

February 2024

Dear Shareholders:

Happy New Year!

The purpose of this letter is to share the 2024 budget with our shareholders that was prepared by the BLSMWC staff and board committees. The budget was submitted to the Board of Directors during the Nov. 2023 BLSMWC Board Meeting by General Manager Tyler Mayo. Your Board voted to adopt the 2024 budget as presented on the reverse side of this letter. The 2024 Budget is \$1,793,449 making the new budget a slight increase over the 2023 Budget of \$1,697,885.

Our main source of income comes from you, the shareholders. This is required to maintain our not-for-profit tax status with the Federal Government which requires that 85% of total income must come from shareholders. The base rate fees for residences for 2024 will be \$645, an increase of \$18 for the year which is considerably lower than reported inflation values and projections. The base rate for unimproved lots will remain at \$342. The base rate fee that both full-time residents and part-time residents are assessed, can best be described from a statement made by our previous legal counsel:

“From a water agency’s perspective, the value we provide is realized when you turn your tap on and clean water is delivered. The cost of the water is very low. The cost of the service to deliver and treat water is the majority of yearly expenses. So, whether you choose to only take one day’s worth of water out of the tap or you live here full-time, the cost of providing that service to you, from our perspective, is roughly the same.”

It should also be noted that the cost of water usage over the 700cf allotment did increase from \$1.75 to \$1.90. There is also a budget line item to collect our fourth annual payment for the USDA 40-year loan.

In 2024, we will start several additional infrastructure projects not completed under the loan. These monies were budgeted under the capital asset category.

The Board of Directors welcomes your participation and input and invites you to attend our regularly scheduled zoom meetings. You can find current and pertinent information on our website: www.blsmwc.com or call the office at (209) 795-7025.

As always, our staff is available to answer any questions and address any concerns. We trust that the billing system has become familiar to our shareholders.

Bill Cover

Bill Cover, Treasurer
Blue Lake Springs Mutual Water Company

2024 Budget on the Reverse Side