

THE BUBBLER

Blue Lake Springs Mutual Water Company Newsletter

December 2020

SUGGESTIONS FOR WINTERIZING YOUR CABIN

1. Insulate exposed water pipes under the cabin and any exposed service lines outside. A watertight box should cover outside insulation. (Wet insulation loses its insulating value.)
2. When closing the cabin, shut off the water at the CABIN shut off valve. (Please do not use the service box shut off valve.)
3. Turn off electricity to the hot water heater. Be sure heater is full of water before restoring energy.
4. Drain lines by opening the drain valve that should be at the lowest point in the system. (If you have no drain valve, you should install one.)
5. Open all inside faucets. (kitchen, bathroom, service room, etc. including shower riser)
6. Open all outside hose bibs and relieve all vacuum breakers if so equipped.
7. Flush toilets and add 1/4 cup of biodegradable non-toxic antifreeze to toilet bowls. Add 1/8 cup of biodegradable non-toxic antifreeze to water left in flush tanks and in all wastewater traps. CAUTION: ANTIFREEZE MAY AFFECT THE PROPER OPERATION OF YOUR SEPTIC TANK AND SHOULD BE USED IN MODERATION.
8. Please DO NOT let water run in order to prevent freezing since this not only wastes water, but will result in a penalty charge of \$100 for water loss on the first offense. The second offense will result in the water being shut off in addition to a penalty of \$200 and a charge for water loss. Both the penalty and water loss charge must be paid before service will be restored.

You will be receiving your invoice for the final installment on your 2020 fees at the end of December. Along with your invoice, there will be a letter from our Board Treasurer which will include the 2021 Shareholder Fees and a copy of the BLSMWC 2021 Budget.

PLEASE look for this mailing as the additional information included is worth noting.

Thank you from the Office Staff!!

We wish you a safe and Merry Christmas !!



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LRPC

Over the past couple months the primary focus has been on-going close coordination with MC Engineering on managing the USDA Project completion and closeout as effectively as possible to reduce further schedule delays and/or cost impacts. Based on weather delays, construction manpower issues and multiple attempts to get the new pump station working properly, the construction project completion was extended from 10/16/20 to 11/20/20 and the estimated USDA closeout date extended from 11/17/20 to 12/20/20. We were recently informed by USDA that the closeout process could not be completed prior to their holiday break and would be delayed until Jan. 5th or 6th, 2021. The cost impact of these delays resulted in a decision to complete an additional scope task for Boro Court outside of the USDA Project in 2021, with a credit back to the project. This decision was made to avoid a schedule extension further into January 2021 with a significant increase to interim loan interest.

The USDA construction project was initially scheduled for 19 months. Based on some of the delays mentioned above, but to a significant extend due to 9 new scope tasks that were added to the project at the request of BLSMWC, it ended up taking 28 months. On the positive side, the 9 new scope tasks valued at close to \$700K were all completed within our total USDA allocation. In addition, although the construction project took 9 months longer than initially planned, the estimated interest on our interim loan will end up being approx. \$90K less than initially budgeted. This is a result of (1) our board decision early on to fund nearly 50% of the USDA engineering work and all USDA purchased meters, transmitters and PRV's from our operating budget for 2+ years (to be reimbursed at the close of the USDA Project); and (2) the reduced interest rates which initially started at 4.51% and were expected to increase each quarter throughout the life of the loan, but instead decreased over the period to 2.15%. As we approached the completion of the USDA construction contract, it was determined that a few project tasks, including Boro Court mentioned above, could not be completed within our funding allocation. These tasks, along with our approved Reserves Fund and a couple capital asset purchases, will be funded from our USDA eligible reimbursements, which will still result in healthy bank account balances and not impact our 2021 Operating Budget.

The LRPC also weighed in on the development of our 2021 operating budget and rate structure. The LRPC recommended no changes to the overall rate structure principles from 2020 to 2021, as listed below:

Rate structure will continue to be cost-based

Rates will collect fixed costs from fixed charges and variable costs from volumetric rates

There will be no change in the base rate water allocation of 350 CF per month

There will be no change in the metered rate for usage greater than the base allocation

Adjustments to metered rates will be analyzed and adjusted if necessary after collecting usage data for several months once 100% of the meters are connected

The USDA loan repayment will be included in each shareholder's overall rate

Rates will fund the required level of system maintenance and capital replacements

There are a few expense and income changes in 2021 that had to be taken into account. The most significant being expenses related to personnel replacements and additions, and having to make adjustments to account for an income reduction of approximately \$32K resulting from the transition of 430 additional residences from non-metered to metered rates. In an effort to keep 2021 expense and rate increases to a minimum, the board approved (as mentioned above) funding a few remaining unfinished USDA tasks and needed capital purchases (i.e., backhoe and work truck) with our eligible USDA reimbursements, so as not to impact our operating budget.



General Managers Report

The year is almost over, and what a year it was. Our Infrastructure Improvement project is complete, and we should close out by the first week in January.

The weather is nice, so if you haven't connected to your new service box, now is the time. Call the office if you have any questions on connecting.

Household Pressure Regulators

Some questions have come up over pressure regulators that were installed on previous projects, and on this project. All household pressure regulators in Blue Lake Springs are the responsibility of the owner.

If the Water Company gave you, or your contractor a regulator as part of the new project, we will repair or replace it within 1 year of installation. If you notice water pressure changing at your house, you can call us to see if we have a main break or some operational issue that could cause a pressure change, but the Water Company will no longer be replacing regulators at the homeowners residence.

Winterize

Please winterize your home before you go away for any extended period, and shut off the water before you leave, even if it's for only a few days. Pipes can break in an unoccupied home and cause a lot of damage, and our crew may not find the leak right away.

Meters

Many homes are getting meters, and all homes in Blue Lake Springs should be 100% metered by next spring. Your meter reads in 1 cubic foot increments, and 1 cubic foot is equal to 7.48 gallons. Each homeowner is allowed 700 cubic feet per 2 month billing cycle before consumption charges are applied. \$1.60 per 100 cubic feet.

Usage

The water usage for this year has been way above normal due mostly to increased occupancy because of COVID-19. We have the capacity to handle the increase, but ask that all homeowners use water wisely. We saved no water in comparison to November 2013, the State Drought Reporting Year. 11% more water used Here are the numbers:

November

2020 4,296,000 gallons

2019 3,931,000

2018 3,618,000

2017 3,497,000

2016 3,609,000

2015 4,057,000

Wishing you all a Merry Christmas and a safe and Happy New Year!!

Dave Hicks

General Manager/BLSMWC

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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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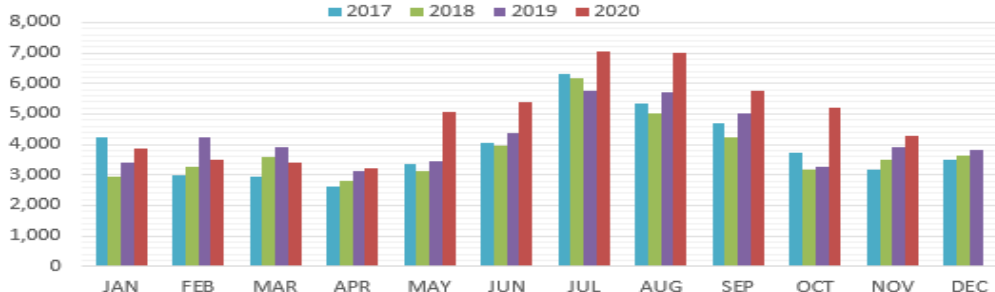
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TOTAL USAGE

(4 YEARS)

■ 2017 ■ 2018 ■ 2019 ■ 2020



PRESIDENT'S REPORT

Over the past few months, I have indicated that the Project is coming to a close. Now all is finally complete. Mozingo has packed up their equipment and moved onto another job site. As the Project's Contractor, they did an incredible job, and the Water Company is very pleased with their performance and delivery of service. The Project result is one that will be strong for many years to come, and a system that, while often taken for granted, the BLS Homeowner can be most proud of.

Congrats to the BLSMWC staff, for their attention to detail which served to enhance a number of changes in the system. Applause to the members of the Long-Range Planning Committee (LRPC) for their diligence and focus to contract details and the oversight of the extensive engineering aspects of the project. Considering the totality of this project, a great job was done by all.

I often read on Nextdoor the challenges some homeowners have in securing protection and hazard insurance. The Project added dozens of new fire hydrants, 86 I believe, throughout the BLS neighborhoods. This bodes well for fire-fighting and insurance carriers often rate the proximity of them to a residence. I urge you to check with your carrier

I would be remiss, if I did not again thank and acknowledge the patience of you, our customers. We knew there would be disruptions. Simply stated you cannot replace or install miles of 6" water pipe and not dig up the roadway. Our Water Company staff working together with the contractor made exceptional efforts, all of which started in June 2017. I want to acknowledge their commitment.

We now enter 2021 with a completed project and strong system infrastructure. This was 12.4 million well spent!

The Budget for 2021 was recently passed by the Board and it includes a rate increase of about 1.15/month Please look for rate information in your December bill.

In order to enjoy the fruits of the newly completed system, please remember to WINTERIZE !!!!

There is nothing is worse than the punch-in-the-gut feeling when you enter the home and see dog toys floating on the living room carpet. WINTERIZING is easy.

CONSERVATION: Remember that?? Everyone has an opinion on conserving water or not conserving water. Simply put, no matter how much water is available, it is still OK to CONSERVE. Water is a valuable resource and is exceedingly difficult to replace. Save now----Use later. Looks like we are in for a dry Winter PLEASE CONSERVE.

Best of the Holidays to all. Even with dealing with "The BUG" there are many things to be thankful for.

Bob Maginnis

BLSMWC Board President

