

Minutes
Forest Lakes Mutual Water Company
Board of Directors Meeting In Person and On-line Meeting
March 11, 2025 - 7:00 p.m.
Public Session
910 Fern Avenue, Felton CA

This was a hybrid meeting conducted in person at 910 Fern Ave. and by video/teleconference.

Meeting was convened at 7:03 by President P. Gonda. Also present were Outgoing General Manager D. Cortez and Incoming General Manager S. Wagner; Directors W. Baer, M. Baptista, L. Dennis, C. Kelly, and D. Pattillo; and Shareholders L. Kurek, S. Hector, and A. Seronick. Absent with notice, Director C. Linstrum.

Additions/Deletions to Agenda

- P. Gonda added an item under New Business. See #3 below.
- The Forest Lakes Firewise Association update was deleted due to the absence of liaison S. Greco.

Shareholder/Public Comments

New shareholder L. Kurek introduced herself and described a drainage issue on her property. There is considerable erosion because of a culvert that periodically channels a lot of water through her property. President Gonda thanked her for the information and explained that the board would agendaize her issue for a future meeting.

Approval of Minutes of February 11, 2025 public session. An omission was identified in the minutes from last month's meeting.

A motion was made to approve the minutes, with necessary changes, of the public meeting of February 11. The motion was seconded, and the motion carried.

Company Reports

Financial Report: Cortez reported on Company finances. As of Feb.28, 2025: Cash on Hand: \$1,566,136.02; Total Revenue: \$649,237.88; Year-to-Date Expenses: \$98,760.61; Net Income to Date: \$550,477.27. Cortez also reported on investments and overages. The Company's tax obligation has grown; that line in the budget should be adjusted to meet the tax obligation next year. The cost of auto insurance has increased with new provider. Property insurance has also increased. If estimates for General Liability are correct, we will still be within budget.

A motion was made to approve the Financial Report. The motion was seconded and the motion carried.

Operations Report: Cortez reported that production in February was 904,679 gallons. The loss rate continued to be high through February, 21.6% total, including identified sources of loss: ongoing overflow of Tank 8, Scenic backwash, valve leak on Tank 5, and routine monitoring of residual chlorine for each tank. Staff continues to troubleshoot the overflow of Tank 8 and will repair the Tank 5 valve when weather permits. Staff also met with a tank maintenance contractor, Superior Tank, to explore possibly engaging their services. Staff made necessary repairs, replaced parts, and performed routine maintenance. There was discussion of the ongoing, perplexing overflow problem with Tank 8. There is hope that the problem will be resolved when Tank 8 is replaced, a process which is already in the works.

Advisory Committee Reports

- Water Conservation and Water Committee: no report
- Recreation Committee: no report
- HR Committee: no report
- Road & Safety Committee: no report
- Rules Committee: The board should revisit the question of barbecues at the Lake at the April meeting.
- Finance Committee: Internal Financial Review is scheduled for April 5.
- Strategic Planning Committee: no report
- Community Fire Prevention Committee: no report

New Business

1. Discussion: GM purchase/contract approval limits. President Gonda posed the question whether the board should establish a threshold beyond which GM cannot spend Company money without board approval. Cortez explained past practice: anything necessary to keep the water flowing has no limit. Otherwise, the budget allows for ordinary expenditures. GMs will write up current practice and send it to Finance Committee for review.
2. Discussion: 100-year Anniversary(Gonda) First Sunday in June for annual shareholders meeting
3. Discussion: President Gonda suggested that we should make a formal announcement to Forest Lakes community introducing Sarah Wagner as new General Manager. A suggestion was made to mail post cards. Sarah also said that she plans to send out a quarterly email newsletter to the community, and in the first of these, she could introduce herself.

Public meeting adjourned at 8:14, reconvened at 8:22 to report executive action: the granting of one excessive use appeal.

Pete Gonda, President

Winnie Baer, Secretary