

BLUE LAKE SPRINGS MUTUAL WATER COMPANY

**Minutes of the 5th Interim Meeting
Blue Lake Springs, Arnold, California
Saturday, October 10, 2009 9:00 a.m.**

- 010 CALL TO ORDER:** At 9:00 a.m. President Speakman called the meeting to order. Directors present were Carlsen, Owen, Maginnis, Multhaup, Speakman, Watson, and Wood. In addition, General Manager Maynard (Mike) Herreid and Recording Secretary Lee Schmedes were present.
- 020 AGENDA APPROVAL:** President Speakman asked for approval of the agenda. ***A Motion to approve the agenda was made by Director Maginnis, Seconded by Director Watson, and the vote was unanimous.***
- 030 APPROVAL OF MINUTES:**
- 031 4th Interim Meeting of September 12, 2009: President Speakman noted there were a couple of changes that should have been made in the minutes before distribution. Corrected areas should have been:
- 1) **050 FINANCIAL REPORTS:**
051 September 2009 Balance Sheet & Income Statement: First sentence should read: We are two-thirds of the way through the year and we are approximately on budget. Director Wood also wanted it noted that the "bills" are up for approval not the "financials" as was reported incorrectly in these minutes as well.
- 2) **070 OPERATIONS/LONG RANGE PLANNING:**
071C Mauna Kea Project- delete the words "individual" and "service".
With these modifications, Director Owen moved to approve the minutes. Seconded by Director Carlsen. Vote was unanimous.
- 040 VISITOR'S RECOGNITION:** Don Stump, the newly elected member to the CCWD board, was present at this meeting. Congratulations were extended on behalf of the entire BLSMWC board. On Dec. 4th he will take the oath of office and on Dec. 8th he's seated for a 4-year term.
- 050 FINANCIAL REPORTS:**
- 051 September 2009 Balance Sheet & Income Statement: Director Wood stated that we are tracking very well for the year, that we are much closer to our projected budget and therefore in great shape. The only expense that is over budget is property insurance, which should be noted for next year.
- 052 Bills for September 2009: Director Wood noted that under the by-laws as Treasurer he is responsible and needs to sign all documents and get on the accounts. ***Director Wood made a motion to approve the bills for payment, seconded by Director Maginnis and the vote was unanimous.***
The bills of note for September include: \$7,943.42 for CCWD/water meter sales; \$1,758.20 for CCWD/power; and \$4,441.61 for California Department of Public Health/water system fees.
- 060 MANAGER'S REPORT:**
- 061 Water Consumption/Losses/New Connections/White Pines Wells Production: General Manager Herreid reported that water usage, per residence, remains down a little bit. He pointed out that the usage per residence is currently 127.60 gallons per day. He noted that it was a low September. Our highest consumption was in September 2001 and not only have we dropped 30 gallons per residence but we have reduced our total year-to-date consumption, with more users. Director Wood said that he wouldn't be surprised to see accelerated requirements for metering smaller water districts. Director Carlsen mentioned that we already have meters on our main supply lines.

