

# THE BUBBLER

To Our Shareholders:

We are always happy when Thanksgiving approaches because it gives us the opportunity to express our gratitude to all of those with whom we have done business .

We are pleased to say that the past year has been good for us, and we thank you for your unending support which has helped us grow and move forward.

We are making substantial changes here at Blue Lake Springs Mutual Water Company. We have purchased our office building and are now “making it our own”. We have begun a major overhaul of our water system, beginning with a Meter Install Project and applying for a USDA loan to continue upgrading our antiquated infrastructure. Both are going well, Phase one of the Meter Install project was completed well ahead of schedule. We have completed our Meter Survey (thanks to our 60 participants for their diligence and patience). Our contract with CCWD for the purchase of water (on an as needed basis) is in place and working. Well #4 is completed and operating. Its been a busy yet productive year!!

We as a community have come through another important election cycle, and will move forward with the “will of the people”. We are continuing to thrive and prosper in our beautiful little mountain community. And although we are still considered to be in a drought, we have seen early and substantial rain.

We have so much to be Thankful for!!!



## In This Issue

**Page 1: To Our Shareholders**

**Page 2: Drought Map**

**Page 2: Long Range Strategic Planning/Meter Study**

**Page 2: Water Usage**

**Page 3: General Manager's Report**

**Page 4: Presidents Message**

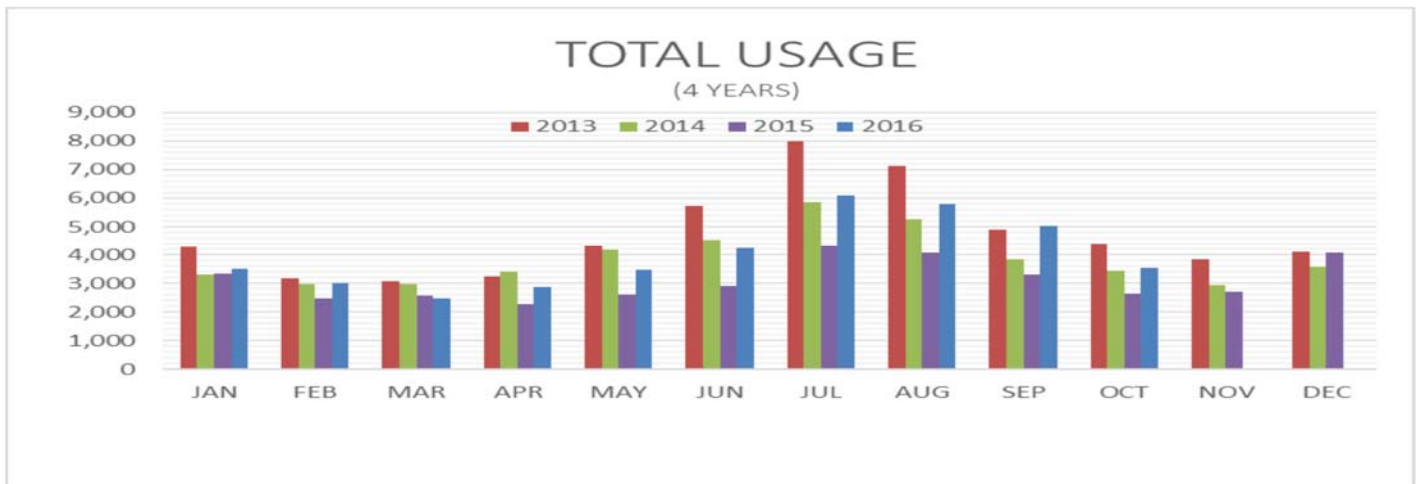


# Long Range Planning Committee - Water Meter Study

The Long Range Planning Committee (LRPC) has wrapped up the collection of water meter usage data as of month-end September. There are two data sets: (1) the collection of usage details from March through September 2016 based on a mix of 59 full and part time residences with our new radio read meters that volunteered for the "Water Meter Study" and; (2) the collection of 4 years water meter usage history through month-end August 2016 from an average of 180 part time and 58 full time residences with the old meters. Each data set has tabulated the monthly average usage into several multi-tiered levels. The next step will be to meld the two data sets and analyze the results over the next few months to determine how it will apply to the consumption charges (i.e., the variable cost portion) of our new water rate structure moving forward.

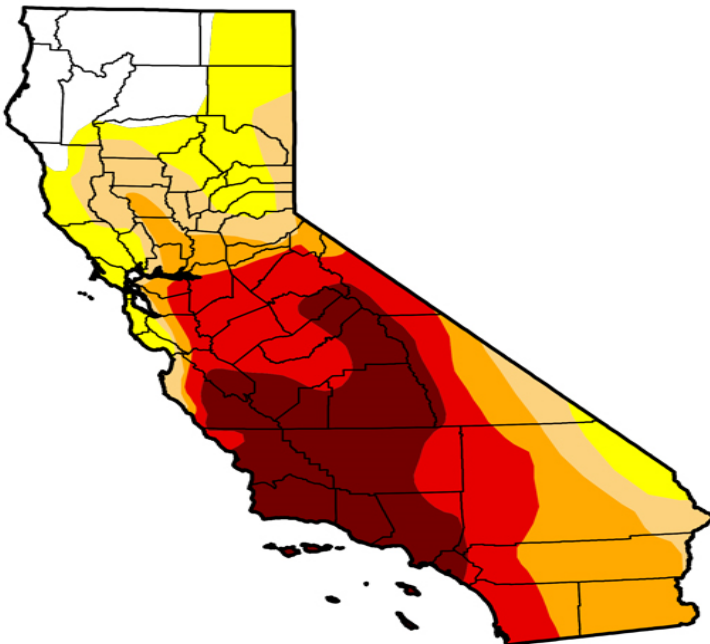
As mentioned last month, the rate/payment structure for 2017 will remain similar to 2016. The shareholders with new or old meters installed as of year-end 2016 will be charged the residence with active meter annual base rate and usage charges every 2 months, while all other shareholders will be charged their annual base rate according to their existing status at 2016 year-end. Rates for 2017 will be based on number of meters installed as of Jan 2017, and the total costs estimated for the year. Our goal is to continue our pursuit and receipt of the United States Dept. of Agriculture (USDA) loan "Letter of Conditions" by month-end January 2017, which should lead to the approval/funding of the loan in the latter part of 2017. Based on that favorable outcome, the final rate structure will be implemented in January 2018. Note: Pending the Letter of Conditions mentioned above, new homeowners will not be charged for their water meter at close of escrow. The costs of the meter purchase and installation, along with the planned mainline/infrastructure improvements will be included in the USDA loan and charged to all residents as an annual assessment beginning in 2018.

## Water Usage for October 2016



## U.S. Drought Monitor California

**November 8, 2016**  
(Released Thursday, Nov. 10, 2016)  
Valid 7 a.m. EST



Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
<b>Current</b>	12.03	87.97	73.04	60.27	42.80	21.04
<b>Last Week</b> 11/1/2016	12.03	87.97	75.26	61.38	42.80	21.04
<b>3 Months Ago</b> 8/9/2016	0.00	100.00	83.59	59.02	42.80	21.04
<b>Start of Calendar Year</b> 12/29/2015	0.00	100.00	97.33	87.55	69.07	44.84
<b>Start of Water Year</b> 9/27/2016	0.00	100.00	83.59	62.27	42.80	21.04
<b>One Year Ago</b> 11/10/2015	0.14	99.86	97.33	92.27	70.55	44.84

**Intensity:**

- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

**Author:**  
Deborah Bathke  
National Drought Mitigation Center



<http://droughtmonitor.unl.edu/>

# General Manager's Report

Hello Shareholders,

PG&E contractors, ( Trees Inc. and Mario's Tree Service) are soon to be increasing the number of tree cutting crews in Blue Lake Springs. If possible, it would be prudent to mark your water service line if you are having trees removed. Your service line runs between our water box and your house shutoff. If you don't know where your service line is, you can estimate it's location. Generally, service lines run in a strait line from our service box to the house shutoff valve. You can mark it with spray paint or flagging, or string it. It is wise to mark the location of your septic tank, and the leach field also.

I have been in contact with the manager of the cutting operation, and he assures me that the crews will be looking for potential problems before the trees are cut.

## Production

Our well production was down in October because we are buying half of our water from CCWD.

With 2 months left to go, I estimate our total production for the year to be about 23 million gallons, which is much lower than previous years. This allows our wells to recover, and store water for the high usage months of 2017.

## Drawdown

Well 3 drawdown is expressed in feet of water above the pump intake, and represents the storage we have available in the well.

2015 November Drawdown = 68 feet above the pump intake.

2016 November Drawdown = 144 feet above the pump intake.

This means that we have a lot more storage in our well than we had last year.

## Consumption

The usage has dropped off since September, and is about equal to 2014 levels, when we were also in stage 2 of our Drought Action Plan.

I'll give you the usage numbers for October.

2013 = 4,401,000 gallons. No Drought restrictions.

2014 = 3,430,000 gallons. Stage 2 limited outside watering.

2015 = 2,627,000 gallons. Stage 3 no outside watering.

2016 = 3,527,000 gallons. Stage 2 limited outside watering.

## Drought

We will remain in Stage 2 of our Drought Action Plan, and ask everyone to continue to conserve.

The Drought is not over, and we need to maintain our reserves going into 2017.

I hope everyone has a Happy Thanksgiving Holiday.

Thanks

Dave

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



## Have an idea?

The Bubbler is published to keep Blue Lake Springs Mutual Water Company shareholders informed about issues and upcoming events.

To better inform you of current issues and events, we publish the Bubbler following a Board or Special meeting, therefore the publish dates can vary. If you have information that you would like to share in our publication, contact Pam Bowman:

[pbowman@blsmwc.com](mailto:pbowman@blsmwc.com)

## 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](mailto:info@blsmwc.com)

Visit us on the web at  
[www.blsmwc.com](http://www.blsmwc.com)

Winter is coming I am told but I haven't seen much recently. The weather will cooperate and I am sure the cold will arrive. Meteorologists are predicting a La Nina winter, which is dry and cold. These are the same folks that predicted an El Nino last winter. So.... you are wondering? What's the message?

## CONSERVATION:

Conserving water is STILL an ok thing to do. The drought is not over despite last winter's rain and the rain in October. (refer to the drought map on pg. 2) You are probably getting tired of reading about this as I am getting tired of writing about this but the drought is alive and well. If you are conserving, please continue to do so. If you are thinking of conserving, please do. If you are not conserving, please start. Also on page 2 in the Bubbler is the monthly bar graph which enables us compare water usage from January through October. Please note that there has been a growing increase. We must reduce the increase and I am asking you to do so. Thank you.

## WINTERIZING:

This week, the evening temps are starting to drop. We are approaching pipe busting weather. Don't be one of our annual statistics. Prepare for the cold that is coming. If you leave your home for more than a day, I would encourage you to drain your water pipes. If you are gone for more than 5 days, in addition to draining the system, place some Anti-Freeze, that has been reduced with water to a ½ and ½ solution, into toilet bowls, holding tanks (flush 'em first) and a couple of table spoons of this magic formula into drains. It's the best cheap insurance you will ever use.

## BUDGET/ RATE INCREASE:

The Board reviewed the 2017 proposed budget, which was prepared by staff and the Long Range Planning Committee (LRPC) and voted to approve this budget with a rate increase of 3.5%. The rate increase average of \$2.30 per household per month will cover anticipated operating cost adjustments for 2017.

## USDA LOAN APPLICATION:

The application for a \$12.2M loan continues with the United States Department of Agriculture (USDA). We are moving forward in the final required application stages. We remain very optimistic and anticipate the approval in January 2017.

As you have read in past articles, the loan includes funding for older mainline piping replacement (which accounts for 75% of the total loan request), completing the metering of the entire system (currently about 30% is metered), additional fire hydrants and the replacement of older fire hydrants (some are 50 years old) and upgrades to our Water Treatment Facility just to name a few. Meanwhile we remain ever hopeful.

## METERS:

We have completed Phase One of the current plan to install new radio read meters. Presently about 30% of the entire system is metered. We have tested the reading software and it is working extremely well. The remaining meter installs and all related costs will be a part of the USDA project.

## CCWD PARTNERSHIP:

We just completed our first contract year of water purchase with CCWD. All is running smoothly. While CCWD was in the process of replacing one of their main supply lines to the town of Arnold they had to temporarily cut off their supply. BLS provided water to the community, both residential and commercial. The amount of the water provided was measured and BLS will be receiving a credit on their forthcoming monthly bill. The question came up recently, can we purchase all of our water supply from CCWD? The answer is yes but it would require payment of nearly 2M in capacity fees, in addition to the additional water cost.

## NEXT DOOR:

Someone asked recently if we are on Next-Door website? Yes, we are. We would ask that you call the BLS Office when asking questions re: your water service as the staff does not monitor the site continually.

## TREE REMOVAL:

If you are planning to remove a tree on your property, please contact our office @ 795-7025. We will have one of our field staff stop by and mark our water lines. If the tree service drops a tree and ruptures a line, yours or ours, we will hold the tree service accountable.

Bob Maginnis

President

