

THE BUBBLER

Blue Lake Springs Mutual Water Company Newsletter

November 2018

Thank You

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 begun a major overhaul of our water system, and will continue the upgrading our antiquated infra-structure. The project is going well, and we need to extend a special thank you to Mozingo Construction for their conscientious work and consideration of our homeowners. 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 hope to see substantial rain.

We are especially thankful that this year that our community was not a victim of a wildfire, and send special thoughts to those who have.

We have so much to be Thankful for!!!

We at Blue Lake Springs Mutual Water Co. extend out heartfelt wishes for a Happy Thanksgiving

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Please watch for these signs in the BLS Subdivision!!

Road work updates are posted on our Website: www.blsmwc.com and our Facebook Page: Blsmwc

Please call our office if you have questions: (209-795-7025)



HAPPY THANKSGIVING



President's Report

As you know the construction phase of our upgrade project is off and running.

The Mozingo Construction Company has a crew at work and part of one neighborhood is all but done. The crew members are local Calaveras County residents and welcome a project close to home. Mozingo is also utilizing local subs as well.

A prudent piece of the project is the placement of hydrants in the neighborhoods, which are more than a necessity. Hazard Insurance Companies have cancelled coverage on some dwellings in BLS due to great distance or absence of hydrants.

There will be some disruption to traffic flow because you can't complete a project of this magnitude and not impact vehicle traffic. We thank you for your patience.

The Board, at its November 2018 meeting approved the 2019 Annual Budget, with an increase in rates of 3% effective January 1, 2019. This reflects local inflation and the overall increase in costs for service.

The Board acknowledged Lee Bateman for his Board service. We all wish Lee continued success as he has resigned his position. In his place, the Board appointed Mark Woltering to fill the open vacancy until the Annual Election in June 2019. After the Board Meeting the Board and Staff held a Town Hall meeting which was attended by over 100 residents. The purpose of the Meeting was to discuss the progress of the project and give residents a chance to meet and ask questions of a senior staffer from Mozingo Construction. In 2017, the Water Company held the initial Town Hall meeting and mentioned that the staff would return in 2018 for an update. We followed through and so did you! Thank you for taking the time to attend. I was impressed with the knowledge of the shareholders as to the understanding and depth of the project.

You will continue to see light blue pipe and a lot of gravel/rock along the roadways. All of these products are going into the utility-right-of-way where the large 6" mains are being installed. This size is necessary for the application of, and proper use of hydrants. The project will move along and will only be deterred by snow. The schedule calls for completion in early 2020 and at the present rate, I am sure that target will be hit.

Several homeowners are subject to the transfer of their residential supply line from the rear of their property out to the front, as the new line will be attached to a lateral that is directly connected to the large supply pipe. Also attached will be a new meter and the Water Company is going to supply everyone with a valve that regulates the water pressure into the residence.

Again, everyone is encouraged to contact the Water Company if you have any questions at all regarding your residence.

Now is the time to ask ...

We are forever asking for your email address and if you haven't passed it on, please do so.

Several questions came forth at the Town Hall in regard to the future billing system and how will it change. We are in a process that the Long Range Planning Committee (LRPC) has been working on to refine and deliver a billing structure based on two specific areas:

1. Base Rate that by design covers the overall cost of the Company's operations
2. Consumptive or Use Rate that measures the use of water and charges accordingly.

LRPC has been tracking water use by full-time and part-time residents over the past 2-3 years and will continue during 2019, in order to define base line usage. The goal is to come up with a fair and equitable system and that is exactly what we are going to do.

Holidays are approaching, and I wish all the Season's Best.

Bob Maginnis

BLSMWC President

P.S. Please WINTERIZE !!!



General Managers Report

Dear Shareholders,

Our Infrastructure Improvement Project is going along nicely with the installation of new water main and fire hydrants on Russell Drive and David Lee Road. This work will greatly improve our fire protection here in Blue Lake Springs.

October Water Usage

Usage since May of this year has been lower each month compared to 2017. We have saved, since May, 1,798,000 gallons. Thanks to all who have conserved.

October

2013 4,401,000 gallons

2014 3,430,000

2015 2,627,000

2016 3,527,000

2017 3,723,000

2018 3,188,000

We are at 28% water savings for October compared to October 2013, the State drought comparison year.

Well Levels

Water levels in wells 3 and 4 are high, and we are ready for the Holiday usage.

Well 3 October

2017 153 feet above the pump intake.

2018 154 feet

Well 4 October

2017 767 feet above the pump intake

2018 767 feet

Available storage in our tanks at any time is averaging 1,234,000 gallons.

Cold Weather

Cold temperatures are moving in on us as Winter approaches. Make sure your cabin is ready. Turn shutoff valve off when you are gone. Drain the pipes if you are gone for an extended time. Assume the power will be off at some point during the season, and don't count on your heater to keep your cabin above freezing. Turn off and drain sprinkler systems.

Here's wishing everyone a happy Thanksgiving.

We have a lot to be thankful for.

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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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LRPC REPORT

The Long Range Planning Committee (LRPC) presented the "Draft" Reserves Operating Procedure at the November 10th Board Meeting. Reviews have been completed to ensure that our Reserves Policy is within legal and accounting compliance regulations for not-for-profit mutual water companies. Based on recommended minor revisions to both the Reserves Fund Policy and Reserves Operating Procedure, the LRPC will review the "Final" recommended documents at our December meeting and present to the board for approval and implementation in January.

Discussions continue with MC Engineering on the development of our Asset Management Plan. A meeting was held on November 8th to review the progress and proposed structure of the Asset Inventory Database, which is the critical 1st phase in the plan development. Agreement was reached to move forward with loading all remaining assets into our GIS Model, and utilize the data to develop a comprehensive interactive database tool. This database will provide on-going information on the life expectancy and estimated replacement cost of each asset, which will be utilized to determine the annual amounts required in our Capital Assets Reserve Fund.

In addition to the above, the LRPC focus over the next couple months which will be discussed at our December meeting include:

- Analyzing how 2019 Reserves and USDA Reimbursements will affect financials
- Review the changes to our USDA construction spend plan to determine how the revised draw down affects our Interim Financing interest estimate
- Review proposed additional USDA tasks (still within allocated budget) being requested by BLSMWC Management and Staff
- Review Meter Usage Data updated through Sept 2018, and discuss how levels and trends may be considered in the development of our Rate Structure as we progress through 2019



OCTOBER USAGE

