

Minutes
Forest Lakes Mutual Water Company
Board of Directors Meeting On-line Meeting
October 8, 2024 - 7:00 p.m.
Public Session
910 Fern Avenue, Felton CA

Meeting convened at 7:01 by President P. Gonda. Also present: General Manager D. Cortez; Directors W. Baer, L. Dennis, C. Kelly, D. Pattillo; Firewise Rep. S. Greco; Shareholders: L. Mondot, S. Hector, L. West. C. Linstrum joined at 7:08. Absent: M. Baptista,

ADDITIONS/DELETIONS TO AGENDA: None

SHAREHOLDER/PUBLIC COMMENTS:

- Forest Lakes Firewise and Safety Association Update: S. Greco reported on upcoming FW activities: 1) Movie night at Scotts Valley Cinema, featuring "Giants Rising," a film about redwood trees, scheduled for November 2. There will be food trucks beginning at 4:00, and the movie starts at 5:00; 2) FW would like to spearhead raising funds towards the construction of a covered structure at the office park to provide safe space in case of fire.

APPROVAL OF MINUTES:

- Minutes of September 10, 2024, public session meeting. There was a motion to approve the minutes of September 10 public session meeting, which was seconded. The motion carried.

COMPANY REPORTS:

- Financial Report

Manager Cortez reported on Company finances. As of September 30th, Cash on Hand: \$1,111,054.18; Total Revenue: \$82,479.33; Year-to-Date Expenses: \$657,842.25; Net Income to Date: \$224,637.08. She also reported on overages exceeding \$250.00, and on investments and their earnings.

There was a motion to approve Financial Report, which was seconded. The motion carried.

- Operations Report [Cortez]

In September, production was 1,066,204 gallons; the loss rate was 16.5%; there were 7 excessive users; there were leaks on Scenic, Madrona, and Lakeside, and system leaks on Altamount and Ferrari. Staff repaired all leaks, as well as the roadways affected by leaks and repairs; completed and uploaded State mandated copper survey in advance of due date; tested wells for nitrates in addition to regular monthly testing, finding none. Plans for the Scenic tank replacement have been submitted to the County.

On October 1, 2024, new regulations took effect establishing the MCL and monitoring requirements for Hexavalent Chromium. Since our last required sampling took place in 2019, we are required to test all water sources within 6 months. This has been included in the 2025 draft budget. Past results have been below the newly established MCL, however, if there is an exceedance FLMWC will be required to take action to treat the source.

ADVISORY COMMITTEE REPORTS:

- Water Conservation and Water Committee: no report
- Recreation Committee: Halloween Festival 1-3 October 27
- HR Committee: agenda items
- Road & Safety Committee: met Sept. 13th. Dir. Kelly reported that no new projects were identified, but typical repairs for the year can be expected. The committee did update/increase summer holdbacks for future analysis, one was Redwood and the other for a maintenance plan. This will be reflected in the budget.
- Rules Committee: no report
- Finance Committee: budget discussion appears under new business below
- Strategic Planning Committee: no report
- Community Fire Prevention Committee: no report

NEW BUSINESS:

1. Discussion: 2025 Draft Budget. Cortez reviewed the draft budget for 2025, giving an overview of what is in the budget, including a 5% increase in assessments. Items related to staff salaries will be reviewed in Executive Session. Gonda explained the rationale behind the 5% increase, being a historical average, pointing out that, even with the increase, we may need to need to dip into reserves to balance the budget next year. Cortez explained how to track down specific allocations or projections in the budget document, such as road improvements and non-assessment revenue (i.e. investments and stock transfer fees). Cortez addressed various questions raised by board members about specific items in the draft budget. The board will continue to examine the proposed 2025 budget and will adopt the final version in the December meeting.
2. Discussion/Update: Removal of Douglas Fir at Fire Protection Reservoir by Firewise. S. Greco reported that FW is using some of the grant money to do some tree removal, possibly including an old fir near the dam at the reservoir. A questionable root structure makes removal complicated and risky, but the tree itself presents a risk on its own. Greco will follow up. Meanwhile, removal of at-risk trees on Lakeview, brush removal, and clean-up, is tentatively scheduled for Oct. 21-25. One-way traffic control will be in place on Lakeview 8:30am-4:30pm while the work is being done.
3. Discussion/Update: 100-yr Anniversary. No update beyond that given at the September meeting.

PUBLIC MEETING ADJOURNMENT 8:04

[Reconvened Public 8:25 to report no action taken in Executive Session]

Pete Gonda, President

Winnie Baer, Secretary