

BLUE LAKE SPRINGS MUTUAL WATER COMPANY
Minutes of the 1st Interim Meeting
Blue Lake Springs, Arnold, California
Saturday, June 11, 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 (arrived at 10:15am), Andy Rich and Tom Schneider; absent was Sharon Tobias. Also in attendance were: General Manager Dave Hicks, General Counsel Michael Minkler, Watermaster Bill Heinle, and Administrative Operations Manager Lee Schmedes.

One guest was present at the meeting.

00:01:34 **CONFIRMATION OF ELECTION OF OFFICERS: 2016-2017**
MOTION A MOTION was made by Director Owen, seconded by Director Schneider to accept the results of the ballot election for Directors. Approved by all present.

00:03:04 **ELECTION OF OFFICERS: 2016-2017**
MOTION A MOTION was made by Director Bateman to re-appoint the officers from the prior year; seconded by Andy Rich. Approved by all present.

00:05:58 **APPROVAL OF MINUTES:**
12th Interim Meeting of May 14, 2016:
With no corrections the Minutes stand as printed.

00:06:12 **DISCUSSION OF MATTERS NOT ON AGENDA:**
A "congratulations" was made by Joe Morgan to the Board on their good job which he mentioned was echoed by the shareholders in attendance at the Annual Meeting.

00:06:54 **FINANCIAL REPORTS:**
May Financials:
Treasurer Schneider reports on the May Financials.

00:24:03 **MANAGER'S REPORT:**
Water Production / Consumption:
GM Hicks reports on water production, usage, conservation and water purchased from CCWD.

00:38:24 A Conservation goal, to be set, revealing both 2013 and 2015 numbers for comparison with 2016 numbers was discussed. Rates, penalties and actions were discussed.

01:31:37 Drought:
GM Hicks reports we are still staying in Stage 2.

Due to time constraints for a couple of Directors, the OFFICE LOCATION (under UNFINISHED BUSINESS) was discussed next. (see: 1:06:15 on timeline)

01:32:16 Luhdorff & Scalmanini:
GM Hicks reports on progress of the Pressure Zone Study.

01:33:04 Meter Installation Project:
GM Hicks reports installation of 250 radio-read meters (Phase 1) has begun.

01:35:30 **PROJECT MANAGER'S REPORT:**
Treatment Plant Restroom:
GM Hicks reports on adding the restroom at the Treatment Plant.

01:37:59 Well #4:
GM Hicks reports on the progress of Well #4.

01:39:48 **COMMITTEES:**
Long Range Strategic Planning Committee:
Director Schneider reports on the current projects including his summary of the American Water Works Association (AWWA) rate study book.

01:38:28 Meter Study:
Director Schneider reports on the meter study progress and impediments.

02:11:15 Grants / Loans:
GM Hicks reports on the USDA loan process PER report.

PUBLIC RELATIONS:

01:55:16 Website:
AOM Schmedes reports on the current website activity and the need to update Board Members.

UNFINISHED BUSINESS:

01:06:15 Office Location:
President Maginnis/GC Minkler reports on purchase of current BLSMWC office location building.
Due to contract negotiations – the Board adjourned to executive session.

REPORTING FROM EXECUTIVE SESSION:

01:18:18 Board discussed various remedies to move forward with the purchase.
MOTION A MOTION was made by Director Rich, seconded by Director Owen to submit a counter offer with 2 different price thresholds.

BACK TO OPEN SESSION:

01:18:53 Director Schneider returns to finish information about loan on balance of purchase price. President Maginnis asks about secondary financing.

01:23:00 Resolution for Signing Authority:
MOTION A MOTION to accept the Signing Resolution was made by Director Bateman; seconded by Director Owen. Approved, with changes, by all present.

NEW BUSINESS:

01:54:04 Correspondence:
No correspondence to report.

01:56:04 Code of Ethics:
MOTION A MOTION was made by Director Rich; seconded by Director Owen to adopt the Code of Ethics.
Approved by all present.

01:57:36 AB54 Webinar Training:
This is online training for new water board members.

01:59:11 Approval of Voting Letter:
President Maginnis informs the Board of the voting letter that needs to go out to the shareholders to verify the 1960's change of number of Directors from 3 to 7.
MOTION A MOTION was made by Director Penney; seconded by Director Rich to accept, with changes, the voting letter. Approved by all present

02:06:51 **ACTION ITEMS REPORT:**
New action items noted.

02:09:59 **ADJOURNMENT:**
MOTION The motion to adjourn was made by Director Rich; seconded by Director Penney. The meeting was adjourned at 11:10am.

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

APPROVED: