next year, so there will be no vote to approve the budget at the meeting.

- Registration for the annual meetings will begin at 7:30 am on May 29th. In order to conduct business we must have a quorum of 61-62 shareholders (1/3 of those holding shares as of the meeting date) OR their proxies. **It is very important that shareholders attend or arrange for another shareholder to vote their proxy.**
- Darin Jewell asked about the status of his two lots, which are being merged. His paperwork is complete and will be forwarded to Carlson.
- Michael Lechner read a letter he will send to Administrative Law Judge (ALJ) Long of the CPUC, asking to be removed from the list of those who will receive refunds from the Water Company. He will present this letter at the annual meeting.

Closure: The board moved to executive session to discuss financial and legal matters at 9:17 am.

Executive Session ended at 10:13. The regular meeting reopened at 10:14

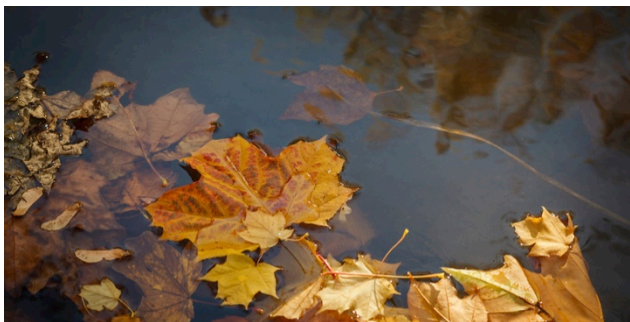
- Bill Ordwein reported that he will be including all tariff sheets on the Water Company website; to view them, click on “Tariffs.”
- The Water Company will now meet quarterly.

The meeting was adjourned at 10:15. *No meeting in June; the next meeting will be on August 6th at 8:30am.*

It's down to the details

The CPUC has told us they will approve our Tier 1 Advice Letter addressing policies and setting rates, now that we have made their requested modifications. With approval of this letter we can now move forward to collect payment for our water under the law.

The final draft of a Request for Proposals for the engineering study has been submitted to the CPUC for approval. This study is intended to define needed improvements to our water system, as well as an idea of their costs and a potential timeline.



Sierra Park Water Company Board of Directors Meeting Minutes for August 6th, 2016

The meeting was called to order at 8:38 by president Kirk Knudsen.

BOARD MEMBERS PRESENT: Kirk Knudsen, Heidi Ordwein, Bill Ordwein, and Wanda Lenhardt. Philip Barthman was absent.

SHAREHOLDERS PRESENT: Michael Lechner and Susie Lechner.

Others Present: Mike Van Gundy.

MINUTES OF BOARD MEETING: Heidi Ordwein moved to approve the May 7th, 2016 Board of Director's meetings minutes and the Annual Meeting minutes. Wanda Lenhardt seconded the motion, which was then unanimously approved.

COMMUNICATIONS:

- Multiple phone calls have been received regarding the Annual Meeting, stock inquiries, backflow protectors, boil water notices, and account updates.
- Emails:
 - Two complaints regarding having only 19 days to pay their bill.
 - Two emails regarding the annual meeting and the budget,
 - Multiple inquiries were made regarding individual accounts.
 - One email was received regarding a change in ownership and another regarding an email address change.
 - One email was received expressing appreciation to the Board.

WATER EMPLOYEE REPORT: Heidi Ordwein - The caretaker distributed Boil Water Notices to all properties affected by the recent water line break.

Malicious intent: Someone has been turning on the outside hose bibbs (faucets) at unoccupied property, and letting the water run. The result has been 1.6 million gallons of water "used" in June, and another 1.3 million gallons in July - the highest months ever. This act is defined as tampering with a drinking water system; **the CPUC can impose fines for misuse of water**. Not only does this draw down our aquifer, but it results in needless costs for additional pumping. If you observe someone tampering with water faucets at another house, please call the hotline number immediately. The Sheriff will be called.

If water has been turned off and an owner then cuts off the bolt to resume water service, this is water theft. Again, the Sheriff will be called. The CPUC has made it clear **there will be no free water**.

DIRECTOR REPORTS:

President - Kirk Knudsen thanked the Board for a successful annual meeting. Special thanks went to Bill Ordwein, who continues to handle the responses to homeowner complaints made to the CPUC. The transfer of property from the Rec Association to the Water Company is underway, and is being filed with the CPUC.

Vice President - Phil Barthman - absent.

Secretary - Wanda Lenhardt - The May meeting minutes will be joined with August meeting minutes/newsletter and will be mailed with the Annual Meeting Minutes via USPS mail to ensure that all shareholders receive copies of the Annual Meeting Minutes.

The quarterly manganese notice will be distributed door to door. This is the only way to ensure that tenants receive notice.

Treasurer - Bill Ordwein - Bills total about \$10,000. The Board approved payment of all bills. Approximately 70 property owners have not paid their 2016-17 bill. Of these, 16 are long-term non-payers. We are sending out 10-day notices warning that payment is required to avert water shut-off. If payment still is not received, water will be shut off and the properties will have liens filed against them; this can lead to eventual foreclosure.

June refunds mandated by the CPUC will go out soon. Refunds will be back on schedule starting in September. The Company filed for an extension in order to revise the refund amounts, reflecting the number of customers who never paid for water.

If you don't want your refund check: the CPUC will not allow customers to refuse their refund checks in advance. If you don't believe your refund is deserved, you can simply not cash your check. It would be especially helpful if you also sent an email telling the Company of your intention not to cash it.

All legal costs and other unexpected costs will be filed in "memorandum accounts" that track these expenses separately. At the end of the 2016-17 year we will be able to file a new rate request, incorporating those expenses.

For this fiscal year, the CPUC is not allowing us to receive payment by credit card. We realize that this creates hardship for some of our customers. For next fiscal year, we will request the ability for customers to pay by credit card.

Human Resources - Heidi Ordwein - Many thanks to John for all the extra time he spent helping to resolve the recent water break.

PLEASE NOTE: our caretaker is paid by the hour to perform his designated tasks, not to engage in conversations with residents. Any concerns about this should be addressed to the Board, not to the caretaker.

Director of Capital Improvements - Bill Ordwein - The engineering study is underway. It will define the state of our water system and quantify any needed improvements or updates. Results are anticipated late this fall. Blackwater is the firm selected for the study; the project is being managed by Michael Nessler, owner's representative. This study will indicate what should be improved. A further study will determine how those improvements can best be accomplished.

As directed by the CPUC, the Water Company continues to meet with TUD and file quarterly reports. TUD will do a study of their own to determine whether they have any interest in operating our water system. This will occur after the completion of our own engineering study.

Fire flow: The Fire Department tested water flow pressure and volume here in the Park.

Water breaks: When a water line breaks there are complex procedures that must be followed. These may not have been done in the past, but are now mandatory due to CPUC/ State Water Board oversight. Our volunteer Board members and employees are following lawfully prescribed procedures. The Board thanked Bill Ordwein for fielding all questions and complaints about the new process.

OLD BUSINESS:

- Wanda Lenhardt and Bill Ordwein will draft a policy regarding property transfer fees for the Board to review.

NEW BUSINESS:

Projects and goals for this year:

- Keep the engineering study moving.
- Study potential improvements to customer relations. If you have concrete suggestions for improvement, please let us know.
- Explore modernizing the SPWC website.
- Update the New Owners' newsletter and the Realtors' Fact Sheet. Susie will do the first drafts.

Water Company is completing the final details of the CPUC order.

Closure: The board moved to executive session to discuss financial and legal matters at 10:15 am.

Executive Session ended at 10:31.

Report from executive session: because of his exemplary performance the Board will give the Caretaker a raise, the first since he was hired two years ago.

No meeting in September or October; the next meeting will be on November 5th at 8:30am.

SIERRA PARK WATER COMPANY, INC.

ANNUAL SHAREHOLDER MEETING MINUTES MAY 29, 2016

Shareholder Registration occurred from 7:30 to 8:30 a.m.

The meeting was called to order by Kirk Knudsen, President at 8:45 am.

Pledge of Allegiance led by Kirk Knudsen.

Confirmation of Quorum - Wanda Lenhardt, Secretary. A quorum existed with 107 shareholders either present or represented by proxy from a possible 185 shareholders.

Kirk Knudsen welcomed everyone and introduced the Board Members in attendance, Bill Ordwein, Heidi Ordwein, Phil Barthman and Wanda Lenhardt. Kirk extended a special thanks to Marianne Gennis, who has been instrumental in maintaining the website.

President's Message -

In February 2016 the CPUC issued its final decision, pending some revisions to the Water Company's filing. In April 2016 the CPUC confirmed that the Company's application was approved and SPWC is now a regulated utility. SPWC has continued to maintain a good relationship with the State Water Board, who oversees delivery of safe drinking water.

Director Reports -

Bill Ordwein, Treasurer:

The Company submitted to the CPUC an Advice Letter stating its policies and tariffs (rates). This was approved and the CPUC directed SPWC to move forward to collect unpaid bills, including those on undeveloped lots. Everyone with an unpaid balance was re-billed, with a notice that payment was due within 19 days of receipt; since this was a new process, the Company allowed an extra one month latitude.

If bills remained unpaid, a 10-day notice was sent out, including a warning that service would be shut off. The Company attempted to call owners, then posted notices on delinquent properties warning of impending shut-off. On May 28th water was shut off to 20 properties that still hadn't paid. To resume water service, customers must pay all back charges and may be charged a deposit of two additional months in advance. The deposit will be held as a cushion in case future payment is late. In the future, if payments remain outstanding, the Water Company has the ability to lien a property, turn the bill over to a collection agency, or foreclose on a property.

Some owners asked about the ability to opt out of refund payments. Bill explained the procedure for doing so includes filing a petition with the CPUC to modify the original decision. Michael Lechner will follow up with such a petition and will let owners know the outcome. The next refund checks will be issued in June.

During the coming year the Company will develop proposed water rates for 2017-18 and 2018-19 and submit them to the CPUC for approval.

Heidi Ordwein, Human Resources:

John Marshall is the caretaker for the Water Company. Since this is not a full-time position, he doubles as caretaker for the Services Company when he is not occupied

with water duties. John works Monday through Friday except in snowplow season. He has completed an inventory of all assets and equipment belonging to the Water Company. This year he has obtained his T-1 certificate; he is also qualified to handle water treatment, in preparation for potential future capital improvements.

Wanda Lenhardt, Secretary:

Due to the CPUC's extreme reduction of the communications budget, there will be no further hard copies of the newsletter mailed. Email copies will still be sent out.

Vice President, Phil Barthman:

Phil has been on the Board for one year now. He offered a tribute to Bill Ordwein and the other Board members for all their efforts in 2015-16.

Other Reports: Don Nessler, Water Consultant:

The Water Company's record-keeping has been revised to meet CPUC standards. The CPUC has also mandated a professional engineering study of the Park's water system to determine the need for and likely cost of future improvements. Requests for Proposals for this work were sent to five firms; two firms attended the pre-bid conference to get familiar with the system.

Our tanks, wells and aquifer are in good condition, clean and well-maintained, so firms will be looking at needed capital improvements. These may include:

- a manganese removal system, along with its cost and consequent effects on water rates;
- preparations for a fully metered system by 2025, as required, including a schedule for installation and associated costs;
- the potential for tanks and wells to communicate, which will save water and further protect the aquifer
- the ability to monitor wells remotely; and
- the need to increase fire flow by adding hydrants - how many, what size, and where to locate them.

The study will outline projects needed in the next several years. Projects will be spread over several years and financed with low-interest loans. All projects will be approved in advance by both the CPUC and the California Department of Drinking Water.

Approval of Minutes for 2014-15 Annual Meeting -

Phil Barthman moved to approve as published the minutes of last year's annual meeting. Clark Kellogg seconded the motion, which passed unanimously.

Election of Board of Directors -

All members of the Board of Directors have agreed to serve in 2016-17. With no additional candidates coming forward and further discussion closed, the vote for Board of Director positions was called for. Lawrence Adams made a motion to re-elect the existing Board of Directors for next year, and Ron Hawke seconded the motion, which then passed unanimously.

The meeting was adjourned at 9:59.

2015 Consumer Confidence Report

Water System Name: **SIERRA PARK WATER**

Report Date: 1 APR 2016

We test the drinking water quality for many constituents as required by state and federal regulations. This report shows the results of our monitoring for the period of January 1 - December 31, 2015.

Este informe contiene información muy importante sobre su agua potable. Tradúzcalo ó hable con alguien que lo entienda bien.

