

THE BUBBLER

Blue Lake Springs Mutual Water Company Newsletter

November 2019

AN IMPORTANT MESSAGE

ONLINE UTILITY BILL PAY IS AVAILABLE!

VISIT www.blsmwc.com

AND CLICK THE PAY MY BILL BUTTON

TO UTILIZE THE NEW PAYMENT OPTION

You can even create an online profile, sign up for E-Statements, and set up Automatic Payments Using your web ID

TELEPHONE BILL PAY IS AVAILABLE.

DIAL (833) 992-1258 AND FOLLOW THE PROMPTS

!!!! Our first billing with the new system hit a snag and went out LATE. PLEASE NOTE that your bill will not be due until NOVEMBER 25TH. THANKS FOR YOUR PATIENCE!!!!

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Paving in Blue Lake Springs



HAPPY
THANKSGIVING

November 2019

LRPC REPORT

The Preliminary New Rate Structure as presented to the board for review in October was approved, in conjunction with the 2020 budget, at our November 9th Board of Directors Meeting. As described in last month's Bubbler, all components of the new rate structure are basically unchanged from 2019, with the exception of now including the USDA loan repayment as part of the base rate. Like 2019 and previous years, there will be a fixed base rate charge which will continue to include a consumption allowance of 350 CF/month, and a metered (or volumetric) charge for water consumption >350 CF/month, also unchanged from 2019 at \$1.60 per 100 CF. As a reminder, the other change from 2019 will be the shift from annual fees to our new bi-monthly billing and payment process. Shareholders will now pay 1/6th of their annual base rate, along with any metered usage charges above the base allotment, every other month starting in March 2020.

The USDA Project construction efforts continue to progress on schedule and budget to their base contract. Mozingo construction management reported at our Nov. 9th BOD Meeting that they are approx. 80% complete with the majority of challenging scope already completed. Their progress reports show they are 82% spent (including \$333K held in retainage). Our construction budget includes 3% planned for change orders. To-date, Mozingo change orders are only averaging 2.3%, most of which were improvements requested by BLSMWC.

As mentioned in previous Bubbler issues, our BLSMWC staff has requested several new scope tasks be considered for adding to the USDA contract pending budget availability. Based on overall engineering and construction cost performance to-date, the affordability of adding all requested new scope tasks remains possible. The LRPC and BOD have continued to monitor this request monthly and have issued authorization-to-proceed on two of the highest priority tasks (BLS Drive Common Trench – A1a; and Sample Stations – A6). New scope estimates as of Sept 23rd showed MC Engineering (\$48,850), Mozingo (\$737,267) totaling \$786,117, along with 6 months MCE schedule extension construction management support (\$196,967). On October 25th, we received Amendment 6 from MC Engineering proposing new scope engineering at \$50,000., and the 6 month extension through June 2020 at \$184,731. Amendment 6 is currently in fact-finding and will be reviewed with the LRPC and BOD prior to approval. We are still waiting for the formal change order requests from Mozingo.

The Draft Asset Management Plan was submitted by MC Engineering on November 8th. A full LRPC review of the plan will occur over the next month or so, with a recommendation presented to the Board prior to approval. As stated in the draft plan "The primary intent of the asset management plan is to assist BLSMWC with effectively assessing and planning for the repair and replacement of aging water infrastructure. The asset plan will focus on the state of the current system with consideration of both short-term and long-term improvements to prolong the life of the assets and to develop a reasonable financial plan for replacements and upgrades to the system in the future." The draft plan overview further states "A pragmatic approach for system-wide upgrades and replacements will include a strategy of both short-term and long-term upgrades and replacements which are considered both preventative and predictive maintenance. The short-term upgrades and replacements will include infrastructure components that consist of minor replacements and upgrades, budgeted and expended on a yearly basis, which can be forecasted every 5 years. The long-term upgrades and replacements will consist of major system-wide capital improvements that will require annual set-aside of capital reserve funds that will accumulate over time and be available when the life expectancy is reached. It is important to note that the short-term upgrades and replacements will be considered preventative and critical maintenance items that will allow the system to function correctly and safely while preserving the long-term condition and integrity of the larger system and components." We should note that our existing Reserves Fund Policy includes a Capital Assets Reserve Fund budgeted at \$346K. Our reserve funds will be reviewed in parallel with the Asset Management Plan to ensure our plans are complimentary and not duplicative.



General Managers Report

Dear Shareholders,

The Weather is staying mild and warm into November, but soon it will get cold so remember to check your irrigation system and make sure you are ready to shut it off and drain it before freezing temperatures hit. The same goes for your cabin. Please winterize before the temps drop.

Water Usage

Water Usage was up in October as it has been all year.

Total through October is 3,900,000 gallons over last year which isn't alarming but it does show an upward trend.

Here are the numbers.

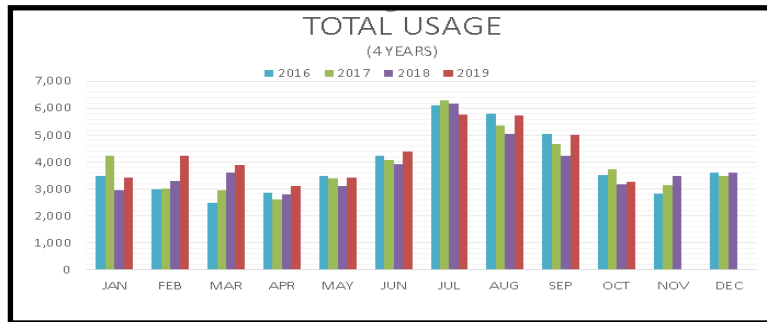
October

2016 3,527,000 gallons

2017 3,723,000

2018 3,188,000

2019 3,274,000



We have saved 26% water compared to October 2013, the State drought reporting year.

New Connections

If you are making a connection to your new water service box as part of our Infrastructure Improvement Project, please don't forget to have your contractor, or you, pick up a pressure reducing valve from our office. Once you make the connection, please let us know so we can add you to our list. There is a list of contractors available at our office.

Not everyone has received a Notice to Connect letter because some of the project will be completed next year. If you have any questions on your connection, please call our office 795-7025

PSPS Event

I have received some questions during and after the latest PSPS event about water availability in cases of emergency. On any day, our water storage capacity is 1.2 million gallons.

This water flows from our storage tanks by gravity with no pumping, so we have about 10 days of storage in the off season, and 4 days in the peak of summer.

We have an agreement with CCWD to supply us with water for fire protection in case of emergency, and I have purchased a generator to operate our best producing well if the power stays off for an extended period. We will be able to handle all PSPS events and storm caused power outages, and we will be ready in case of a fire in our area.

That's all for now.

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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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PRESIDENT'S REPORT

Winter is coming, and even though the weather is still so nice it is time to think: WINTERIZING !! Please take a moment and think of what you can do to WINTERIZE your home. The Water Company is in the final stages of improving the water delivery system with new piping, fire hydrants and meters. We are doing this project to complete our plan of modernizing the system. This will all be for naught if you forget to protect your home or cabin. Remember the last thing you want to see in your home, when you arrive for a stay, are the dog's toys floating on the living room rug. WINTERIZE !!

Speaking of the Project, it is now 75% complete, according to the Contractor. Little is noticeable except the 55 new Hydrants, for which the Fire Department is thrilled and so are we. These 55 are in addition to those already in place.

The meter install program is also moving along and about 80% of all required meters have been installed. As you know the State has required meters in all residential structures by 2025. With the addition of the new meters more and more residents are moving forward and having a licensed plumber complete the connection.

The new Billing Process is up and running. You can access blsmwc.com click on: PAY MY BILL and follow the instructions to create an on-line billing option that will offer autopay from your checking account or on-line payment that will be generated by your identified credit card. As mentioned in prior Bubbler's, the new payment system is structured on a two-month billing cycle and can be paid electronically. The inaugural two-month bills were just mailed and cover September and October. They went out a bit later than anticipated and are due on NOVEMBER 25th. Additional billings will occur in at the end of February, April, June, August, October, December Then the billing cycle repeats.

On the billing you will note a Base Rate Charge and included is your share of the Loan Interest on the 12.3M USDA Loan. In addition, there will be a consumption or use charge, if you exceed the basic allotment of 700cf for the two month period.

I would like to acknowledge and thank the Long-Range Planning Committee (LRPC) for their tireless effort in planning and building the rate structure. The new combined rate is nearly identical to the annual rates you were paying.

There will be a rate increase for 2020 that will amount to 1.00/month.

Yes One dollar a month.

If you have any questions about your billing or its process, call the Water Company: 795-7025. Staff understands that any new process/product may raise questions.

We have answers call.

Finally, I re-thank all of you for your patience during the disruptive part of the project. One cannot install pipe in the roadway without some inconvenience.

Enjoy the Holidays

Bob Maginnis
Board President, BLSMWC

