

**BLUE LAKE SPRINGS MUTUAL WATER COMPANY**  
**Minutes of the 1st Interim Meeting**  
**Blue Lake Springs, Arnold, California**  
**Saturday, June 14, 2008, 9:00 AM**

**010**      **CALL TO ORDER:** At 9:04 a.m. President Speakman called the meeting to order. Directors present were Carlsen, Multhaup, Owen, Speakman, Watson and Wood. Director Maginnis was absent. In addition, General Manager Maynard (Mike) Herreid and Recording Secretary Jeri Cline were present.

**020**      **AGENDA APPROVAL:** Director Watson moved to approve the agenda; seconded by Director Carlsen, and the vote was unanimous.

**030**      **APPROVAL OF MINUTES:**

031      Organizational Meeting Minutes of June 7, 2008: Director Owen moved to approve the June 7 Organizational Meeting Minutes; seconded by Director Multhaup; and the vote passed with one abstaining.

032      The 12th Interim Meeting Minutes of May 10, 2008: Director Carlsen moved to approve the May 10 Interim Meeting Minutes; seconded by Director Owen, and the vote was unanimous.

**040**      **VISITOR'S RECOGNITION:** None

**050**      **FINANCIAL REPORTS:**

051      May 2008 Balance Sheet & Income Statement: On the April 2008 Income report, our total income year to date for 2008 is \$1,264,619 and our annual budget is at \$1,264,619. Non-operating income for the year is \$36,841. Total expenses year to date are \$682,885 with our annual budget at \$1,192,220.

052      Bills for May 2008: The bills of note for May include \$4,503.63 payable to CCWD for water purchased in May, and \$639.51 payable to BLSHOA for annual meeting mailing costs. In addition, May Worker's Comp Insurance was \$976.16. Director Wood moved to approve May bills in the amount of \$15,673.34; seconded by Director Owen, and the vote was unanimous.

Director Carlsen asked if Fred Burnett, CCWD, had completed the research to assure accuracy of billings to BLSMWC for water purchases. President Speakman asked General Manager Herreid to contact Dave Andres of CCWD and ask him to pursue the issue as the board would like an answer. Director Wood suggested e-mail as a better form of communication for documentation purposes. A transient occupancy tax collected from owners of rental properties by Calaveras County was discussed. Director Wood volunteered to get a listing from Calaveras County of property owners paying the transfer occupancy tax, in order to verify the accuracy of BLSMWC billings, and he asked for the item to be added to the July 12, 2008, agenda as: *Rental Homes*.

**060**      **MANAGER'S REPORT:**

061      Water Consumption/Losses/New Connections/White Pines Wells Production: In May, General Manager Herreid reported 2,280,000 gallons of water produced and 2,445,000 gallons purchased from CCWD. Daily Average Produced in May was 98,000 gallons. Wells Draw Down average was 106 feet of water above the pump in May. The last page compares the last twelve years by month for Total Usage, which was 5,429,000 gallons in May. We had two new connections in May, for a total of 3 connections year to date. There are now 1,697 homes connected. Average usage per

home in May was 3,164 gallons with 60,000 gallons lost. Half of the system remains on CCWD.

**070 OPERATIONS/LONG RANGE PLANNING:**

071 Systematic Replacement and/or Improvements:

A. *Stephanie Drive/Patricia Lane Project:* General Manager Herreid will attend a preconstruction meeting on Tuesday, June 17. Also attending will be representatives of the county, the fire department, and the contractor. Twain Harte Construction is expected to begin work on the new project approximately June 23, 2008.

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: Copies of the updated BLSMWC Self-Insured Vision Plan was distributed to the board prior to the meeting. The plan, last revised in 2002, reflects an increase of 4.5% per year. Director Wood moved to approve the June 13, 2008 revision of the vision plan, with a modification limiting coverage to one pair of new frames every *other* year for an employee or family member, and requiring ANSI (American National Standards Institute) approved safety lenses for field personnel; seconded by Director Owen, and the vote was unanimous.

083 Personnel Policy Committee: Nothing to report.

084 Projects Committee: Nothing to report.

**090 PUBLIC RELATIONS:**

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Lodge Log Article: Due August 1. Items suggested for the Sept/Oct Lodge Article included commenting on the intelligent and civil questions brought to the annual meeting; a thank you to the shareholders for their support; discussion of the fairness issue in regards to those who rent their properties; renter's fees; and an invitation to shareholders to tour the treatment plant.

**110 UNFINISHED BUSINESS:**

111 Quarterly Meetings with CCWD: There was a meeting between CCWD and BLSMWC on June 13, 2008. Replacement of the gates at the Mill Pond was discussed with Bill Perly of CCWD. Fish and Game will be visiting the White Pines Reservoir and Bill Perly of CCWD will contact General Manager Herreid when the visit is to take place.

112 New Hire: Recording Secretary/Office Manager Jeri Cline was instructed to authorize Lori Kalika to schedule additional interviews for July 12. Medical and background checks were completed on William Heinle, who will begin work in the field July 10.

113 Certificates of Deposit: Director Wood recommended purchasing Certificates of Deposit at El Dorado Bank, Mother Lode Bank, and Bank of America, designating himself, Director Watson, and General Manager Herreid as signers on the accounts, and requiring no less than two signatures for any transfers in or out. He reported that banks no longer verify a 2 signature requirement, but they can make notes on the account that two of three signatures are required, and funds can only be accessed at the local branch where signers are known.

**120 NEW BUSINESS:**

- 121 Correspondence: The board reviewed the request from a shareholder for waiver of a lost discount. Recording Secretary/Office Manager Jeri Cline was instructed to notify the shareholder by mail that it is not board policy to make exceptions. All shareholders will still to be advised to make all such requests to the board in writing.
- 122 Director Owen presented Director Watson with the board's gift of appreciation for his last three year's of service on the board as he was not present at the annual meeting for the presentation.

**130 ADJOURNMENT:** Director Carlsen moved to adjourn the meeting at 10:11 a.m.

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

**APPROVED:**