

**BLUE LAKE SPRINGS MUTUAL WATER COMPANY**  
**Minutes of the 9th Interim Meeting**  
**Blue Lake Springs, Arnold, California**  
**Saturday, February 9, 2008, 9:00 AM**

- 010**      **CALL TO ORDER:** At 9:00 a.m. President Speakman called the meeting to order. Directors present were Carlsen, Multhaup, Speakman, Watson and Wood. In addition, General Manager Maynard (Mike) Herreid and Recording Secretary Jeri Cline were present. Directors Maginnis and Owen were absent.
- 020**      **AGENDA APPROVAL:** Director Watson moved to approve the agenda; seconded by Director Carlsen, and the vote was unanimous.
- 030**      **APPROVAL OF MINUTES:**
- 031      The 8th Interim Meeting Minutes of January 12, 2008: Director Wood moved to approve the January Interim Meeting Minutes; seconded by Director Watson, and the vote was unanimous.
- 040**      **VISITOR'S RECOGNITION:** The board recognized Doug Rischbieter of Lot 362/363/364 Unit 3, who came to speak about water rates. Discussion followed in response to his suggestion that the board consider a reduced rate for those, like himself, who owned multiple lots.
- 050**      **FINANCIAL REPORTS:**
- 051      December 2007/January 2008 Balance Sheet & Income Statement: On the December 2007 Income report, our total income year to date was \$999,194 and our annual budget is at \$1,012,331. Non-operating income for the year was \$61,953. Total expenses year to date are \$885,610 with our annual budget at \$941,931.
- On the January 2008 Income report, our total income year to date for 2008 is \$556,508 and our annual budget is at \$1,264,619. Non-operating income for the year is \$1,321. Total expenses year to date are \$99,712 with our annual budget at \$1,192,220.
- 052      Bills for January 2008: The bills of note for January include \$15,968 paid to Rural Special Districts for the liability insurance package; and \$1,388.91 paid to Bank of America Visa for a new Dell computer. Regarding advertisements for the watermaster position, \$397.86 was paid to the Modesto Bee and \$150 to CentralValleyJobs.com. Director Wood moved to approve December bills in the amount of \$54,201.71; seconded by Director Watson and the vote was unanimous.
- 060**      **MANAGER'S REPORT:**
- 061      Water Consumption/Losses/New Connections/White Pines Wells Production: In January, General Manager Herreid reported 4,075,000 gallons of water produced and 264,000 gallons purchased from CCWD. Daily Average Produced in January was 131,000 gallons. Wells Draw Down average was 92 feet of water above the pump in January. The last page compares the last twelve years by month for Total Usage, which was 4,156,000 gallons in January. We had no new connections in January, for a total of 0 connections year to date. There are now 1,694 homes connected. Average usage per home in January was 2,453 gallons with zero gallons lost.

**070 OPERATIONS/LONG RANGE PLANNING:**

071 Systematic Replacement and/or Improvements: General Manager Herreid reported speaking with Fire Chief Warren Wilkes of Ebbetts Pass Fire District, regarding fire flow within BLS. Chief Wilkes acknowledged he had received the fire flow calculations by HDR and would be responding by letter shortly; he will coordinate with Cal Fire on the fire hydrants.

A. *Stephanie Drive/Patricia Lane Project*: General Manager Herreid reported he would be meeting with Kevin Kennedy of HDR within the next couple of weeks to review plans for the Stephanie Drive/Patricia Lane Project. Prices are to be solicited from contractors with a goal of approving a contract by the April board meeting.

072 Long Range Planning:

A. *CCWD Amendment to Agreement of September 10, 1992*: Nothing to report.

**080 COMMITTEES:**

081 Budget & Rates Committee: Nothing to report.

082 Salary & Benefits Committee: Nothing to report.

083 Personnel Policy Committee: Nothing to report.

084 Projects Committee: Nothing to report.

**090 PUBLIC RELATIONS:**

091 Lodge Log Article: Recording Secretary Jeri Cline asked if President Speakman could explain in a future lodge log article the reason bare lots and unbuildable lots are charged a fee. Shareholders have asked why they are billed for water on properties without a water connection. Members of the board suggested that the following points be made:

A. All shareholders share equally in the cost of maintaining the infra structure, even bare or unbuildable lots, and that maintenance of the infrastructure supports the underlying value of their lot as an investment.

B. Each lot represents a share of the water company, even when lots are combined. Fees are allocated on the number of shares per the original number of lots within BLS subdivision.

**110 UNFINISHED BUSINESS:**

111 Quarterly Meetings with CCWD: A meeting with Dave Andres of CCWD has been tentatively set to take place on Friday, March 21.

112 Black Mountain Software: Recording Secretary Jeri Cline reported the new billing software is up and running and DBASE is no longer being used.

113 New Hire: Ads for the watermaster position were posted on Career Builder and Craig's List, and Lori Kalika, HR Consultant, had forwarded to Director Wood resumes from several potential candidates. In addition, Director Wood reported she had received many calls asking for a salary range. He recommended Lori prescreen the candidates for a first round of interviews to take place as early as the middle of February, with a final round of interviews in March. The direct mail campaign was put on hold pending the outcome of interviews with the current pool of candidates.

**120 NEW BUSINESS:**

121 Correspondence:

A. Copies of comments from shareholders regarding the rate increases were distributed to the board prior to the meeting.

B. Director Wood reviewed, before he signed, the BLSMWC statement of representation to Ebbetts Pass Accounting, in regards to the 2007 Review of Financial Statements.

C. Director Wood asked for board comments on his attending a training seminar for special districts, local government, board and staff, to be held at Kautz Ironstone on Friday, Mar 14, 2008, at a cost of \$30. President Speakman asked that Director Wood report back to the board at the March board meeting regarding the training.

**130 ADJOURNMENT:** The meeting was adjourned to closed session to discuss salary ranges at 10:29 a.m.

Respectfully submitted, Jeri Cline, Recording Secretary  
Transcribed from tapes of the meeting

**APPROVED:**