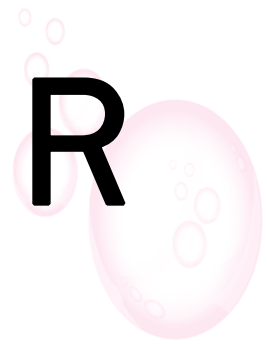


THE BUBBLER



Blue Lake Springs Mutual Water Company Newsletter

Spring 2021 Drought Information

Blue Lake Springs Mutual Water Company Drought Action Plan

Summarization of drought stage water use reduction targets, triggering supply conditions, objectives and response actions.

APRIL 2021 DROUGHT STAGE 1 IN EFFECT

Stage 1 – Voluntary reductions in use. NO watering of forest trees (Bark Beetle). Voluntary Odd/Even outside watering. Initiate public awareness of predicted water shortage and encourage conservation. Flyers to Realtors for vacation rentals. Encourage voluntary measures to decrease “normal” demand up to 10%. Voluntary: Odd/Even watering based on addresses during specific times of day. NO WATERING ON MONDAYS Shareholder Awareness through flyers and website. Waste Water Fines – 1 st - written warning; 2nd - \$100 fine

3rd - \$1,000 fine. Moderately Restricted Water Supplies Necessary 20% Total Supply Reduction Drought

Stage 2 – Mandatory stage with restrictions on use. Odd/Even days watering based on addresses. NO watering of forest trees (Bark Beetle). No unnecessary watering (decks, driveways, cars, etc.) Increase public understanding of worsening water supply conditions and enforce mandatory conservation measures. Enforce mandatory measures and implement water rationing to decrease “normal” demand by 20%. Mandatory: Odd/Even watering based on addresses during specific times of day. NO watering on Mondays. Fines are the same as in Stage 1. Severely Restricted Water Supplies Necessary 35% Total Supply Reduction Drought

Stage 3 – Mandatory restrictions (severe prohibitions) on use. NO OUTSIDE WATERING Ensure that water use is limited to health and safety purposes. Enforce extensive restrictions on water use and implement water rationing to decrease demand up to 35% of “normal” demand. NO OUTSIDE WATERING Fines are DOUBLED those listed in Stage 1.

(On April 12, 2014 the Board of Directors of Blue Lake Springs Mutual Water Company adopted a Drought Action Plan. This Drought Action Plan for Blue Lake Springs Mutual Water Company with Water Supply Conditions, Drought Stages; Objectives, and Response Actions needs to be

In This Issue

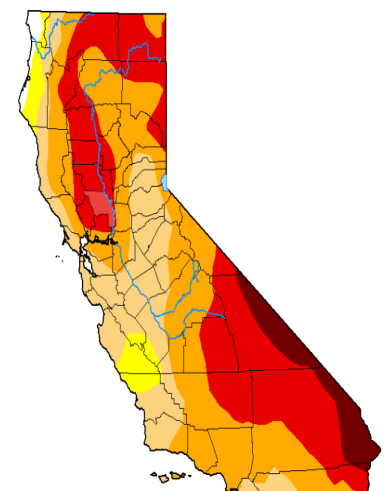
Page 1: 2021 Drought Info

Page 2: General Manager’s Report

Page 2: Usage Cart

Page 3: LRPC Report

Page 4: President’s Report



CALAVERAS COUNTY IS CURRENTLY IN MODERATE DROUGHT CONDITIONS

General Manager's Report

Dear Shareholders,

With two winters of low precipitation and reservoirs only half full we head into the summer dry season. The stage is set for an escalation of extreme dry conditions and widespread water restrictions are possible. We are currently in Stage 1 of our Drought Action Plan which calls for voluntary conservation. Our watermasters will monitor usage heading into the summer months, and we will determine if it is necessary to go into Stage 2. Please check your irrigation system for leaks and make sure the timer works properly. Water used wisely will insure we have the storage we need for fire protection. Conservation Information can be found on our website: BLSMWC.com

March Usage

Usage for March is lower than the 3 previous years previous years and does not reflect 2020's high usage due to COVID and our Infrastructure Improvement Project.

Here are the numbers.

March

2021 3,279,000 gallons

2020 3,501,000

2019 3,890,000

2018 3,598,000

We want everyone to enjoy the summer, but please be aware of your water usage. We saved no water compared to March of 2013 the State Drought Reporting Year. (-6.3%).

Connections to the New Mains

I want to thank everyone who had to connect to the new service box as part of our Infrastructure Improvement Project. I know it was difficult for some homeowners and I appreciate your timely action getting it done. There are very few (under 10 connections) that must be made and then we will be able to shut off all the old, undersized, rootbound, and difficult to access backyard mains.

Please remember to shut off the water to your house when you leave, even for a short time. This will protect your home from water damage due to a broken pipe, or a leak in your service line.

Lead and Copper Testing

Starting in May we will be contacting homeowners who are part of our Lead and Copper Sampling program.

This testing is done every 3 years and is required by the State Water Resources Control Board.

Samples must be taken by the homeowner, and the results will indicate the lead and copper levels in each home.

Dave Hicks, General Manager

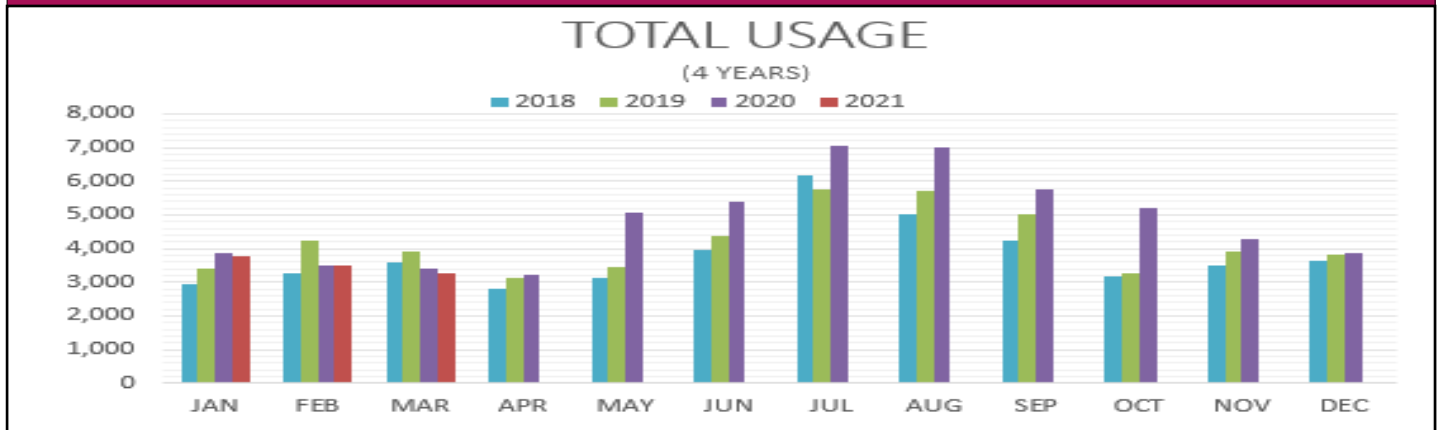
Blue Lake Springs Mutual Water Company

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USAGE CHART FOR MARCH 2021



LRPC Report

As mentioned in last month's Bubbler, expenses we covered during the USDA Project construction resulted in a reimbursement 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. A primary focus as we progress through 2021 will be to manage the potential liabilities against our reserves.

These liabilities include a few remaining USDA tasks estimated at \$136K that could not be completed due to funding and/or schedule constraints. The tasks are tentatively planned for this summer and each will be reviewed by the board for approval. There are also a few fixed asset purchases identified as potential liabilities which include a new work truck at \$45K, a used backhoe at \$60K, and additional water capacity from CCWD currently in our estimate at \$330K. Note that during May 1 through September 30, 2020 we exceeded our CCWD water capacity and received a waiver. If that higher usage continues to occur, we will be required to purchase the additional capacity. Discussions are currently underway with CCWD to determine an agreed upon rate structure and cost.

Finally, we also must account for our Asset Management Plan long term funding and its potential impact on future reserves. We currently have asset reserve funds set aside to cover the estimated allocations required for the first few years but need to determine the plan for the next 20+ years. This will be a focus of the LRPC over the next several months. The goal will be to manage our reserve assets and liabilities as effectively as possible to minimize any impacts to future operating budgets and rates.



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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REMEMBER THAT THE RIVERS AND STREAMS ARE STILL IMPACTED BY SPRING RUNOFF. THIS MEANS THAT THEY ARE RUNNING RAPIDLY AND WATER TEMPS ARE EXTREMELY COLD. USE CAUTION WHEN HIKING AND FISHING!!

PRESIDENT'S REPORT

Since the inception of the Bubbler (by the way ... do you know what a Bubbler is or was? You can find the answer at the end of my report!) I have mentioned the word CONSERVATION or CONSERVE several times, in fact perhaps too many times.

CONSERVE comes from the Latin language, which I studied in High School, it means to SAVE. CONSERVE is both a noun and an action verb, and the real meaning of the word is: protect (something, especially an environmentally or culturally important place or thing) from harm or destruction.

The State of California has declared that we are in a drought. I am pleased that the State has recognized the severity of the matter, as too often the regulatory function waits until it is too late. The question is, what can you and I do about it?

Assuming for a moment that we are creatures of habit and we let the tap water flow while we are brushing our teeth, imagine for a moment the amount of water that goes down the drain and has served no useful purpose. Add to this the frequency of use, and the number of people. I would offer that in a small way that is a loss of a lot of water. This sounds trite but think about it. We can change the way we do business. There are several other ways to save OR make better use of water. A great resource is: <https://wateruseitwisely.com/100-ways-to-conserve/>

There was a rumor running about that said: IF you let your garden hose run continuously at the base of a tree, the tree will survive the Bark Beetle infestation. Checking with U.C. Davis and their experts in forest trees, they say that is a myth.

Go out into the forest and note how many trees are being watered in this fashion. Nature takes care of the water delivery and if trees die from lack of water, nature says that is its way of taking care of the forest thus insuring new growth. Let nature take care of the trees, as it has for centuries.

Over the next few months as we get closer to the "warm/hot" season please save as much water as possible by using common sense. The more we save now the greater the supply will be available in the hotter summer months.

Thank you in advance. Take pride in being a WATER SAVER ☺ and not a WATER WASTER!!

Robert JP Maginnis

BLSMWC Board President (until June)

PS: Bubblers were public continuous flow standing water fountains that were popular in the Mid-West and East.

