

YSPUC OPEN BOARD MEETING

1/13/2025



DISCUSSION ITEMS

- Petition to Recall Information and Legal Procedures
- History of YSPUC
- California State Water Resources Board
- California Public Utilities Commission (CPUC)
- Discoveries
- Out Future & Goals



RECALL PETITION SERVED TO YSPUC DIRECTORS On 12/10/2024



STEPS of a RECALL PETITION FOR YSPUC

1. YLOA Board of Directors held Executive Session to discuss and vote on YSPUC Recall Petition. (12/10/2024)
2. After Vote, YSPUC Directors were notified of the Petition for Recall of ALL YSPUC Directors. (12/10/2024)
3. YSPUC needed to provide a Special Meeting Date for the Recall Election and notify the YLOA Board of a Special Meeting within (20) days from the notification date of 12/10/2024.
4. Recall Election was to be set between 35 days and 90 days from the receipt of the petition request.
5. A Special Meeting would have needed to be held by YSPUC for the YLOA Directors to vote Yes or No to the recall petition that was submitted.
6. If Yes to YSPUC Recall, all existing YSPUC Directors would be removed. The YLOA Board would appoint the new YSPUC Directors at that time. If No to YSPUC Recall, then the YSPUC board would stand.
7. On December 10, 2024, all YSPUC Directors, except for one director, resigned at the open session and gave reasons during the meeting. Then Ken Sartain turned the meeting over to Cheryl Bluhm to adjourn as the sole remaining Director of YSPUC. Then the YSPUC Directors that resigned, turned to online social media and provided additional written reasons on why they resigned.

Because of a YLOA Executive session decision on 1/6/2025, YSPUC was notified that the Recall Petition had been voted to be withdrawn considering the (5) YSPUC directors who resigned at the YSPUC Open Session on 12/10/2024.

Section 4: VACANCIES.

Vacancies in the Board of Directors may be filled by a majority of the remaining directors, though less than a quorum, or by a sole remaining director, and each director so elected shall hold office until his successor is elected at an annual meeting of shareholders or at a special meeting called for that purpose.

The shareholders may at any time elect a director to fill any vacancy not filled by the directors, and may elect the additional directors at the meeting at which an amendment of the By-Laws is voted authorizing an increase in the number of directors.

A vacancy or vacancies shall be deemed to exist in case of the death, resignation or removal of any director, or if the shareholders shall increase the authorized number of directors but shall fail at the meeting at which such increase is authorized, or at an adjournment thereof, to elect the additional director so provided for, or in case the shareholders fail at any time to elect the full number of authorized directors.

If the Board of Directors

“Further, because certain directors have resigned, the bylaws delegate the power to appoint interim directors to fill the vacancies in the remaining board directors (positions). This means that Cheryl may appoint directors for the remainder of the terms of the director’s positions being filled.” ~Josh Nelson
B,B&K

HISTORY OF YSPUC

- Yosemite Lakes Owners' Association vs. Hanover/Titan/SafeCo/YSPUC 1982.
- YLOA was **awarded YSPUC** in 1987 as **ASSET**.
- **YLOA Board of Directors are the Shareholders of YSPUC.**
- Use of Blackhawk Lake and Water Draw. YLOA still reserves the privilege to use Black Hawk for Recreational Purposes, but still investigating what happened to the water draw rights as defined in the 1987 settlement.
- For many years, YSPUC 'loaned' money to YLOA, not the other way around.
- In recent years, YLOA has been 'loaning' money to YSPUC because YSPUC has been operating at a loss for 9 out of the last 12 years.
- <https://projects.propublica.org/nonprofits/organizations/952658694>



HISTORY OF YSPUC'S FINANCIALS

Fiscal Year Ending Dec.

2023

Revenue	\$1,855,917	
Expenses	Net Income	Net Assets
\$2,422,344	<u>-\$566,427</u>	\$7,968,491

Fiscal Year Ending Dec.

2022

Revenue	\$1,847,021	
Expenses	Net Income	Net Assets
\$2,157,787	<u>-\$310,766</u>	\$6,636,201

Fiscal Year Ending Dec.

