

**BLUE LAKE SPRINGS MUTUAL WATER COMPANY**  
**Minutes of the 3rd Interim Meeting**  
**Blue Lake Springs, Arnold, California**  
**Saturday, August 9, 2008, 9:00 AM**

- 010**      **CALL TO ORDER:** At 9:07 a.m. President Speakman called the meeting to order. Directors present were Carlsen, Maginnis, Multhaup, Speakman, Owen, and Wood. Director Watson was absent. In addition, General Manager Maynard (Mike) Herreid and Recording Secretary Jeri Cline were present.
- 020**      **AGENDA APPROVAL:** Director Wood asked for a closed session to discuss a personnel matter and strike *New Hire* from the agenda, and move it to closed session. Director Carlsen moved to approve the agenda as amended; seconded by Director Owen, and the vote was unanimous.
- 030**      **APPROVAL OF MINUTES:**
- 031      The Minutes of the Annual Meeting June 7, 2008: Director Wood moved to approve the Annual Meeting Minutes of June 7, 2008; seconded by Director Maginnis, and the vote was unanimous.
- 032      The 2<sup>nd</sup> Interim Meeting Minutes of July 12, 2008: Director Wood asked for a correction to *Financial Reports; June 2008 Balance Sheet & Income Statement*: Insert between the words annual and budget, second line under Item 051, the word **INCOME**, and in the third line, same item, insert between the words annual and budget, the word **EXPENSE**. Director Wood moved to approve the July 12 Interim Meeting Minutes as corrected; seconded by Director Maginnis, and the vote was unanimous.
- 040**      **VISITOR'S RECOGNITION:** None.
- 050**      **FINANCIAL REPORTS:**
- 051      July 2008 Balance Sheet & Income Statement: On the July 2008 Income report, our total income year to date for 2008 is \$1,149,975 and our Total Annual Income Budget is at \$1,264,619. Non-operating income for the year is \$52,060. Total expenses year to date are \$814,420 with our Total Annual Expenses Budget at \$1,192,220.
- 052      Bills for July 2008: The bills of note for July include \$2,441 payable to Ron Cooper Engineering for paving at the treatment plant, and \$23,769 paid to Twain Harte Construction from the Expansion and Improvement Fund for Performance and Payment Bonds, and 420 feet of 6 inch waterline. In addition, July Worker's Comp Insurance was \$1,167.77. Director Wood moved to approve July bills in the amount of \$38,567.18; seconded by Director Maginnis and the vote was unanimous.
- 060**      **MANAGER'S REPORT:**
- 061      Water Consumption/Losses/New Connections/White Pines Wells Production: In July, General Manager Herreid reported 1,938,000 gallons of water produced and 6,791,000 gallons purchased from CCWD. Daily Average Produced in July was 63,000 gallons. Wells Draw Down average was 134 feet of water above the pump in July. The last page compares the last twelve years by month for Total Usage, which was 8,661,000 gallons in July. We had no new connections in July, for a total of 4 connections year to date. There are now 1,698 homes connected. Average usage per home in July was 5,076 gallons with 42,000 gallons lost. ½ the system remains on CCWD. CCWD has also raised their new connection fees from \$10,280 to \$10,874. David Wood moved to increase the BLSMWC connection fee from \$10,280 to \$10,874 to match CCWD, plus \$150 for the BLSMWC portion for a total amount of \$11,024, effective July 1, 2008; seconded by Director Maginnis, and the

vote was unanimous.

**070 OPERATIONS/LONG RANGE PLANNING:**

071 Systematic Replacement and/or Improvements:

A. *Stephanie Drive/Patricia Lane Project*: General Manager Herreid reported receiving a 2<sup>nd</sup> progress billing from Twain Harte Construction in the amount of \$197,251.65.

072 Long Range Planning:

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

The board discussed a letter received from CCWD expressing their impression of the meeting held between CCWD, Fish and Game, and General Manager Herreid. The letter also informed BLSMWC of CCWD's decision not to expend any effort to repair the boards at the Mill Pond. President Speakman advised revisiting the subject in early spring, or late winter, as this would allow time for seeking a technical opinion. Director Wood volunteered his time to find a consultant and solicit a proposal for an initial study.

**080 COMMITTEES:**

081 Budget & Rates Committee: An increase in the connection fee was approved above under **Item 060: Manager's 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: Next log due Oct 1. Director Maginnis recommended stressing to the shareholders that BLSMWC is using outside water; Director Wood suggested including a reminder to shareholders to check the BLSMWC web site; drought preparation. Director Maginnis said there was a need to drive home the point, just because we are a small water company, we are not immune from water shortages.

**110 UNFINISHED BUSINESS:**

111 Quarterly Meetings with CCWD: President Speakman will make the call to arrange another meeting between CCWD and BLSMWC for October 10, 2008, which is the Friday before BLSMWC's regularly scheduled monthly board meeting. Director Maginnis will be on vacation and unable to attend. Director Owen opened discussion of an article in the newspaper regarding CCWD's intentions in developing a long term general plan to improve their infra-structure. A member of CCWD's Board of Directors was quoted as saying all small water districts in Calaveras County should be included in the general plan. Director Wood said none of the discussions now on going would impact BLSMWC in the short term.

112 CCWD MOU: Director Wood reported hearing back from Fred Burnett of CCWD regarding the amount charged BLSMWC for water purchases; the amounts charged BLSMWC were correct.

113 New Hire: Moved to closed session.

114 Rental Homes: Director Wood has been unable to get a listing of rental income properties in BLS because the information is private. Lynn Norfolk, his contact, is rechecking and Director Wood will

report back to the board at the October board meeting.

**120 NEW BUSINESS:**

121 Correspondence: The board discussed the letter received from the shareholder of Lot 64 Unit 11, voicing an opinion and complaint on rate equity within the current rate structure. Director Wood asked for a copy of the original charter, which identifies the water company as having a shareholder base; he also offered to contact the writer of the letter, tell him that the board has grappled with this issue for a long time and invite him to participate on a committee to study our rates, the fairness of them.

122 Other: Closed session.

**130 ADJOURNMENT:** The meeting was adjourned @ 12 p.m.

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

**APPROVED:**