Type of water source in use: GROUND WATER SYSTEM 5510016

Name & location of source: Wells No. 5 (- 006) & 6 (- 007)

Drinking Water Source Assessment information:

The source is considered most vulnerable to the following activities associated with contaminants detected in the water supply: Historic waste dumps / landfills. (Iron and Manganese are associated with historic waste dumps / landfills, junk / scrap / salvage yards and naturally occurring) .The source is considered most vulnerable to the following activities **not** associated with any detected contaminants: Septic systems – high density (> 1 / acre). A copy of the complete assessment is available or you may request a summary by contacting Merced District SWRCB-Division of Drinking Water 559) 447 3300.

Time and place of regularly scheduled board meetings for public participation: 3rd Saturday Boardroom

For more information, contact: John Phone: 206 2455

TERMS USED IN THIS REPORT

Maximum Contaminant Level (MCL): The highest level of a contaminant that is allowed in drinking water. Primary MCLs are set as close to the PHGs (or MCLGs) as is economically and technologically feasible. Secondary MCLs are set to protect the odor, taste, and appearance of drinking water.

Maximum Contaminant Level Goal (MCLG): The level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs are set by the U.S. Environmental Protection Agency (USEPA).

Public Health Goal (PHG): The level of a contaminant in drinking water below which there is no known or expected risk to health. PHGs are set by the California Environmental Protection Agency.

Primary Drinking Water Standards (PDWS): MCLs and MRDLs for contaminants that affect health along with their monitoring and reporting requirements, and water treatment requirements.

Secondary Drinking Water Standards (SDWS): MCLs for contaminants that affect taste, odor, or appearance of the drinking water. Contaminants with SDWSs do not affect the health at the MCL levels.

Regulatory Action Level (AL): The concentration of a contaminant which, if exceeded, triggers treatment or other requirements that a water system must follow.

ND: not detectable at testing limit

ppm: parts per million or milligrams per liter (mg/L)

ppb: parts per billion or micrograms per liter (ug/L)

pCi/L: picocuries per liter (a measure of radiation)

The sources of drinking water (both tap water and bottled water) include rivers, lakes, streams, ponds, reservoirs, springs, and wells. As water travels over the surface of the land or through the ground, it dissolves naturally-occurring minerals and, in some cases, radioactive material, and can pick up substances resulting from the presence of animals or from human activity.

Contaminants that may be present in source water include:

- *Microbial contaminants*, such as viruses and bacteria that may come from sewage treatment plants, septic systems, agricultural livestock operations, and wildlife.
- *Inorganic contaminants*, such as salts and metals that can be naturally-occurring or result from urban storm water runoff, industrial or domestic wastewater discharges, oil and gas production, mining, or farming.
- *Pesticides and herbicides* that may come from a variety of sources such as agriculture, urban storm water runoff, and residential uses.

- *Organic chemical contaminants*, including synthetic and volatile organic chemicals that are by-products of industrial processes and petroleum production, and can also come from gas stations, urban storm water runoff, agricultural application, and septic systems.
- *Radioactive contaminants* that can be naturally-occurring or be the result of oil and gas production and mining activities.

In order to ensure that tap water is safe to drink, the USEPA and the state Department of Public Health (Department) prescribe regulations that limit the amount of certain contaminants in water provided by public water systems. Department regulations also establish limits for contaminants in bottled water that provide the same protection for public health.

Tables 1, 2, 3, 4, 5, 7, and 8 list all of the drinking water contaminants that were detected during the most recent sampling for the constituent. The presence of these contaminants in the water does not necessarily indicate that the water poses a health risk. The Department allows us to monitor for certain contaminants less than once per year because the concentrations of these contaminants do not change frequently. Some of the data, though representative of the water quality, are more than one year old.

TABLE 1 – SAMPLING RESULTS SHOWING THE DETECTION OF COLIFORM BACTERIA

Microbiological Contaminants	Highest No. of Detections	No. of months in violation	MCL	MCLG	Typical Source of Bacteria
Total Coliform Bacteria (TESTED MONTHLY)	ND	0	More than 1 sample in a month with a detection	0	Naturally present in the environment
Fecal Coliform or <i>E. coli</i>	ND	0	A routine sample and a repeat sample detect total coliform and either sample also detects fecal coliform or <i>E. coli</i>	0	Human and animal fecal waste

