

THE BUBBLER

Blue Lake Springs Mutual Water Company Newsletter

February, 2017

Lake Melones Haunted by Growing Demands

Excerpts taken from: [Tori James/MyMotherLode news](#)

The disastrous flooding at Lake Oroville dam is evoking comparisons between current conditions there and the sharply contrasting ones at New Melones. " reports the Tri-Dam Project partners Oakdale Irrigation Dist./ S. San Joaquin Irrigation Districts operate Melones under the water management auspice of the Bureau of Reclamation.

According to OID Manager Steve Krell "While this is a good year...systemic problems with reservoir operations will creep back...and we will be dealing with a reservoir that is on the decline and not being managed sustainably because of the fish...and flow requirements." He adds that if the state is able to do what it presently wants conditions are likely to worsen.

As reported, state regulators are proposing to greatly increase spring fish flows down the Stanislaus River by diverting even more water from New Melones. The plan is currently under hot contest by Tri-Dam and other stakeholders; especially now as it would eat away at this winter's hard-won storage gains. An 11-year study that focused on fall pulse flows, recently emphasized that fish species are doing well with water releases using less than half the previously prescribed amount. Public comments are still being accepted by the water board through March 17.

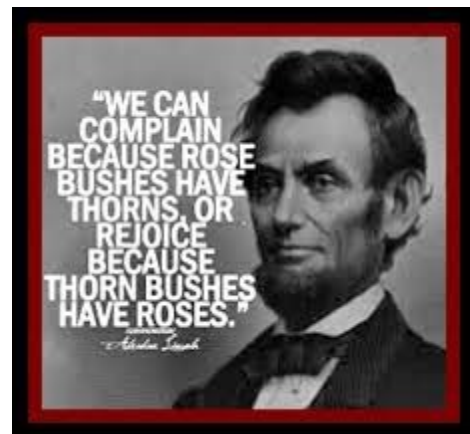
Listed as Northern California's fourth-largest reservoir, New Melones has, according to Knell, a much smaller by proportion watershed feeding it by design. The now brimming Don Pedro Reservoir, while about 20 percent smaller, drains a watershed that is 60 percent larger, which is why much more water is being released into the Tuolumne River. Don Pedro, now at 141 percent of its historic average, is sitting at 98 percent of its total capacity. As more precipitation melting conditions eke away at the Sierra snowpack, several reservoirs close to capacity will be conducting more spilling. Melones' own emergency spillway, like Oroville's is also earthen, providing Tri-Dam and other water managers with a take-away, as Knell confides, that such essential infrastructure begs essential improvements.

Lessons Learned, Moving Forward

Expressing deep sympathy for the thousands of people who were temporarily displaced by the infrastructure failure at Oroville — the state's second largest reservoir and keystone to the California Water Project that now sits at 96 percent of its 3.5-plus million AF capacity — Tri-Dam officials say the situation serves as a vivid reminder of water's enormous power as well as the importance of responsibly managing it. Knell evokes the massive collapse at Idaho's Teton Dam as a somber example. Its failure 40 years ago, as it was initially being filled to capacity, sent 300,000 AF of water down the Snake River that demolished thousands of homes and businesses and took over a dozen lives. It also literally wiped a few small towns off the map and wreaked \$1 billion in damage.

"I think Melones has a lot of protection to it, as far as uncontrolled spills. Oroville...requires a higher level of management to never use that emergency spillway," Knell states. "For this year and winter, that capacity [at Oroville] was really reached, which really threw a wrench in their operations plans. It allowed the reservoir to fill up because they could not dump out as much water — and because the emergency spillway has never been fully developed, it still has its problems, which they are now working hard to correct."

In sharp contrast, New Melones, not only by design but because of what Tri-Dam officials term as disproportionately unfair water demands on it, Knell says not even during the state's wettest winter in 35 years will New Melones come close to filling.



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February, 2017

Long Range Strategic Planning Committee

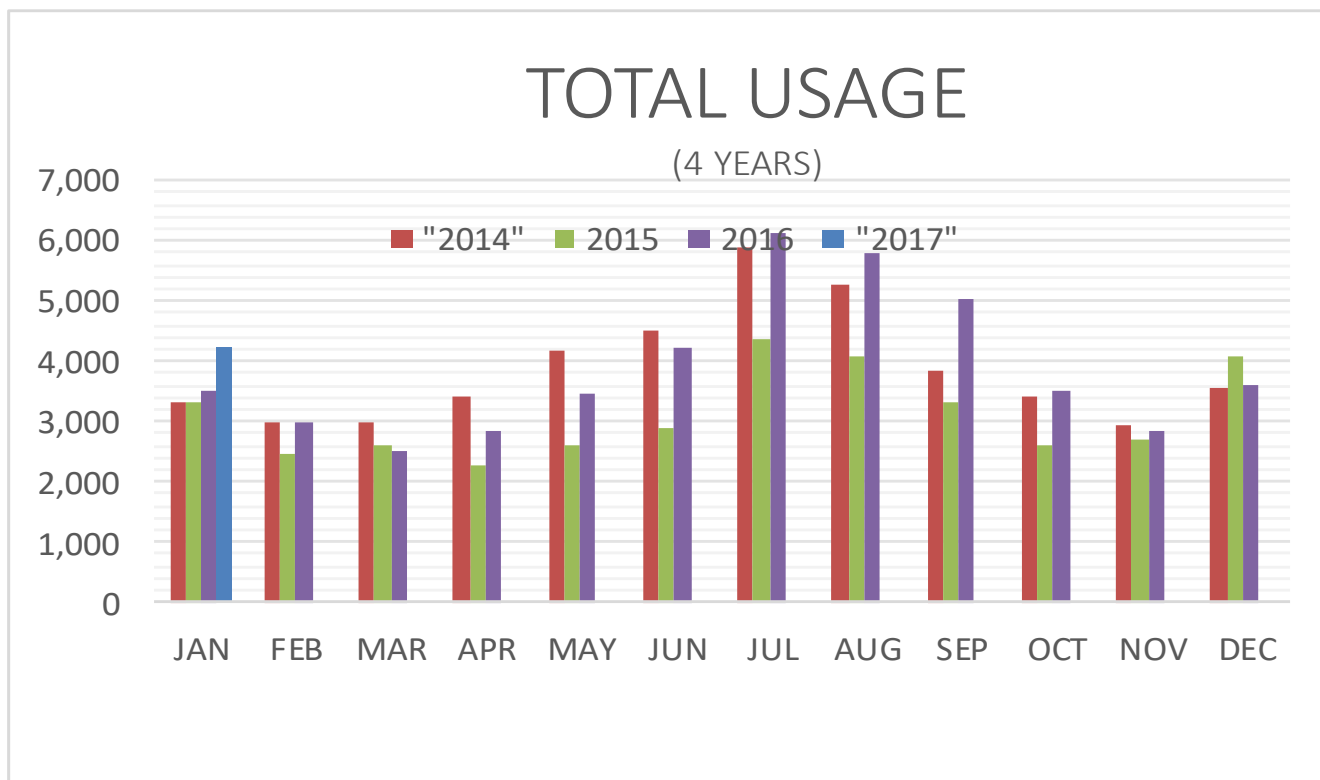
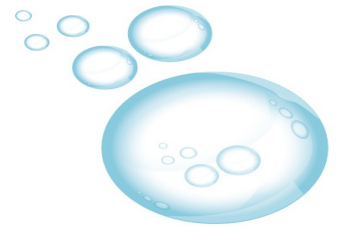
Over the past 18 months, The Blue Lake Springs Mutual Water Company successfully progressed through the USDA Loan Pre-Application & Feasibility Report (Aug 2015), Preliminary Engineering Report (July 2016) and Loan Application (Dec 2016), which culminated with our USDA Loan approval on Dec 27, 2016. By obtaining the approval prior to 2016 year-end, we were able to lock in an extremely low interest rate of 1.875% over a 40 year term. This is a huge accomplishment that will benefit our community for decades.

Why is this Needed?

The USDA Loan Project will be replacing deficient water mains, and installing upgrade water system appurtenances including fire hydrants, pressure reducing valve stations, and booster pump stations throughout which is less than 2/3 of the BLS Development that do not meet industry standards. In addition, to meet state mandate, we will be installing new water meters, pressure regulators and boxes to 100% of the residences.

Benefit to Shareholders: Does not require a large up-front out-of-pocket assessment, but spreads costs over the next 40 years so that current and future home owners pay their proportional share of the costs. As documented by the American Water Works Association ***"An advantage of using long-term debt is that it results in a better matching of customer's charges with the use of the facilities so that existing customers will not be paying 100% of the initial cost of facilities that will be used for many years"***

The LRPC is in the process of completing analysis on the impacts to shareholder's rates. The repayment of the USDA Loan will be covered through annual surcharges. More information on this will be made available to the shareholders in a presentation at our April 2017 Special Meeting.



CALL BEFORE YOU FALL TREES!!

The BLSMWC Watermasters are asking your help in ensuring that water service to our customers is not disrupted by an unfortunate circumstance such as what is pictured below.

As we all know, between the weather and the bark beetle, we are seeing a large number of trees being felled in the Blue Lake Springs subdivision.

It is imperative that before you have any tree company come to fall your trees and clear debris that you call us and give us the opportunity to mark our waterlines.

It is becoming a frequent occurrence that we have shareholders with broken waterlines due to trees being taken down. This not only is an inconvenience to you the shareholder, in that your water will be shut off for the duration of repairs, and in most cases you the shareholder is responsible for these. This also impacts the Water Co. and their employees in unnecessary and cumbersome work.



GENERAL MANAGERS REPORT

Dear Shareholders,

We are starting off 2017 with very good precipitation totals so far. One of our shareholders has reported 70.75 inches of rain as of 2/10. Blue Lake Springs and most of the rest of the state is in a much better situation, heading into summer, than we were last year, with more to come.

January's usage was high due to numerous leaks in the system. With all the snow and rain we had, our crew was busy keeping the system running and couldn't do our normal leak detection procedures, but we were never in danger of running out of water. This happens some years when we have storm conditions and power outages, trees falling across roads etc.....

It is a good idea to check your cabin after a storm event. If you are not able to come up yourself, there are services in and around Arnold that will do it for you.

Here are the January numbers.

January Usage

2017 4,223,000 gallons

2016 3,495,000 gallons

2015 3,329,000 gallons

2014 3,305,000 gallons

2013 4,265,000 gallons

Tree Work

Tree cutting is continuing in Blue Lake Springs in spite of the winter conditions. If possible, mark your water service line, the pipe from our water box to your house, if you have dead trees that are being taken down.

It's also a good idea to mark your septic tank and leach field if you know where they are.

And please call our office to let us know.

Gushing Water

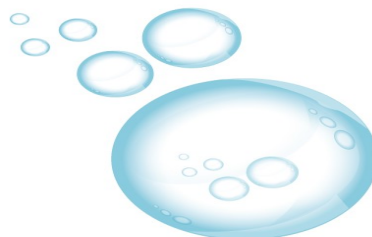
Thanks to all who are reporting possible leaks to us.

Water is gushing out of places all over Blue Lakes, almost all of which are springs, but we check out any report of running water.

That's all for now.

Dave Hicks

David Hicks
General Manager
Blue Lake Springs Mutual Water Co.
P.O.Box 6015, Arnold, CA 95223
Ph: 209-795-7025



"Human nature is like water. It takes shape of its container." - "

Wallace Stevens

Presidents Message

A couple of months ago, I mentioned I had read about the coming of La Nina, which is the opposite of El Nino and often portends a dry winter.

I am still looking for the author that felt that La Nina was coming.

