

MINUTES
Forest Lakes Mutual Water Company
Board of Directors Meeting January 11, 2022 7:00 p.m.
Public Session
910 Fern Avenue, Felton CA

This meeting will be conducted by video/teleconference. Shareholders are welcome to attend all public session meetings via Zoom.

CONVENE MEETING/ROLL CALL: The meeting was called to order at 7:02 p.m. by President D. Wade. Attending: Directors Dennis, Gonda, Maskolunas, Mobley, Wade and West. Absent with notice: Dir. Davidson. Staff: General Manager Cortez. Shareholders: D. Dondero, C. Barauskas.

ADDITIONS/DELETIONS TO AGENDA: None.

SHAREHOLDER/PUBLIC COMMENTS:

Shareholder D. Dondero noted concern about drainage on Lakeview, specifically 2 places near Brookside that need a drain and culvert. Dir. Wade suggested meeting off-line to discuss. He noted that the County [which is responsible for this part of the road] has looked at the situation in the past, and suggested that we should take another look at the area and discuss with the County again. Dir. Gonda noted that some of the comments he received regarding the Strategic Plan also mentioned this problem.

APPROVAL OF MINUTES:

- December 14, 2021 public session meeting: Dir. Gonda moved to approve the minutes of the December 14, 2021 public meeting. Dir. Dennis seconded. The motion passed.

COMPANY REPORTS:

- Financial Reports: General Manager Cortez reported the following:
Cash on hand December 1, 2021: \$590,615.82; December 31, 2021: \$551,032.17. 2021 Budgeted income: \$704,459.26; actual income, \$711,667.83. The additional income was primarily the result of stock transfer fees, as 21 properties were sold. 2021 budgeted expenses were \$696,073.37, vs. actual expenses of \$797,862.97, for an overage of \$101,789.60. The bulk of the overage [\$71,103.89] was in payments for engineering covered by the SBA loan, and an additional \$20,609.00 paid for the CDFW required riparian mitigation. An additional \$10,200.00 was used for tree removal, including the removal of all trees identified for removal in the Scenic slide repair plan. Fluid cash, which is meant to cover the 2022 budget deficit is \$71,937.25.
Dir. West moved to approve the financial report for December, 2021. Dir. Gonda seconded. Motion passed.
- Operations Report: Cortez reported that production was 947,363 gallons compared to November's 926,295 gals. Granite Quarry provided 15.6 acre feet of water in 2021. There were 2 service line breaks and one main line break. There is a leak in the line from well 10D [which is at the Quarry] to the filter plant in the corporation yard. Staff is trying to isolate a section of line which goes from PVC to galvanized, to try to narrow the area where the leak may be. This line is the responsibility of Granite Construction; once we have isolated an area we will let them know how they need to proceed.
Well 4 testing has shown manganese content above the MCL. Additional testing has been completed; waiting for results. Should manganese continue to be present, a filtration system will have to be installed to remove it.
A meter was installed at 10D by Granite in December; it leaked. Granite was notified and repair was made.
While meeting with the geologist regarding the sinkhole at the park, it was learned that the County has approved his plan for the Scenic repair, although we do not have confirmation of this from the general engineer.
A new pipe locator is needed. This tool costs over \$1,000. Joel has selected one that is approximately \$1700 pre-tax and shipping.

ADVISORY COMMITTEE REPORTS:

- Water Conservation and Water Committee: Update: The committees met; Dir. Wade reported that since the community has done so well in conserving water, it was decided to provide positive feedback rather than exhorting greater efforts to conserve. Providing positive feedback will encourage continued conservation and keep a spotlight on the need to think about the summer months ahead, as well as the fact that we might not receive "normal" winter or spring rains in the next 2-3 months. "Dialog to continue." Dir. Mobley said that although it's not urgent now, he would like to see continued

discussion about aligning our GPD standards with those of other companies. Dir. Wade commented that it would be good to talk about this now, especially as people may be planning for planting summer gardens. Mobley also asked about incentives to buy water saving devices. Wade noted that some districts offer rebates for various things, and also noted that devices to conserve indoor water use does not address the outdoor use. Looking at our water use over the calendar year indicates how much water is used during warm and dry months, presumably for watering outdoor gardens and plants.

