

BLUE LAKE SPRINGS MUTUAL WATER COMPANY
Minutes of the 1st Interim Meeting
Blue Lake Springs, Arnold, California
Saturday, June 13, 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, Maginnis, Multhaup, Owen, Speakman, and Wood; Director Watson was 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 12th Interim Meeting Minutes of May 9, 2009: *Director Maginnis moved to approve the May 9, 2009 Interim Meeting Minutes; seconded by Director Carlsen, and the vote was unanimous.*
- 040** **VISITOR'S RECOGNITION:** The board recognized Don Stump, a candidate for CCWD's Board of Directors, and Maryann and Ken Klos of Lot 3 Unit 10. Mr. and Mrs. Klos asked that the board consider their extenuating circumstances when determining whether or not to forgive the interest and late fees paid by them, under protest, after finding a bright red *48 hour Notice to Discontinue Water Service* attached to their garage door.
- Director Maginnis moved to refund all late fees and interest charged to, and paid by, Mr. & Mrs. Klos for the years 2008 and 2009; seconded by Director Wood, and the vote was unanimous.* Director Wood recommended a link be added to the water company's Web Site, by which shareholders could notify the office directly of any address changes.
- 050** **FINANCIAL REPORTS:**
- 051 May 2009 Balance Sheet & Income Statement: On the May 2009 Income report, our total income year to date for May 2009 is \$1,094,887, with our Total Annual Income Budget at \$1,238,159. Non-operating income for the year is \$2,431. Total expenses year to date are \$541,185, with our Total Annual Expenses Budget at \$1,170,039. There were a record number of twenty-two (22) lock offs for delinquent water fees.
- 052 Bills for May 2009: The bills of note for May include payment to Foothill Printing and Graphics in the amount of \$635.29 for President & Treasurer's Letters; Candidate's Resumes; Combination Proxy and Ballot Cards, and Ballot return envelopes. In addition, \$2,823.31 was paid to CCWD for water purchased during the month of April, and \$3,621.87 for the month of May. General Manager Herreid reported power costs could rise as much as 50% in July.
- The board asked that General Manager Herreid request Calaveras County Department of Public Works provide an itemized list of their costs supporting the \$20,000 charged BLSMWC for the Greensboro Way/Del Rio Drive/Dorothy Drive Replacement Project construction permits. To compare, the cost to permit the Stephanie Drive/Patricia Lane project in 2008 was \$1,700.
- Director Wood moved to approve May bills in the amount of \$22,199.25; seconded by Director Owen, and the vote was unanimous.*

060

MANAGER'S REPORT:

061 Water Consumption/Losses/New Connections/White Pines Wells Production: In May, General Manager Herreid reported 2,415,000 gallons of water produced and 2,026,000 gallons purchased from CCWD. Daily Average Produced in May was 78,000 gallons. Wells Draw Down average was 120 feet of water above the pump in May. The last page compares the last twelve years by month for Total Usage, which was 4,957,000 gallons in May. We had no new connections in May. There are 1,699 homes connected. Average usage per home in May was 2,835 gallons with 140,000 gallons lost. Half of the system is still on CCWD and overall usage is down.

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.

B. *Greensboro Way/Del Rio Dr & Dorothy Dr:* General Manager Herreid reported the Dorothy Drive new main is complete, but the services are not; the new main at Greensboro Way/Del Rio Drive is approximately ¼ complete. Director Wood expressed concern for fund availability if Twain Harte Construction were to bill for completed work sooner than anticipated; General Manager Herreid did not see a problem, because progress was ahead on the main line only.

C. *Weir Project:* General Manager Herreid has authorized Daus Environmental Services to conclude the balance of work described in Phase II of his proposal at a cost of \$2,000; this will finish the 1600 permit. The board requested that the Daus Proposal remain on the agenda in July under *Unfinished Business*.

072 Long Range Planning:

A. *CCWD Amendment to Agreement of September 10, 1992 Res. No. 92-112:* 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:

091 Lodge Log Article: Due August 1.

110

UNFINISHED BUSINESS:

111 Quarterly Meetings with CCWD: The June 5 scheduled meeting was cancelled. Larry Diamond informed General Manager Herreid he will inform BLSMWC when he is able to reschedule.

112 Calaveras General Plan: Nothing to report.

113 Sequoia Country Club: Move to closed session.

120

NEW BUSINESS:

121 Correspondence: El Dorado CD matured 5/25/09; allowed to roll over for 90 days @ 1.340 %.

123 H2O Article Comments: Suggested topic - address changes.

124 Director Wood reported on a conference he attended in Auburn for the Mountain County Water Regional Association, where Origin Water Rights and Water Shed of Origin Rights were heavily covered by a representative of the State Regional Water Quality Control Board. Director Wood described a cautionary tale of the Pump Station Intake on the American River in Placer County that took 21 years and \$76,400,000 to complete, forewarning any like project would probably come with a minimum price tag of \$20,000,000 to \$30,000,000, spanning a period of many years.

125 Closed Session to discuss Sequoia Woods County Club: ***Director Wood moved to approve the letter from Blue Lake Springs Mutual Water Company to Sequoia Woods County Club Board of Directors; seconded by Director Carlsen and the vote was unanimous.***

130 **ADJOURNMENT**: ***Director Maginnis moved to adjourn*** and the meeting was adjourned at 10:30 a.m.

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

APPROVED: