

# THE BUBBLER



Blue Lake Springs Mutual Water Company Newsletter

## Shareholders with New Meters

As you know by now, infrastructure improvements have begun in the subdivision. This includes increasing the size of the watermain and adding fire hydrants. Because the state has mandated that we have water meters on all parcels with homes by the year 2025 and if a water meter has been added to your home in Blue Lake Springs, this information pertains to you.

### To familiarize you with our billing policy:

Metered water bills are sent out bimonthly at the end of February, April, June, August, October and December. Each month you are allotted 350 cubic feet, 700 cubic feet per billing cycle, of water at no charge. Water use over 700 cubic feet will result in a water usage fee of \$1.60 per 100 cubic feet used. The bi-monthly water bill **is in addition** to your annual shareholder fee.

You can also find more information re: billing on our website:

[www.blsmwc.com](http://www.blsmwc.com)

## In This Issue

**Page 1 :** Meter Billing

**Page 1:** Caution/Work Zone

**Page 2:** LRPC Report

**Page 3:** President's Report

\*\* The General Manager's report will be available on our website on 4/23/29 along with our usage chart

## WORK RESUMES IN BLS

As the weather clears, and work resumes in the Blue Lake Springs Subdivision, we ask for your patience with road closures and potential delays, as our crews continue working !!



Thank You



# LRPC Report

## **Shareholder Service Line Replacement Program**

As mentioned in the March Bubbler President's Report, the LRPC was tasked at the January 2019 BOD Meeting to review the shareholder lateral service line replacement costs and provide our findings and a recommended implementation plan to the board. As has been communicated to the shareholders at prior meetings, the cost of new service lines from the meter at the street to the house (since this is on the shareholder's property and not in the public right-of-way) cannot be funded through the USDA loan.

Based on the LRPC analysis, there are currently a total of 1,714 connections that will have meter boxes. Of those, 553 (32%) of the residences previously paid to relocate their service line from the rear of their lot to the street, and 976 (57%) of the residences will be required to replace their service line once the new meter is installed as part of the USDA construction project. The remaining 185 residences (11%) will not be required to move their service line.

Based on the estimated cost to replace the service lines, and the potential USDA project budget risks that must be managed over the next year, it was concluded by the LRPC that funding this from our reserves would not be feasible. As a result, a Zero Interest Loan Program (limited to shareholders experiencing financial hardships) was recommended by the LRPC and adopted by the BOD at the March Meeting. Drafts of the loan program "Loan Agreement" and "Loan Application" have been completed by BLS-MWC General Counsel and Staff, and are currently under review by the LRPC. The goal is to review and approve the loan program at our May 11<sup>th</sup> BOD Meeting and immediately thereafter make it available to those shareholders that qualify.

## **Asset Management Plan**

A meeting was held with MC Engineering April 11<sup>th</sup> to review the Asset Management Plan progress to-date, and discuss the remaining process and scope of tasks to complete. The completed plan will describe the characteristics and condition of our infrastructure assets, the levels of service expected from them, planned actions to ensure the assets provide the expected level of service, and financial strategies to implement the planned actions. The plan will answer the following questions:

- What we own (Asset Inventory)
- Where each asset is located (Geographical Information System)
- What is it worth (Value of each asset)
- How we operate (Optimal service level for each asset)
- What is the condition of the assets (Risk of failure/Consequence of failure)
- What we need to do with each asset (Maintain or Replace)
- How much will it cost and how will it be funded (Financial Plan)

Before constructing the Asset Management Plan, the first step is to conduct a complete asset inventory. This will serve as the basis for our plan. The asset inventory should include: (a) a listing of all the assets we have; (b) where each asset is located; (c) the value of each asset; (d) when they were built or bought; (e) their predicted lifespan; and (f) the estimated replacement cost of each asset. The efforts thus far have focused on inputting data for the GIS mapping of all assets (completed) and building the asset inventory database structure and inputting the assets. Completing the Asset Inventory still requires populating the remaining entries for c, d, e, and f directly above.

At this stage in the plan development, MC Engineering is on target with their proposed hours and dollars. At the April 11<sup>th</sup> meeting, 65 hours were authorized to complete populating the remaining asset inventory entries mentioned above by month-end April. The completed asset inventory database will satisfy a substantial portion of the "draft" asset management plan task, and form the basis for our chosen output reports, which will detail short and long term replacement, repair and maintenance costs. MC Engineering was also requested to review the BLSMWC Reserves Fund Policy and current annual operating budget repair and maintenance processes with our staff to ensure the Asset Management Plan does not commit us to duplicating resources.

Once the Asset Inventory Database is complete, it will be reviewed with the LRPC. The proposed scope for the remaining tasks (which will address items 1 -7 listed above) and the output reports will then be reviewed and agreed to by the LRPC, with a recommended path forward for the "Final" Asset Management Plan presented to the BOD for approval in May 2019.



# Presidents Report

Well, I think the snowfall has concluded and what a winter it was.

I am anxious to see what the water content of the winter snow produces. Am confident that our water supply sources will be as near as full as possible. I am also anxious to see if the conservation practices that most of our customers have practiced over the past five years will continue. A large part of me says they will. We are going to have to live with heavily wet winters and then limited supply over the coming years following that winter. The past has taught us that a multi-year drought follows a heavy wet winter. The clear weather promotes good weather for construction and the crews are out working as we slowly move through the large project. There have been some "surprises", but we are dealing with them as we concluded early on that these would occur.

Speaking of the Project, there is an excellent opportunity to hear from the project Contractor at the Annual Meeting, which is scheduled for June 8<sup>th</sup>, the second Saturday in June, at 9:00am.

Bring your questions .... We'll bring your answers.

According to the Contractor, the Project is moving along well, aside from the halt that was dictated by the heavy snowfall. We are now into good digging weather.

As we get closer to next year, 2020 will bring a new billing process which will result in a bi-monthly billing schedule. Rather than pay an annual bill, the billings will be structured with a Base Rate: common to all homeowners; and: a Use Rate common to all that use water, according to a tiered rate that reflects overall Consumption. Thus in 2020, your first bill will arrive in very early March, for the delivery and use for the preceding months of January and February. The next billing will occur in early May for the months of March and April and so on through the calendar year: July, September, November and January. Every meter will be electronically reviewed at the close of every billing period. All payments will be due on the 15<sup>th</sup> of the month following the two-month billing cycle.

Every customer will have a variety of payment options: electronic payment tied to their credit card, or if their Bank has a Bill Pay option that is structured to auto-pay using one's checking account. The credit card or Bill Pay will be set to pay your bill on a calendar agreed date, after the actual billing and before any late fees that are set in place. You will receive a notice that your bill has been paid by your credit card/Bill Pay. Our plans are to exercise the maximum amount of electronic processing as possible.

If the Company were to use US Mail, the cost for 6 bi-annual billings per year would total approximately \$12,400.00. We hope to save a good part of that amount using the electronic option. I realize that not everyone has a computer but for these two options, you don't need one. I also understand that some customers prefer using the US Mail as their venue and we will honor that option.

Earlier I mentioned the Annual Meeting. The date of the Meeting was changed to June 8<sup>th</sup>, from June 1<sup>st</sup> and will start at 9:00am. Everyone is encouraged to attend. After all we are Your Water Company. Leading up to the Annual Meeting is the election of Board Members. The number differs every year and this year the number is three.

There are two vacancies and one member Andy Rich that is up for re-election. The vacancies occur as Jay Brethauer and Mark Woltering are leaving. I would like to take a moment and thank both Jay and Mark for their service and wish them the best in the future.

Once more, I want to thank those neighbors that have been impacted by the construction for their collective patience. We are all leaning that you can't upgrade any system and not cause some inconvenience.

Enjoy the coming Spring. Hope to see you at the Annual Meeting: June 8th 9:00am...

Bob Maginnis  
President  
BLSMWC

## 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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