

Sierra Park Water News and Updates

Phone 209-533-7998

Volume 3.2

October 2015

Board of Directors 2014-2015

President	Kirk Knudsen
Vice President	Philip Barthman
Secretary	Wanda Lenhardt
Treasurer	Bill Ordwein
Human Resources	Heidi Ordwein

Inside this Issue

October Meeting Minutes	Page 2
August Meeting Minutes	Page 4
Annual Meeting Minutes	Page 5
End-of-Year Financial Statement	Page 7

www.sierraparkwater.com

PO Box 424, MiWuk Village, CA 95346

President's Message

Tampering with the water system is a crime

Our water system serves us all, and we all need to protect it. We have spent a significant amount repairing two recent breaks that are suspicious in nature.

Per US Statute 42 U.S.C 300i-1: Any person who tampers or attempts to tamper with a public water system may be imprisoned for 10-20 years, or fined in accordance with 18 U.S.C 3571, or both. The court may impose on such person a civil penalty of not more than \$1,000,000 for such tampering or not more than \$100,000 for such attempt or threat.

If you see or hear of anyone tampering with our water system, **report it immediately to the hotline number** and it will be addressed.

Though this fall weather is beautiful, nights are getting colder—it's time to winterize. To prevent cracked pipes, please take precautions by turning off your water at the main while the house is vacant. This is also the time of the year to check and complete maintenance on your water heater. And finally, if you will be away it's crucial to drain your pipes before going.

IMPORTANT NOTICE: Because our communications budget has been constrained by the CPUC, this will be the final copy of the Water News to be sent by mail. Starting in November, a print copy will be posted at the Lodge after each Board meeting, and new documents will be available on our website. If you do not currently receive the newsletters via email but would like to start, please send us your email contact information to begin receiving monthly newsletters electronically. We regret the inconvenience this may cause to our customers, but have no other option open at this time.

Happy Halloween! -- Kirk Knudsen

Next SPWC Board Meeting will start at 8:30 AM on November 7th, 2015.



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 October 3, 2015

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

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

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

Others Present: None

MINUTES OF BOARD MEETING: Heidi Ordwein made a motion to approve the August 1, 2015 Board of Director's meetings minutes. Bill Ordwein seconded the motion, which was then unanimously approved.

COMMUNICATIONS:

- A thank-you card from Gloria Harvey was received thanking the Board for their support during her time of loss.
- Two calls were received reporting water breaks, one of which was on private property.
- One contact regarding water restrictions.
- One contact requesting permission to pressure-wash a cabin in preparation for painting.
- One inquiry request from a realtor.
- Three contacts regarding annual bills.
- Three contacts regarding new owners.
- Several contacts regarding the anti-siphon valves.
- One escrow request was received.

WATER EMPLOYEE REPORT: Heidi Ordwein - John is in the process of getting licensed to drive large equipment. We have a new part-time employee, AJ Foster, who is concentrating on clearing the culverts in advance of winter rains. Another part-time employee was called away to fight wildfires.

DIRECTOR REPORTS:

President - Kirk Knudsen - Our case before the CPUC is ongoing. Tanks were cleaned and inspected; everything is in good shape. There was a water break on Deborah, which has been repaired. Boil Water Notices were issued to the limited number of residents affected, and then cleared by the State Water Resources; the Water Board continues to be supportive of Park operations and is in contact with the CPUC regarding our case.

Vice President - Phil Barthman - Nothing to report.

Secretary - Wanda Lenhardt - Two shares of stock were sold.

Treasurer - Bill Ordwein - The response to annual billing has been very good. Sixty-one properties have payments still outstanding. The CPUC ruling, when final, will have an impact on our budget. Final numbers are not available yet. This month's financial statement was not available at press time.

Human Resources - Heidi Ordwein will continue to track employee effort for both Water and Services Companies, and reconcile cost accrued to each company on a quarterly basis.

Director of Capital Improvements - Bill Ordwein - a Capital Improvements study is on hold, pending the CPUC ruling. The manganese removal plan is also on hold until then.

