

**BLUE LAKE SPRINGS MUTUAL WATER COMPANY**  
**Minutes of the 6th Interim Meeting**  
**Blue Lake Springs, Arnold, California**  
**Saturday, November 14, 2009 9:00am**

- 010        **CALL TO ORDER:** At 9:00 a.m. President Speakman called the meeting to order. Directors present were Carlsen, Owen, Multhaup, Speakman, Watson, and Wood. Absent was Director Maginnis. In addition, General Manager Maynard (Mike) Herreid and Recording Secretary Lee Schmedes were present.
- 020        **AGENDA APPROVAL:** President Speakman asked for a motion to approve the agenda. ***The motion was made by Director Multhaup, Seconded by Director Owen, and the vote was unanimous.***
- 030        **APPROVAL OF MINUTES:**  
031        5th Interim Meeting of October 10, 2009: ***A motion was made by Director Wood to approve the minutes of October 10, 2009*** after noting an incorrect spelling of Bill Perley. ***Seconded by Director Watson. Vote was unanimous.***
- 040        **VISITOR'S RECOGNITION:** Paul Baker and Don Stump, the newly elected CCWD board member, were in attendance.
- 050        **FINANCIAL REPORTS:**  
051        October 2009 Balance Sheet & Income Statement: Director Wood stated that our year-to-date income is within \$10,000 of our projected budget and we are under the 10/12 ratio for the year for expenses. The overall big picture number is that we have over \$400,000 of cash in various accounts (i.e. Emergency, Expansion & Improvements and Operation) to get us through the end of this year.  
052        Bills for October 2009: ***Director Wood made a motion to approve the bills, seconded by Director Watson, the vote was unanimous.*** The bill of note for October was \$102,000 to Twain Harte Construction.
- 060        **MANAGER'S REPORT:**  
061        Water Consumption/Losses/New Connections/White Pines Wells Production: General Manager Herreid reported that half our water usage is still from CCWD. We used about 300,000 gallons more water this month, which is contributed to the blow off of the chlorinated water on the projects. President Speakman asked if the wells were performing a bit better than a year ago. General Manager Herreid stated that we are only on one well right now. Director Wood wanted to know if there has been an increase of minerals in the wells. General Manager Herreid told the board that the State Health Department informed us that we were heavy on the iron and manganese on the finished water. It's the first time this has ever happened and it has been right ever since.
- 070        **OPERATIONS/LONG RANGE PLANNING:**  
071        Systematic Replacement and/or Improvements:  
A. *Stephanie Drive/Patricia Lane Project:* The old main will be shut off on Monday, 11/16/09. We are currently waiting for a tenant to leave a home that is in foreclosure.  
B. *Greensboro Way/Dorothy Dr Project:* We have the final billing from Twain Harte Construction on these projects. The final billing for Greensboro is \$71,566.00 and Dorothy completion is \$7,395.70. Twain Harte Construction will be carrying a lesser amount than they thought (closer to \$200,000 than \$400,000) into the new year. General Manager Herreid will meet with Scott Anderson, the County Inspector on 11/17/09 to do a final walk through. ***Director Wood made a motion to pay off the balance of \$7,395.70 out of Expansion and Improvements for Dorothy this year. This motion was seconded by Director Carlsen and was passed on a unanimous vote.*** President Speakman would like to see a presentation of our new mains and hydrants and where we are with regards to the HDR plan for the December board meeting

- C. *Mauna Kea Project*: The final billing for the Mauna Kea Project is \$145,050. The original estimate was \$801,654 and was cut back in scope about \$200,000. We might have enough money in 2010 to complete the project. This way we can abide by our original plan that HDR sent over for 2010. It would mean finishing up Meadow Drive and St. Andrews Court with the 6" main. This would allow us to reach the last two houses and then we could discontinue the use of the back main. There is currently no estimate on the Mauna Kea project completion cost.
- D. *Weir Project*: The 1600 project has been submitted to the California Department of Fish & Game but we haven't heard back from them yet. We are unsure at this point if the project will be done this year.

**080 COMMITTEES:**

- 081 Budget & Rates Committee: General Manager Herreid submitted the projected 2010 budget. There is no increase in the flat rate fee in the proposed budget. General Manager Herreid did note that fees will probably need to be raised in 2011. There is a 2.8% across the board increase for salaries. The employee insurance of \$125,000 reflects a 10% increase in the 2010 budget. The board delayed the adoption of the budget until closed session.
- 082 Salary & Benefits Committee: Closed session.
- 083 Personnel Policy Committee: Nothing to report.
- 084 Projects Committee: Discussion in December.

**090 PUBLIC RELATIONS:**

- 091 Lodge Log Article: Articles for the Lodge Log are due Dec. 1<sup>st</sup>.  
One possible article: Noting that things are looking good, projects are done, we're holding steady, we have a few bucks in the bank. Possibly include the fact that the State legislature has increased taxes for all goods, which will, in turn, affect us.

**110 UNFINISHED BUSINESS:**

- 111 Quarterly Meetings with CCWD: President Speakman stated that the goal of our quarterly meetings with CCWD was to maintain the relationship. We have a long standing business relationship with them and we want that to continue.
- 112 Calaveras General Plan: Director Wood asked Don Stump if he thought the water element may be dropped from the General Plan. Don Stump didn't think it will be dropped, but they are going to try to water it down, no pun intended.
- 113 Daus Report: Daus still has to come in with the construction plan for the White Pines Weir Project.

**120 NEW BUSINESS:**

- 121 Correspondence: None
- 122 Other: A clarification was asked for by Lee Schmedes, Office Manager, regarding interest charged on accounts. According to the Board, interest is to be charged monthly on all outstanding balances.
- 123 Closed Session: The open meeting of the Board was concluded at 10:10am and the Board went into closed session. The 2010 Budget was sorted out and will be voted on in December.

**130 ADJOURNMENT:**

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

**APPROVED:**