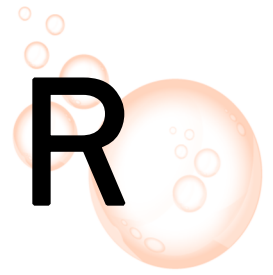


THE BUBBLER



Blue Lake Springs Mutual Water Company Newsletter

October 2021

A Message From the Accounts Manager...Kathy Powell

A message from our Watermaster, "All the old service boxes have been removed from the back of Shareholders property. If you find a box, please call the Water Company to have someone investigate as we might have accidentally missed one or two service boxes."



Please remember that payments must be received no later than the due date. Late penalty and interest will be applied to your account the following business day.

Please call the office if I can help with autopay setup or any other billing questions.

The next billing will mail out on October 25, 2021 with a due date of November 26, 2021.

Happy Fall!

Pay your bill online:

<https://bluelake.billingdoc.net/login>

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This picture of New Melones

Reservoir was captured on October 10, 2021. Levels continue to drop drastically!!!

Please remember to CONSERVE!
BLSMWC remains in

Drought Stage 1.

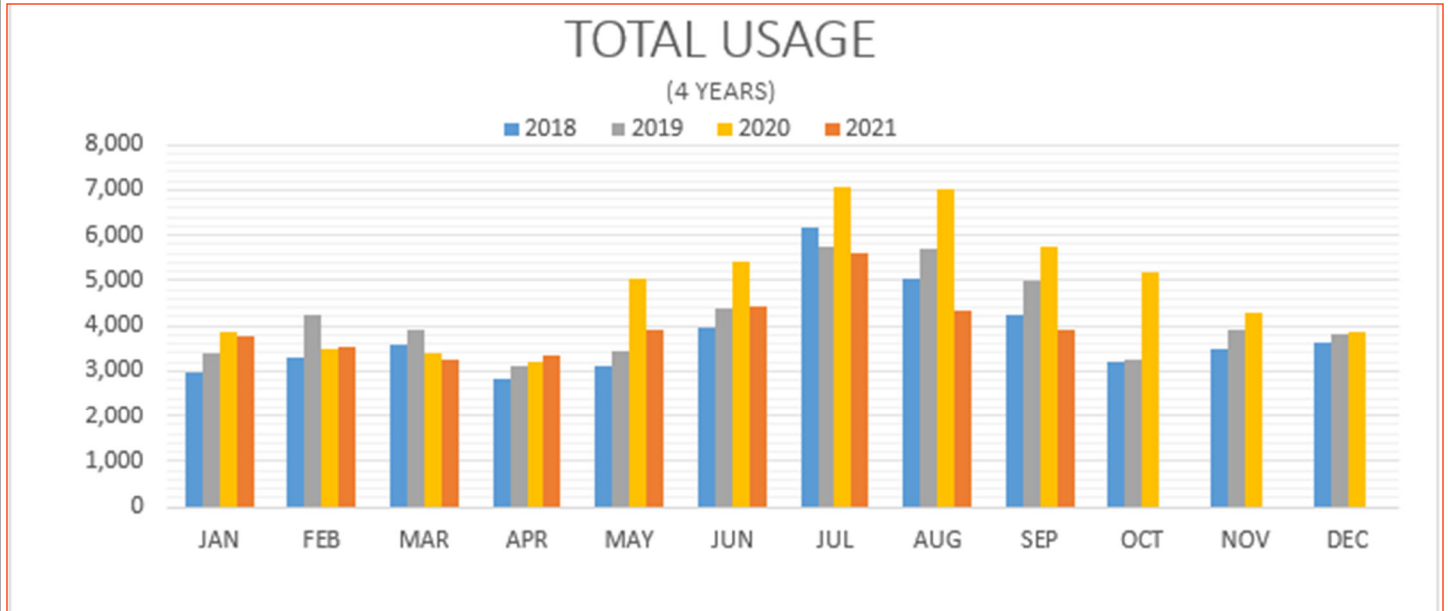
For more information on our

Drought Action Plan visit:
www.blsmwc.com

October, 2021

General Manager's Report

September Usage: We are currently in drought stage 1 of our action plan. Information regarding the drought action plan can be found at blsmwc.com. Blue Lake Springs residents used 1.8 million gallons less water than last September, which is a 32% savings. We encourage you to keep up the conservation efforts though the rest of the year. We need to start preparing for another year of drought restrictions, especially if we have another winter like last year.



Usage (1,000 Gals)

DATE	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
2010	3,992	3,120	3,031	3,509	3,842	4,999	7,564	6,722	5,679	4,233	3,590	4,232	54,513
2011	3,805	3,568	3,739	3,146	3,631	4,489	6,876	6,255	4,946	3,688	3,290	4,044	51,477
2012	3,624	3,425	3,092	3,108	4,560	5,100	6,902	6,435	5,540	4,173	3,355	4,133	53,447
2013	4,265	3,157	3,066	3,233	4,341	5,738	7,992	7,117	4,885	4,401	3,822	4,097	56,114
2014	3,305	2,974	2,973	3,393	4,152	4,532	5,878	5,262	3,834	3,430	2,946	3,579	46,258
2015	3,329	2,480	2,587	2,269	2,602	2,908	4,343	4,066	3,315	2,627	2,710	4,057	37,293
2016	3,495	2,993	2,488	2,860	3,479	4,225	6,109	5,804	5,033	3,527	2,842	3,609	46,464
2017	4,223	3,007	2,942	2,603	3,378	4,064	6,296	5,354	4,675	3,723	3,158	3,497	46,920
2018	2,956	3,286	3,598	2,815	3,114	3,938	6,183	5,037	4,234	3,188	3,498	3,618	45,463
2019	3,417	4,242	3,890	3,125	3,431	4,385	5,759	5,720	5,016	3,274	3,931	3,835	50,025
2020	3,873	3,501	3,408	3,201	5,058	5,411	7,067	7,014	5,767	5,187	4,296	3,888	57,671
2021	3,768	3,515	3,275	3,336	3,894	4,432	5,613	4,336	3,921				36,090

Tyler Mayo

General Manager

Blue Lake Springs Mutual Water Company

P.O. Box 6015

Arnold, CA 95223



LRPC Report

As we continue working toward firming up cost information related to potential liens against our reserves fund budget, the majority of items have been put on hold. On the remaining USDA project tasks, this is primarily due to the fact that our contractor (Mozingo) is not able to obtain price quotes or place orders on parts since all suppliers are out of stock indefinitely. In addition, we have not received a formal response from CCWD of the cost and terms if we were to purchase increased water capacity. The CCWD office has been closed due to COVID. The good news is our total water usage levels from 2020 to 2021 have been much lower through the summer months at <23% (May), <18% (June), <21% (July) and <38% (August) keeping us well within our maximum capacity levels.

The BLSMWC management & staff has also completed an update of the Asset Management Plan database reflecting replacements and/or repairs in the past year, along with identifying assets not required in the plan or with overstated cost estimates. We are in the process of incorporating these changes into the database in order to re-calculate the replacement costs over the next 20-40 years. This is estimated to be completed in the next month. Based on our financials, we estimate that our reserve fund (currently at \$1.35M) will increase to approximately \$1.5M by year-end 2021.

Over the past month, we also continued to compile and analyze data that will be taken into consideration as we develop our rate structure for 2022. This data includes:

- Local vs. Part Time water usage levels
- BLSMWC usage levels vs. USGS average consumption needs
- Comparison of BLSMWC rate structure to local and bay area water agencies
- BLSMWC fixed vs. variable costs

BLSMWC cost to make water vs. CCWD cost to purchase water

As you can imagine, each of the comparisons shown above include many factors and variables that can influence our future rate structure and, therefore, must be fully discussed with the LRPC members and the board of directors prior to implementation. A clear example of this is evident in the comparison of 6 local and 5 bay area water agencies to BLSMWC. The cost within each agencies rate structure (i.e., annual base rate, monthly consumption included in base, metered usage charge, and single vs. multi-tiered usage structure) all vary to some degree. Note that this variation is expected. Many customers incorrectly believe that the cost of providing a gallon of water is the same regardless of which water system provides it. In reality, there are many factors (i.e., salaries/benefits, cost of water treatment, quality to which water is treated, cost of water distribution, etc.) that can influence the price of water and cause water rates to vary, sometimes significantly, even among neighboring systems. These factors will be included within our analysis of the BLSMWC rate structure. Also included in the analysis will be our estimated fixed vs. variable costs, with fixed costs (i.e., costs that do not vary with consumption) being recovered by our base rate/base allocation revenue, and variable costs (i.e., costs that change from month to month depending on how much water we have to purchase and/or pump, treat and sell) being covered through our consumptive meter revenue that varies in proportion to the level of a customer's use.

As we work through the process described above over the next month or so, rate structure options will be fully discussed within the LRPC and recommendations brought forward to the Board of Directors for consideration and approval.

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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