

BLUE LAKE SPRINGS MUTUAL WATER COMPANY
Minutes of the 11th Interim Meeting
Blue Lake Springs, Arnold, California
Saturday, April 12, 2008, 9:00 AM

- 010** **CALL TO ORDER:** At 9:05 a.m. President Speakman called the meeting to order. Directors present were Carlsen, Maginnis, Multhaup, Owen, Speakman, Watson and Wood. 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 Watson, and the vote was unanimous.
- 030** **APPROVAL OF MINUTES:**
- 031 The 10th Interim Meeting Minutes of March 8, 2008: Director Maginnis moved to approve the March Interim Meeting Minutes; seconded by Director Owen, and the vote was unanimous.
- 040** **VISITOR'S RECOGNITION:** The board recognized David Edwards, a candidate for employment with the water company.
- 050** **FINANCIAL REPORTS:**
- 051 March 2008 Balance Sheet & Income Statement: On the March 2008 Income report, our total income year to date for 2008 is \$1,061,923 and our annual budget is at \$1,264,619. Non-operating income for the year is \$24,660. Total expenses year to date are \$648,468 with our annual budget at \$1,192,220.
- BLSMWC investment funds, currently deposited with Fidelity Investments, and disbursement of a portion of those funds into revolving Certificates of Deposits, were discussed. Director Wood asked for a board motion to disperse \$500,000 into different instruments, to be determined via e-mail. Director Maginnis moved Treasurer Wood be directed to do the necessary research to insure BLSMWC investments are protected under the rules of FDIC, and to offer recommendations for investing funds in timed CD's via e-mail; seconded by Director Carlsen, and the vote was unanimous.
- 052 Bills for March 2008: The bills of note for March include \$4,742.26 paid to Department of Public Health for water system fees during the period 7/1/07-7/1/08; \$1,823.21 payable to CCWD for water purchased in March; and \$3,101 paid out of the Expansion and Improvement Fund to HDR for Water Distribution Site Plan Development, Task 1. Director Wood moved to approve March bills in the amount of \$30,717.13; seconded by Director Carlsen, and the vote was unanimous.
- In addition, Treasurer Wood commented on the 2007 Financial Review prepared by Sandra Vaughn, CPA. He said that he was impressed with the level of detail and may use items from the review in his annual presentation on June 7, to assure shareholders there would be no special assessment.
- 060** **MANAGER'S REPORT:**
- 061 Water Consumption/Losses/New Connections/White Pines Wells Production: In March, General Manager Herreid reported 2,926,000 gallons of water produced and 1,282,000 gallons purchased from CCWD. Daily Average Produced in March was 94,000 gallons. Wells Draw Down average was 105 feet of water above the pump in March. The last page compares the last twelve years by month for Total Usage, which was 3,968,000 gallons in March. We had one new connection in March, for a total of 1 connection year to date. There are now 1,695 homes connected. Average

usage per home in March was 2,320 gallons with 36,000 gallons lost.

070 OPERATIONS/LONG RANGE PLANNING:

071 Systematic Replacement and/or Improvements:

A. *Stephanie Drive/Patricia Lane Project:* Prior to the meeting, General Manager Herreid had distributed copies of the bids received from various contractors for the Stephanie Drive/Patricia Lane Project. Following discussion, Treasurer Wood moved to award the contract to Twain Harte Construction; seconded by Director Multhaup, and the vote was unanimous. General Manager Herreid reported on, and the board discussed, complaints received regarding mandatory shareholder connections to the new main and the expense involved to the shareholder. He also reported that 90% of leaks found by the Watermaster and Assistant Watermaster are from aging black plastic service lines located between the house and the box. With the new connections, shareholders are required to use 1 inch PVC pipe. The board suggested that General Manager Herreid bring samples of old and new pipe to the annual meeting to aid in his report to the shareholders.

072 Long Range Planning:

A. *CCWD Amendment to Agreement of September 10, 1992:* General Manager Herreid reported on asking CCWD for a signed copy of the amendment under which BLSMWC is currently being charged for the purchase of water; he was told the amendment was not signed or passed. Fred Burnett of CCWD has promised to research whether BLSMWC is being billed correctly. President Speakman was asked to follow up with Fred Burnett on the billing inquiry.

073 *Mapping:* Director Wood suggested a poster graphic be displayed at the annual meeting to show areas of the system already replaced, and the areas planned for future replacement. General Manager Herreid answered that it is his plan to display an HDR prepared map showing all the projects and years in different colors, along with pictures of the new tanks.

074 *Miscellaneous:* Director Wood volunteered to research viability of cell phone towers at the tanks sites.

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 June 1.

110 UNFINISHED BUSINESS:

111 Quarterly Meetings with CCWD: Nothing to report.

112 New Hire: Nothing to report.

113 Inspector of Elections: Don McPherson has agreed to serve.

120 NEW BUSINESS:

121 Correspondence: Nothing to report.

122 Annual Meeting:

A. *Procedure for Handling Proxies*: Treasurer Wood suggested that Item 3 of the Procedure for Handling Proxies be changed from: "will have a control list of shareholders who are delinquent in **numerical sequence**", to "will have a control list of shareholders who are delinquent by **Lot and Unit number**". He pointed out a typo in the last sentence of paragraph 4 and asked for an addition of Bullet Item #10, which would suggest phrasing to be used by the IOE in announcing the election results. Treasurer Wood moved to approve *Procedure for Handling Proxies* with changes noted; seconded by Director Maginnis, and the vote was unanimous.

B. The President and Treasurer were asked to submit their annual reports by **April 15**.

C. *Amendment to By-laws*: A sample of the ballot design was distributed to the board prior to the meeting. Director Maginnis recommended changing the two references to Article and Section, so they are identical. Recording Secretary/Office Manager Jeri Cline was directed to draft a cover letter explaining the reason for an amendment to the By-laws, and to e-mail a copy to the board for approval.

130 **ADJOURNMENT**: Director Maginnis moved to adjourn the meeting at 10:37 a.m.

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

APPROVED: