

# THE BUBBLER



Blue Lake Springs Mutual Water Company Newsletter

May/June 2020

## Annual Shareholders Meeting Update !!!

**The 2020 Annual Shareholder's Meeting has been moved to June 27<sup>th</sup> to coincide with the HOA's meeting.**

**The water company's meeting will begin first and is tentatively scheduled to start at 9:30am and end at 10:30am. We say tentatively because, as of today, it is still unclear if any meetings of over 10 people will be allowed. It is more than likely that we will hold a Zoom meeting, but the logistics have yet to be worked out.**

**We will keep you informed.**

**Thank you,  
Staff  
BLSMWC**



### **WE ARE BACK TO WORK!!!**

**Please be mindful of traffic control, trucks, heavy equipment, and most of all workers!!!**

**The staff at BLSMWC will make every effort to update you daily via "next-door", our website, and our FB page, on when and where road closures and detours will be.**

**Trucks will be hauling in and out of the subdivision. We ask that you use caution, and be alert as you maneuver through the subdivision.**

**Mozingo Construction makes every effort to lessen the inconvenience to our homeowners as we work to bring this very important upgrade to our water system to completion.**

**Thank you !!!**

## LRPC REPORT



As we approach the completion of the USDA construction project, the Long Range Planning Committee (LRPC) continues to keep a close eye on our approved funding versus total estimated costs. Based on our latest estimates, with all potential change orders included, there is adequate funding remaining to add 3-4 high priority new scope tasks (pending USDA approval). MC Engineering is currently negotiating firm quotes and the additional construction schedule required with Mozingo, as well as coordinating the new scope approvals with USDA. If approved, since added schedule time increases the interest we pay on our Co-Bank interim loan, a cost-benefit analysis will be performed to ensure timely completion of the new scope tasks at the most advantageous affordable price.

As mentioned in previous Bubbler articles, the BLSMWC Board made a decision at the start of the USDA construction project in October 2018 to delay our reimbursement requests for engineering & design support and major parts purchases in order to reduce interim loan interest payments. Over the past 19 months, we have covered approx. \$2.5M in USDA costs from our operating budget which will be eligible for reimbursement at the end of construction. By taking this approach, together with the fact that our interest rate dropped from 4.49% to 2.44% over the past year, we estimate saving approximately \$149K in interest payments.

The Asset Management Plan database replacement cost values and estimated end of life has been reconciled for all assets in the BLSMWC system. The end of life for each asset varies from 18 years for meters all the way up to 90 years for mainline replacements. Since a significant portion of our assets are currently being replaced as part of the USDA Project, the database shows that 87% will not be due for replacement for 50+ years. A breakdown of replacement costs based on end-of-life and including soft costs (i.e., engineering, planning & contingency) where applicable are as follows:

Asset Category	Cost to Replace	Soft Cost	Total Cost
Water Distribution System	\$36,149,888	\$7,229,978	\$43,379,866
Wells	\$861,091	\$73,702	\$934,793
Water Treatment Plant	\$1,387,462	\$72,120	\$1,459,582
Storage Tanks	\$3,611,120	\$44,618	\$3,655,738
Booster Pumps	\$504,440	\$64,419	\$568,859
PRVs	\$2,034,369	\$111,769	\$2,146,138
Meters	\$2,682,150	\$0	\$2,682,150
<b>Totals</b>	<b>\$47,230,520</b>	<b>\$7,596,605</b>	<b>\$54,827,125</b>

Over the next month, the LRPC will develop funding plan options that are both cost effective and viable, and will meet our long term strategic financial goals. As mentioned in this article above, at the end of USDA construction we estimate potential reimbursement of \$1.5M - \$1.9M for project scope BLSMWC funded from our operating budget over the past 19 months. Approximately \$800K will be allocated to fund our Reserves Fund Policy as approved by the Board in January 2019. These funds set aside in our Reserves Fund Policy will complement the objectives to be set for the Asset Management Plan. Consideration will be discussed to allocate a portion of the USDA reimbursements to our Asset Management



## GENERAL MANAGERS REPORT

Dear Shareholders,

I hope all of you are staying safe and sane throughout this COVID-19 event. It appears things are starting to get better, but we still have a bit more to go. Your water company employees are working to keep your water flowing, and will help with any water problem you may have.

### Water Meters

Many of you have had water meters for years and are familiar with them, but many new meters have been installed. We have had some complaints from homeowners about water usage at a cabin when no one was home. The meters are very sensitive and can pick up the slightest water use. Please shut off the water to your cabin when you leave. This will reduce the chance of water going through your meter due to a small leak, a toilet, or a dripping faucet, and can prevent damage to your home from broken pipes. If water is going through your meter when no one is occupying the cabin, it is a leak.

You can call the office, and our guys can check the meter to see if you have a leak, so you can arrange for a repair.



### April Water Usage

Usage is trending lower for the first 4 months of this year compared to 2019, by about 660,000 gallons.

April usage was slightly lower than last April.

Here are the numbers.

April

2017 2,603,000

2018 2,815,000

2019 3,125,000

2020 3,201,000

### New Service Connections

Just a reminder that contractors are working right now hooking up homes to the new service boxes installed last year. Because of the governor's order, we have suspended deadlines for connecting, but you can still make arrangements with a contractor to get bids, and schedule work to be done. As soon as everyone is connected in an area, we can turn off the old main.

Thanks,

Dave Hicks

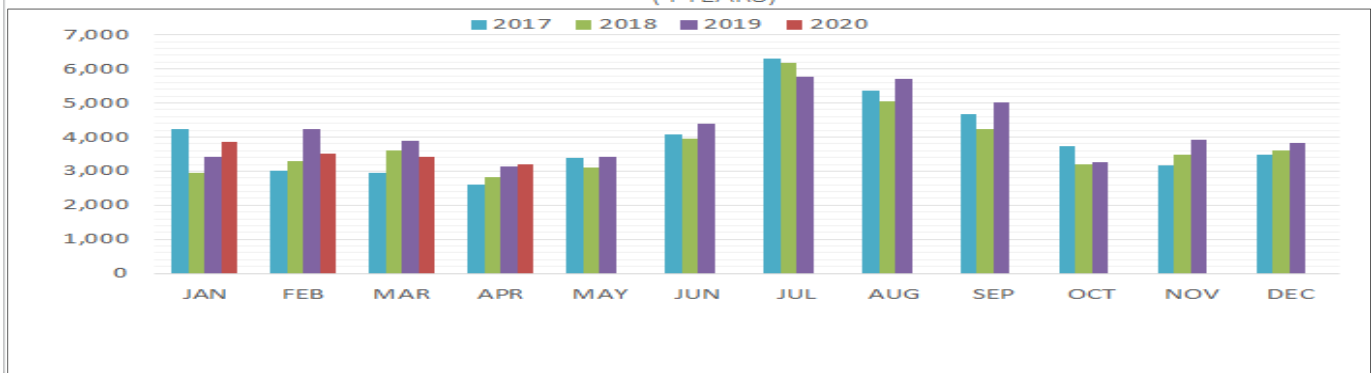
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TOTAL USAGE  
(4 YEARS)



## President's Report

## HAVE AN IDEA?

The BLSMWC Board of Directors met on Saturday, May 23<sup>rd</sup>, in a ZOOM forum. Due to the Covid19 virus, all regularly attended meetings have been suspended for Board members, staff and visitors until further notice. When necessary, the Board will meet via a conference call or ZOOM meeting.

Dave Hicks brought everyone up to date on the progress of the Project, and stated that the overall project is on schedule and should be completed in the fall of 2020. Please remember that no project of this size can be free of "surprises" and this is no exception. As part of the original bid, monies were designated to cover these surprise areas. When all is completed, there should be a positive cash flow remaining. One of the goals of the project was not to use company monies and to rely solely on the USDA loan, which is occurring. I encourage anyone reading the Bubbler to read the LRPC Report which is full of financial information!

The Annual Shareholders Meeting is scheduled for Jun 27<sup>th</sup>. Please refer to the Blue Lake Springs Water Company website: [blsmwc.com](http://blsmwc.com), as this may change. Current options are to hold the meeting IF gatherings are allowed, or use an electronic platform like ZOOM and invite all to attend.

Finally, there is one area that warrants repeating! CONSERVATION! Saving water is still OK. Stay healthy and help those that aren't.

Bob Maginnis  
BLSMWC Board President



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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