



September–October 2011

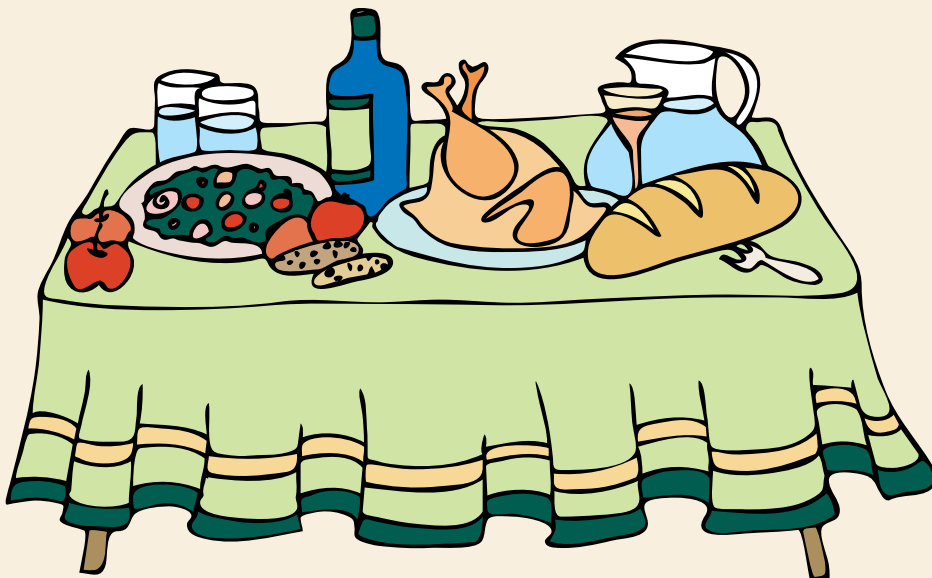
THE LODGE LOG

BLUE LAKE SPRINGS HOMEOWNERS' ASSOCIATION

Potluck is Back!!

Beginning Wednesday, September 14, 2011

Good food, good friendships, and lively BINGO can all be found at the Blue Lake Springs Potluck on the second Wednesday of each month. You are all invited to join us for the first Potluck of the season on Wednesday, September 14th at Snowflake Lodge. Make new friends, try new foods and best of all, let someone else do the dishes! Join your neighbors beginning at 5:30 p.m. for a chance to visit and exchange summer news as you sample appetizers and then sit down to dinner and dessert at 6:15 p.m. After dinner enjoy playing Bingo with your fellow members. If you would like to be added to the Potluck calling list, please contact Luann Baugher at 795-0462.





2011 Calendar of Events

Tuesday Evening Bridge: 7 p.m.

Wednesday Mahjong: 10 a.m.
(May 2011 through October 2011)

Wednesday Bridge Lessons: 1 p.m.

Thursday Bridge: Second Thursday of each month, 9:30 a.m.

Pinochle: First Thursday of the month, 7 p.m. (April 2011 through November 2011)

Texas Hold'em: Second Thursday of the month 2:00 p.m. (September 2011 through May 2012)

Friday Morning Bridge: 9:30 a.m.

Potluck: Second Wednesdays, 5:30 p.m. (September 2011 through May 2012)

Labor Day BBQ: Saturday, September 3, 6:00 p.m.

Pasta Banchetto: Wednesday, September 28, 5:00 p.m.—7:00 p.m.

Presidents Message

By the time you read this message summer recreation at Blue Lake Springs will be almost over. I hope you, your family, and your guests have made full utilization of our excellent summer recreation program and facilities. Thank you to Judith Anderson, Summer Recreation Director, and her staff for all their hard work. Please remember to fill out the summer recreation program evaluation which is the last page of your 2011 Summer Recreation Booklet and return it to our Association office. Your input and opinions on the program are important in order to make a very good program hopefully even better for you.

If you attended the Annual Meeting in June, and/or have been reading the minutes of the recent Board of Director's meetings you already know that the Board is in the process of updating with the assistance of our Association attorney our CC&Rs to meet current statutes and standards. The updating process will probably take at least two to three more months to complete, and Association Members will have the opportunity to review and to provide input into the updating process before the CC&Rs revision is finalized for a membership vote. More information on this subject will be forthcoming to you in the near future.

Thank you Pete Padelford, Volunteer in Prevention (VIP) Coordinator, and the many Association Member inspectors that spent long hours this Spring and early Summer to inspect all BLSHA properties for California fire safety laws compliance. Your efforts are appreciated in helping make BLS a fire safe community.

Please remember that the Board of Directors meet the third Saturday of each month at 9:00 a.m. at Snowflake Lodge. There are two opportunities at each meeting for Association Members to comment and provide input. Your participation is encouraged.



Pest Control:

Ants, Spiders, Mice etc

Weed Control:

Includes Annual Weeds,

Poison Oak, Star Thistle

Mosquitoes:

Larvae and Adult Control

209-728-3772

800-464-3772



If there is any member who knows of someone who may need a get well card or sympathy card, please call the Sunshine Lady, Joan Shawver at 209-795-5619.

Security/Safety

Keep Your Home Safe

As the summer begins to wind down, many of you will be leaving your beautiful mountain homes. But before you hit the road, take a few precautions.

Set your lights on a timer. Leaving your house unlit for days on end is a sure sign to burglars that it's empty, but so is keeping the lights on 24-7. A good way to handle the lights on/off conundrum is to set them on a timer that's scheduled to simulate your regular routine. Of course, if the lights seem a bit too simulated, that can be another telltale sign, so it's a good idea to set the timers in individual rooms on staggered schedules to make the light coming from your home seem more natural.

Don't leave the spare house key lying around. Whether you keep a spare under your welcome mat, above the door frame or in a hide-a-key contraption, chances are it will take the nefarious types five minutes flat to find it and gain easy entry to your house. So take it with you, let a friend

hold onto it or put it in a safe place inside your house, even if you're worried about losing your other keys. Because when it comes down to it, calling a locksmith is less traumatic than calling the police.

Water Shut off. Make sure when leaving your house for the winter that you take the precautions to winterize your pipes and shut off your water at the main line. You can also call the Blue Lake Springs Mutual Water Co. for advice on how to properly winterize your home.

Make a last-minute checklist. Are all the windows and doors locked? Stove and oven turned off? How about all the faucets? Are the electronics unplugged and valuables secured? Take five minutes before you leave to ensure your house is winter ready. Another run-through of the house may seem unnecessary if you did it earlier in the day, but knowing you've left your house as safe as possible will help give you peace of mind until next summer.

The Following Event Is Priced At:

Adults: \$12.00

Children 6 to 10 years old: \$6.00

Children 5 years and under: FREE



SEPTEMBER 28

5:00 P.M. TO 7:00 P.M.

PASTA BANCHETTO

July 4th Parade Entry

Over 100 Blue Lake Springs Homeowners Association members and guests participated in our 2011 Arnold July 4th parade entry. This year's Blue Lake Springs entry focused on honoring our Armed Services Veterans. There was a marching honor guard carrying an American Flag and the flags from our five Armed Services. Following the honor guard 12 Veterans rode in five convertible cars and another 22 marched behind the cars. Also, riding with the Veterans was 92 year old Andrea Garceau, the aunt of association member Lucy Morgan. Andrea worked on the assembly line for Boeing Aircraft Co. during World War II (WW II) and she epitomizes the WW II cultural icon "Rosie the Riveter." Then an 18 foot float specially constructed for the parade, entitled "Let Freedom Ring" followed. The float included an 8 foot bear, a large bell representing the "Liberty Bell," and Steve Land, an association member and very accomplished trumpeter playing "America the Beautiful" and "Celebration." Next followed a very large group of children and adults, in red, white

and blue, marching and riding. Again, Blue Lake Springs had the most diverse entry in the parade, and showed Arnold that we have great community spirit and pride in our Country. A thank-you to all parade participants, and special thanks to the parade committee—Bev and John Vasquez, Mary and Don Peterson, Sherry and Harry Tittle, Ginny and Jim Harrington, Laurie and Ron Andrade, Guy and Sue Pollak and Denee Berliner. Also, we can't forget to thank our photographers, Luann Baugher and Ernie Multhaup!

—Ed and Michele Stahlberg
Committee Chairpersons



Labor Day BBQ & Revue



Saturday, September 3rd 2011

BBQ: 6:00 p.m. • Talent Show: 7:30 p.m.

MENU

BBQ Ribs or Half Chicken
Baked Beans
Corn on the Cob
Two types of Salads
and Brownies

KID'S BUFFET

Kids 6 through 10
Spaghetti & Meatballs
Garlic Bread
Brownies

BBQ PRICES

Full Rack (2 lbs.): \$21.00
Half Rack (1 lb.): \$16.00
Half Chicken: \$12.50

Kids Buffet: \$10.00
Kids 5 and Under: FREE



This is our last big event of the 2011 Summer Season so mark your calendars and be sure to attend! Also, check out the Summer Recreation Book for all of the other great activities planned for this Labor Day Weekend.

Membership Cards

The summer season is almost over. It is important that you remember to keep your Membership Cards as these are permanent cards. Next year, after your membership dues are paid, you will receive by mail, new stickers to put on your membership cards. If your cards are lost, they must be replaced in order to use the facilities. The replacement fee for each card is \$8.50 per card so hang on to those cards!

VIP

I want to thank those of you who, in spite of the harsh and late winter, did a great job of cleaning your property. I and your neighbors thank you for that. There were 220 second inspection notices written and 59 of those have been turned over to CalFire. I will be contacting 97 owners who still have issues like Propane Tank clearance, 70 foot clearance, firewood piles, thinning and limbing trees and Manzanita issues. We still have a lot to do to get our community in compliance with PRC 4291 and we will need the cooperation of all owners of property in BLS to accomplish this. Please contact CalFire at 209-795-1542 if you have any questions about compliance. Remember we are in FIRE SEASON. NO BURNING AT ALL.



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—Pete Padelford,
BLS VIP Coordinator

Member Cards and Photo ID

As a reminder, Members and guests must always present their members card along with photo ID in order to use the facility. Please keep in mind we have 2,025 properties serving members, associate and family members, as well as guests and renters. The Association's goal in checking cards and IDs is to ensure that non-owners are not using your facility and adding to the rising costs of providing services, and maintaining the facility.

Unfortunately, times have changed and we would sincerely appreciate you having your member card and photo ID ready when checking in. We do realize this is a small inconvenience. This is the Association's way of verifying each property owner to protect your investment.



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EMERSON CEILING FANS, SEA GULL & QUORUM LIGHT FIXTURES
LET US BID YOUR NEXT PROJECT

Please review the 2011 Annual Meeting Minutes for the Annual Meeting on June 2, 2012.

UNAPPROVED 2011 ANNUAL MEETING MINUTES

1. **CALL TO ORDER:** President Silcox called the meeting to order at 11:10 a.m.
2. **INTRODUCTION OF BOARD MEMBERS AND ELECTION OFFICIALS:** President Silcox introduced the Board Members: Vice President Hengel, Treasurer Ed Stahlberg, Secretary Mary Peterson, Directors Harry Tittle and Dave Ryniec, General Manager Tony Abila and Assistant General Manager Marsha Hampton. He also introduced the Inspector of Elections Jeanne Multhaup.
3. **Credential's Committee Report:** Parliamentarian Multhaup reported that there were 745 ballots with 727 votes to approve Resolution 70-604, and 16 votes against approval. Resolution 70-604 has passed unanimously.
4. **Approval of 2010 Annual Meeting Minutes:** **Bev Vasquez, Lot 182 Unit 10, made a motion to approve the 2010 Annual Meeting Minutes. Clint Babb Lot 620, Unit 5, seconded the motion. The motion passed. The Minutes were approved.**
5. **President's Report:** President Silcox thanked the many members who supported the Board of Directors and greatly appreciated the concern shown and the energy applied to keep the Association on the correct path. He also thanked the Directors for their diligence and their responsible attitude this term and to management and staff for their conscientious effort and willingness to help. He further stated that he looks forward to his last year and is proud that next year's Board is one of strength and resolve. The membership can be reassured that the Board's primary focus will always be one of looking out for the membership as a whole.
President Silcox announced that the Long Range Planning Committee has concluded their assignment and has submitted their recommendations to the Board. Drawings showing the suggested improvements and the approximate estimated cost to the facility are on display in the bar area.

He further reported on the status of the review of the CC & Rs. The review is progressing but is slower than anticipated. The rough draft was just received from the law firm and will be reviewed and discussed at the next Board Meeting. Further scheduling for membership review and approval will be forthcoming thereafter.

President Silcox introduced the new VIP Coordinator, Pete Padelford.

Pete Padelford thanked Dave Ryniec, the outgoing VIP Coordinator. Pete consoled the membership that even though everyone got a late start cleaning their property due to the harsh winter, there will be another inspection in July and suggested members to at least remove pine needles and limbs and deal with downed trees after that. He further suggested that members sign up to receive Association emails as this is where he announces important information about dates and deadlines. Members can sign up on the Home Page of the BLS Website at www.blsha.com.

6. Treasurer's Report: Treasurer Stahlberg gave the following annual report:

One of the most significant actions taken by the Association in the past year was the hiring of a new CPA/tax advisor. The new CPA's practice is centered around homeowner's associations. There was no additional cost to the Association in the change.

The Association's 2010 income and expenses were audited and our 2010 financial statements were found to be fairly presented in accordance with General Accepted Accounting Principles.

We have had a number of above normal expenses in 2011 due to the harsh winter, however overall we will be able to stay within budget this year. The one factor that could change this is the collection of dues. As of June 1st we have collected dues from 1,831 of our 2,011 members. While every year a number of members are delinquent and we have accounted for this, it appears the continuing poor economy has made the timely collection of dues worse than normal.

The Reserve Account, which is used to replace the Association's capital assets as needed is sound at \$464,772.41. State law requires reserve accounts to be

completely reviewed in detail every three years. Our next detailed review will be in 2012.

The Board with our CPA is currently looking into the possibility of changing our tax filing status from a tax exempt social club to a full homeowner's association. The net increase in yearly Federal and State tax to the Association has been calculated by our CPA at below \$300 per year. Filing our taxes as a full homeowner's association would give the Association the ability to fully enforce our CC & Rs. Anticipating that we may be changing our tax status to a full homeowner's association, we asked members to vote on Federal Revenue ruling 70-604. A yearly approval of that Ruling by association members allow the Association to carryover any excess funds tax free to the next year.

7. General Manager's Report: Before acceding to General Manager Abila, President Silcox announced that General Manager Abila will be celebrating his 20 year anniversary with Blue Lake Springs.

Manager Abila introduced Recreation Director Judith Anderson. Director Anderson stated that there is a great summer program planned. She also announced that there is a new Assistant Recreation Director, Vickey Johnson who has an extensive background working with kids.

Manager Abila introduced Captain Mercito from the Sheriff's Department. He explained that the budget status in this county is dire and many services to the public have been reduced. He will be giving a presentation after the meeting which will include the budget, status of the new jail, drug trafficking, burglaries and crime prevention.

Manager Abila gave the following report: Due to the long winter, maintenance is behind schedule therefore some of the recreational areas will not be up to par, but will be open.

There was a washout on one side of Lodge Lake which will prevent access around the entire lake. The far bridge at Fly In Lake may be unstable and it will be sectioned off. The security department made 47 calls to members due to fallen trees hitting homes.

8. Candidates Presentations: President Silcox introduced the two candidates for Director who were elected by acclamation, Guy Pollak and Paul Penney.

Paul Penney stated that he hopes to bring something new to the Board.

Guy Pollak stated it is a privilege to serve this community and he looks forward to working with our Board Members. He thanked the Board for working extremely diligently this past year. He has been on three different committees and knows the direction the Association is going.

9. Comments from Members: There were many thanks from members to the Board of Directors and VIP Coordinator Pete Padelford, and to those who have volunteered to help make all the events offered at Blue Lake Springs successful. A member talked about the upcoming 4th of July Parade. The theme will be Freedom dedicated to members who are veterans. There will be a float. Last year 138 people participated.

There was also concern about safety issues on Snowflake Drive. Fire trucks are having difficulty turning around. There was a request that members do not park in front of private driveways.

10. Award's Presentation: Vice President Hengel thanked Dave Ryniec for his years of service and expressed his appreciation for the many hours Director Ryniec spent as Chairman of the Long Range Planning Committee. Vice President Hengel also thanked President Silcox for the work he did this last year as President.

11. Adjournment: Leni Salayko, Lot 114, Unit 8 made a motion to adjourn the Annual Meeting. Clint Babb, Lot 620, Unit 5, seconded the motion. President Silcox adjourned the meeting.

Respectfully submitted,
Recording Secretary, Marsha Hampton
Approved for Posting:

**BLUE LAKE SPRINGS
MUTUAL WATER COMPANY**
Minutes of the Annual Shareholders Meeting
Blue Lake Springs, Arnold, CA
Saturday, June 4, 2011

010 CALL TO ORDER: The meeting was called to order at 10am by President John Speakman who then welcomed the shareholders and thanked them for attending. President Speakman then introduced the Board Members present: Paul Baker, Ehrling Carlson, Bob Maginnis, Ernie Multhaup, Dave Owen and Dick Watson. Also introduced were General Manager Maynard (Mike) Herreid, Office Manager/Recording Secretary Lee Schmedes and Former Board member Larry Larson (19-13), who served as Inspector of Elections. Director Maginnis was the Parliamentarian.

020 QUORUM PRESENT AND/OR BY PROXY TO CONDUCT BUSINESS: Larry Larson, Inspector of Elections, reported that the bylaws of the water company require the presence in person or by proxy of 25% of all shareholders in good standing to constitute a quorum for the transaction of business at its annual shareholders' meeting. He reported we have 2024 shareholders, with 92 delinquent, leaving 1932 eligible votes; 25% of that number, or 483 votes, are needed for a quorum. 815 eligible proxies were received, not including those voters who were present. Therefore, business can be conducted legally.

030 MINUTES OF JUNE 5, 2010, ANNUAL SHAREHOLDER MEETING: President Speakman asked for corrections or additions to the minutes of June 5, 2010 mailed to all shareholders shortly after last year's annual meeting. There were no corrections or additions. Gene Price (111-10) moved to approve the minutes; seconded by Maureen Ryniec (860-7), and the motion carried unanimously.

040 PRESIDENTS REPORT: President Speakman went through a chronology of last year. Since last year our water main replacement continued. We replaced 2800' of 6" main and added 4 fire hydrants. Our well performance has been declining for the last several years. We are hoping, but are not sure, that they will get through this summer. Clearly we have to address our supply. We have had a number of meetings with CCWD starting in January this year. We have been asking for a new agreement on our water supply with them because it has gone beyond emergency and CCWD agreed. Their new proposal for providing us water was pretty extraordinary and fiscally not doable for us. The Board has put our water main replacement on hold to try and sort out what we are going to do with water supply for the future. Our number one goal is to keep the water flowing. We must secure a water source. We have had a number of wells historically, back to the start of BLS. Our wells were down at the Country Club and up by the treatment plant. Then we went to White Pines and drilled two wells with CCWD. Since then, we drilled a third well, on our own, that we are using now. We are also looking at a new well site that we have tested and found some water on. So that is one option. The other option is CCWD because they have water. Thirdly, we need to secure a new agreement with CCWD. In the past we have had an emergency agreement that is no longer in effect. There in ongoing negotiations. The fourth item is a merger with CCWD. This has been talked about for years that someday we will probably go with CCWD for our water supply. In order to do that it would require a vote of the shareholders. Additionally with the merger there would be costs to complete the remaining underground and install meters. In other words we have to meet CCWD's standards. About two thirds of our system is out in the street with

6' main and hydrants. The last third is still in the back yard and those 2" and 3" mains need to be replaced. And then to go with CCWD a merger or annexation there would be a connection/capacity charge. That gets into some real detail here which is why we hired an attorney. If we choose to go that direction there would be a process cost for bonds, legal cost, administration to do the merger and be part of the CCWD system and have them supplying us water for the future. HDR Engineering is the firm that we have used for a number of years now for all of our to-date water main replacements. We have gone to them to get an estimate of what it would cost to complete the system as if we weren't doing it. When I say if we weren't doing it, I mean we have a great luxury to have Mike managing these projects. He has picked out a contractor that has really been great for us. But going forward to finish the system we don't know how long we, as a board, will be here, how long Mike will be here so we have to get a realistic cost as if we weren't here. What would it cost if CCWD were to do it. For example, if you were doing a home remodel yourself it would be cheaper than if you hired a contractor. In the end the project is the same. We are getting that cost. HDR is a good firm, they have worked for us and CCWD they understand what their standards are and they speak the same language. I am fortunate to have a contact with East Bay Mud (a former president of the Board) and she gave me a contact of Robert Donlan, an attorney, in Sacramento. They are a small firm who specializes in water. We have met with them and then we all met with CCWD. We asked CCWD to give us an alternative plan which is where we are now. We are negotiating that and we are doing that in a business like fashion. I am optimistic that this will be resolved. Our first priority is to get water for this summer, then work out the water main replacement. If we all agree as a community that it is in our best interest to merge with CCWD, that will be discussed. We will continue to work as a Board to resolve this issue. Unlike the HOA, which is guided by the Davis Sterling Act, we are a private water company; you all own one share per lot. We have to do our own fiscal management ourselves. We don't have a complete replacement fund built-in, we have to do this incrementally. We will need more money to continue on, whether it is for the water mains or procuring a water source.

QUESTION: 62-11 Has the Board considered any other options besides new wells or CCWD water, IE: rain catchment, cisterns, etc.? I feel nervous about putting my faith with CCWD long term.

ANSWER: President Speakman Currently our primary goal is water supply to keep our homes viable. What you suggested are all excellent ideas. We are talking about hundreds of thousands of gallons of water. What you say is a great idea for individuals and I would encourage anyone to do that.

QUESTION: (8-13) Will you be putting in a combination of bonds and assessments on long term like 20 year bond?

ANSWER: President Speakman If we were to consider annexation one of the ways you pay for that is bonds are procured and that is one of the things we spoke with CCWD about. Obviously, the longer term the cost is less on an annual basis. This assessment goes on your property taxes which you pay twice a year. So it spreads it out longer, the payment would be less.

QUESTION: (20-8) I was once a member of this Board, about 8 years ago. Because of the severity of this issue facing us I have come back from North Carolina because I am really concerned. The issues we are hearing today are not new. When I was on the Board we were discussing merging with CCWD. We are at the point now where it's fish or cut bait. With no water we have no property value. I think that we need some specific understanding of what the proposals are, what they are going to cost and we need to take action. I would really encourage the members to attend the Board Meetings. This issue will really affect your property value and whether we can even come up here

anymore. I would recommend that the members participate, attend the meetings, get informed. The HOA Board members are for a term of 3 years where the water company board is for life. I think we need to take some action and look at term limits for the board. My recommendation would be to merge with CCWD. There is a lot of inefficiency running a small organization that only serves 2,000 and there is a lot of overhead like salaries, retirement, workers comp and insurance. You spread that over 2,000 lots and you are duplicating what could be done by another organization.

ANSWER: President Speakman As far as specifics, we are negotiation with CCWD and we are not going to negotiate in public. When we have something to come forward with we will let the community know. There has been good participation the last couple of meetings, we have been holding them upstairs.

QUESTION: (123-12) This is the first time I heard that we could possibly run out of water by the summertime. Why haven't we started a campaign with some lawn signs or signs throughout the community that we need to inform people to start conserving water? The realtors need to know because rentals are starting to happen and all of us need to become responsible about conserving water. Why has that not been done yet? Maybe put something in each cabin telling of the urgency of the situation.

ANSWER: President Speakman We have been putting conserve water in the newsletters but I agree that we should look into doing more.

QUESTION: (146-9 & 147-9) Regarding the productivity of the wells in White Pines, what is the status at this time? Did we have a well collapse about 5 years ago? Are we still considering Beaver Creek as another supply of water?

ANSWER: President Speakman The wells are up and they have been producing since the winter. We are just trying to get a feel on how they will perform if we get a hot spell and prolonged use. There has been no well that has collapsed. The supply of water using Beaver Creek would be very, very costly to do for a number of reasons. It's almost cost prohibitive.

050 TREASURER'S REPORT: Treasurer Carlsen reported that when BLS was first formed, the value of the 2" pvc system and wooden storage tanks was listed as \$411,000. Since that time there has been a gradual improvement for the simple reason that the pvc pipe installed in 1960 had a shelf life. That's the reason there has been a continued progression of replacement, improvement and quality control, paced at the basis of what our income is. We have replaced the wooden tanks with glass lined steel tanks. Today, we have 54,378 feet of 6" mains buried in the street. Due to the placement of the new mains from the back lot lines to the street, our consumption rates have dropped to historic lows. Our system today, based on our input of cash, is now worth \$4.5 million dollars. Your equity has improved dramatically. The basis is that as a private entity we are able to put a foot of pipe in the ground for between one third and one half the cost of what a civic organization pays to do the same thing. And we call the shots on the quality so that it isn't shortchanged. So your equity has improved and the program is moving forward with a temporary halt this year.

QUESTION: (233-2) I feel that what you just said is a bit contradictory from what the President just said. You said we have all this money, but we heard there might be no water. We have a system but with no supply how can it have the value you are giving it?

ANSWER: Treasurer Carlsen That is the assessed value of our system as of the end of the calendar year of 2010.

QUESTION: (67-11) This is the first time I have had a chance to attend one of these because now there is an issue when I get a piece of paper that says it's going to cost me \$20 million dollars

to supply water. You have an infrastructure which you say is worth 4.5 million dollars. Well, I can't drink equity or an infrastructure. So what I would like to hear from the Board are reports as to what it is costing us on an annual basis to provide water, how much does it cost per linear foot of pipe – you said you could do it for a third to a half less than everybody else, I would like to see a dollar figure on that and what is your estimated dollar figure to finish the mains? You also stated that lowest drop in usage because you put new lines in. To me it sounds like you should move quickly to replace the remaining lines to drop that usage further.

ANSWER: Treasurer Carlsen How much are you willing to pay right now? We are not trying to steam roll over the finances of every one of us. That's why we are doing it on the installment plan, in bites that we can afford and systematically starting from the water sources from the tanks moving closer and closer and putting the system together. There is no point in having 2" pipe between two six inch pipes. The timeline for completing the new main install, worked out in advanced, has been put on temporary hold. The projects that have always come in under budget were even calculated using 2006 dollars.

QUESTION: (67-11) I pay taxes, just like everybody else, and I finally looked at my tax bill. There is a fee that goes to CCWD. Why are we paying this?

ANSWER: Mike All parcels in the county pay this fee. It's \$10 and just some way for CCWD to get money. **President Speakman:** CCWD has an explanation for that and I will get it for you. We asked them the same thing and I don't quite remember what it is for, but it is countywide and there is an explanation for it.

QUESTION: (12-1) I had a very lengthy meeting with Don Stump, our representative with CCWD. I wanted clarification on why CCWD would turn off our water and give us 90 days to figure out what we wanted to do. First, I think that was rather drastic and second, I think legally they don't have the capability to do that and third, Don Stump said that it is really not a CCWD problem any longer. The problem is BLS. The water board has worked hard on the issues with CCWD and expanding our water capabilities. Regarding the \$10 that all of us are taxed, that is called a water right fee. There are approximately 45,000 people in Calaveras County. If you do the math that's \$450,000 for water rights that we already have. I asked him where that money is going, does it benefit our area. No. It's something that we and the county use. There is a very, very big shortfall in revenue in our county. The board has come up with the simple conclusion that they don't have enough information to give us today. I too am a numbers person. I would like to know how much it will cost, what is the consumption rate, how much for annexation, at what point do we put together bonds. Don Stump said that even if you select CCWD to represent BLSMWC, there is no guarantee that CCWD will furnish the water to BLS. To me, that is a slap in the face.

060 MANAGER'S REPORT: General Manager Herreid talked about source water. We have two wells at White Pines Lake. Currently we are using both but we will be using only one and one will handle the subdivision. We no longer are on CCWD water; we haven't been for 3 months now. We hope to stay off of them. The well that President Speakman talked about on Borad's property came through. We drilled down 300' and got 5 gallons a minute. We went another 50 feet and have close to 200 gallons a minute.

Regarding our current well tests, the primary sampling that we do is the State and Federal MCL (maximum contaminate levels). The secondary sampling of the wells shows that we have hydrogen sulfide, iron and manganese which are fairly common in well water. We have a treatment plant and take it all out. Chlorine is still being added to oxidize any constituent that the

potassium permanganate leaves and to also sterilize the water in the distribution system. We also add caustic soda as a pH adjustment to the well water for a non corrosive state. We do have non corrosive water. After treatment, our water meets or exceeds the current standards set forth by the USEPA and the State of California Department of Health Services. Everyone in the subdivision is on well water. The recovery rate of our wells is greater than in prior years because of the wet winter and the Weir replacement just last year. As far as the new projects go, you have already been told that we are on hold. There are two more that HDR has already compiled and we will go through with those once we get resolved with CCWD. As a result of these projects we have 138 fire hydrants throughout the system, 12 of which are CCWDs. We are continuing the long range planning not only for the existing system but with the future needs of BLSMWC.

QUESTION: (35-5) There are springs all over BLS. Have we really exhausted all other possible sources of the water in the area? Also, why are our wells in White Pines?

ANSWER: General Manager Herreid We originally drilled 8 holes in 1976/77. We drilled 8 to get 4 and they went dry. So we went to White Pines and got permission from CCWD to drill. We drilled a second well with them after that. They own half of everything including the wells and the treatment plant here.

QUESTION: (35-5) Why do these things need to be negotiated in secret? Isn't the Sunshine Law in place?

ANSWER: President Speakman There is a Sunshine Law in all governments. It is common practice even in government agencies when you negotiate they are done in private. That is just the standard practice. In public form it wouldn't serve anything, you just couldn't progress that way. As soon as we have something viable we will bring it forward and hopefully it will answer those questions. **General Manager Herreid** added that there will be a shareholder's vote. It is up to the Board to gather information for the 3 options and present it to the shareholders.

(7-11) Expounded on Mike's passion for this water company and thanked him for the great job.

QUESTION: (400-3) If the new well that we are working on works out, how close are we to being self-sufficient with our own water and if we are close is it possible that we could become self-sufficient and not have to go with CCWD.

ANSWER: President Speakman That is an option that we are looking at. It is very preliminary. We essentially have a hole in the dirt and have a preliminary estimate on that. We have a ways to go yet. If we had wells that we knew would last forever, we would be self-sufficient. But historically, wells don't last forever, they are a temporary fix.

QUESTION: (620-5) Does it take a simple quorum when the vote is presented to us?

ANSWER: President Speakman The only vote involved would be for annexation. If we chose to go that way it would take 50% plus 1 to pass.

QUESTION: (77-11) If we join with CCWD would they be able to pull our water from our system and be able to take water away from us to give to someone else?

ANSWER: President Speakman No. It would be all inter connected. CCWD currently has a 16" water main that comes up Moran Road. We are connected to that. If looking forward, if they were to annex us, that water would come from that main and serve our entire community.

QUESTION: (77-11) Do you foresee if this well comes in that we would have enough water to supply us for what number of years.

ANSWER: President Speakman There is no way of knowing how long a well would last. General Manager Herreid added that we want CCWD as a backup, always. That is what the Board is trying to do now, to get a good backup for the wells.

70 NOMINATIONS: Director Baker told the shareholders we currently have three candidates, Ernie Multhaup, Doug Rischbieter and Dick Watson running to fill two board positions. He asked if there were any write-in candidates from the floor. As there were none, Director Baker then called for a motion from the floor to close the nominations. (400-3) moved to close the nominations, (111-10) seconded the motion.

The floor was open to allow the candidates to give a brief talk.

Ernie Multhaup (incumbent) – I have been on the Board now for 2 3-year terms. I have enjoyed working with them and have learned a lot about water. I am probably the least qualified to answer all your questions, but I have thoroughly enjoyed being here and I would like to try another 3 years, if it all works out. Thank you, again.

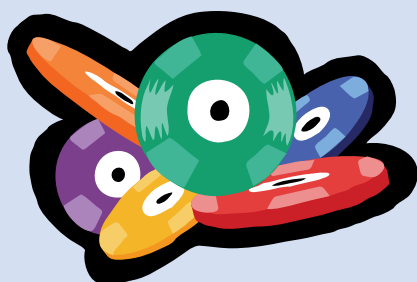
Dick Watson (incumbent) – It has indeed been a privilege to serve on the Board. I believe I am in the neighborhood of 2 terms, like Ernie. It has been a learning experience almost every day, but a very worthwhile experience. Certainly we are working hard to solve the problems. I am looking forward to working towards a better solution for all of us. It truly is a long term solution that we are looking for. Wells are not necessarily going to solve our problem, we have to look for the long term solution. I am looking forward to at least another 3 years, but I don't know if I can go longer than that. Thank you. One other thing I would like to say – John Speakman has been working very hard for us on this and deserves a lot of recognition.

Larry Larson informed the shareholders that the Board has some proxies that they were assigned to them to vote. They will have a meeting, following this meeting, and they will vote their proxies that were assigned to them. The results will be announced during the Homeowner's meeting today.

90 OTHER BUSINESS: President Speakman asked for any other business or comments to bring before the board. As no other business was forthcoming, the meeting was adjourned.

100 ADJOURNMENT: A motion was made by Jeanie Multhaup (732-5) to close the meeting; it was seconded by Gene Price (111-10) and the vote was unanimous. The meeting was adjourned at 10:58am.

Texas Hold'em Poker



Texas Hold'em poker starts again in September for Blue Lake Springs Homeowners and their guests.

All levels are welcome.

Age: Adult

Location: Snowflake Lodge

Date: 2nd Thursday of the Month

Time: 2:00 pm-4:30 pm

**Reservations required for seating, please call:
Harry & Sherry Tittle at 795-1655**

Welcome New Homeowners

Reuben & Esperanza Hilli	Unit 2
Kent & Cheri McLaggan	Unit 2
David & Dina Fowler	Unit 3
Robert & Patricia Duey	Unit 4
Patricia McGrath	Unit 5
Michael & Mary Anne James	Unit 7
Hans & Yvonne Morkner	Units 7 & 8
Mark & Kathleen Enea	Unit 8
Clifton Bishop	Unit 11
Richard & Michelle Wimbury	Unit 11
Marek & Angra Jez	Unit 13
Jose & Anna Moreno	Unit 13

Rec Ramblings

Dear Members,
 Sadly summer is coming to a close and yet we still do have a planned fun Labor Day weekend. This will be our 2011 last hurrah. As a reminder get out those dancing shoes and start practicing for our much loved BLS Has Talent scheduled for Saturday, September 3 at 7:30 p.m. The tryouts will be at 2 p.m. On Sunday at 2 p.m. we will sell Root beer Floats and at 3:30 p.m. Wacky Family Games begin. We round out the day at 8 p.m. when we show Nanny McPhee Returns.



Even though it was really hot, Basketball Camp led by Tim Lilly was quite the hit this summer. We had over 40 campers who learned how to perfect their dribbling, shooting and stamina. We look forward to inviting him back next year.

Many of you may have noticed that our much loved Bobbie made a sneak appearance during the July 4th Fishing Derby. We wish to thank her for doing such a great job in running this popular event. Our first fish was caught at 7:05 a.m. by 14 year old Seth Dowd. The longest fish was 17" and caught by Erin McSweeney. The youngest fisherman was two year old Kate Palmer who caught a 13" fish.

We wish to thank each and every one of you for participating in our events this year and also for the generous donations of money, craft and bingo items for our program. We appreciate your comments and are consistently working on improving our summer recreation offerings.

Also, thanks to a fantastic office staff, guard staff and to Vicky who did a great job of helping to keep us all on track!

—Judith A. Anderson,
 Director of Recreation



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Save the Date

**The Blue Lake Springs Holiday Brunch
will be held the Sunday after
Thanksgiving, November 27th.**



11:00 a.m. Hosted Refreshments

11:30 a.m. Brunch Buffet

More information will be provided at a future date.

H₂O Highlights

Dear Shareholders:

As of August 1, 2011, our supply wells at White Pines Lake continue to provide sufficient water to meet our needs. We believe that a combination of heavy winter snowfall, leak surveillance by Water Company staff and water conservation by shareholders and visitors have all contributed to the positive status of our current water supply.

If for some reason our water supply from the wells at White Pines Lake should fail or drop to an unacceptable level, we retain an option to contract with the Calaveras County Water Company (CCWD) for supplemental treated water.



That contract would be for a minimum of one year and be very costly.

Looking forward, we have two options. Annexation by CCWD or continued reliance on well water for our supply source. The option of purchasing wholesale treated on an as needed basis is not offered by CCWD at this time.

Although our current wells continue to provide adequate water for our community, their long term performance is an unknown. Staff continues to search for a new groundwater source. We are also developing a realistic cost structure for annexation with CCWD.

If your Board of Directors were to recommend annexation, that decision would be put to a vote by the shareholders. This fall the Board of Directors will be evaluating the available options. One thing is certain, the cost of water is going to increase in the future.

Please continue to conserve water. It is very important that every shareholder report any suspected water leak in our community. If you see any water accumulation or running water, please call the water company immediately. The phone number during business hours (Monday through Friday 8am to 4pm) is (209)795-7025 or non business hours, (209)795-7030.

Sincerely,

—John C. Speakman, President
BLSMWC Board of Directors

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An advertisement for 'Above & Beyond Travel'. It features a central image of a white life preserver with red stripes, with a circular cutout showing a smiling woman's face. The text includes the company name, services offered, phone numbers, a website, and the name of the owner, Maureen Dimocoro.

“Some Enchanted Evening”

**New Year's Eve
Saturday, December 31, 2011**



**Mark your calendars for this
elegant New Year's Eve event.**

**Members may invite guests on a limited basis.
Details to follow in the November/December Lodge Log.**

Your hosts:

Harry & Sherry Tittle • Paul & Linda Penney • Tom & Denise Schneider

Blue Lake Springs Homeowners' Association

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Arnold, CA 95223

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Blue Lake Springs Homeowners' Association Office Hours

Tuesday – Saturday • 8:30 a.m. to 4:00 p.m.

Snowflake Lodge Restaurant Hours

Friday & Saturday 5:30 p.m. – 8:30 p.m.

Call for Reservations (209) 795-2357

Board Meetings:

Homeowners' Association:

Third Saturday, 9:00 a.m.

Water Company:

Second Saturday, 9:00 a.m.

Phone: 209-795-2357 • Fax: 209-795-4438

E-mail: blsoffice@caltel.com

Web Site: www.bisha.com

Your Association welcomes letters from members and will publish them in the Lodge Log on a space available basis. If necessary, they will be edited for style and shortened to 200 words. Letters will not be returned to senders. Formal policy is on file at the Association. Members should request the Formal Policy if they are considering publishing a member to member letter.

*The Lodge Log is published by the Blue Lake Springs Homeowners' Association in accordance with the By-Laws of the Association. Publication is bi-monthly with additional issues from time to time. **Manager:** Tony Abila **Production:** Foothill Printing & Graphics*

Tuesday Evening Bridge:

Tuesdays at 7:00 p.m.

Call Marilyn Szukalski at 795-3811 or

Bev Vasquez at 795-1356

Bridge Lessons:

Wednesdays at 1:00 p.m. • Call Bobbie Neely at 795-7815

Pinochle Night:

First Thursdays at 7:00 p.m. (April 2011 – Oct. 2011)

Call Carol Lipe at 795-2367

Texas Hold'em:

Second Thursdays at 2:00 p.m. (Sept. 2011 – May 2012)

Call Sherry Tittle at 795-1655

Friday Morning Bridge:

Fridays at 9:30 a.m.

Call Judy Evans at 795-7399 or Bobbie Neely at 795-7815

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General Manager: Tony Abila

Assistant General Manager: Marsha Hampton

Administrative Assistant: Sharon Anderson

Board of Directors:

President, Ed Stahlberg Vice President, Harry Tittle

Secretary, Mary Peterson Treasurer, Guy Pollack

Director, Frank Hengel Director, Roy Silcox

Director, Paul Penney