2021

Revenue	\$1,811,324	
Expenses	Net Income	Net Assets
\$2,171,758	<u>-\$360,434</u>	\$6,072,222

Fiscal Year Ending Dec.

2020

Revenue	\$1,882,907	
Expenses	Net Income	Net Assets
\$2,367,202	<u>-\$484,295</u>	\$6,157,340

Fiscal Year Ending Dec.

2019

Revenue	\$1,826,583	
Expenses	Net Income	Net Assets
\$2,031,682	<u>-\$205,099</u>	\$6,630,195

Fiscal Year Ending Dec.

2018

Revenue	\$1,732,698	
Expenses	Net Income	Net Assets
\$1,930,946	<u>-\$198,248</u>	\$6,113,959

Fiscal Year Ending Dec.

2017

Revenue	\$1,759,948	
Expenses	Net Income	Net Assets
\$1,747,808	<u>\$12,140</u>	\$5,805,305

Fiscal Year Ending Dec.

2016

Revenue	\$1,685,765	
Expenses	Net Income	Net Assets
\$1,622,868	<u>\$62,897</u>	\$5,306,015

Fiscal Year Ending Dec.

2015

Revenue	\$1,645,624	
Expenses	Net Income	Net Assets
\$1,599,345	<u>\$46,279</u>	\$4,754,859

Fiscal Year Ending Dec.

2014

Revenue	\$1,840,093	
Expenses	Net Income	Net Assets
\$2,049,619	<u>-\$209,526</u>	\$4,303,703

Fiscal Year Ending Dec.

2013

Revenue	\$1,714,848	
Expenses	Net Income	Net Assets
\$1,997,674	<u>-\$282,826</u>	\$4,634,852

Fiscal Year Ending Dec.

2011

Revenue	\$1,588,071	
Expenses	Net Income	Net Assets
\$1,734,677	<u>-\$146,606</u>	\$4,037,844

HISTORY OF YSPUC'S DIRECTORS

YSPUC Board 9/2018 (18/19):

President: David Mahan
Vice President: Ken Sartain
Secretary: Michelle Piotrowski
Treasurer: Mark Zoeller
Director: Gary Bryngelson
Director: Tom Swire
General Manager: Jonathan Penrose
Operating Manager: Ken Harrington

YSPUC Board 8/2019 (19/20):

President: David Mahan
Vice President: Ken Sartain
Secretary: Michelle Piotrowski
Treasurer: Mark Zoeller
Director: Gary Bryngelson
Director: Sandy Eigenman
Director: Doug Dorsey
General Manager: Jonathan Penrose
Operating Manager: Ken Harrington

YSPUC Board 8/2020 (20/21):

President: David Mahan
Vice President: Doug Dorsey
Secretary: Kathleen Miller
Treasurer: Mark Zoeller
Director: Gary Bryngelson
Director: Ken Sartain
Director: Todd Benzie
General Manager: Jonathan Penrose
Operating Manager: Ken Harrington

YSPUC Board 9/2021 (21/22):

President: David Mahan
Vice President: Doug Dorsey
Treasurer: Mark Zoeller
Director: Gary Bryngelson
Director: Ken Sartain
General Manager: Jonathan Penrose
Operating Manager: Ken Harrington
Director: Denis Ciccarelli (on 9/2021)
Secretary: Steve Brannon (on 9/2021)

YSPUC Board 7/2022 (22/23):

President: David Mahan
Vice President: Doug Dorsey
Treasurer and Secretary: Dennis Britt
Director: Steve Brannon
Director: Gary Bryngelson
Director: Denis Ciccarelli
Director: Ken Sartain
Director: Mark Zoeller
General Manager: Jonathan Penrose
Operating Manager: Ken Harrington

YSPUC Board 8/1/2023 (23/24):

