

**BLUE LAKE SPRINGS MUTUAL WATER COMPANY****Minutes of the 9<sup>th</sup> Interim Meeting  
Blue Lake Springs, Arnold, California  
Saturday, February 14, 2009 9:00 a.m.**

- 010**      **CALL TO ORDER:** At 9:07 a.m. President Speakman called the meeting to order. Directors present were Carlsen, Maginnis, Multhaup, Owen, Speakman, and Watson. Director Wood was absent. In addition, General Manager Maynard (Mike) Herreid and Recording Secretary Jeri Cline were present.
- 020**      **AGENDA APPROVAL:** Director Maginnis moved to approve the agenda; seconded by Director Owen, and the vote was unanimous.
- 030**      **APPROVAL OF MINUTES:**
- 031      The 8th Interim Meeting Minutes of January 10, 2009: Director Owen moved to approve the January 10, 2009 Interim Meeting Minutes; seconded by Director Maginnis, and the vote was unanimous.
- 040**      **VISITOR'S RECOGNITION:** The board recognized Doug Rischbieter 362/363/364-3, who was there to ask questions regarding the rate structure. He asked the board to consider adding another category for shareholders who own two or more lots and have had their lots combined into one parcel by the county, or who own any lot that can never be connected to the system because of their circumstance. Because the letter accompanying the annual invoice identified this year's rate increases as an effort to address inequities in the billing schedule, with the largest percentage going to bare lots, Doug Rischbieter asked the board to consider refining the rate classes even further. He identified himself as a junior member of the BLS HOA board and explained the new BLS Homeowners' Association policy that offers shareholders, owning more than one lot, an exemption from payment of fees on their second lot. The policy was put into place in order to maintain consistency with the Internal Revenue Service code and to preserve the tax exempt status of the homeowners' association. Director Multhaup elaborated further on the new hoa policy, saying that if a person owns more than one lot, they can chose to *pay the homeowners' dues for one lot* and have *one vote* in elections, or *pay the fees for both lots* and have *two votes*. Mr. Rischbieter asked the board to consider his comments over the next month and agendize the topic for March's board meeting. He also requested the minutes reflect his payment of \$1,300 for 2009 water fees.
- 050**      **FINANCIAL REPORTS:**
- 051      December 2008/January 2009 Balance Sheet & Income Statement: On the December 2008 Income report, our total income year to date for December 2008 is \$1,217,065 and our Total Annual Income Budget is at \$1,264,619. Non-operating income for the year is \$68,694. Total expenses year to date are \$1,082,778, with our Total Annual Expenses Budget at \$1,192,220.
- On the January 2009 Income report, our total income for January 2009 is \$556,285 and our Total Annual Income Budget is at \$1,238,159. Non-operating income for January is \$178. Total expenses in January are \$96,686, with our Total Annual Expenses Budget at \$1,170,039.
- 052      Bills for January 2009: The bills of note for January include \$1,128.58 paid to Foothill Printing for the annual invoice, shareholder letter, return envelopes, regular business envelopes, and letterhead; \$4,413.71 payable to CCWD for water purchased in January, and \$2,275.23 payable to SCIF for January worker's comp. In addition, \$1,240.62 was paid to HDR Engineering out of the FDIT Expansion and Improvement Fund for As-Built Drawings.

Treasurer Maginnis moved to approve January bills in the amount of \$21,961.12; seconded by Director Carlsen, 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 1,478,000 gallons of water produced and 2,675,000 gallons purchased from CCWD. Daily Average Produced in January was 48,000 gallons. Wells Draw Down average was 141 feet of water above the pump in January. The last page compares the last twelve years by month for Total Usage, which was 4,284,000 gallons in January. We had no new connections in January. There are 1,699 homes connected. Average usage per home in January was 2,507 gallons with 25,000 gallons lost.

**070           OPERATIONS/LONG RANGE PLANNING:**

071    Systematic Replacement and/or Improvements:

A. *Stephanie Drive/Patricia Lane Project:* General Manager Herreid reported that Calaveras County has released the payment bonds on the Stephanie Drive/Patricia Lane Project. The project, completed in the fall of last year, came in under budget by \$5,038.

072    Long Range Planning:

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

B. *Greensboro Way/Del Rio Dr & Dorothy Dr:* General Manager Herreid reported that Twain Harte Construction would be available, if selected, for the start of the water company's next project, but he will solicit 3 bids for the board to choose from. He will not put the project out for bid until probably sometime in March, because snow conditions make it difficult for a contractor to prepare a bid. Prior to the meeting, members of the board were given copies of the proposal from Kevin Kennedy of HDR Engineering for their estimated work effort to do the Water Distribution Pipeline Site Plan Development. HDR will use the previously developed hydraulic model to assess the proposed locations of pressure reducing stations. HDR will prepare AutoCAD drawings showing the approximate horizontal pipeline location, along with typical service connections and 4 inch pressure reducing station. General Manager Herreid notified Kevin Kennedy by e-mail to go ahead with this part of the proposal in the amount of \$3,885, but chose not to approve the Water Distribution Pipeline As-Built Drawing at this time, identified as Task 2 in the proposal, for \$1,555; that can be done later.

Shareholder Doug Rischbieter, who is an employee with State Water Project, California Department of Water Resources, offered his assistance to General Manager Herreid regarding questions about programs or eligibility, research on grants; reviewing environmental documents, facilitating communication, etc., and told General Manager Herreid to feel free to contact him anytime.

**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: Due Feb 1.

**110 UNFINISHED BUSINESS:**

- 111 Quarterly Meetings with CCWD: President Speakman reported on the meeting with CCWD that took place, on Friday, February 13. Fred Burnett of CCWD, who has been working to draft an MOU update, was expected to attend but did not. Dave Anders of CCWD said he would follow up on the water rate agreement, and President Speakman will contact him to see if that can be achieved sooner rather than later. June 7<sup>th</sup> or 12<sup>th</sup> were given as tentative dates being considered for the next meeting between the Water Company and CCWD.
- 113 Calaveras General Plan: General Manager Herreid reported he had received the General Plan via e-mail on Friday evening, February 13. It is 43 pages long and Recording Secretary/Office Manager Jeri Cline was asked to forward the document to President Speakman via e-mail.

**120 NEW BUSINESS:**

- 121 Correspondence: The board discussed numerous correspondence received in the BLSMWC office, copies of which were distributed to the board prior to the meeting, regarding water rates, late fees, requests for payment arrangements, and installation of meters, among other topics. One question asked was, if rates are elevated to pay for specific projects, will the rates go down after completion of those projects? General Manager Herreid replied that only about 65% of the old water mains will have been replaced at the end of the current schedule of projects, and additional projects will be planned in the future. Director Maginnis said it was important every comment or letter get a response.
- 121 Audit: Director Maginnis moved to accept the results of the Audit Review; seconded by Director Carlsen.
- 122 Certificates of Deposit: Director Watson said he would come into the office during the following week to discuss the disbursement of revenue into various CDs.

**130 ADJOURNMENT:** The meeting was adjourned at 10:43 a.m.

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

**APPROVED:**