- Recreation Committee: No events planned for January. Future events TBA.
- HR Committee: TBD in Executive Session
- Road & Safety Committee:
 - ✓ Driveway drains that impact overall road runoff: Currently we do not service driveway drains/culverts, but on some roads driveway drains are between our road drainage culverts and can impact these. Dir. Wade noted the importance of driveway drains and/or culverts, especially on steep slopes, with respect to the efficacy of the drainage system as a whole, and suggested that staff be looking at them as they do their rounds.
 - ✓ Bike safety: Dir. West noted that she has recently noted several young cyclists enjoying riding on Lakeside, not necessarily mindful of hazards. She suggested that possibly the Rec. Committee could plan a bike safety event that would attract parents and kids as a way to address the issue.
- Rules Committee: Dir. Davidson plans to have a draft of an appeals process for the February meeting. Dir. Wade said there has been no progress on the question of hazardous trees on private property. Dir. Mobley said he was tasked with creating a draft policy on excessive use penalties, and will try to bring one to the February meeting.
- Finance Committee: Did not meet.
- Strategic Planning Committee: See under New Business
- Community Fire Prevention Committee: Dir. Maskolunas said that the group is working on getting non-profit status. It is not known how long this will take. It does appear that an entity can still apply for grants pending achieving the NFP status. She will schedule a meeting to discuss where any grant moneys might be useful. A website is needed, as well as a checking account; there is still much work to be done. Dir. Wade said that the FireSafe Council might be a possible resource. Shareholder Dondero wondered if we could partner with FireWise Santa Cruz this year, even in some small way, which could help establish our bona fides as a legitimate grant applicant.

NEW BUSINESS:

- **Discussion/Action item:** Strategic Plan: Dir. Gonda noted that the Plan draft was sent out to shareholders. One of the comments he received in response was to put pressure on the County to address the above-noted drainage problems on Lakeview. Another respondent acknowledged the need for a significant rate increase, in light of the gap between staff wages and market rates. Another idea was to bring in contract help. Gonda will incorporate comments into the draft. Dir. Mobley asked about how the Plan was shared, and wondered if it is up on the website and if it should be posted on the Facebook page? Dir. Wade indicated that a reminder could be included in the next email to the community.
- **Altamont Easement:** Next steps: At the December Board meeting, the possibility of meeting with CalFire was mentioned. Dir. Dennis said the best way to contact the new CalFire chief [Chief Armstrong]. Dir. Wade commented that he's noted signs about "private property," and also cars parked, in the area past the slide.

PUBLIC MEETING ADJOURNMENT TO CLOSED SESSION: The public meeting was adjourned at 7:48 p.m.

RECONVENE TO OPEN SESSION FOR CLOSED SESSION ACTION ITEM REPORTING: The Public session was reconvened at 9:36 p.m. to report the following action items from the Executive Session:

- A decision was made regarding recruitment for the vacant Water Operator position.
- An action plan was made to investigate retention of our water rights.
- As the State Covid-related moratorium on discontinuing water service has officially concluded, it was decided that we will follow suit, carefully observing the new code and policy.

MEETING ADJOURNED: The meeting was adjourned at 9:40 p.m.

Louise West, Secretary

David Wade, President

MINUTES
Forest Lakes Mutual Water Company
Board of Directors Meeting January 6, 2022
Emergency Online Meeting
910 Fern Avenue, Felton CA

CONVENE MEETING/ROLL CALL: On January 4, 2022 General Manager Cortez emailed the Board of Directors that a new sinkhole that has opened in the park area, presenting safety risks. Cortez immediately arranged for the area to be roped off and an email was sent to shareholders emphasizing need to keep children out of the area, and contacted resources to assess the situation.

AGENDA:

Action/Discussion item: Anticipating the need for Board action to approve a possibly costly repair, Dir. West moved to hold an emergency on-line meeting if needed; Dir. Gonda seconded. On January 5, 2022 Valley Paving and a geologist inspected the area and indicated that the sinkholes would continue to occur until the source of the problem is located and corrected. Valley Paving submitted an estimate of \$9550 to replace an existing pipe found in the area if they can determine where it goes, why it is there, and if it is needed. On January 6, 2022 President Wade called for a vote on the motion to meet on-line. There being 4 "aye" votes, the motion passed. Dir. West then moved to accept the Valley Paving bid. Dir. Wade seconded. Four directors voted to accept the Valley Paving bid of \$9550, so that repair work may be started as soon as possible. Motion passed.

The purpose of the meeting having been fulfilled, the on-line e-mail meeting was adjourned at 0730 on January 7, 2022.

D.M. Wade, President

L. West, Secretary