

MINUTES
Forest Lakes Mutual Water Company
Board of Directors Meeting February 8, 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 7:03 p.m. by President D. Wade. Attending: Directors Davidson, Dennis, Gonda, Maskolunas, Wade and West. Absent with notice: Dir. Mobley. Staff: Cortez. Shareholders: D. Dondero, S. Hector, C. Barauskas.

ADDITIONS/DELETIONS TO AGENDA: None

SHAREHOLDER/PUBLIC COMMENTS:

Comments and questions:

- A large pothole and growing pothole above 1028 Scenic needs attention.
- There was a question about whether the FLMWC will be able to fill the fire protection reservoir earlier this year, recognizing the drought conditions.

APPROVAL OF MINUTES:

- January 6, 2022 emergency on-line meeting
 - January 11, 2022 public session meeting
- It was moved and seconded to approve both sets of minutes. Motion passed.

COMPANY REPORTS:

- Financial Reports: Cortez summarized the January financials, as follows: Cash on hand at beginning of month: \$552,542.23; end of month, \$949,313.51. YTD income, \$453,897.89, YTD expenses, \$52,001.87. Net income to date: \$401,896.01. Motion to approve the financial report was seconded and passed. It was noted that two thirds of shareholders have paid their assessments in full already, a significant increase.
- Operations Report: January production was 976,257 gal., up from 947,363 in December. Eyewash stations were installed. A downed tree knocked out a power line to the Altamount tank and destroyed the box. Tank will have to be monitored manually until another box is installed. This will require a permit [\$2500 deposit] and the pulling of a new line. Production was decreased dramatically at Well 10B; no leak was found. Staff investigated. Valve repaired; the well is now back at normal levels. Well 4 was tested again for manganese; the test showed no problem. Will be tested one more time. The fire protection reservoir will begin filling on 3/1; CDFW will be notified.

ADVISORY COMMITTEE REPORTS:

- Water Conservation and Water Committee: Update: By email, Dir. Mobley reported that he will be looking at our conservation policy and schedule meeting at a later date. Presently, the State policy has not been released.
- Recreation Committee: There will be a virtual Valentine Day community art project.
- HR Committee: Report in Executive Session.
- Road & Safety Committee: There is some enthusiasm with the Rec. Committee to plan something on bike and pedestrian safety, in response to concerns mentioned at last month's Board meeting.
- Rules Committee: Wade is working on tree safety as it impacts FLMWC infrastructure. This also involves fire safety.
- Finance Committee: No report. A meeting should be scheduled to discuss the investment policy.
- Strategic Planning Committee: See under New Business

- Community Fire Prevention Committee: Update: Committee is working on a grant request, requirements of which could be a “Critical Infrastructure Protection Plan,” and a “Fire Management Plan,” which we do not currently have. There may be components of a critical infrastructure plan embedded in other policies required by different agencies. Committee to meet to discuss. A website is in development, and the committee is working on goals and topics for ongoing community education. Dir. Wade is to meet with Felton Fire Chief Gray and will report back. New State legislation has directed CalFire to look at communities with more than 30 homes and only one route in and out. This will be part of the conversation with Chief Gray. There is some language about this in the Strategic Plan; Dir. Gonda noted these comments and will include in the Plan.

NEW BUSINESS:

- **Discussion/Action item:** Adoption of Strategic Plan: Dir. Gonda noted the people who were integral to developing the Plan. He described the background, including the “SWOT” analysis and seeking community input. Some of the comments received included a request to work with the County on drainage issues on Lakeview; to look at assessments in relation to prevailing staff wages; and to consider “what if” scenarios and have a “Plan B” in case would should ever have to be absorbed into another water company. [One overarching goal of the community has been to maintain our independence.] Discussion points included the following:
 - Page 6 of the Plan refers to risk to water supply: Cortez provided info that SWRCB does not consider us to be at risk, despite being under capacity.
 - Page 8: Regarding the graph, it was noted that the increase in costs may reflect the changed demographic, with more full-time residents; deferred maintenance; and a decrease in community participation in tasks like road maintenance.
 - Page 9: We have increased costs and increased assessments; we all bear shared costs for repairing and maintaining the infrastructure. The Plan points out that while water consumption has remained stable, assessments have increased “disproportionately.” Those who use little water pay the same amount as those who use more.
 - Page 13: Strategies for Goal F [revenue sources]: Can we increase revenue without transgressing our Bylaws? Cortez noted that per IRS, 85% of income must come from assessments to qualify for nonprofit designation.
 - Page 14: What is the meaning of allocating expenses by risk factors? The intent of this is to look at any shareholder land use that could present a financial risk to the company.
 - Can we add critical infrastructure protection to the Plan? Yes, that can be noted.
 The Plan needs a little “clean up;” comments added will appear highlighted in yellow. Gonda to write a preface page crediting all who contributed. The Plan will be reviewed in five years and progress measured.

It was moved, seconded and passed to adopt the Strategic Plan. Gonda will edit and circulate the edited draft to the Board.

- **Discussion/Action item:** Time frame for annual budget review: The idea would be to have a draft budget ready for the Board in October. It was noted that this would also move up the time frame for committees to start work on their budgets. Discussion tabled until Dir. Mobley can be present.

PUBLIC MEETING ADJOURNMENT TO CLOSED SESSION: The public meeting was adjourned to closed session at 7:57 p.m.

RECONVENE TO OPEN SESSION FOR CLOSED SESSION ACTION ITEM REPORTING: There were no action items to report. President Wade noted that employee compensation was discussed.

MEETING ADJOURNED: The meeting was adjourned at 8:50 p.m.