I haven't found them yet

We have experienced an incredible amount of rain and snow which will contribute to our well's future supply. We are already seeing an increase of water in the wells.

While it is nearly impossible to measure the total amount of water in the wells, we can gauge the amount of water that enters the well AFTER the well has been pumping.

Picture a pipe or very long vertical tube that extends 300' feet below the surface. Toward the bottom of the tube is an electric pump that forces the water from the bowels of the well, upward into our piping system that is connected to the Water Treatment Plant. Standard operating procedure is to inspect the well's 'recovery' or the depth of water that accumulates over the top of the pump again after pumping and that space is measured in feet. The higher the recovery point, the stronger the well and a high probability of an extended inventory. This winter the wells have been recovering nicely as a portion of the water from rain/snow has worked its way into the well areas.

Good news ?--- you bet.

Then the drought must be over ?

Not really.

The Governor of the State declares a drought and I am sure at the right moment, he will declare the drought has ended. Until the Governor's order to rescind the drought, the rules set by the Governor's Office still apply and those rules specific to Water Companies are still in place.

We will have an adequate water supply during the warmest phase of Summer thanks to your conservation efforts. The State Department of Water Resources {DWR} is requiring all water companies to demonstrate that each water company has enough water for the coming three years, currently on hand.

Meanwhile it is OK to continue to CONSERVE.

We are in the closing stages of accepting the United States Department of Agriculture [USDA] 12.23M Loan for the completion of metering the system, continuing the replacement of old piping, expanding the system's fire suppression hydrants and replacing aging equipment at the Water Treatment Plant.

Immediately following the regular Board of Director's Meeting on April 8th, we will be holding a Special Meeting to present the USDA Loan to the shareholders. I would encourage you to attend. I can promise you will find it interesting.

The Board recently heard from a realtor handing the marketing of the Water Company's facility that was occupied by a bank and is currently vacant. The space is being advertised to all banks, credit unions and lending institutions throughout Calaveras and adjoining counties. Were an interested suitor to apply, it would be a move in opportunity. We are interested in renting and the community of Arnold seems to need a second bank.

On a lighter note we will be re-working our website: blsmwc.com to make it more user friendly. Today's technology is much better than what was available 5 years ago, and we are going to give it a 'tune-up.' Should there be anything you are interested in, please let us know.

A suggestion was made that the water company join forces with a local car wash. The idea is for the water company to purchase tokens in bulk, at a discount, and then pass on the savings to our Shareholders. We are currently working with the car wash owner and will have a program implemented soon. The idea is to use the car wash, water and save yours. At present with the continuing rainy season, the car wash can wait a while.

Again, a reminder of the Special Meeting on April 8th, at Snow Flake Lodge following our regular Board Meeting. I can promise this is one you will want to attend.

Bob Maginnis

President

THERE WILL BE A SPECIAL SHAREHOLDERS MEETING **IMMEDIATELY FOLLOWING** OUR REGULARLY SCHEDULED BLSMWC BOARD MEETING ON APRIL 8, 2017. THE REGULAR MEETING WILL START AT 9AM AND WILL BE HELD IN THE RESTURANT AT SNOWFLAKE LODGE. THE INFORMATIONAL MEETING WILL BE TO DISCUSS OUR LOAN FROM USDA AND WHAT THIS MEANS TO OUR SHAREHOLDERS.



Have an idea?

The Bubbler is published to keep Blue Lake Springs Mutual Water Company shareholders informed about issues and upcoming events. The publish date is typically the week after a Board Meeting so that we can give you the most up to date information. If you would like to submit an article or suggest ideas for improvement, please contact Pam Bowman at pbowman@blsmwc.com

Contact Us

**Blue Lake Springs
Mutual Water Company**
1011 Blagen Road
P.O. Box 6015
Arnold, CA 95223

Tel (209) 795-7025
Fax (209) 795-7019
info@blsmwc.com

Visit us on the web at
www.blsmwc.com

For water emergencies:
(209) 795-7030