

**BLUE LAKE SPRINGS MUTUAL WATER COMPANY****Minutes of the 10th Interim Meeting****Blue Lake Springs, Arnold, California****Saturday, March 8, 2008, 9:00 AM**

- 010**      **CALL TO ORDER:** At 9:02 a.m. President Speakman called the meeting to order. Directors present were Carlsen, Maginnis, Multhaup, Owen, Speakman, and Watson. In addition, General Manager Maynard (Mike) Herreid and Recording Secretary Jeri Cline were present. Director Wood was absent.
- 020**      **AGENDA APPROVAL:** Director Maginnis moved to approve the agenda; seconded by Director Watson, and the vote was unanimous.
- 030**      **APPROVAL OF MINUTES:**
- 031      The 9th Interim Meeting Minutes of February 9, 2008: Regarding Item 052, Director Owen asked that the minutes be corrected to show he did not second the motion made by Director Wood to accept January Bills. Director Carlsen moved to approve the February Interim Meeting Minutes as corrected; seconded by Director Maginnis, and the vote was unanimous.
- 040**      **VISITOR'S RECOGNITION:** None
- 050**      **FINANCIAL REPORTS:**
- 051      February 2008 Balance Sheet & Income Statement: On the February 2008 Income report, our total income year to date for 2008 is \$1,006,602 and our annual budget is at \$1,264,619. Non-operating income for the year is \$12,710. Total expenses year to date are \$212,023 with our annual budget at \$1,192,220. Director Owen moved to fund Expansion and Improvement in the amount of \$386,983, as budgeted; seconded by Director Carlsen and the vote was unanimous.
- 052      Bills for February 2008: The bills of note for February include a final payment of \$4,282.50 to Black Mountain Software for new billing software; and \$3,905.00 paid to Ebbetts Pass Accounting for 2007 Financial Review and preparation of tax returns. Regarding advertising for the watermaster position, \$244.11 was paid to the Modesto Bee. Director Maginnis moved to approve February bills in the amount of \$24,419.85; seconded by Director Carlsen and the vote was unanimous.
- 053      Financial Review: Corrected pages 6 and 11 of the financial review were distributed to the board prior to the meeting. Director Owen mentioned that his and President Speakman's term limits appear to have been switched. Director Maginnis moved to accept the financial review with the changes noted; seconded by Director Watson and the vote was unanimous.
- 060**      **MANAGER'S REPORT:**
- 061      Water Consumption/Losses/New Connections/White Pines Wells Production: In February, General Manager Herreid reported 2,847,000 gallons of water produced and 2,307,000 gallons purchased from CCWD. Daily Average Produced in February was 98,000 gallons. Wells Draw Down average was 96 feet of water above the pump in February. The last page compares the last twelve years by month for Total Usage, which was 4,641,000 gallons in February. We had one new connection in February, for a total of 1 connections year to date. There are now 1,695 homes connected. Average usage per home in February was 2,714 gallons with 40,000 gallons lost. The wells have not

recouped. General Manager Herreid asked for board approval to purchase a new plotter. The board advised, as General Manager, he has authorization for purchases up to \$5,000.

**070 OPERATIONS/LONG RANGE PLANNING:**

071 Systematic Replacement and/or Improvements:

A. *Stephanie Drive/Patricia Lane Project:* The letter going to those shareholders affected by the project was distributed to the board prior to the meeting. General Manager Herreid reported the project had not yet gone out to bid, but he intends to get three bids, including Twain Harte Construction. He expects the project will cost about \$21,900 over earlier projections, due in part to an increase in petroleum based products, such as PVC pipe. President Speakman asked that the record show the board was briefed, and no board authorization was required for General Manager Herreid to proceed at this time, or in the future, unless there is a major deviation from the master plan.

072 Long Range Planning:

A. *CCWD Amendment to Agreement of September 10, 1992:* See below: Unfinished Business, Quarterly Meetings with CCWD,

**080 COMMITTEES:**

081 Budget & Rates Committee: Nothing to report.

082 Salary & Benefits Committee: Nothing to report.

083 Personnel Policy Committee: The board discussed candidates for the Watermaster position interviewed on March 1, as well as the organization of the interview process. President Speakman thanked all the directors who participated on the interview panel, and further interviews were tentatively scheduled for April 12. The board praised Lori Kalika, HR Consultant, for her management of the interview process, screening of the candidates, and her knowledge of the water company.

084 Projects Committee: Nothing to report.

**090 PUBLIC RELATIONS:**

091 Lodge Log Article: April 1. President Speakman will encourage shareholder attendance of the annual meeting, and ask for support of an amendment to the By-Laws changing the mailing dates for the annual meeting.

**110 UNFINISHED BUSINESS:**

111 Quarterly Meetings with CCWD: President Speakman reported he spoke with Dave Andres of CCWD, and a meeting was scheduled for March 28, at 10 a.m. in San Andreas, between CCWD and BLSMWC. Recording Secretary/Office Manager Jeri Cline was asked to e-mail a reminder to all directors. The board also discussed the 1992 agreement between BLSMWC and CCWD, the rate increase implemented by CCWD in the fall of 2007, and CCWD's request for a letter from BLSMWC supporting CCWD's bid for a seat on the LAFCO board. The board directed Recording Secretary/Office Manager Jeri Cline and General Manager Herreid to put together a letter of support.

112 New Hire: See Personnel Policy Committee, above.

113 New Computer: Recording Secretary/Office Manager Jeri Cline reported that the transfer of all

accounting programs and files to the new computer was complete.

**120 NEW BUSINESS:**

121 Correspondence: Nothing to report.

122 Annual Meeting:

A. Schedule of Work was distributed to the board prior to the meeting.

B. Nominations Committee Chairman: Director Maginnis moved to appoint Director Owen as Nominations Committee Chairman; seconded by Director Carlsen and the vote was unanimous.

C. Presentation of Financial Review Summary: Treasurer Wood

D. Inspector of Elections: Recording Secretary/Office Manager Jeri Cline was instructed to contact Don McPherson first, then Larry Larsen, or John Budd.

123 Blue Shield Renewal: No action required. The 2008 approved budget provides for an 11% increase;  
the renewal includes an increase of 3%.

**130 ADJOURNMENT:** Director Maginnis moved to adjourn the meeting at 11:08 a.m.

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

**APPROVED:**