

BLUE LAKE SPRINGS MUTUAL WATER COMPANY
Minutes of the 1st Interim Meeting
Arnold, California
Saturday, October 13, 2018 9:00am

00:00:00

CALL TO ORDER:

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

00:00:30

APPROVAL OF MINUTES:

12th Interim Meeting of May 26, 2018:

With no corrections needed, the Minutes of May 26, 2018 stand as printed.

00:00:42

Teleconference of June 28, 2018:

With no corrections needed, the Minutes of the Teleconference of June 28, 2018 stand as printed.

00:00:58

DISCUSSION OF MATTERS NOT ON AGENDA:

No matters were brought up for discussion.

00:01:06

FINANCIAL REPORT:

September Financials:

Treasurer Bateman asks the Board for any questions on the September Financials.

00:03:28

MANAGER'S REPORTS:

Water Production / Drawdown / Usage:

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

00:21:34

USDA INFRASTRUCTURE IMPROVEMENT / METER INSTALLATION PROJECT:

Project Report:

GM Hicks reports on the status of the infrastructure improvement project.

00:33:07

Approval of Change Orders:

GM Hicks reports there are currently 6 change orders.

00:36:39

Authorize General Manager to Approve Construction Field Changes Not to Exceed \$25,000:

MOTION

A **MOTION** was made by Director Bateman, seconded by Penney and approved by all present that the General Manager has complete authority on all change orders.

00:48:33

Approval of Contractor's Monthly Progress Payment:

Contractor has submitted the first progress payment request. BLSMWC will also be submitting a reimbursement of monies previously spent.

00:48:33

Approval of Reimbursement Request to USDA Rural & CoBank:

According to GM Hicks, no approval is necessary.

00:58:26

COMMITTEE REPORTS:

Long Range / Strategic Planning:

1. Asset Management Plan:

Tom Schneider reports on the plan LRPC has been working on, per the request of the 2017 Audit from Atherton and Associates, recommending BLSMWC establish a capital reserves policy. MC Engineering submitted a proposal to guide us in implementing this policy.

01:28:06

2. Reserves Fund Policy Guide:

Tom Schneider speaks to the Policy Guide and how LRPC arrived at the Reserve Policy (Draft).

01:36:45

3. Reserve Policy (Draft)

Tom Schneider explains, briefly, the (Draft) Reserve Policy, which when implemented, will be known as the Reserve Operating Procedure.

02:41:08

President Maginnis requests a break at 11:41 for lunch.

UNFINISHED BUSINESS:

02:42:23

Long-Term Water Rate Plan:

Not discussed at this meeting. Will be moved to the November 10, 2018 meeting.

02:43:35

Water Rate Plan for 2019:

Treasurer Bateman asks the Board to consider:

1. Charging a flat rate until all are on meters
2. Look at long-term rate structure for 2020 and implement in 2019

NEW BUSINESS:

04:00:08

Correspondence:

President Maginnis spoke to a shareholder's letter about reimbursing for service line costs and several letters addressed to the HOA, dealing with the water company renting property for the USDA project and then converting that property to a trailer park/RV storage.

04:06:48

2019 Budget:

Treasurer Bateman suggests the 2019 Budget be reviewed, but not adopted until next meeting. Discussion of some line items ensued.

ACTION ITEMS REPORT:

04:28:24

AOM Schmedes reports new Action Items.

ADJOURNMENT:

04:31:34

President Maginnis adjourned to Executive Session.

RECONVENE TO OPEN SESSION:

04:50:00

Contractual obligations and salaries/wages were discussed.

04:50:00

ADJOURNMENT:

President Maginnis adjourned the meeting at 2:50:00.

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

APPROVED:

Next Regularly Scheduled Meeting: November 10, 2018, with a Town Hall Meeting at 1pm at Snow Flake Lodge.