TABLE 2 – SAMPLING RESULTS SHOWING THE DETECTION OF LEAD AND COPPER

Lead and Copper	No. of samples collected	90 th percentile level detected	No. sites exceeding AL	AL	PHG	Typical Source of Contaminant
Lead (ppb) SEP 2015	5	ND	0	15	2	Internal corrosion of household water plumbing systems; discharges from industrial manufacturers; erosion of natural deposits
Copper (ppm) SEP 2015	5	0.23	0	1.3	0.17	Internal corrosion of household plumbing systems; erosion of natural deposits; leaching from wood preservatives

TABLE 3 – SAMPLING RESULTS FOR SODIUM AND HARDNESS

Chemical or Constituent (and reporting units)	Sample Date	Level Detected	Range of Detections	MCL	PHG (MCLG)	Typical Source of Contaminant
Sodium (ppm)	6 / 2015	14	13 - 15	none	none	Salt present in the water and is generally naturally occurring
Hardness (ppm)	6 / 2015	170	160 - 180	none	none	Sum of polyvalent cations present in the water, generally magnesium and calcium, and are usually naturally occurring

TABLE 4 – DETECTION OF CONTAMINANTS WITH A PRIMARY DRINKING WATER STANDARD

Chemical or Constituent (and reporting units)	Sample Date	Level Detected	Range of Detections	MCL	PHG (MCLG)	Typical Source of Contaminant
Nickel (ppb)	6 / 2015	ND	ND - ND	100	12	Erosion of natural deposits; discharge from metal factories

*Any violation of an MCL or AL is asterisked. Additional information regarding the violation is provided later in this report.

TABLE 5 – DETECTION OF CONTAMINANTS WITH A SECONDARY DRINKING WATER STANDARD

Chemical or Constituent (and reporting units)	Sample Date	Level Detected	Range of Detections	MCL	PHG (MCLG)	Typical Source of Contaminant
Turbidity (Units)	6 / 2015	0.32	0.3 – 0. 4	5	N/A	Soil run off
Total Dissolved Solids (ppm)	6 / 2015	183	174 - 192	1000	N/A	Run off / Leaching from natural deposits
Specific Conductance (micromhos)	6 / 2015	319	306 - 331	1600	N/A	Substances that form ions in water; Seawater influence
Sulfate (ppm)	6 / 2015	8	6 -10	500	N/A	Run off / Leaching from natural deposits Industrial wastes
Iron (ppb)	2015	ND	ND - ND	300	N/A	Leaching from natural deposits; industrial wastes
Manganese (ppb)	2015	*260	129 - 463	50	N/A	Leaching from natural deposits

VIOLATION OF A SECONDARY MCL

* Manganese was found at levels that exceed the secondary MCL of 50 ug/L. The MCL was set to protect you against unpleasant aesthetic effects (e.g., color, taste, and odor) and the staining of plumbing fixtures (e.g., tubs and sinks) and clothing while washing. The high levels are due to leaching of natural deposits.

Additional General Information on Drinking Water

Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that the water poses a health risk. More information about contaminants and potential health effects can be obtained by calling the USEPA's Safe Drinking Water Hotline (1-800-426-4791).

Some people may be more vulnerable to contaminants in drinking water than the general population. Immuno-compromised persons such as persons with cancer undergoing chemotherapy, persons who have undergone organ transplants, people with HIV/AIDS or other immune system disorders, some elderly, and infants can be particularly at risk from infections. These people should seek advice about drinking water from their health care providers. USEPA/Centers for Disease Control (CDC) guidelines on appropriate means to lessen the risk of infection by *Cryptosporidium* and other microbial contaminants are available from the Safe Drinking Water Hotline (1-800-426-4791).

Lead - If present, elevated levels of lead can cause serious health problems, especially for pregnant women and young children. Lead in drinking water is primarily from materials and components associated with service lines and home plumbing. Oddfellows Sierra is responsible for providing high quality drinking water, but cannot control the variety of materials used in plumbing components. When your water has been sitting for several hours, you can minimize the potential for lead exposure by flushing your tap for 30 seconds to 2 minutes before using water for drinking or cooking. If you are concerned about lead in your water, you may wish to have your water tested. Information on lead in drinking water, testing methods, and steps you can take to minimize exposure is available from the Safe Drinking Water Hotline (1-800-426-4791) or at www.epa.gov/safewater/lead.