- 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 November 1, 2009. Letters will go out to the households who have not hooked up yet.
- B. *Greensboro Way/Del Rio Dr/Mauna Kea Project:* All projects are now completed. Results of the compaction testing in the area meets Calaveras County requirements. General Manager Herreid needs to get a letter from the County on all the projects and talk to them about over-billing on permits. Twain Harte Construction finished paving Wednesday, with no final bill submitted. There are two extras to note: \$2,521 for additional 1½" PVC pipe for Greensboro and \$682 additional on Mauna Kea due to trouble with the PVC extension box that was busting off the adapter due to unlined service pipe put in by plumbers. General Manager Herreid changed it to brass to eliminate any future problems. He informed the board that next month we need to have a resolution from this board on when to complete the service line connections for the Greensboro/Mauna Kea project. The abandonment of the old main will be Nov. 1st, 2010.
Director Wood wanted to make that motion now, with verbiage to come from General Manager Herreid. Seconded by Director Carlsen. The vote was Unanimous.
- C. *Weir Project:* General Manager Herreid met with Larry Diamond, the interim CCWD Manager, on Thursday to check on the status of the 1600 permit for Fish and Game which, according to Larry, has been turned over to Steve Hutchings, an engineer for CCWD. Director Wood questioned whether the job will be done this year. Director Watson wanted to know if there was any way to hand carry it through Fish and Game and asked General Manager Herreid to look into it. Don Stump said General Manager Herreid should be in touch with Bill Pearly, another engineer with CCWD. Don spoke with Mr. Pearly about what we were trying to accomplish prior to the weather change believes that Mr. Pearly can make it happen, as he is also anxious to get this done before the snow falls.
- 080 COMMITTEES:**
- 081 Budget & Rates Committee: The budget draft will be submitted before next month's meeting. General Manager Herreid will email it to the board when it's done along with his recommendations.
- 082 Salary & Benefits Committee: Director Wood wanted to raise a warning flag with regards to Blue Shield annual premiums and the projected costs for the new budget. He urged the board to be careful how we project those costs and wanted to know if the rates were already locked down for next year. General Manager Herreid stated that we are not due for renewal until April 15, 2010. Director Wood fears that we might see a significant increase that we didn't budget for in April. Director Watson stated that we had previously talked about the benefit package and requiring some contribution by the employees. Director Wood noted that we might want to discuss it today and agendize it for the next meeting so action can be taken.
- 083 Personnel Policy Committee: Currently all employees receive fully paid benefits, including their dependents. Director Maginnis thinks that before the board settles on any type of plan for salary, where the benefits change, the board ought to see if there is going to be a rate change. He remembered the board had previously talked about working in an inflationary increase every year. Without it, you're playing catch-up every year, he noted. Director Watson questioned whether to raise salary and benefits first or rates. Director Carlsen wanted to wait and see if the salary increase dictates that we raise rates. Director Wood stated that he would support a 10% salary increase if it could be offset with the employee paying for their own pharmacy deductible and possibly picking up a portion of the cost for their dependents. Director Carlsen noted that if you build up the wages it increases taxes and if the pharmacy benefits come through the employee insurance plan, they are significantly reduced. So it's much better to keep a good, solid medical plan that's competitive. President Speakman asked General Manager Herreid to bring back as much data as possible for the next meeting for a discussion in closed session.

084 Projects Committee: Nothing to report.

090 PUBLIC RELATIONS:

091 Lodge Log Article: Articles for the Lodge Log are due Dec. 1st.

One possible article: Noting that things are looking good, our projects are done, we're holding steady, we have a few bucks in the bank and we anticipate a modest cost of living increase in the rates. Also include the fact that the State legislature has increased taxes for all goods, which will affect us.

110 UNFINISHED BUSINESS:

111 Quarterly Meetings with CCWD: Director Wood asked Don Stump how the MOU was progressing. Don Stump informed the board that we would not see it this year. Director Wood then asked if there was any chance that the MOU will result in the increase in water cost. Don Stump said that there will be changes, how serious the changes are he doesn't know. Don Stump then brought up the phrase "True Cost of Water". He said that agencies are coming to the conclusion that no one has ever charged the "true cost of water". They are starting to wake up to that, which usually means "increase". He said that the percentage increase for the next year's budget could go up around 10%. General Manager Herreid wanted to know if the cost of power will go up. Don Stump figured it would.

112 Calaveras General Plan: Don Stump is actively working on the Supervisors to integrate the water element into the general plan.

113 Daus Report: Nothing to report.

120 NEW BUSINESS:

121 Correspondence: None

122 Other: Director Maginnis noted that the "Change of Address" form is now on the website. Director Wood suggested, and it was agreed, that the agendas should be on the website. The board would like to create a link to the Blue Lake Springs Homeowners website. Director Maginnis mentioned that we are at a distinct disadvantage operating on a calendar instead of a fiscal year. Two things that are going to impact our budget this coming year, after our budget is in place, are the rates from CCWD and the medical issue. If we were on a fiscal year, that would not be the case. The board as a whole would like to discuss this further.

130 ADJOURNMENT: *Director Carlsen made a motion to adjourn the meeting. Director Owen seconded it. Vote was unanimous.* The meeting was adjourned at 10:27am.

Respectfully submitted by Lee Schmedes, Recording Secretary
Transcribed from tapes of the meeting

APPROVED: