

THE BUBBLER

Blue Lake Springs Mutual Water Company Newsletter

July 2019

Water Safety Tips

Water safety starts with supervision.

Supervision is crucial in keeping our children safe. Children cannot be left in the kiddie pool the same way they might be placed in front of the TV. Children playing near water require constant adult supervision. An 8-year-old sibling is not mature enough to watch tykes in and around the water. Parents should exercise touch-reach supervision, which means they are always within an arm's length of a child when close to the water. Realize also that floaties and water wings are not an alternative to supervision; they do not prevent a child from drowning.

Practice water safety inside and out.

Children can drown in very little water, very quickly. While it may be more apparent to take safety precautions when at the pool or the beach, parents should practice safety any place where water exists, including near the bathtub, toilet, fish ponds, buckets of water, coolers, fountains, hot tubs and even big puddles.

Maintain a safe parent-to-child ratio. Young children are safest in the water when there is a one-to-one parent-to-child interaction. The supervising parent or caregiver must give one's undivided attention—without being on the phone, reading a book or watching another child. Never leave a child unattended in or near the water to answer the telephone or doorbell. Rather, pay close attention even if the child is in a kiddie pool, at the water's edge or in the shallow end of a pool.

Older children need supervision, too.

Water safety is important, but parents might take it for granted with their older children. Pay attention to the older kids in the clan. They love to have mom and dad watch them do cool things in the water. Encourage physical activity and give lots of positive feedback—while looking on. Enjoy watching your children have a great time!

Practice beach and lake safety.

Upon first arriving at the beach or a lake, check to see if there is a lifeguard on duty. If not, then the parent is the sole lifeguard. Go in the water with children who cannot swim on their own. If there is a lifeguard present, swim within the flags near the lifeguard on duty. Sit with children who are playing at the water's edge. Teach older kids who can swim about tides and undertow at the beach. Look out for weeds and other growing things at the lake, as not all lakes have sandy bottoms. Also beware of debris in the water and things that sting or bite.

We can all enjoy summer swimming while remembering to keep it safe!!

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LRPC Report

As we move forward through the second half of 2019, the primary focus will be to determine the impacts to our income, expenses and cash flow resulting from planned procedural changes. These changes will be taken into account as we finalize the rate structure for 2020 and beyond based on the USDA Project completion with full water meter installations. We also plan to continue our water meter usage studies with the ever increasing number of activated meters, which is now at 869 (+50% of the total), and factor these most current readings into our rate structure planning as needed.

As presented at the annual meeting in June, the procedural changes that could have an impact on our long term cash flow, budgets and rates include the following:

Meter installations – As new meters are activated, based on the current rate structure, the shareholder's annual fee will decrease from a "non-metered rate" of \$873 to a "metered rate" of \$799, a reduction of \$74. This change in revenue over the next 12-18 months will need to be factored into our future rate structure planning

Transitioning to new bi-monthly electronic billing and payment process – The bi-monthly billings will impact cash flow based on revenue being collected every other month throughout the year as opposed to annual fee payments currently collected in February. The 3rd party service costs for electronic billing & payments will also need to be analyzed to determine impacts on expenses

Inclusion of USDA loan repayment surcharges into billings – The shareholder's bi-monthly billings starting in approximately June 2020 will include a line item as part of the base rate for their portion of the USDA annual loan repayment. This will need to be factored into our income and expense estimates

Future annual "base rate" structure changes under consideration – The base rates for each category (i.e., metered residence, non-metered residence, bare lot and combined lot) are being reviewed to ensure that the overall rate structure is as fair and equitable as possible without imposing too high of risk to our financials and capital reserves. Any approved base rate changes will affect both income and cash flow

Implementation of Shareholder Service Line Replacement Loan Program – Based on the new main pipelines being installed as part of the USDA Project, many shareholders will be required to move their service line. Any service line replacement loans approved and issued to shareholders with financial hardship will be interest free and repaid over a 2-5 year term. A tracking process is being setup to determine the impacts on our cash flow

Potential of adding new USDA Project Scope – The BLSMWC staff requested we consider the addition of new high priority scope items addressing safety (fire flow) and liability tasks within the total USDA budget allocation. Full analysis by the LRPC and BOD of the current baseline USDA project cost and schedule performance must occur prior to approval, as these new tasks will impact cash flow based on an extended project schedule and increased interim loan interest



GENERAL MANAGER'S REPORT

Dear Shareholders,

Summer is here and I hope everyone is enjoying the cooler summer we are having so far.

Our Infrastructure Improvement Project is going well with all but 500 feet of the mainline installed on the west side of the Golf Course. New services and meters, hydrants, main regulators, and air reliefs have to be installed yet, and that will be our focus for the rest of 2019. The east side main work will start next spring. Letters will go out in the next 2 weeks to the homeowners in the Main Zone, which should be ready for connecting up to the new service boxes.

The Main Zone includes part of Moran Road, all of Dean Way, Russell Dr., David Lee Road, Kuen and Dean Courts.

The rest of the west side of Blue Lakes will be ready later in the year, when we will notify those homeowners. The soft temporary paving will be replaced by more permanent hot mix before winter. If you have any questions on the project, please call the office.

USAGE

Water usage for June was higher than last year which follows the trend of the past 5 months of increased water consumption this year. Please remember to check your irrigation systems for leaks and timer failures. The weather so far has been cooler and more humid, so you may not need to water as much this summer.

Here are the numbers.

JUNE

2013 5,738,000 Gallons

2014 4,532,000

2015 2,908,000

2016 4,225,000

2017 4,064,000

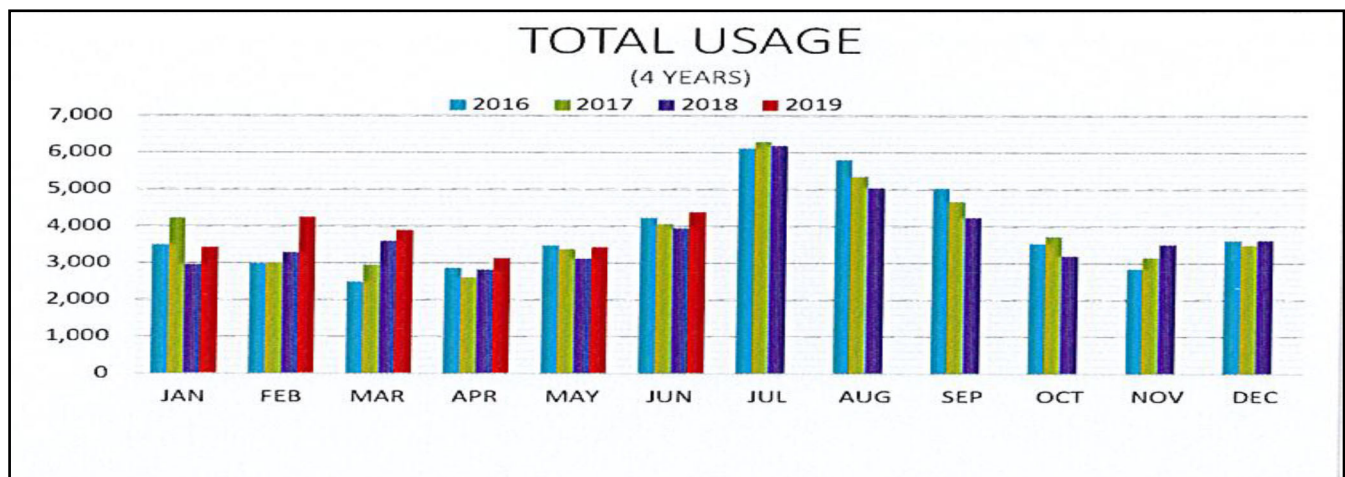
2018 3,938,000

2019 4,385,000

We consumed 24% less water this year in June compared to 2013, the State Drought Comparison Year.

Thanks for being water wise.

David Hicks
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President's Report

As you can tell from the truck noise, mounds of white gravel, and related dust, the part of the project which is burying the long blue pipe is moving along at a rather rapid pace. The contractor is working six days a week in order to catch up with the time lost during this past winter. Once the undergrounding is completed, the connection to the homeowner's property will be accomplished with the addition of the lateral, which connects the new source in the street to the meter box. The meter will then be added. Anytime thereafter, the homeowner can then connect to the residence (watch for correspondence from the office).

The Long-Range Planning Committee (LRPC) has continued its plan to refine and then define the Base Rate that will be charged to all customers, starting on 1/1/2020. This base rate's job is to cover all direct expenses of the water company. Everyone will be paying the same base rate, under the new bi-monthly payment plan. As you know, in addition there will be a use rate, which will be tied solely to consumption. Simply stated: The more you use, the more you pay. This will, once and for all, negate the mantra: The part-timers are supporting the full-timers.

Everyone will be charged according to the results of their use as calculated by a meter read.

Finally, parity

The water company continues to reach out to the customer and is asking for those who are willing to share their email addresses. If you haven't done so, please do so. The greater part of the customer base we can reach, the better.

Staff is pursuing electronic bill paying options and is ready to settle and engage one company that specializes in electronic systems. By engaging this service, your bill will be paid automatically. For those who wish a standard through the regular mail paper bill, you will be accommodated.

As we approach 1/1/2020, the entire listing of service charges will be reviewed. The Board at their last meeting, on July 13th agreed to reduce the combined lot fee but in so doing may have gone a bit too far, when voting to eliminate it altogether. There is a "rule" buried in law that speaks to billing for service that may not be used but is required to be present on all properties; and/or, required to be part of a business that includes shareholders. This matter will be placed on the August Agenda for review.

The question of the bare lot fee and a request for review has come up. The LRPC is looking at the bare lot fee and will have a recommendation very soon.

I am sure you have read about the plan that PG&E is going to put into place should there be a fire of size in the greater Arnold area. Their plan is, depending on the weather, wind conditions, humidity etc., to shutoff power to the Arnold area. We have been in the process of securing a portable generator to supply enough standby power should PG&E move forward with their plan. This piece of equipment will be stored at the Treatment Plant and hauled out as needed. The generator's size was chosen to reflect the need of keeping our pumps functioning during a shut-down. The Board approved the purchase at the July meeting.

A word about CONSERVATION. It is still OK to save water. The system wide use has increased about 15% in 2019, over 2018. Please remember that CONSERVATION is still the word. Continue to enjoy the summer, as we are creeping up on August already. Remember to be EXTRA safe using BBQs and fire pits.

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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For your patience during the project!!!