

THE BUBBLER

Blue Lake Springs Mutual Water Company Newsletter

January 2018

Record 129 million trees dead in California due to drought, bark beetle

Reported by: *KSFN News December 2017*

The U.S. Forest Service announced that an historic 129 million trees on 8.9 million acres have died due to drought and bark beetles in the state of California. The dead trees continue to pose a hazard, especially in the central and southern Sierra Nevada, they say.

The U.S. Forest Service said even though there were record rains last winter, the effects of five consecutive years of severe drought, bark beetle infestation, and rising temperatures have contributed to the historic levels of trees dying.

"The number of dead and dying trees has continued to rise, along with the risks to communities and firefighters if a wildfire breaks out in these areas," said Randy Moore, Regional Forester of the U.S. Forest Service, Pacific Southwest Region. "It is apparent from our survey flights this year that California's trees have not yet recovered from the drought, and remain vulnerable to beetle attacks and increased wildfire threat. The Forest Service will continue to focus on mitigating hazard trees and thinning overly dense forests so they are healthier and better able to survive stressors like this in the future."

Moore continued, "To increase the pace and scale of this important work, we need to fix how fire suppression is funded. Last year fire management alone consumed 56 percent of the Forest Service's national budget. As fire suppression costs continue to grow as a percentage of the Forest Service's budget, funding is shrinking for non-fire programs that protect watersheds and restore forests, making them more resilient to wildfire and drought."

So far, California's Tree Mortality Task Force (TMTF) has felled or removed over 860,000 dead trees. The TMTF is made up of more than 80 local, state and federal agencies and private utility companies. The forest service says they are using a triage approach to removing the dead trees by focusing their efforts on high hazard areas. The U.S. Forest Service and Cal Fire are also increasing the pace and scale of prescribed burns to reduce dense areas of dead trees.

"Tree mortality at this magnitude takes on-going cooperation between public, non-profit and private entities," said Chief Ken Pimlott, CAL FIRE director, and California's state forester. "California's forests are a critical part of the State's strategy to address climate change. By working together and using all the resources at our disposal we will be able to make more progress towards our common goal of healthier, more resilient forests that benefit all Californians."

On April 12, 2014 the Board of Directors of Blue Lake Springs Mutual Water Company adopted a Drought Action Plan. This Drought Action Plan for Blue Lake Springs Mutual Water Company with Water Supply Conditions, Drought Stages; Objectives, and Response Actions needs to be adopted by the Blue Lake Springs Mutual Water Company's Board of Directors.

This Drought Action Plan serves as a detailed work plan for Blue Lake Springs Mutual Water Company staff, **not only during drought conditions, but before and after as well.** It includes specific actions for management of the water supply and demand, addresses the impacts associated with drought, and facilitates the timely implementation of effective drought responses. **The Blue Lake Springs Water Co. urges our Shareholders to always be in "conservation mode" and we THANK YOU for your efforts!!**

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Continuing Conservation

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Frequently Asked Billing Questions

Where can I pay my bill?

You may mail your check or money order made payable to Blue Lake Springs Mutual Water Company in the pre-addressed envelope enclosed with your bill. If you prefer to pay in person, please bring your payment to our business office located at: 1011 Blagen Rd. in Arnold.

You may call our office and pay by **CREDIT CARD** . *We do not charge a conveyance fee for this service*, your card will be charged the amount due. If you pay with a credit card or by online payment, PLEASE take the time to send back your signed payment stub with a notation that you have paid.

Also for your convenience there is a depository box available 24 hours a day for check payments. The box is located at the front entrance to the business office, adjacent to the BLWMWC sign. Payments deposited here will be collected and processed at the start of the next business day.

When is my bill due?

Your 2018 Shareholder Fees are due on February 15, 2018.

Your bill becomes delinquent after this date, and a late penalty will be accessed once this date has passed. This information can be found on your bill. Along with this penalty, 1.5% interest will be charged on all unpaid balances as of March 15, 20178.

How are water charges determined?

Shareholders are charged an annual rate in four main categories: Cabin, Cabin with Handheld Hose, Cabin with Metered Water, and Undeveloped Lot. This fixed charge covers the costs of maintenance, repair and improvement of the water system.

Water rates are established by resolutions/ordinances adopted by the Board of Directors. Rates are reviewed annually to verify that the rates cover the cost of providing the service.

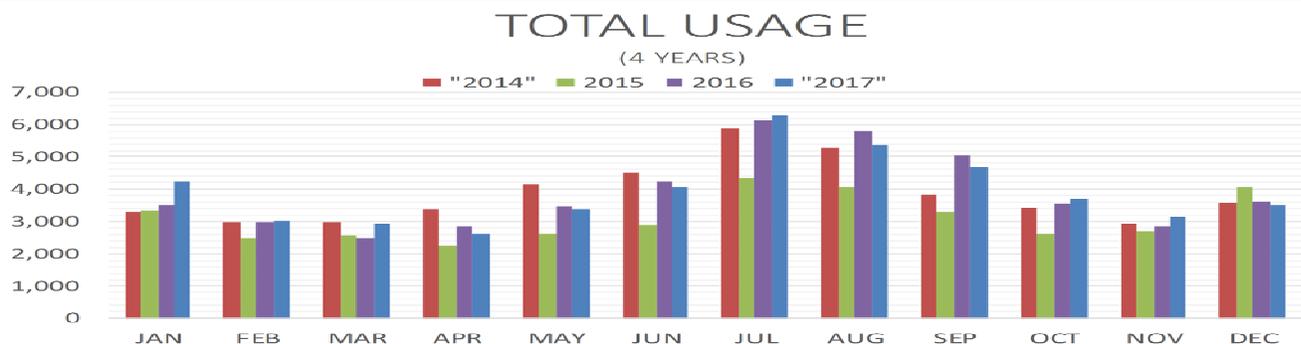
The Cabin with Metered Water usage charge is based on the number of billing units (ccf/100 Cubic Feet of water or 748 gallons). Shareholders are billed bi-monthly for water usage. The water meters are read on a bi-monthly basis. Shareholders with meters are allotted 700 cf (5,236 gallons) per billing cycle of water that they are not charged for as part of their annual Shareholder fee. Any usage over this allotment is billed at \$1.60 per 100 cf,

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Questions regarding your bill?

If you have a question about your bill, please call our business office at (209)795- 7025 between 8am and 4pm, Monday through Friday. You can also email us at info@blsmwc.com. We will do our best to answer your questions or refer you to the appropriate person.

December Usage Chart



Watermaster's Report

Dear Shareholders,

I am filling in for our General Manager Dave Hicks this week and am happy to do his Bubbler Report in his absence. All the staff here at Blue Lake Springs Mutual Water Co. wishes all of you a Happy New Year and look forward to 2018.

Wells Report: Our well levels are holding strong at 156 feet above the pump intake for well #3, and 769 feet above the pump intake for well #4. These two wells are Blue Lake Spring's main source of ground water. These wells show no direct effect from the dry winter we've had so far. Our well engineers, Luhdorff and Scalmanini, as well as Blue Lake Springs staff are monitoring the wells performance. The wells are holding strong and continue to recover nicely.

Usage: Usage for December was slightly lower this month than last, about 5%. This reduction is great considering this time last year Blue Lake Springs was under Stage 2 drought restrictions.

Here are the numbers.

December Usage by year:

2013 4,097,000 gallons

2014 3,579,000 gallons

2015 4,057,000 gallons

2016 3,609,000 gallons

2017 3,497,000 gallons



Total water usage for 2017 was 47,000,000 gallons which is slightly higher than 2016, but is still very good compared to years past.

Winterize: I know we say it all the time.... but please don't forget to Winterize your cabin if you are going away for any length of time. A useful tip from staff is to take the extra time to see the house drain completely stop flowing before leaving. This will ensure you have winterized properly.

With 2017 behind us, Blue Lake Springs Mutual Water Company looks forward to 2018.

Sincerely,
Bill

William (Bill) Heinle
Water master
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. The Bubbler is a "monthly" newsletter and comes out following a regular scheduled Board Meeting so that we can keep you up to date on the most current information.

If you would like to submit an article or suggest ideas for improvement, please contact:

Pam Bowman

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

Visit us on the web at

Long Range Planning Committee Report

The LRPC's recent focus has been on the Engineering and Design progress being made on the USDA funded Water Distribution System Improvement Project. Overall, the project is moving along well toward our final design milestones leading to the bidding and construction services by mid-2018. Recently, as a result of findings during the initial design phase, the team has proposed some important design changes that will lead to operational improvements to the overall water distribution system.

Moving forward, there are several interrelated factors that must be planned out carefully over the next 2-3 years pertaining to the USDA Loan timelines, repayment processes, and the resulting impacts to our internal finances and contingency reserves. Recently, we were informed by the USDA of the requirement to obtain "interim financing" from the start to the completion of the construction phase as opposed to the USDA reimbursing our costs directly as they are incurred. This poses a greater burden on our internal budget reserves while we cover certain costs and additional "interim loan" interest payments (not included in the USDA loan agreement) until eligible for reimbursement. The above factors create significant challenges and decisions that will have to be made as the project progresses and costs become known.

The LRPC will also continue to collect meter usage data throughout 2018 to utilize for our future year rate analysis, perform a more comprehensive reserve accounts plan, and based on the complicated financial situation ahead, continue to update our multi-year cash flow analysis.

These design changes, which were approved at the Jan. 13th Board of Director's Meeting, will be funded from USDA loan contingencies and are estimated to have no overall impact on construction costs.



President's Report

Happy New Year!!

Hard to believe it is 2018 already. If you make New Year's Resolutions, please add: "Saving Water is still OK."

While the meteorologists continue to debate over El Nino and La Nina, I would offer that it is still OK to CONSERVE. Planning now for water later is a good thing.

The December Board meeting was full of updates over the progress of the "Project" which is the continuing roll-out of the USDA Loan.

Engineering teams are working their way through BLS, plotting the positioning and placement of the 'lateral', which is the connection from the service line that is in the utility right-of-way to your property and thus the meter box.

You are encouraged, in the strongest terms, to call/visit the Water Company Business Office, again next to the Firehouse or Post Office, to alert us if you want the placement of the lateral, and hence the meter/water box on your property in a different location, than the engineers have selected. We are doing our best to yield to the homeowner on this matter; but, we must know of your preference. We will also insure that the repositioning is in keeping with our overall mission.

Construction and the actual digging should start by June 2018 at the latest and will continue until mid/end 2019.

In keeping with the construction, the Board of Directors discussed the development of two programs that are connected to the Project.

At the Town Hall meeting in November 2017, there were two items touched on: Assisting those that cannot afford the financial outlay for the relocation of their water line; and, the possibility of a Rebate to those who are mandated to move their water access from the rear of the property to the front.

Let me discuss the Rebate Program:

After a long discussion, it was agreed to revisit the Rebate portion after all major construction is completed. This is a practical move as it defers the expenditure of our reserves, which may come into play during or soon after construction. This is purely precautionary. In fact, it makes profound sense.

As to the option of the Water Company offering a loan program, the Board directed the Chair, the General Manager and Board Counsel to develop a program that would allow the homeowner to cover the cost of the water line relocation, with a very low interest, short term loan that could be repaid monthly. There are some stipulations however. The homeowner must agree to complete the project within a few months of eligibility and agree to use a licensed plumbing contractor.

The looming unknown at this point is: How much does it cost to relocate the service line? Any specific number focus would be guesswork, as every lot is a bit different. As the Project continues, we will be in better position to answer that question.

Meanwhile this committee created by the Board is putting the loan program together.

As progress on the Project continues, I would encourage you to track the events by reading the Bubbler and visiting our website: www.blsmwc.com

We are in the early stages of posting our Board meetings on-line, on video. Thus, you can sit in the warmth of your residence and watch the Board meeting.

I can promise you will find the meeting interesting and get a first-hand sense of how business is taken care of.

Remember: Call about your lateral line preference!!

Remember: CONSERVATION is still OK!!

A quick reminder: You can now pay your annual water bill on your favorite credit card and best of all there is NO conveyance fee.

What a great deal!

Enjoy the New Year!

Bob Maginnis

Board President