

BLUE LAKE SPRINGS MUTUAL WATER COMPANY
Minutes of the 4th Interim Meeting
Blue Lake Springs, Arnold, California
Saturday, September 13, 2008, 9:00 AM

- 010** **CALL TO ORDER:** At 9:07 a.m. President Speakman called the meeting to order. Directors present were Carlsen, Multhaup, Speakman, Watson and Wood. Directors Maginnis and Owen were absent. In addition, General Manager Maynard (Mike) Herreid and Recording Secretary Jeri Cline were present.
- 020** **AGENDA APPROVAL:** Director Carlsen moved to approve the agenda; seconded by Director Owen, and the vote was unanimous.
- 030** **APPROVAL OF MINUTES:**
- 031 The 3rd Interim Meeting Minutes of August 9, 2008: Director Wood moved to approve the August 9 Interim Meeting Minutes; seconded by Director Carlsen, and the vote was unanimous.
- 040** **VISITOR'S RECOGNITION:** The board recognized Darwin Boblet who had come to discuss his proposal for employment/consulting.
- 050** **FINANCIAL REPORTS:**
- 051 August 2008 Balance Sheet & Income Statement: On the August 2008 Income report, our total income year to date for 2008 is \$1,154,244, and our Total Annual Income Budget is at \$1,264,619. Non-operating income for the year is \$53,376. Total expenses year to date are \$869,945, with our Total Annual Expenses Budget at \$1,192,220. Treasurer Wood reviewed the Accounts Receivable Summary provided him by Office Manager/Recording Secretary Jeri Cline for period ending August 31; total accounts receivable is \$71,458. Regarding the unauthorized use of water in August by Sequoia Woods for irrigation when their pumps went down, General Manager Herreid reported that the pumps were repaired and Sequoia Woods had been informed that, if they did not abide by their agreement with BLSMWC, the water would be locked off. The agreement permits them water for the bathrooms only, and does allow for irrigation. There followed discussion of the existing agreement and a need for review and update. General Manager Herreid will make copies of the agreement for distribution to the board at the October 11, 2008 regularly scheduled board meeting in order to discuss updating the agreement.
- 052 Bills for August 2008: The bills of note for August include \$495 payable to Ron Cooper Engineering for backhoe and dump truck labor, \$475 paid to Wiley Computer Works for computer work, and \$5,674.56 to Univar for Potassium Permanganate and Accu-tabs. Twain Harte Construction was paid \$197,251.65 out of the Expansion and Improvement Fund for the 2nd progress billing of the Stephanie Drive/Patricia Lane project. In addition, August Worker's Comp Insurance was \$1,127.48. Director Wood moved to approve August bills in the amount of \$218,240.26; seconded by Director Watson and the vote was unanimous.
- 060** **MANAGER'S REPORT:**
- 061 Water Consumption/Losses/New Connections/White Pines Wells Production: In August, General Manager Herreid reported 4,297,000 gallons of water produced and 4,073,000 gallons purchased from CCWD. Daily Average Produced in August was 139,000 gallons. Wells Draw Down average was 91 feet of water above the pump in August. The last page compares the last twelve years by month for Total Usage, which was 8,548,000 gallons in August. We had no new connections in August, for a total of 4 connections year to date. There are now 1,698 homes connected. Average usage per home in August was 5,027 gallons with 12,000 gallons lost. ½ 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 informed the Board of Directors he would not retire until after completion of the scheduled projects; at least 4 years. This was in response to the board's desire, when the appropriate time comes, to plan for an easy and smooth transition to a new General Manager. In regards to the current project, General Manager Herreid reported installation of the mains in the street are expected to be completed by Friday, September 19; service lines are complete from Marti to Patricia. General Manager Herreid discussed with the board a change order to the contract for additional work; the board felt that any additional work should be done as a separate work order.

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: Nothing to report.

083 Personnel Policy Committee: Nothing to report.

084 Projects Committee: Nothing to report.

090 PUBLIC RELATIONS:

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Lodge Log Article: Next log due Oct 1. Treasurer Wood suggested reminding the shareholders who have not already paid their water fees for 2008, to do so by December 31, 2008. He also suggested sharing the letter regarding rates that is discussed below under Correspondence.

110 UNFINISHED BUSINESS:

111 Quarterly Meetings with CCWD: A meeting with CCWD is scheduled for Friday, October 10.

113 Rental Homes: Treasurer Wood had nothing to report; he had received no further information from Lynn Norfolk, but he did say there is a Calaveras County Chamber's group studying a Transient Occupancy Tax (TOT) increase; he will continue to monitor. President Speakman said he would help by offering to speak with a knowledgeable contact of his.

120 NEW BUSINESS:

121 Correspondence: A letter from the son of a BLSMWC Shareholder was received in which water rates were discussed, and the repercussions to shareholders he felt would result from the installation of meters throughout the subdivision; also a letter from CCWD notifying recipients of a meeting to be held Thursday, September 25, 2008. General Manager Herreid committed to attending, with Directors Multhaup and Watson as possible attendees.

122 El Dorado CD: Matures 9/27/08. Treasurer Wood moved to close the El Dorado CD, and disburse the funds back into the Expansion and Improvement Fund; seconded by Director Carlsen, and the vote was unanimous. Office Manager/Recording Secretary Jeri Cline was instructed to request interest statements from Mother Lode Bank for the CD held there, and provisions for closing or rolling over the Mother Lode CD.

123 Other: Because he lacked a job description as a starting point, Darwin Boblet approached his proposal with a wide scope. Not all of the tasks as described were applicable. His proposal included two (2) options: one as an employee, and one as a 1099 contractor. The difference in benefits, worker's compensation insurance, and payroll taxes significantly affect the rate at which he would work under each choice. Each option included a severance clause. He affirmed he was available immediately, looked forward to the position, and felt that the affiliation would be beneficial to both he and his family and Blue Lake Springs Mutual Water Company. He answered the questions posed by the board and assured the board his proposal could be viewed as a starting point for discussion. President Speakman thanked Darwin Boblet for submitting his proposal, attending the board meeting, and said he would be contacted sometime the following week. The board then met in closed session to discuss an appropriate scope of work and a counter offer.

130 **ADJOURNMENT:** The meeting was adjourned @ 10:45 a.m.

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

APPROVED: