

BLUE LAKE SPRINGS MUTUAL WATER COMPANY

Minutes of the 12th Interim Meeting

Blue Lake Springs, Arnold, California

Saturday, May 9, 2009 9:00 a.m.

010 CALL TO ORDER: At 9:01 a.m. Vice President Owen called the meeting to order and presided until President Speakman arrived. 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: Under New Business, Item B (Other), General Manager Herreid added Red Flag Policy and Closed Session.

Director Maginnis moved to approve the agenda as amended; seconded by Director Carlsen, and the vote was unanimous.

030 APPROVAL OF MINUTES:

031 The 11th Interim Meeting Minutes of April 11, 2009: Director Maginnis moved to approve the April 11, 2009 Interim Meeting Minutes; seconded by Director Watson, and the vote was unanimous.

040 VISITOR'S RECOGNITION: The board recognized Don Stump.

050 FINANCIAL REPORTS:

051 April 2009 Balance Sheet & Income Statement: On the April 2009 Income report, our total income year to date for April 2009 is \$1,050,440, with our Total Annual Income Budget at \$1,238,159. Non-operating income for the year is \$2,372. Total expenses year to date are \$492,267, with our Total Annual Expenses Budget at \$1,170,039.

Recording Secretary/Office Manager Jeri Cline reported over 100 Shut off notices were mailed on Monday, May 4, by Certified Mail, Return Receipt Requested. The board discussed the types of calls coming into the office from shareholders who didn't realize they no longer had until the end of the year to pay their annual fees.

052 Bills for April 2009: The bills of note for April include payment to Arnold Tire in the amount of \$1,168.66 for tires for the work trucks of General Manager Herreid and David Hicks, and \$1,980.45 to Golden State Flow Measurement for meters. In addition, \$4,047 was payable to Daus Environmental for work done on the White Pines Weir Project; \$1,635.31 to HDR Engineering for Dorothy Drive water distribution pipeline drawings, and \$20,000 to Calaveras County Department of Public Works for permit inspections on the Dorothy Dr/Del Rio Drive & Greensboro Way projects. These costs, totaling \$25,682.31, were paid out of the Fidelity Expansion and Improvement Fund.

Director Carlsen moved to approve April bills in the amount of \$48,976.38; seconded by Director Watson, and the vote was unanimous.

060 MANAGER'S REPORT:

061 Water Consumption/Losses/New Connections/White Pines Wells Production: In April, General Manager Herreid reported 2,026,000 gallons of water produced and 1,652,000 gallons purchased from CCWD. Daily Average Produced in April was 68,000 gallons. Wells Draw Down average was 124 feet of water above the pump in April. The last page compares the last twelve years by month for Total Usage, which was 3,697,000 gallons in April. We had no new connections in April. There

are 1,699 homes connected. Average usage per home in April was 2,167 gallons with 16,000 gallons lost. Half of the system is still on CCWD.

070 OPERATIONS/LONG RANGE PLANNING:

071 Systematic Replacement and/or Improvements:

A. Stephanie Drive/Patricia Lane Project: This item will remain on the agenda until the old main is abandoned.

072 Long Range Planning:

A. CCWD Amendment to Agreement of September 10, 1992 Res. No. 92-112: General Manager Herreid, who has been in contact with Dave Andres of CCWD, reported CCWD is still working on the MOU and a new agreement that could be completed by the June 5 scheduled meeting between CCWD and BLSMWC.

B. Greensboro Way/Del Rio Dr & Dorothy Dr: Notices to Proceed for both projects were sent to Twain Harte Construction on April 21, 2009; copies were distributed to the board prior to the meeting. A deposit toward inspection fees, totaling \$20,000 for both projects, has been paid "under protest." General Manager Herreid reported the permits were issued April 17, with no expiration date; the permit fees increased from \$200 to \$500 per project. The start date has been rescheduled from May 4 to approximately June 1.

C. CCWD New Construction Standards: General Manager Herreid reported having just received a revision of CCWD's New Construction Standards, with an adoption date of June 10, but he had not had adequate time to examine the document fully; CCWD did not note the changes they made. Guest, Don Stump said that the document was initially for in-house only, but the CCWD board determined that "life would be easier for everyone if things were standardized throughout the county,"

and so they opened up the process to everyone for suggestions and/or additions. After looking the document over and making notations, General Manager Herreid will hand it over for study to Jack Watkins of Twain Harte Construction. President Speakman suggested General Manager Herreid ask CCWD if they would italicize their changes.

080 COMMITTEES:

081 Budget & Rates Committee: Nothing to report.

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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: The next meeting between CCWD and BLSMWC is scheduled for June 5 @ 10:00 a.m. General Manager Herreid will contact CCWD to confirm date and time, e-mailing BLSMWC Board of Directors if different.

112 Calaveras General Plan: Incomplete at this time; nothing to report.

113 Blue Shield Renewal: Adjustments will appear on the next premium billing.

114 Sequoia Country Club: Discussed in closed session.

120 NEW BUSINESS:

121 Correspondence: The board discussed suggestions for addressing billing inequities between full-time residents and part time residents (year rounders/weekenders) received from a shareholder via e-mail. The communication was addressed to President Speakman who called the shareholder and left a message that included his work and home telephone numbers, but he didn't receive a call back. Also discussed was a letter received from BLSHOA, which referenced a reply from their attorney concerning "conflict of interest".

122 CD's: The new Motherlode CD maturity date is 10/27/09; the El Dorado CD matures 5/25/09, and will be allowed to roll over.

123 California Rural Water Association Conference: General Manager Herreid reported on the conference he attended in Lake Tahoe April 28th, 29th, and 30th, sponsored by California Rural Water Association. One of the companies represented, Sensus, is a technology and communications company providing data collection and metering solutions for water, gas, electric and heat utilities around the world; from them he learned of recent advances in meter reading technology now available. Board Guest, Don Stump said that a statewide meter mandate may impact water companies earlier than anyone has expected. President Speakman asked him to e-mail any information he has concerning the state's plans for distribution to interested shareholders attending the annual meeting.

Two and a half days of the seminar were related to document management and the Brown Act; Blue Lake Springs Mutual Water Company follows the Brown Act, even though there is no requirement to do so.

124 Red Flag Policy: Copies of the Blue Lake Springs Mutual Water Company Red Flag Policy (identity theft program) was distributed to the board prior to the meeting.

125 ISO Rating: On a drop-in visit to Ebbetts Pass Fire, Director Carlsen enquired as to the status of the new ISO rating. The ISO inspector was last at the fire district in November; the report was being submitted and the results should have been available within 3 months. They have heard nothing further. President Speakman explained that wasn't unusual as ISO is working with a skeleton crew. Director Maginnis suggested the water company invite the new Fire Chief to speak to shareholders at the June 6 Annual Meeting. President Speakman said he would call the Fire Chief on Monday to extend the invitation.

125 Closed Session to discuss Sequoia Woods County Club.

130 ADJOURNMENT: Director Maginnis moved to adjourn and the meeting was adjourned at 10:30 a.m.

Respectfully submitted, Jeri Cline, Recording Secretary

Transcribed from tapes of the meeting

APPROVED:

