THE BUBBLER

Blue Lake Springs Mutual Water Company Newsletter

June 2018

Governor Signs Historic Water Use Efficiency Bills - AB 1668 And SB 606 Impose New Or Expanded Requirements On California Water Agencies And Suppliers

Gov. Jerry Brown signed Assembly Bill 1668 and Senate Bill 606 yesterday, which are jointly designed to overhaul California's approach to conserving water. The measures impose a number of new or expanded requirements on state water agencies and local water suppliers, and provide for significantly greater state oversight of local water suppliers' water use, even in non-drought years. They were adopted in response to Brown's May 2016 executive order, which called to make water conservation a "way of life" in California.

Among other things, <u>AB 1668</u> and <u>SB 606</u> require the State Water Resources Control Board, in coordination with the Department of Water Resources, to establish long-term urban water use efficiency standards by June 30, 2022. Those standards will include components for indoor residential use, outdoor residential use, water losses and other uses.

Regarding indoor residential use, the new laws set a standard of 55 gallons per-person, per-day through Jan. 1, 2025. After that date, the amount will be incrementally reduced over time. For the development of outdoor residential use standards, the bills require DWR to conduct studies of landscaping and climate throughout the State by 2021. DWR will then provide the resulting data to SWRCB and local water suppliers for development of urban water use objectives. In addition, the bills will require local water suppliers to calculate and comply with their water use objectives and report those objectives and actual use to DWR. New five-year drought risk assessments and water shortage contingency plans must also be incorporated into Urban Water Management Plans.

Starting in 2027, local water suppliers' failure to comply with SWRCB's adopted long-term standards could result in fines of \$1,000 per day during non-drought years, and \$10,000 per day during declared drought emergencies and certain dry years.

These are just some of the many changes ushered in by AB 1668 and SB 606. As the new laws are implemented by SWRCB and DWR over the next several years, they will dramatically change how local water suppliers plan for, report and achieve water use efficiency and drought management within their service areas.

In This Issue

Page 1: Governor Signs AB1668 and SB606

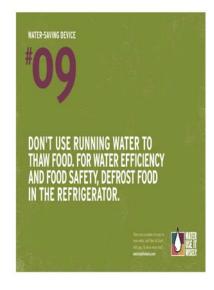
Page 2: General

Managers Report

Page 3: BLSMWC Infrastructure Improvement Project

Page 3: May Usage

Page 4: President's Report



General Manager's Report

Dear Shareholders,

The weather is starting to heat up as we approach Summer. Some of you may already be watering your plants and starting up your irrigation systems. Please check them for leaks and timer failure. If you plan to add a new irrigation system, please contact the office so we can check it out to see if there is proper backflow protection.

Backflow is a condition where water from the irrigation or house can be drawn into our water main pipes. It's a rare situation but it happens when we have a water main break. A vacuum is sometimes created in the main, and without the proper protection on the house and watering system, contaminated water can be sucked into the main.

When a system is installed by a professional landscape company, the proper backflow devices are usually installed, but we would like to take a look. Any of you with older systems can call us too. We would be happy to check them out.

May Usage

May usage was lower than last May.

Here are the numbers:

2013 4,341,000 Gallons

2014 4,152,000

2015 2,602,000

2016 3,479,000

2017 3,378,000

2018 3,112,000

We saved 28% in May over May of 2013, which is the comparison year for State drought reporting.



Conservation

We are currently in Stage 1 of our Drought Plan. This is a voluntary part of our plan, which asks for a 10% reduction in water use compared to 2013 usage. I don't see a change to Stage 2 this year, although It may depend on what the State requires.

I just ask that everyone be aware of their water usage and try to be wise about it, as we go into the Summer months.

We have had a couple of cases where relatives have come up to use a cabin, and didn't shut the water off properly, leaving the drain open and running. Please make sure proper instructions are posted as to how to shut the water off.

That's all for now.

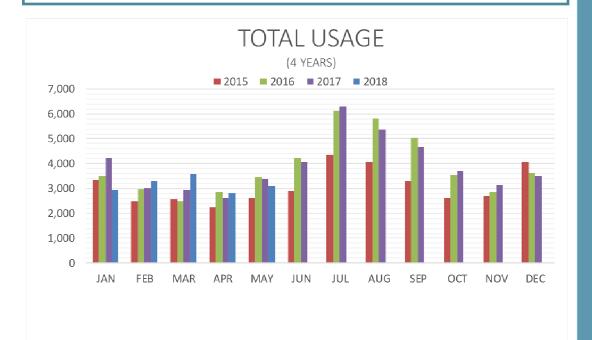
Dave

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May Usage Chart



Blue Lake Springs Mutual Water Company Infrastructure Improvement Project

Our Annual Meeting was held on June 2. I hope some of you had a chance to attend. One of the main subjects at the meeting was our Infrastructure Improvement Project that will be starting in late June or early July. Almost all Blue Lake Springs residents will be affected (unit 1 thru 5 and 7 thru 13). We will be installing 65,500 ft of water mains, 84 new fire hydrants, 25 hydrant replacements, 969 new water services, 364 retro services and meters, 15 large pressure reducing stations, 1 Booster Station, and various other necessary parts to upgrade our water system. We will be fully metered by the end of this project. The contractor, selected through a bidding process, is Mozingo Construction Inc. We will have a detailed schedule of work to be performed. This plan will be used to notify you, the homeowner of the location of work to be performed, notification of any planned water shutdown or street closures, notification to homeowner to proceed with re-connection of your water service line to the newly constructed water service box. We plan to use Next Door for these notifications along with email (please give us your email address), our website, and mailings when necessary. Some of you have received a form in the mail with a proposed location of your new service box. If you haven't already, please review the form and advise us of any changes you want to make. The construction schedule is not finished at this time, but we will inform you when it becomes available. If you have guestions, please call the office. Again, please send us your email address as we plan to go to electronic billing in the future. Dave Hicks Blue Lake Springs Mutual Water Company

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:

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President's Report There is a great deal going on, but first let me address changes on the Board of Directors: Dave Owen worked on the Board for 21 years, OR, over 200 meetings as a volunteer. That is a lot. The annual meeting on June 2, 2018 was his last meeting. Dave was presented with a plaque that held three rusty faucets and two x small messages wishing him well and thanking him for his service. His expertise will be missed. There were three members that ran for two positions on the Board and the shareholders elected incumbent, Bob Maginnis and new Director Jeff Jones. In the past the Board has met monthly. This has changed to six meetings a year: January, March, May, June (A required Annual Mtg), September and November. Should any matter arise that requires some immediate action by the Board, a conference call meeting will be set up, with full public access. 2018 annual Meeting There were a couple of matters discussed at the Annual Meeting: The recent awarding of the low bid that was received at our Bid Opening for the 12.23M infrastructure repair, upgrading of the delivery piping system and replacement of all rear yard piping access went to a company with extensive experience. The bidder was chosen, and a USDA required vetting process has begun to confirm the contractor's background and work performance history. I would expect that will take two weeks and construction could begin as soon as early July At the Annual Mtg, attendees were asked to insure the Water Company has everyone's email address, as we are building our database. If we DON'T have your email, please get it to us. // We are going to use Next-door, emails and other venues to keep everyone aware of the construction process, which will include temporary road closers in some areas. 🖟 Another reason for asking for email addresses: future billing will include on-line payment or electronic bill-pay system that will allow users to auto-pay their water bill, like other current utility billings. There was a presentation covering the next three years reflecting the changes in the water delivery process. In addition to all the piping and property line adjustments, there will be many hydrants put into place. The matter of future billing was discussed. When all meters are in place, the annual rate structure will be replaced by a bi-monthly or quarterly billing system that will be based on two levels: a base rate charge for the Company's infrastructure and consumption based upon use. There is currently a consumptive use study in place and it will continue for two additional years. We are focusing on this aspect to determine a fair and equable consumption rate tiering. As I mentioned there is a lot going on and we are about to enter a period that will conclude with a delivery structure that will provide for our grandchildren's grandchildren and you are all going to be a part of that success. Enjoy the coming Summer AND continue to Conserve. 🗚 Bob Maginnis President