

BLUE LAKE SPRINGS MUTUAL WATER COMPANY

Minutes of the 11th Interim Meeting Blue Lake Springs, Arnold, California Saturday, April 11th, 2015 9:00am

CALL TO ORDER:

At 9:00am the meeting was called to order. Directors present were Steve Alberts, Robert Maginnis, Dave Owen, Paul Penney and George Paul. Absent were Tom Schneider and Sharon Tobias. General Manager Hicks, Administrative Operations Manager Lee Schmedes, Recording Secretary Nhu Bergstrom, Assistant Project Manager Kris Morris and General Counsel Michael Minkler were also in attendance.

Several guests were present at the meeting.

00:00:25

APPROVAL OF MINUTES:

10th Interim Meeting of March 14, 2015:

With no additions or deletions, the Minutes of the March 14, 2015 meeting will stand as printed.

00:06:01

DISCUSSION OF MATTERS NOT ON AGENDA:

A shareholder asked the Board to address the issues and concerns regarding Drought Stage 3 – no outside watering, 35% water use reduction and fines. The shareholder expressed their concern of being a part-time resident and their inability to use alternative watering methods like recycled gray water to water their outdoor plants. President Maginnis responded that with the current system; we can control the use of water, we cannot control the water supply. As precautionary action, the Board decided to move to Stage 3 of the Drought Plan to prepare for the summer months and future use.

The shareholder asked how we were planning to enforce the 35% reduction for residents without a meter. President Maginnis responded that the Board has inherited a system with almost no meters. Currently, there are only 275 meters in BLS. State law now mandates a meter must be installed to all properties by 2015; for communities under 5,000 connections its 2025. The Board anticipates the meter installation work for the entire subdivision will start in late 2015 to 2016. A grant writer has been hired and we are actively pursuing state or federal funds to help pay for the cost of the installation. President Maginnis noted that with any drought plan a fine structure must be created. There will be no discriminate use of the fine structure. GS Hicks mentioned a master meter is used to monitor how much water is pumped into BLS and there are several meters within the subdivision to measure how much water is used in each section. The Watermasters are actively watching these meters to look for leaks and high or abnormal water usage.

Another shareholder asked if the Board will be responding to several questions and comments on the social networking site Nextdoor regarding Drought Stage 3. President Maginnis will be addressing those concerns and will post a response accordingly.

00:00:45

FINANCIAL REPORTS:

March 2015 Balance Sheet & Income/Expense Statements:

AOM Schmedes reported March 2015 Balance Sheet and Income/Expense Statements. Treasurer Schneider and AOM Schmedes re-categorized the Operating Expense Sheet to have office rental on its own line. Schmedes also reported a \$27.75 credit was applied to the accounts of shareholders who have paid the handheld hose fee for 2015; a total of \$11,876 was applied.

00:34:55

MANAGER'S REPORT:

Water Production/Consumption/Drought:

GM Hicks reported March's water production and consumption. White Pines Well #3 recovery in March last year was 90ft., and this year it was 75ft. GM Hicks noted that the recovery was 15ft below last year even with the savings and conservation efforts; we are not gaining water at the rate we were hoping to and interpreted as the water supply diminishing.

A sample of 25 full time homes had their meters read; usage for March was 125 gallons/per day per household same as February. GM Hicks mentioned that the Drought Stage 3 notice was not mailed out until the end of March so the savings might not show until next month.

Water Agreement with CCWD:

GM Hicks and GS Minkler have had ongoing conversations with CCWD's General Manager David Eggerton regarding a water purchase agreement between BLSMWC and CCWD. GM Hicks reported that we may have the framework established and are getting closer to an agreement. The details of the conversation will be discussed in Executive Session.

00:52:58

PROJECT MANAGER'S REPORT:

UWPA:

Director Alberts reported more progress this month from L&SCE regarding the feasibility study. The study includes material, pipeline, treatment and labor costs for transporting raw surface water from Hunters Dam to BLS. Director Alberts stated the project might be put on hold due to the new development of the water agreement with CCWD.

Well Exploration:

Well #4 project was placed on the bidder's exchange but had very few responses. The project will now be handled by Director Alberts and APM Morris. Well #5 and #6 surveying has been completed; L&SCE will have a pipeline study by next month.

01:03:30

COMMITTEES:

Long Range / Strategic Planning Committee:

The LRSPC report will be discussed in Executive Session.

01:04:00

PUBLIC RELATIONS:

Website:

RS Bergstrom reported website statistics for March 2015. RS Bergstrom will be working on a 'How-to' page on reading meters as well as establishing a conservation goal.

01:06:00

HWY 4 COORDINATING COMMITTEE:

Director Paul reported on the last Highway 4 Coordination Committee meeting. BLSMWC and other water agencies will be promoting water conservation through the 'Calaveras Conserves' campaign. The next meeting date and location will be determined.

01:20:20

UNFINISHED BUSINESS:

Grant Writer:

GM Hicks reported John Pedry from MC Engineering has a grant submitted and a resolution from the board will be required. Pedry would like to meet with LRSPC to establish grant search priorities.

01:26:04

Office Building:

APM Morris reported tree/stump removal and septic system installation has started at 491 BLS Dr.

01:26:15

NEW BUSINESS:

Annual Shareholders Meeting (June 6, 2015)

AOM Schmedes reported the 2nd mailing will be mailed on May 5, 2015.

A motion was made by Director Penney to nominate Tom Schneider as the Director of Elections. Seconded by Director Paul. 5-0 motion passes.

A motion was made by Director Penney to nominate Michael Minkler as Parliamentarian. Seconded by Director Owen. 4-1 motion passes.

AOM Schmedes reported the Inspector of Elections is Joanne Padelford.

01:30:50

CORRESPONDENCE:

Correspondence will be answered to individually.

01:31:40

ACTION ITEMS REPORT:

RS Bergstrom reported the current and completed Action Items.

ADJOURNMENT TO EXECUTIVE SESSION:

A motion to adjourn to Executive Session was made at 10:30am. Director Penney was excused.

REPORT FROM EXECUTIVE SESSION:

The meeting reconvened at 12:42pm. Matters discussed in Executive Session were contractual.

A motion made by Director Paul to cap Well Site CU. Seconded by Director Alberts. 4-0 motion passes.

A motion made by Director Paul to waive the penalty fee and interest for account 10991-00. Seconded by Director Owen. 4-0 motion passes.

ADJOURNMENT:

The meeting was adjourned at 12:42pm.

Respectfully Submitted by Nhu Bergstrom, Recording Secretary
Reviewed by Lee Schmedes, Administrative Operations Manager
Summarized from digital recording of the meeting

APPROVED: May 9, 2015