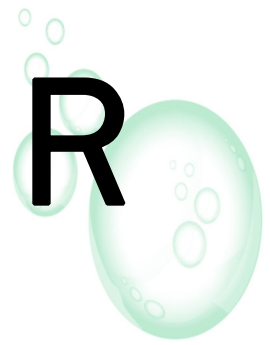


THE BUBBLER



Blue Lake Springs Mutual Water Company Newsletter

The Search for BLSMWC "GM" is Over

At the March 13th Board Meeting, the Blue Lake Springs Board of Directors voted unanimously to hire Tyler Mayo as the upcoming General Manager for the Blue Lake Springs Water Company.

Tyler has been employed with BLS-MWC for the last 8 years as a Watermaster. His exemplary work ethic, and dedication to the water company, along with a long list of qualifications, makes him the perfect fit for the team.

Tyler was born and raised in Calaveras County, and attended local schools thru High School

As a Watermaster, Tyler has continued his education in Water Management receiving training

certificates which are necessary for the job. Tyler will continue his training in the field thru June when he will officially take over for Dave Hicks. Tyler and his wife Jenna reside in the Arnold area where they are raising their 3 children.

The BLS staff is truly happy for the Boards decision and look forward to continuing working with Tyler.



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General Manager's Report

Dear Shareholders,

We are getting some more snow, but thankfully in smaller amounts than the January 28th storm. Please remember to shut the water off at your cabin when you leave. This will prevent water damage to your cabin from broken or frozen pipes.

Connection to New Service Box

Now that our Infrastructure Improvement Project is finished, almost everyone has connected to their new service box. For those who have not hooked up, please plan on getting bids and connecting. The latest snowstorms have caused delays, but we would like to get all connections made as soon as practical.

February Water Usage

Daily water usage has dropped down to levels that match previous years, and I predict 2021 usage will be less than 2020.

COVID-19 affected last years big increase in usage with more owners using their cabins to get away from the crowded cities. Now that we have a vaccine, things are loosening up a bit and I for see the usage numbers averaging out.

Please use water wisely.

Here are the numbers.

February

2017 3,007,000 gallons

2018 3,286,000

2019 4,242,000

2020 3,501,000

2021 3,515,000

-10% water savings compared to February 2013, the State drought reporting year.

New General Manager

I am retiring in June and Tyler Mayo is taking my place as General Manager. Tyler has been with the company for 8 years.

His demeanor, excellent work ethic, intelligence, and knowledge of our operation, makes me confident that Tyler will fill the role of General Manager. He is working with me in the office to learn his new job. It has been a privilege to have served this company for the past 33 years.

Dave Hicks, General Manager

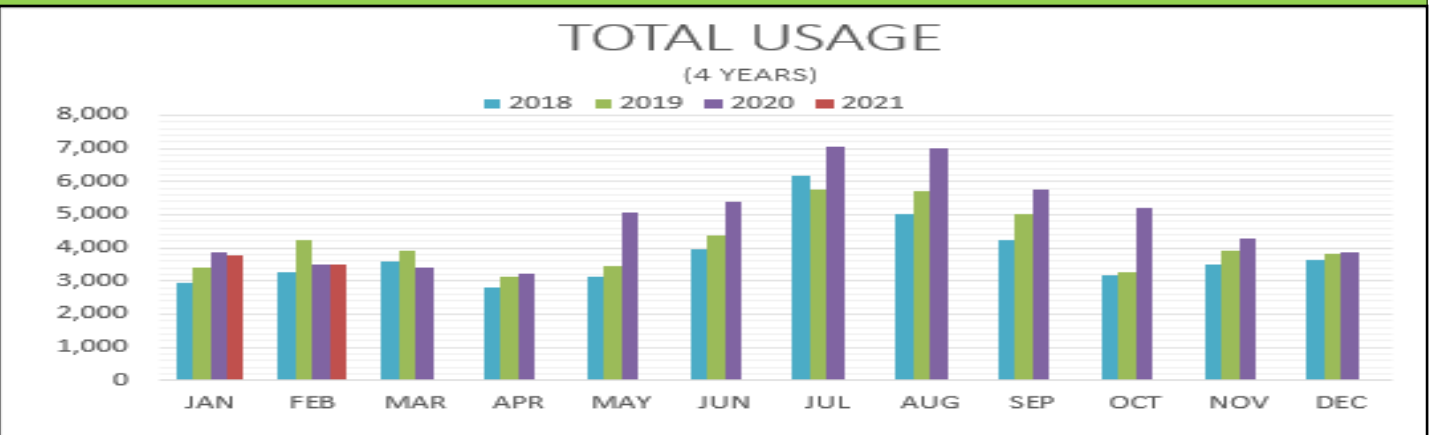
Blue Lake Springs Mutual Water Company

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USAGE CHART FOR February 2020