President: Cheryl Bluhm
Vice President: Kathy Miller
Secretary: Pamela McDaniel
Treasurer: Beate Olivas (until Jan. 2024)
General Manager: Jonathan Penrose (until 10/2023)
Operating Manager: Ken Harrington
YSPUC Field Supervisor: Jason Teeter
Director: William Neveu (as of 9/2023)
Director: Preston McGill (as of 9/2023)

•ELECTRONIC ANNUAL REPORTS (EAR) (LAST ONE SUBMITTED WAS FROM 2018, CURRENT COMPLETED AND SENT TO STATE ON 12/27/2024)

•PROGRAM REPORTS AND REGULATORY PUBLICATIONS

•WATER QUALITY DATA



**State Water
Resources
Control Board**

YSPUC MUST AND DOES REPORT TO THE STATE WATER RESOURCES CONTROL BOARD. WE ARE IN COMMUNICATION WITH THEM, KEEP THEM UPDATED AND INVOLVED WITH ALL CHANGES OCCURRING WITHIN YOSEMITE SPRING PARK UTILITY COMPANY.



CA Drinking Water Watch

Water System Details

Water System No. :	CA2010005	Federal Type :	C
Water System Name :	YOSEMITE SPRING PARK UTIL CO	State Type :	C
Principal County Served :	MADERA	Primary Source :	GW
Status :	A	Activity Date :	01-01-1976
Distribution System Classification :	D3	Max Treatment Plant Classification :	T2



CALIFORNIA

Public Utilities Commission

- CPUC regulates privately owned water companies such as YSPUC:
 - ❖ Setting Rates
 - ❖ Ensuring Compliance
 - ❖ Investigating Issues
 - ❖ Providing Advisory Services
 - ❖ Performing Research
- CPUC Mission: We empower California through access to safe, clean, and affordable utility services and infrastructure.
- CPUC Vision: The California Public Utilities Commission betters the lives of all Californians through our recognized leadership in innovative communications, energy, transportation, and water policies and regulations.
- Submitted 2023 eAR and CPI to CPUC on 12/27/2024.

YLOA ASSESSMENT

Year	Assessment	% Change	Inflation (Jan to Jan)	Increase over Inflation
2014	925			
2015	1110	20.0%	-0.90%	20.90%
2016	1110	0.0%	1.37%	-1.37%
2017	1199	8.0%	2.50%	5.52%
2018	1316	9.8%	2.07%	7.69%
2019	1579	20.0%	1.55%	18.43%
2020	1654	4.7%	2.49%	2.26%
2021	1705	3.1%	1.40%	1.68%
2022	1833	7.5%	7.50%	0.00%

OSS-OPERATION SELF SUFFICIENCY

AKA

PRP – PIPELINE REPLACEMENT PROJECT

AKA

PRP – PIPELINE REPAIR PROJECT

AKA

INFRASTRUCTURE PROJECT



Yosemite Lakes Park

June 30, 2015 · 🌐

The trencher has arrived! This morning, the Vermeer T755 trencher for the Operation Self Sufficiency plan to rebuild our crumbling water system rumbled into YLP on a semi-trailer. YSPUC Manager Ken Harrington and YLOA General Manager Bob Civello, along with other YSPUC employees took delivery of the 35-40 ton machine. Harrington said utility employees will start training on its use right away, and it should begin service with the first trenching later in July. It will be used to create a deep trench down our streets so that new water main pipe can be laid to replace aging and leaking pipes. If you attended the Town Hall meetings in early May, you know what this is about and why it's badly needed. If not, you can read the presentation at: <http://bit.ly/1LGfMJL>. If you're a YLOA member, you should have an account at our website, yloa.org. That will allow you to view video of the complete May 9 Town Hall. If you don't yet have an account, just go to yloa.org and look for Member Access in the upper right corner. On the dropdown menu, click Account/Log In and follow the directions.



OSS-OPERATION SELF SUFFICIENCY

AKA

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AKA

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AKA

INFRASTRUCTURE PROJECT



Yosemite Lakes Park

July 15, 2015 · 🌐

Want to shorten the time it takes to replace our decaying, leaking water pipeline? The Operation Self Sufficiency project as launched will take 20 years.

Then join YLP's Pipeline Challenge! For a \$200 donation, you can pay for one of the 200-plus pipes it'll take for every mile of the system. In return, YSPUC Manager Ken Harrington said your name will be written on the pipe and you'll get its GPS coordinates so you'll know where it lays.

Just drop off your donation at the YSPUC or YLOA front desks in the Clubhouse during regular business hours. Be sure to include your name and lot number.

The challenge was started when members of the Rippits Quilting Club asked Harrington if there was a way to make the pipeline project go quicker.

Darrel and Patty Dietrich gave the first \$200, followed by Hal and Diane Browder, Bev and Jim Gulley, and Steve and Rebecca Brannon.

Harrington said donations of any amount will be accepted, and they all will be kept track of separately.

Photo caption: Ken Harrington, left, accepts a \$200 check from Patty Dietrich as YLOA General Manager Bob Civello and Bev Gulley, right, look on.



OSS-OPERATION SELF SUFFICIENCY

AKA

PRP – PIPELINE REPLACEMENT PROJECT

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INFRASTRUCTURE PROJECT



OSS-OPERATION SELF SUFFICIENCY

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AKA

INFRASTRUCTURE PROJECT



Yosemite Lakes Park

January 18, 2017 · 🌐

HIGHLIGHTS FROM THE JAN. 17 YLOA & YSPUC BOARD MEETINGS

Among items acted upon and receiving major attention were these:

- After an extended discussion and member comment both pro and con, the YSPUC board approved on a 3-2 vote to have the general manager request that a private company conduct a household-income survey of YSPUC water system customers. The free survey would determine if YLP is eligible for \$5 million in state grant money to help fund the ongoing water pipeline project. Voting yes: Joel Greathouse, Bart Fortner and Denis Ciccarelli. Voting no: Veronica Longcor and Bryan Colbert.
- There was discussion about why trenches from recent pipeline installations on Titan Drive have not yet been paved over. YSPUC Manager Ken Harrington said the recent heavy rains have prevented any paving work because the ground is saturated with water and any asphalt applied before it dries would sink. General Manager Layton Gillette said that crews have done a great job of dealing with the issue. Properties in that area are accessible and crews are continuing to maintain the roadway.
- There also was discussion about getting outside bids for the rest of the pipeline project, to check if the current course of construction using our own utility crews is the most cost-effective. YLOA President Bart Fortner ended by saying that bids already received before the project was started would be reviewed again before proceeding.

OSS-OPERATION SELF SUFFICIENCY AKA PRP – PIPELINE REPLACEMENT PROJECT AKA INFRASTRUCTURE PROJECT



1/3/2025

\$



8/27/2019



4/21/2021



10/16/2022



5/10/2024

WHY RECALL THE 24/25 YSPUC BOARD?

- Financial and Legal Concerns
- Not finding faster solutions on getting YSPUC Staff certified for Distribution and/or Treatment.
- First Resigned YSPUC President would not concede to selling the OSS/PRP equipment.
- Deficient Spending, "Get me the money, then leave me alone."
- More focused with "being on the board" than fulfilling Fiduciary Duties.
- Not focused on building the reserve, more focused on spending on new "projects."
- New YSPUC Attorney was never sent corporate Bylaws, Amendment or Articles of Incorporation until Cheryl Bluhm sent them to Josh Nelson with Best, Best and Krieger 12/13/2024 and 12/18/2024 along with the settlement "Blue Book" for legal review.
- The YSPUC Board created roadblocks for a YSPUC Director to get access to corporate records for over (60) days. (Corp. Code 1602 violation)

DISCOVERIES – FINANCIALS

- Interfering with established accounting systems:
 - Releasing inaccurate financial statements without accounting signoff and before books were closed.
 - Delayed the payment of real estate property tax, incurring penalties and interest.
 - Delayed release of the YSPUC Reviewed Financial Statements fiscal years ended June 30, 2022, and June 30, 2023.
 - Delayed release of the 2023 annual financial report to the Public Utilities Commission.
- Incomplete & missing reports in Company Tariff Book and consequent failure to file PUC December 31, 2024, CPI increase for 2025 rate increase.
- Hiring a second bookkeeper to document procedures and make recommendations, with instructions to proceed without conferring with the current bookkeeper. Resulting in the same procedure recommendations by original bookkeeper.
- Duplication of efforts with outside CPA firm creating cost overruns.
- Attempt to change current accounting positions through robust calls to CPA and bookkeeper.
- Ignoring accounting request to ensure compliancy requests.
- Creating excess bookkeeping follow through due to many monthly penalties and late fees for bills not paid timely. \$4,886.58 in unnecessary late charges and interest fees since 7/1/2024.
- DMV registration not paid timely which incurred late charges.
- Overbilling and Large Adjustments without notification and approval of all YSPUC Directors.
- Reversed decision to raise rent on current tenant.
- Withholding YLOA Administrative Services Payment for services provided for YSPUC.



REPORTING

QUESTIONS TO CSWB AND ANSWERS FROM CSWB

Q: Operations Plan has not updated since 2007.

A: Correct, unless there is a hard copy in the file room or on old assigned staff computers.

Q: Cross-Connection Control Guidance Plan has not updated since 2019.

A: Correct, updated or confirmed ever 5 years or if any major distribution changes have been made.

Q: Emergency Plan has not updated since 2017.

A: Correct

Q: No Production Reports sent to CSWB since 2017.

A: monthly treatment reports have not, production report are to be submitted in the EAR which was completed. 2023 reporting is through the drought portal which is required to be inputted by the system monthly. Only a few months were reported in the 2023 EAR.

Q: The State Water Board stated that they had not received complete, accurate or any reporting since 2017 for required reporting.

A: Incorrect, at a quick glance that's what popped up, but I found some from in the server from 2019. Maybe hard copies in the file room.

REPORTING UPDATES

1. **LEAD Report:** Completed by Judy Quinn from the 23/24 YSPUC. Thank you, Judy!
2. **Drought Reporting:** Mike Smith was helping with the completion of these reports, and then outside consultant Westside Water Resource started completing the reports at the beginning of July 2024 and continue to provide reporting services.
3. **Monthly Production Reports/Well and Site Testing Results/Bat-T/Coli-Form Testing Results:** Completed in house by administrative staff, Debbie.
4. **End of Month Financial Reports to Bookkeeper:** Completed in house monthly by administrative staff, Debbie.
5. **Consumer Confident Report:** Westside Water Resources helped in completing 2020 and 2023. Looking to have them complete 2024.

DISCOVERIES – HUMAN RESOURCES

Directors failed to reach out to YSPUC professional HR Consultant and began making HR decisions on their own without involving the HR Professional, Ruth Evans.

Instead of using the HR Professional Consultant, they came to their own conclusions/determinations just by “reading” a website.

Failed to review HR protocols and read the YSPUC Employee Handbook to understand procedures.

Had inaccurate and biased conversations with our legal professionals.

Code of Ethics violations by Directors not being addressed by YSPUC Board President. (Neutering)

More concerned about the cost of the HR Consultant instead of the benefits of using the professional services.

Changed the previously created General Manager description, but then never advertised.

BUILDING OUR FUTURE AND GOALS

- Making YSPUC Profitable Again!!!
- Plan in place to stop \$500,000 negative cash flow.
- 3.4% cost of Living Completed on 12/27/2024.
- 2023 eAR Completed 12/27/2024 and Currently Working on 2024 eAR.
- Facility Inspection Completed by a D5/T5 Certified Professional.
- Creating and Updating Policies.
- Finding Solutions to Build Up YSPUC's Reserves.
- Looking at options to Sell Equipment for Cash to Build Reserves.
- YSPUC Management Professionals In Place.
- Golf Course Water is Good and Back in Use. Review of Drinkability Next.
- 3 Years of Financials are Done.
 - Board Will Act as One Board!!!

***THANK YOU
FOR
COMING***

