

BLUE LAKE SPRINGS MUTUAL WATER COMPANY
Minutes of the 5th Interim Meeting
Arnold, California
Saturday, May 26, 2018 9:00am

00:00:00

CALL TO ORDER:

The meeting was called to order at 9:00am. Directors present were Jay Brethauer, Lee Bateman, Bob Maginnis, Dave Owen, Andy Rich and Sharon Tobias. Absent was Director Paul Penney and General Counsel Michael Minkler. Also in attendance were General Manager Dave Hicks, Administrative Operations Manager Lee Schmedes and LRPC Chair Tom Schneider.

00:00:36

APPROVAL OF MINUTES:

10th Interim Meeting of March 10, 2018:

With no corrections needed, the Minutes of March 10, 2018 stand as printed.

00:00:52

DISCUSSION OF MATTERS NOT ON AGENDA:

No matters were brought up for discussion.

00:01:30

FINANCIAL REPORT:

2017 YE Financial Report:

Loren Kuntz with Atherton & Associates gives the Board a Power Point presentation regarding the 2017 audit and internal control over financial reporting.

MOTION

A **MOTION** was made by Director Tobias, seconded by Director Rich and approved by all present to accept the 2017 Audit and Report.

MOTION

A **MOTION** was made by Director Rich, seconded by Director Owen and approved by all present to formalize a regular report to the Board on the status of the 2017 audit-reported deficiencies, on a separate line item, with the Board to review and approve the policies until the deficiencies are corrected.

01:13:20

President Maginnis requests a 10 minute recess.

01:13:26

March & April Financials:

As the Financials are in the packet, Director Bateman asks if there are any questions.

01:18:27

Foreclosure Procedure:

President Maginnis notes the documents in the packet.

01:21:33

Policy Changes:

Director Bateman outlines his steps for a policy change to the past due accounts.

01:33:17

MANAGER'S REPORTS:

Water Production / Drawdown / Usage:

GM Hicks reports on well production, drawdown, usage and leaks.

01:49:25

COMMITTEE REPORTS:

Long Range / Strategic Planning:

Tom Schneider reports on current information regarding the USDA loan timeline, impacts of interim financing, summary of cash flow and rates analysis, water meter installation and usage studies and reserve accounts summary.

04:22:37

MOTION

A **MOTION** was made by Director Bateman, seconded by Director Owen and approved by all present to receive the LRPC report.

04:24:39

MOTION

A **MOTION** was made by Director Tobias, seconded by Director Owen and approved by all present to accept the recommendation of the LRPC report.

04:27:30

USDA INFRASTRUCTURE IMPROVEMENT / METER INSTALLATION PROJECT:

Assistant Project Manager's Report:

Director Tobias reports on quantity changes with the latest estimate from MC Engineering.

04:28:44

Progress Report:

GM Hicks reports on the Pre-bid meeting held for the potential contractors for the project. Director Tobias reports on the Opening of the Bids to be held on May 30th.

04:37:16

CoBank Loan:

GM Hicks reports that the loan papers are complete. It moves forward once the contractor is selected.

04:38:30 Letter of Conditions:
GM Hicks reports a meeting with the attorney will be held to review the status of the Letter of Conditions.

UNFINISHED BUSINESS:

04:39:16 Contract Renewal for Bank Lease:
Not discussed at this meeting.

04:49:15 Assignment of Financial Responsibilities:
The Board discusses who has financial responsibility in different areas.

NEW BUSINESS:

05:06:57 Correspondence:
MOTION A **MOTION** was made by Director Tobias, seconded by Director Bateman, approved by all present to reimburse a shareholder for penalty and interest.

04:41:07 2019 Rate Structure Discussion:
Director Bateman asks for a rate structure meeting in October, to decide on the long term rate structure and adopt it for the 2019 year.

05:09:50 Application of Partial Payments on Past Due Accounts:
Director Bateman requests a policy change whereas incoming monies go to pay past debts first, President Maginnis would like a legal answer to this change.

05:21:14 **ACTION ITEMS REPORT:**
AOM Schmedes reports there are no new Action Items.

05:21:42 Frequency of Board Meetings:
Director Tobias proposes meeting frequency changes and suggests a potential meeting for the last Saturday of July.

05:28:41 **ADJOURNMENT:**
As there were no items to be discussed in Executive Session and no further items to come before the Board, President Maginnis calls the meeting closed at 2:28pm.

Respectfully submitted by AOM Lee Schmedes
In conjunction with the digital recording of the meeting

APPROVED:

Next Regularly Scheduled Meeting: September 8, 2018.