LRPC Report

The USDA Project is officially complete! Project construction was completed mid-January and the final closing/recording date of our USDA loan occurred on January 20th. In the final USDA total allocation of \$12.226M, the cost breakdown was 74% for construction, 18% for engineering and construction management, 5% to cover BLSMWC purchased parts including all the new meters, and 3% to cover interim loan interest. Based on weather delays and additional scope tasks at the request of BLSMWC, the construction effort was extended from an initial plan of 18 months to 27 months, however, key decisions along the way produced some very beneficial results as shown below.

Within our total USDA allocation, we were able to include 9 additional new scope tasks at the request of BLSMWC totaling over \$691K that significantly benefited the overall system developments.

Based on a board decision at the start of construction, we financed over \$2.5M of the engineering, purchased parts and loan interest for 2+ years from our operating account. This produced an interim loan interest savings of 18% from our initial estimates.

The expenses we covered during construction resulted in a reimbursement from USDA at close of \$1.921M. This allowed for internal BLSMWC distributions of \$802K to a Restricted Reserves Fund, \$546K to a Capital Asset Reserve Fund and \$574K back into our Operating Account to offset a portion of our USDA improvement expenditures. We also paid off our office mortgage at close of escrow.

In December 2020, based primarily on the winter weather and the decision to avoid an extended construction completion date, 4 USDA tasks estimated at \$136K were put on hold until 2021 spring or summer, and plan to be funded from our reimbursement. We have also contracted with MC Engineering to complete the mapping and GIS database, to include all new construction and create a GIS-based printed map book. This will provide complete and accurate data on the age and location of all components within our total updated system. In closing, as mentioned in the last Bubbler, over the next few months further analysis and planning of our long term Asset Management Plan funding options will be the Long Range Planning Committee focus.

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

The BLSMWC Board of Directors met on March 6th via ZOOM and the meeting was one of the shortest on record for the simple reason that for the past 3 ½ years meetings were driven in a large part by the improvement project which is now complete.

One of the main goals of the USDA project was to fully meter the system, which as you may recall is a State mandate for all water companies in California by year 2025. BLS Water carries 1722 accounts that require monitoring. As of March 15th all but about 15 connections are currently on-line and the remaining are being worked on.

Yes It is snowing and yes, the snow counts for our future inventory in our wells. Despite the active snow levels, the State is still focused on a coming drought, and BLS conservation methods are still in place. We cannot control the snowfall but we have absolute control over the usage. Thanks for your continuing CONSERVATION efforts.

Dave Hicks our current General Manager is on track to retire in early June, after 33+ years working for BLSMWC. The BLSMWC Board, led by Andy Rich, a Board member who brings an extensive history of Human Resource, began the search for a replacement.

Management was also commissioned by the Board to conduct a search for the General Manager's replacement. This was not an easy or simple task as the available field of candidates was extremely narrow. Andy's task was augmented by three Board members who volunteered to review and interview all that applied.

After the process was properly and professionally vetted, Tyler Mayo, the sole internal candidate prevailed and did so demonstratively. Tyler is presently in his field assignment and working with Dave Hicks to prepare for the new position.

We all wish Tyler well.

BLSMWC is seeking candidates for the coming Board of Director's annual election. If you are interested, call BLSMWC at: 209-795-7025 for more details, or, go onto the website: www.blsmwc.com for further details. You must be prepared to work. There are six (6) monthly meetings, all currently on ZOOM and one Annual Meeting in June, also on ZOOM. You must be a customer of the Water Company and be in good standing. The members are elected at large, serve for three years and the Board elects their officers. If interested, please apply.

Be safe and well,

Bob Maginnis

BLSMWC Board President

