

THE BUBBLER

Blue Lake Springs Mutual Water Company Newsletter

March 1, 2017

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Snowpack's Water Content Remains Far above Average

SACRAMENTO – The Sierra Nevada snowpack continues to build during one of the wettest winters in California's recorded history. Today's manual snow survey by the Department of Water Resources (DWR) at Phillips Station in the Sierra Nevada found a snow water equivalent (SWE) of 43.4 inches. February's Phillips survey found 28.0 inches of SWE, and January's reading was 6.0 inches. The March 1 average at Phillips is 24.3 inches.

SWE is the depth of water that theoretically would result if the entire snowpack melted instantaneously. That measurement is more important than depth in evaluating the status of the snowpack. On average, the snowpack supplies about 30 percent of California's water needs as it melts in the spring and early summer.

More telling than a survey at a single location are DWR's electronic readings from 98 stations scattered throughout the Sierra Nevada. Statewide, the snowpack today holds 45.5 inches of SWE, or 185 percent of the March 1 average (24.6 inches). On January 1 before a series of January storms, the SWE of the statewide snowpack was 6.5 inches, just 64 percent of the New Year's Day average. On February 1, the statewide SWE was 30.5 inches, 174 percent of average for that date.

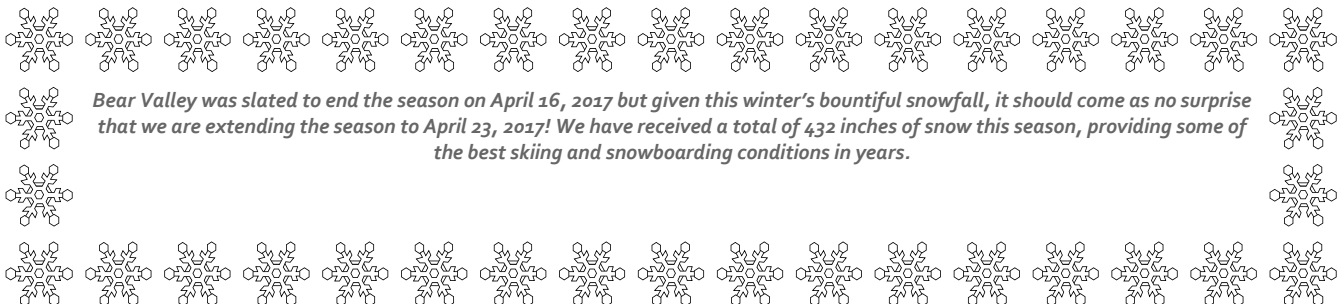
Measurements indicate the water content of the northern Sierra snowpack is 39.2 inches, 159 percent of the multi-decade March 1 average. The central and southern Sierra readings are 49.0 inches (191 percent of average) and 46.4 inches (201 percent of average) respectively.

State Climatologist Michael Anderson said the winter season has been "historic," especially in the central and southern Sierra where elevations are higher and where snowfall has been near the 1983 record amount.

The Phillips snow course, near the intersection of Highway 50 and Sierra-at-Tahoe Road, is one of hundreds surveyed manually throughout the winter. Manual measurements augment the electronic readings from about 100 sensors in the state's mountains that provide a current snapshot of the water content in the snowpack.

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Bear Valley was slated to end the season on April 16, 2017 but given this winter's bountiful snowfall, it should come as no surprise that we are extending the season to April 23, 2017! We have received a total of 432 inches of snow this season, providing some of the best skiing and snowboarding conditions in years.



ETHAN RECTOR IS THE NEWEST MEMBER OF THE BLSMWC CREW. He replaces Matt Jarnigan who has moved onto another job. Thank you Matt for your years at BLSMWC. You will be missed!!

Ethan James Rector comes to BLSMWC as a native of Calaveras County. He was born and raised in the small logging town of White Pines as did his parents.

He attended Hazel Fischer Elementary, Avery Middle School, and Bret Harte High School. He graduated in 2002 from Vallecito High School with a 3.4 GPA.

He is currently a married father with 2 children.

Ethan began working for Ebbetts Pass Gas as a plumber in 2005. He worked in that position for 11 years before exploring the opportunities for advancement in the "water" industry, and believes his knowledge of high and low pressure systems will be of value to BLSMWC.

Ethan says he brings honesty and good work ethic to our company and looks forward to working diligently and respectfully with our customers. He is excited to be a part of the Blue Lake Springs family and serve the BLS community for years to come.

State Water Board Extends Regulations

On Feb. 8, the State Water Board re-adopted and extended the current regulations, but agreed to consider repeal of the regulations in May if the regulations have not been rescinded or modified by May 1, following a more thorough review of the state's water supply conditions. In effect, the Board's action continues the stress test approach, existing water use reporting requirements, and sensible prohibitions on wasteful water use practices that have been in place since 2015. The current regulation does not require mandatory conservation unless water suppliers determine that they have a shortfall.

The extended regulation keeps in place the existing rules, including specific prohibitions against designated wasteful water use practices. Those prohibitions include outdoor watering during a rain event or 48 hours after; watering down a sidewalk with a hose instead of using a broom or a brush, or overwatering a landscape to where water is running off onto the sidewalk or into the gutter. In addition, the regulation continues the existing required monthly reporting of water use, consistent with the Governor's January 2014 Executive Order declaring a drought and May 2016 Executive Order geared towards "making water conservation a California way of life." Prohibitions against home owners associations (HOAs) penalizing homeowners for certain outdoor conservation practices during a declared drought remain as well. Similar requirements are also extended to cities and counties, reflecting existing law that prevents local governments from fining residents for not watering the lawn during a declared drought.

Drought Stage2 in Effect

- NO watering of Forest Trees
- NO outside watering on Mondays
- Outside watering only on odd/even days depending on your address
Odd addresses: Tues., Thurs., Sat. Even addresses: Wed., Fri., Sun.
- NO unnecessary watering (i.e.: decks, driveways, cars, etc.)

Mandatory restrictions on water use Decrease normal usage by 20-35%

General Manager's Report

Dear Shareholders,

What a difference a few days make.

This Spring like weather is really fantastic.

A few days ago, it was cold, rainy, and snowy, but now it is sunny and warm, the frogs are croaking, and the ants are attacking my kitchen.

This is typical weather for this time of year, and I would like to remind everyone to please shut off your water, if you are leaving your cabin, even for a short time.

The weather can change very quickly, back to Winter conditions, and we don't want any frozen pipes ruining the weekend.

Here are the current usage numbers:

February

2017 3,007,000 gallons 5% water savings over 2013
(Stage 2 Drought Restrictions)

2016 2,993,000 gallons 5.2% (Stage 2)

2015 2,480,000 gallons 21% (Stage 3)

2014 2,974,000 gallons 5.7% (Stage 2)

2013 3,157,000 gallons (Voluntary Conservation)

Well Drawdown

We measure the amount of storage in our wells in feet of water above the pump intake. In February the level stands at 161 feet. Last year at this time the level was at 124 feet. This means that there is plenty of groundwater storage for Spring and Summer.

This Winter's precipitation does not affect our wells directly. Our well #3 is sealed to a depth of 70 feet, and beyond that, water flows in from the fissures in the rock to a total depth of 250 feet, so it takes a few years for the water to reach our well. Snowpack farther up the watershed also has an affect, and may take many years to reach the well.

Shut Off Valve

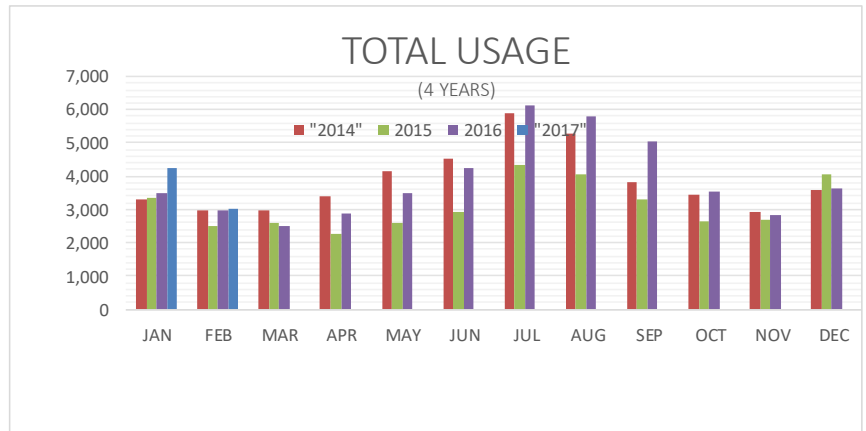
If you are having your friends or family use your cabin, please make sure that they know how to turn on and shut off and drain the water to the cabin. We have had a few cabins with drains running, because the shutoff and drain valves were turned incorrectly.

It's a good idea to turn the water off to the cabin, open the drain, and stick around until the drain stops running, to make sure it's done right. Labeling of valves and written directions are helpful too.

That's all for now,

Dave

David Hicks
General Manager
Blue Lake Springs Mutual Water Co.



LONG RANGE STRATEGIC PLANNING REPORT

The LRPC continues to refine a proposed water rate structure for the coming years with the USDA Loan in place. As explained last month, the future rate structure fees will be comprised of (1) an annual surcharge for repayment of the USDA Capital Improvement Loan; (2) a water base rate for a not-to-exceed specified monthly cubic foot allocation; and (3) tiered water fees for monthly cubic foot usage above the base allocation. The primary goals will be to maintain stable and predictable annual revenues to cover all fixed costs while also promoting conservation through usage fees.

To date, the LRPC has analyzed usage from the Meter Study participants and Historical data based on 339 meters. Based on additional meters installed over the past year, we now have 633, an increase in sample size of 87%. Over the next several months, the LRPC will obtain monthly readings for all 633 meters in order to ensure a fair and equitable usage fee structure for 2018. As we progress toward 100% meter installations over the next 2-3 years, the rate structure will likely transition to lower cubic foot base allocations, with an increased percentage of total fees based on usage above the monthly allotment.

We encourage all shareholders to attend our Annual Meeting in June, at which time a summary of the most current rate structure information will be presented, providing further details on what to expect in total water fees with the USDA Loan in place.

PRESIDENTS MESSAGE

I am looking ahead to June 3rd, which is the date of the Annual Meeting. I mention this now to allow time to plan ahead as it will be important that shareholders attend. I mentioned in last month's Bubbler that there would be an extended Special Board Meeting on April 8th, for our Shareholders, please ignore that as we will be covering everything at the Annual Meeting in June.

The Board of Directors is going to be discussing the future of the water company, as the Board has been actively working on a strategic, long term plan to modernize and improve the infrastructure of BLSMWC.

As you have read in past postings, the Water Company has qualified and is ready to receive a 12.23M long term loan from the United States Department of Agriculture (USDA) at a very low interest rate, (currently 1.875%) to complete the task of modernizing our aging and inadequate infrastructure, up-dating our Water Treatment Facility, allowing the positioning of more fire suppression hydrants and completing the system with modern electronic meters, which will be mandated by the State of California by 2025.

As we move to comply with this State mandate on meters, we are examining a billing process to reflect consumptive use. Currently the majority of our water customers are paying for water service on an annual basis. If there is no meter present, there is no way to measure the amount of water used by the consumer. The newer process of billing will be based upon the combination of a "basic water- rate" or "Shareholder fee" and applying the customer's actual consumption or usage, as reported by the meter. The cost of the water will be tied to a multi-tiered schedule, which translates to "the more water you use---the more you pay." The Long Range Planning Committee [LRPC] is presently developing a multi-tier method that would reflect leveled use. In order to reach a fair target use level, monthly meter readings have been collected from a control group to get a feel for actual use, by full-time and part-time residences. The newly formatted billing process will kick-in soon after the entire system is metered and will be structured on a bi-monthly schedule. Those that will be most impacted by the base rate and meter program will be high consumers of water. There are many homeowners that feel that renters use more water than regular homes, the coming system will reflect such if true.

Recently and in some forums frequently, I am asked: "Why don't we join with CCWD, like Fly-In Acres did..." I was not involved in the reasoning why Fly-In merged with CCWD, but I am guessing that Fly-In didn't have many choices.

Were we to merge with CCWD based upon research into this matter done a few years ago, BLS would still be, at a minimum, on the hook for the improvements that we are about to undertake with the USDA loan. In addition CCWD indicated that they would have to expand their water treatment facility and that cost would be borne by BLS plus we would owe close to 3M in capacity/connection fees.

All of this will be discussed in length at the annual Meeting in June and once again, I would encourage you to attend.

PLEASE pay attention to the Annual Meeting Notice as the meeting will be starting earlier than the normal 9:00AM

Bob Maginnis
President
BLSMWC



Have an idea?

The Bubbler is published monthly following our scheduled Board of Directors Meeting so that we may share with you the most up to date information. Publish dates will vary. If you would like to submit an article or suggest ideas for improvement, please contact Pam Bowman
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Drought Stage 2—Restrictions in Effect!