OLD BUSINESS:

- The Annual Meeting minutes will be finalized.
- The next newsletter will go out in October. This will be a large quarterly mailing that also includes the August board meeting minutes and minutes of the Annual Meeting.
- Financially, the Water Company has been conservative this year. Correspondence costs have been curtailed, capital improvements have been postponed, lease easement payments have been stopped, and we have had fewer water breaks than normal. The company is in good position to meet any potential budget requirements of the CPUC.

NEW BUSINESS:

- The County requires every house to have house numbers clearly displayed. It is important to the water company when water breaks occur, as it is vital that properties be identifiable for notification purposes. Property owners can pick up numbers from the Sheriff's Community Office at The Junction, or can install other numbers at their own expense.
- Tampering with the water system is a crime, and offenders will be held accountable by law. The cost of repairs frequently takes such vandalism into the range of a felony crime. John will photograph each broken line and file a report on conditions observed.
- The CPUC ruling scheduled for October 1st has been postponed again so the judge could make clarifications.
- Once the CPUC rules, the Water Company will be required to file tariff paperwork. Some of this is quite specialized and will require the help of a consultant familiar with the process. Some of it is more standardized and can be completed by the board. Michael Lechner will try to identify a tariffs specialist who can help with the filing.
- The board began preliminary discussion on the design and placement of the manganese removal system. We are communicating with the State Water Board on this.
- Once final tank inspection reports are received they will be filed with the Water Board.
- Hardcopy newsletters can no longer be sent to customers due to budget restrictions. The board will send a postcard to each property owner advising that hard copy communications will no longer be sent by mail. This notification will also be included in this newsletter's President's Message.

Closure: The board moved to Executive Session to discuss financial and legal matters at 10:13.

Executive Session ended 10:31. There was nothing to report.

The meeting was adjourned at 10:32.

Water Company is ready for fall - are you?

Our tanks have been cleaned and inspected, and passed with flying colors - no repairs needed. A full report should be received in the next few weeks.

Water usage - average well production over the last 3 months has been 910,000 gallons. This is in line with past years. As the recent fires testify, we are still in a condition of extreme drought. Please continue to conserve and to use water wisely.

The manganese removal project is on hold until our budget is approved by the CPUC. A ruling is expected in December.

And finally, it's time to begin prepping your house for winter. We are all hoping for an early start to the rain and snow!



Sierra Park Water Company Board of Directors Meeting Minutes for August 1, 2015

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

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

SHAREHOLDERS PRESENT: Michael Lechner and Craig Wendt. Mark Logan joined the meeting in progress.

Others Present: None

MINUTES OF BOARD MEETING: Philip Barthman made a motion to approve the June 6, 2015 Board of Director's meetings minutes. Heidi Ordwein seconded the motion which was then unanimously approved.

COMMUNICATIONS:

- Letters - Linda Clark informed the Board that recent work was done well and with minimal disruption to her.
- Three contacts were received regarding billing, one of which included a change of address.
- One request received from a title company regarding an account status for escrow.
- Multiple requests were made for the vacuum breakers.
- One contact regarding a problem with turning on the water.

WATER EMPLOYEE REPORT: Heidi Ordwein - Nothing to report.

DIRECTOR REPORTS:

President - Kirk Knudsen provided an update on the water system. Everything is running smoothly with the California State Water Board. We continue to look into how to address the manganese levels.

Vice President - Phil Barthman - Nothing to report. All is well.

Secretary - Wanda Lenhardt - The newsletters were sent out. Arrangements were made with the bank to make new signature cards showing the current President, Vice President and Treasurer as signers.

Treasurer - Bill Ordwein - Payments for the annual bills are being received. There is nothing else to report at this time.

Human Resources - Heidi Ordwein reported that as of July 1 all employees must receive sick leave. This new law includes part-time employees, who are to receive one hour of sick leave for every 30 hours worked.

Director of Capital Improvement - Bill Ordwein updated the board regarding the need for future improvements. Detailed information will be provided as it becomes available.

OLD BUSINESS: None to discuss

NEW BUSINESS:

- Budget review - The SPWC expenditures and income were reviewed. Payments are late if received after this month.
- Capital Improvement schedule - The water tanks will be inspected this year. The exact date has not been scheduled but once it is residents and property owners will be notified. Nine valves were replaced on the west side of the Park. We have more that need to be replaced in time.
- Goals for the 2015 / 2016 year - Customer Service Committee: This will be discussed in a future meeting.

Closure: The board moved to Executive Session to discuss financial and legal matters at 10:20.

Executive Session ended 10:18. There was nothing to report.

The meeting was adjourned at 10:19.

SIERRA PARK WATER COMPANY, INC.

ANNUAL SHAREHOLDER MEETING MINUTES MAY 24, 2015

Shareholder Registration occurred from 7:30 to 8:45 a.m.

The meeting was called to order by Kirk Knudsen, President at 12:21 p.m.

Pledge of Allegiance - Michael Lechner

Invocation - Ray Coyle

Confirmation of Quorum - Wanda Lenhardt, Secretary. A quorum existed with 96 shareholders either present or represented by proxy from a possible 186 shareholders.

Kirk Knudsen welcomed everyone to the meeting and introduced the Board of Directors in attendance, Michael Lechner and Wanda Lenhardt. Bill and Heidi Ordwein, also board members, were not present. Kirk extended a special thanks to Marianne Gennis who has been instrumental in maintaining the website.

President's Message -

The California Water Board visited the Park earlier this year and inspected our system. Their assessment at the end of the visit was that the SPWC is technically sound, financially sound and a responsible Water Company.

Manganese levels within the Park's system are elevated but non-threatening to consumers. The water may be discolored and at times the manganese can affect the taste of the water. The Board of Directors is currently exploring options for manganese management.

Property owners need to obtain special hose bibbs to deal with backflow issues. The SPWC has purchased hose bibbs and is in the process of distributing them.

The SPWC water supply is remaining strong despite the current drought conditions within the State. It is important that everyone conserve water as there is no way to anticipate how long the drought will continue.

Director Reports -

Michael Lechner, Vice President explained the voting procedures.

Wanda Lenhardt, Secretary, asked property owners to provide email addresses to be used for newsletter distribution and other communications. Reducing United States Postal Service mail saves the SPWC money.

Human Resources: Kirk Knudsen presented information for Heidi Ordwein. A new caretaker has been hired this year, John Marshall. He is doing a great job and his efforts are greatly appreciated.

Capital Improvements: Kirk Knudsen presented information for Bill Ordwein. The Park will be divided into segments to reduce the impact of water shut-offs to non-impacted areas. Fire Hydrants are being installed at the same time.

Treasurer: Michael Lechner presented the treasurer's report for Bill Ordwein. He reviewed the expenses and income from the 2014/2015 fiscal year. He then reviewed the 2015/2016 Budget. Yvonne Peter made a motion to pass the proposed 2015/2016 budget. Philip Barthman seconded the motion. Discussion was brief and the vote was taken.

The Board of Directors elections followed. Philip Barthman volunteered to run for the Board and was added to the ballot. The vote was taken.

The inspectors of the election reviewed the sign-in sheet, authenticated the voting process and counted the ballots while the meeting continued.

Presentation: Don provided information on manganese - what it is, its effects in water, and the levels of it in our system. The SPWC is working with the WRB to address and resolve the issue such that compliance is met. However, manganese removal is likely to be a very expensive proposition. As we learn more about what can be done and how much it might ultimately cost this information will be passed on.

Voting Results Presented:

The budget passed 83 in favor and 2 against.

Kirk Knudsen, Michael Lechner, Heidi Ordwein, Bill Ordwein, Wanda Lenhardt and Philip Barthman were voted onto the board.

Officers will be determined at the June 2015 Board Meeting and published in the June newsletter.

The meeting was adjourned.

Draft

SIERRA PARK WATER COMPANY, INC.
BUDGET REPORT
FOR THE PERIOD ENDED
May 31, 2015

<u>REVENUE</u>	<u>TWELVE MONTHS</u>			<u>% OF BUDGET EXPENDED*</u>
	<u>ENDED 05/31/15</u>	<u>2014-2015 BUDGET</u>	<u>VARIANCE</u>	
WATER INCOME	\$ 258,083	\$ 282,874	\$ (24,791)	91.24%
WATER RESERVES	52,033	58,575	(6,542)	88.83%
TRANSFER FEES	1,700	-	1,700	
MISCELLANEOUS INCOME	4,988	2,202	2,786	226.52%
TOTAL REVENUE	316,804	343,651	(26,847)	92.19%
<u>ADMINISTRATION AND FEES</u>				
ACCOUNTING	16,548	16,500	48	100.29%
BANK CHARGES	50	-	50	
CREDIT CARD CHARGES	1,942	2,149	(207)	90.37%
EMPLOYEE BENEFITS	6,414	11,100	(4,686)	57.79%
EMPLOYEE PAYROLL	24,945	23,260	1,685	107.25%
EMPLOYER PAYROLL TAXES	3,853	5,152	(1,299)	74.78%
INSURANCE	22,116	27,516	(5,400)	80.38%
LEGAL CONSULTING	35,683	28,000	7,683	127.44%
MEMBER COMMUNICATION	1,305	4,000	(2,695)	32.63%
OFFICE SUPPLIES	1,506	-	1,506	
OUTSIDE SERVICES	1,909	-	1,909	
PROFESSIONAL SERVICES CONSULTING	817	9,634	(8,817)	8.48%
RENT	56	-	56	
SHOP SUPPLIES	141	-	141	
TAXES AND LICENSE	2,339	3,500	(1,161)	66.83%
MISCELLANEOUS	-	-	-	
WATER ADMIN CONSULTING	205	20,000	(19,795)	1.03%
FRANCHISE TAX EXPENSE	4,710	-	4,710	
INCOME TAX EXPENSE	8,680	-	8,680	
ADMINISTRATION AND FEES SUBTOTAL	133,220	150,811	(17,591)	88.34%
<u>OPERATION AND MAINTENANCE</u>				
EASEMENT - DISTRIBUTION SYSTEM	35,882	39,140	(3,258)	91.68%
EASEMENT LEASE FOR WELL	10,545	6,500	4,045	162.23%
EASEMENT LEASE FOR WATER TOWER	417	5,000	(4,583)	8.33%
MAINTAIN WATER SYSTEM	33,124	51,600	(18,476)	64.19%
MAINTAIN WATER SYSTEM - CAPITAL RESERVES	70,000	-	70,000	
RESERVES	23,981	50,000	(26,019)	47.96%
WATER EQUIPMENT MAINTENANCE	-	4,500	(4,500)	0.00%
WATER SUPPLIES	-	1,100	(1,100)	0.00%
WATER TANK CHECK VALVE	-	15,000	(15,000)	0.00%
WATER TESTING	2,985	8,000	(5,015)	37.31%
WATER UTILITIES	6,277	12,000	(5,723)	52.31%
OPERATION AND MAINTENANCE SUBTOTAL	183,211	192,840	(9,629)	95.01%
<u>REPAIR AND REPLACE</u>				
TANK REPAIRS	-	-	-	
WATER LINE REPLACEMENT	-	-	-	
WELL REHABILITATION	-	-	-	
REPAIR AND REPLACE SUBTOTAL	-	-	-	
TOTAL EXPENSES BEFORE DEPRECIATION	316,430	343,651	(27,221)	92.08%
DEPRECIATION	145	-	145	
TOTAL EXPENSES	316,576	343,651	(27,075)	92.12%
NET INCOME FROM OPERATIONS	\$ 229	\$ -	\$ 229	

CHECKING ACCOUNT \$ 13,878
CAPITAL IMPROVEMENT 23,981
GENERAL RESERVES 10,000