

MINUTES
Forest Lakes Mutual Water Company
Board of Directors Meeting On-line Meeting
June 14, 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 p.m. by President P. Gonda. Present: Directors Dennis, Gonda, Kelly, Maskolunas, Mobley, Wade and West. Staff: Cortez. Shareholders: H. Burnett, D. Fierstein, C. Barauskas, A.Kelly.

INTRODUCTION OF NEW OFFICERS: Newly elected officers were introduced. V.P. Wade said it had been his honor to serve as President for multiple terms of office.

ADDITIONS/DELETIONS TO AGENDA: Cortez requested to add an additional shareholder request to Discussion/Action Item 4 under New Business. Maskolunas asked to share the results of her research on tank protection especially for poly tanks.

SHAREHOLDER/PUBLIC COMMENTS: None.

APPROVAL OF MINUTES:

- May 10, 2022 public session meeting: A motion to approve the May 10,2022 minutes was seconded. Motion passed.

COMPANY REPORTS:

- Financial Reports: Cortez reviewed the May financials, noting the following: Cash on hand at beginning of May: \$941,326.79; ending cash on hand, \$922,330.18. YTD income is \$637,158.35, with a carryover of \$521,326.51. Net income to date: \$377,312.04. All overages were explained. A motion to approve the financial report was seconded; motion passed.
- Operations Report: Cortez reported that system production for all wells was 1,059,805 gal, compared with previous month's 937,175. Quarry wells this month: 416,000. There were no system leaks and no call-outs. There were 6 excessive users. Loss rate and excessive use were not available.
Staff continued to clear fuel load around the Pine Ave. tank site. Name sign at Fern/Lakeside was completed. All building drawings for well 4 to be completed soon, and final requirements submitted to SWRCB. Site clearance for and purchase of new power pole on Altamont completed; when electrical work complete, County will inspect and PG&E will be called to establish a line.
GM met with engineering firms to discuss potential issues w/ CDFW as water is still flowing through culvert on Scenic. To be discussed further w/ RCD. Additional trees will need to be removed, bids to be obtained from Bosinger and Huerta. Contractors also visited Quarry Road, specifics of job project described so that project can be bid when permits are issued.

ADVISORY COMMITTEE REPORTS:

- Water Conservation and Water Committee: None.
- Recreation Committee: The lake opening event was well attended. Expected that lake will be open on Th., F, Sat.
- HR Committee: To be discussed in Executive Session
- Road & Safety Committee: See under "Street Parking" in New Business
- Rules Committee: To meet this month re: restructuring of conservation stages.
- Finance Committee: No update; needs to meet.
- Strategic Planning Committee:
- Community Fire Prevention Committee: The committee held a May picnic/potluck which featured a fire safety presentation by Felton Fire.

NEW BUSINESS:

- **Discussion/Action item:** Street parking and towing policies: Dir. Wade described problems with vehicles blocking, on occasion, emergency response vehicles as well as deliveries and trash pickup. Polite forms of address to offenders have had no effect. The GM has looked into the legal requirements; the vehicle code allows us to tow on private roads. FLMWC's charter makes us responsible for the roads. In order to tow vehicles blocking access, appropriate signage

would be needed at all entrance points, e.g. Willow at Brookside, Madrona at Lakeview, Lakeview at Pine, Tollhouse at the edge of Forest Lakes, and Redwood Road.

The towing company has advised to start with a certified letter to offenders, but that they can tow in emergency situations such as a road being blocked. The signage must contain specific language. There was discussion, emphasizing the need for consistency. A shareholder with limited on-site parking asked if his vehicle would be towed. It was suggested that the Road and Safety Committee help find alternative solutions for anyone impacted, but that safety remains the driving concern: Fire trucks must be able to pass.

A motion to authorize the GM to purchase and place the requisite signage, and to sign an agreement with Santa Cruz-Aptos Towing, was seconded. The motion passed with a majority vote of 6 aye's and one dissent. It was recommended that there be good community outreach to inform shareholders/residents of the new policy, and that the Road and Safety Committee work on potential accommodations for any affected shareholder/s.

- **Discussion/Action item:** Update on Altamont: Dir. Wade reported that all documents have been sent to Mr. Weller, who will begin work on the title search.
- **Discussion/Action item:** Review of current liability and property insurance policies: Dir. Maskolunas reported that she had asked Cortez to provide detail about company insurance for the water tanks. After considerable investigation, it was determined that the tanks are not insured. Cortez outlined the 6 separate policies that FLMWC has, including liability for damage to others; property insurance covering the office and the corp yard building; Directors and Officers liability insurance; employment practices liability; auto insurance and worker's compensation. Cortez noted that it is difficult to secure liability and excess liability insurance through underwriters that typically cover water companies, because of our fire protection reservoir. Our liability and excess liability policy does not cover damage to our property, including water lines, tanks, treatment plants or the dam.

Subsidence is excluded from both liability and property coverage, and the property coverage excludes flood, nuclear disaster and wear and tear. The property damage coverage on the office and corp yard structures includes damage by fire.

Cortez researched possible cost of insuring tanks, and learned that it would be in excess of \$25,000 per year.

Maskolunas asked if we could self-insure by establishing a self-insurance savings account. There was extensive discussion. Some of the discussion points included a suggestion to spend an equivalent amount on establishing more defensible space/reducing fuel loads. After questions and discussion, it was decided to work with the GM identify all FLMWC critical infrastructure in order to establish priorities for protection plans, within the context of budgeting.

- **Discussion/Action Item:** Requested use of FLMWC facility by family of a previous shareholder; and added item of request from a non-shareholder for lake access: (1) The family of a former shareholder and board member submitted a letter to FLMWC requesting brief access to the lake on September 17 or 18, for family and friends to hold a brief [15-20"] time to reflect, pray, and recall the deceased's love for her "favorite place." A motion to allow the family to do this [with payment for the staff time that will be needed to enable this] was seconded and passed. (2) Cortez explained that a non-shareholder on Gold, whose property directly abuts FLMWCs service area, has asked if their family could purchase an annual swim pass. It was moved, seconded and passed to to allow the non-shareholder to purchase an annual pass.
- **Discussion/Action Item:** Presentaton of FireWise proposed MOU:

- **PUBLIC MEETING ADJOURNMENT TO CLOSED SESSION:**

RECONVENE TO OPEN SESSION FOR CLOSED SESSION ACTION ITEM REPORTING:

MEETING ADJOURNED

Louise West, Secretary

Pete Gonda, President