

BLUE LAKE SPRINGS MUTUAL WATER COMPANY

Minutes of the 5th Interim Meeting Blue Lake Springs, Arnold, California Saturday, October 8, 2016 9:00am

00:00:00

CALL TO ORDER:

At 9:00am the meeting was called to order. Directors present were Lee Bateman, Bob Maginnis, Dave Owen, Paul Penney, Andy Rich, Sharon Tobias and Tom Schneider (via phone call). Also in attendance were General Manager Dave Hicks, General Counsel Michael Minkler, Watermaster Bill Heinle, Administrative Operations Manager Lee Schmedes and Accounts Manager Pam Bowman.

Several guests were at the meeting as well as John Pedri, from MC Engineering, who will speak about the PER/USDA loan.

00:01:04

APPROVAL OF MINUTES:

4th Interim Meeting of September 10, 2016:

With no changes, the Minutes of September 10, 2016 stand as printed.

00:01:28

DISCUSSION OF MATTERS NOT ON AGENDA:

A question was asked about banking water to offset extra usage; purchasing more water from CCWD; and why are we still in restricted usage.

It was asked of the Board, by a shareholder in attendance, to put the CCWD/BLSMWC contract for purchasing wholesale water on the website. The Board agreed. A question was also asked if we were metering vacation rentals and if the water company could limit guests.

00:13:25

FINANCIAL REPORT:

September Financials:

Treasurer Schneider reports on the September Financials.

00:28:38

MANAGER'S REPORTS:

Water Production / Consumption:

GM Hicks reports on water production, usage, conservation and water purchased from CCWD.

00:31:36

Drought:

GM Hicks reports we are staying in Stage 2 for health and safety use and we are not changing policy.

00:44:00

CCWD Workshop:

GM Hicks reports on a cannabis workshop held at CCWD's office for the discussion of how this is affecting water agencies.

00:50:52

Luhdorff & Scalmanini:

GM Hicks reports on progress of the Pressure Zone Study which should be finished by November 4th.

00:53:50

Meter Installation Project:

GM Hicks reports that 225 of the 279 radio-read meters (Phase 1) have been installed. Phase 1 to be completed by late October/early November.

COMMITTEES:

Long Range Strategic Planning Committee:

00:57:56

Meter Study & Rate Study:

Director Schneider and Director Tobias both report on the meter study progress as well as the loan implications and the rate study.

01:32:54

Grants / Loans:

John Pedri from MC Engineering spoke on the Preliminary Engineers Report for infrastructure improvements through a USDA loan.

PUBLIC RELATIONS:

01:43:16

Website:

AM Bowman reports on the current website activity.

01:54:40 **UNFINISHED BUSINESS:**
 Office Purchase:
 President Maginnis reports that as of 9/30/16 escrow closed on the purchase of the Rabobank building.
 The building is now ours.

02:00:00 **NEW BUSINESS:**
 Correspondence:
 President Maginnis reports on a letter he received from a shareholder.

02:00:49 **ACTION ITEMS REPORT:**
 New action items noted.

02:06:08 **ADJOURNMENT TO EXECUTIVE SESSION:**
 President Maginnis adjourns to Executive Session.

02:32:27 **RECONVENE TO OPEN SESSION:**
 Report from Executive Session:
 Contractual items were discussed.

02:32:33 **ADJOURNMENT:**
MOTION With no other items to come before the Board, a MOTION to adjourn was made by Director Rich. The
 meeting was adjourned at 11:32am.

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

APPROVED: