

MINUTES
Forest Lakes Mutual Water Company
Board of Directors Meeting On-line Meeting
September 13, 2022 7:00 p.m.
Public Session
910 Fern Avenue, Felton CA

This meeting was conducted by video/teleconference.

CONVENE MEETING/ROLL CALL: The meeting was called to order at 7:01 p.m. by President Gonda. Attending: Directors Dennis, Gonda, Kelley, Maskolunas, Mobley, Wade and West. Staff: General Manager Cortez. Shareholders: R. Waymire, M. Santangelo, C. Barauskas, S. Hector and C. Cody.

ADDITIONS/DELETIONS TO AGENDA: None

SHAREHOLDER/PUBLIC COMMENTS: None

APPROVAL OF MINUTES:

- August 9, 2022 public session meeting: Motion to approve the August 9, 2022 minutes of the public session meeting was seconded and approved.

COMPANY REPORTS:

- Financial Reports: General Manager Cortez presented the August, 2022 financial report, noting the following: Beginning cash on hand, \$832,436.65; ending cash on hand, \$800,522.59. Income YTD: \$697, 018.84; YTD expenses, \$446,121.10. Net income YTD: \$250,897.74. An average of \$1,116.92 for taxes was the result of increased business property tax for the Ferrari plant. Cortez noted that income will decline in the remaining quarter due to payments for the Scenic project.
Motion to approve the financial report was seconded; motion passed.
- Operations Report: G.M. Cortez reported that production of all wells was 1,108,996 gals. There were no system leaks. There was one call-out but it was found to be on a SLVWD line.
Staff replaced a building roof on Scenic; cleaned and cleared around Tank 10-1 and building; took down name sign at Gold Gulch and Lakeside and will rebuild ASAP. Installed additional post on Tollhouse as requested.
SWRCB conducted an inspection of FLMWC water system facilities; awaiting report and issuance of new permit to allow operation of Well 4.
Water Operations Supervisor met with Walters Construction re: pipeline bypass for culvert construction on Quarry Rd. Initially no contractors bid the project, but Cortez spoke with RCD which will try to single-source the project with Walters. Walters estimated cost of \$175,000 which is significantly over the engineers' estimate. RCD has increased their grant funding accordingly, offering 2/3 of the project cost in grant funds. Contracting the project now with completion in 2023 was discussed, as it is late in the year to start a project of this size. A project completion date in 2023 seems to be the best solution given the time factor plus FLMWC's financial uncertainties with the Scenic project. The Scenic project should be substantially complete by 10/15/22.
All documents have been sent to SBA to request an increase in funds. No answer is expected until after project completion.

ADVISORY COMMITTEE REPORTS:

- Water Conservation and Water Committee: No report.
- Recreation Committee: Dir. Wade noted the upcoming movie night at the park.
- HR Committee: Report in Exec Session.
- Road & Safety Committee: Dir. West reported that the Road and Safety Committee met and discussed budget plans for 2023. A number of possible paving projects have been identified but due to the scope and cost of the Scenic and Ferrari projects, lesser projects will have to be considered on a case-by-case basis. Staff

identified some supply needs that should fit within the normal budget line items with the exception of the purchase of metal sheds to replace the existing shop building. Consideration of that request will depend on final costs to FLMWC of Scenic and Quarry.

- Rules Committee: Dir. Wade said he had submitted to Dir. Gonda a draft summary of rules pertaining to vegetation management. Dir. Mobley said he is working on water conservation and should have something for the October meeting.
- Finance Committee: Committee met to discuss investment options: See Item 1 in New Business.
- Strategic Planning Committee: No report.
- Community Fire Prevention Committee: Dir. Maskolunas said that the committee is working to resolve kinks with the messaging system.

NEW BUSINESS:

1. **Discussion/Action item:** Investment of idle funds in short-term US Treasury Bills: Dir. Gonda noted that current T-bill rate yields are trending up. They would be a safe, and a liquid, investment for FLMWC idle funds. Investment periods can be 6 or 12 months. Investing in these would require setting up an account w/ the U.S. Treasury. FLMWC policy allows the General Manager to do this. Finance Committee to work with Cortez to set up the account and establish the amount to invest.
2. **Discussion/Action item:** Policy options matrix for vegetation management: Dir. Gonda presented the matrix he developed to outline policy options for vegetation management aimed at hardening FLMWC facilities and assuring safe roads. FLMWC rules and regulations were compared to County Fire Code as well as State Public Resources Code and State Civil Code pertaining to defensible space, fuel reduction, and cost sharing in the case of easements. He noted that while FLMWC has broad rights to determine road and infrastructure maintenance requirements, current rules are not being enforced. Potential policy/procedural items were discussed. Dir. Wade emphasized the need for community education on managing vegetation as a part of living in forest. Dir. Maskolunas suggested involving FireWise zone leaders. It was noted that owners can contact Felton FD for a fire risk consult. Opportunities for revenue were suggested, e.g. fee for FLMWC staff to have a role. Cortez noted that there would need to be some revenue to compensate for staff time. It was agreed that any plan would need to be at least budget neutral. Dir. Gonda will update the policy outline based on comments received to continue the discussion at the next Board meeting.
3. **Discussion/Action item:** Update on infrastructure condition/risk assessment: General Manager Cortez said that the list of infrastructure components is complete. Tank conditions have been rated, with the Scenic tanks [which are slated to be replaced] and Tank 8 being in worst condition. The oldest treatment plant is in the Corp yard, and Granite is responsible for it. Wells cannot be assessed without pulling the pump and doing video inspection, but wells are monitored for static levels, overall production and production history. The recently conducted sanitary survey will provide further information. Cortez said that per Angie at RCD, the greatest risk in Forest Lakes is slides. Engineers have called out the historic slide on Scenic as well as newer slides on Scenic, Lakeside and Altamont. America's Water Infrastructure Act requires larger systems to conduct a risk and resilience assessment. Although the requirement does not apply to FLMWC, there is a Vulnerability Self-assessment Tool available. Cortez is starting with guidance and templates for smaller community water systems. If those are not sufficient, she will use the VSAT tool.
4. **Discussion/Action item:** Use of a community survey to obtain feedback on social events: Dir. Gonda said that conducting a community survey could support the strategic plan to build community. Dir. Wade suggested that an event for adults, where tenured residents could share experiences with newer residents, could be positive. Possible events could include a BBQ or chili cook-off. Dir. Gonda noted that the survey could ask about frequency of events, noise generation, and types of activities. Dir. Maskolunas suggested asking elders to share what it was like "back in the day." Dir. Gonda said that since it seems there is interest in pursuing a survey, he will create a draft to bring to the October meeting. Please email ideas to him.
5. **Discussion/Action item:** Update on Hazard Mitigation Plan: Dir. Maskolunas said she and Dir. Kelley and two volunteers will try to connect with everyone this month to work on the plan.

PUBLIC MEETING ADJOURNMENT TO CLOSED SESSION: The meeting was adjourned at 8:21 p.m.

RECONVENE TO OPEN SESSION FOR CLOSED SESSION ACTION ITEM REPORTING: The open session was reconvened at 9:58 p.m. to report that a Board action was taken on a shareholder's appeal of fee for excessive water us.

MEETING ADJOURNED: The meeting was adjourned at 10:00 p.m.

Pete Gonda, President

Louise West, Secretary