

MINUTES
Forest Lakes Mutual Water Company
Board of Directors Meeting On-line Meeting
January 9, 2024 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 7:01 p.m. by President P. Gonda. Attending: Directors Baer, Dennis, Gonda, Kelly, Linstrum, West. Absent with notice: Dir. Wade. Staff: General Manager Cortez. Shareholders: S. Greco, A. Vlautin

ADDITIONS/DELETIONS TO AGENDA: None.

SHAREHOLDER/PUBLIC COMMENTS:

- Cortez, aware of a letter from Shareholder Vlautin, asked if he wished to speak about his concern. Pres. Gonda then explained that subject of the shareholder's letter is not on the Public Session agenda, but is on the Executive Agenda. As such, the Board would not be able to entertain comments or discussion in open session, but the shareholder could opt to attend the portion of the Executive Session pertaining to his topic, if that was his preference. Shareholder expressed his preference to exit the open session and be re-admitted when appropriate. This was done.
- Forest Lakes Firewise and Safety Association Update: S. Greco stated that the association is scheduling an appointment with a forester to do a walk-through to help prioritize and develop the scope of projects. The focus will be on Lakeside and Redwood, with attention to brush and trees posing hazards. After the inspection, CEQA permission for the proposed work would be secured. He noted also that FLFSA has received its insurance for volunteers and for fundraising activities. A fundraiser has been scheduled for 1/17/24—the first "Wild Wednesday" will feature a caterer at the Felton Community Hall. Events may be monthly or, if successful, twice a month. The goal is to earn enough to cover insurance costs throughout the year. A new website is coming.

APPROVAL OF MINUTES:

- Minutes of November 14, 2023 public session meeting: A motion to approve the minutes of the December 12, 2023 public meeting was seconded and passed with 5 "aye" votes and one abstention by a director who was not at that meeting.

COMPANY REPORTS:

- Financial Reports: General Manager Cortez presented the December, 2023 Financial Summary as follows: Beginning cash on hand, \$921,826.38; end of month, \$915,300.17. YTD income: \$945,856.42. YTD expenses: \$707,289.09. Net income to date: \$238,566.50. Cortez noted a caveat regarding income to date, explaining that assessments that arrive prior to 12/31 have historically been held for deposit on January 2, so that cash basis reports and the budget align with the correct year. Due to a misunderstanding during Cortez's time off, a deposit of some 2024 assessment payments was made prior to year's end, resulting in the financial statement showing an inflated income. In addition, several shareholders overpaid their 2023 assessment and asked that the overages be applied to their 2024 assessment. These two factors resulted in inflated income numbers totaling \$31,089.81 and will also result in income for 2024 not matching the 2024 budget numbers. These variances will be tracked and accounted for in 2023 carryover numbers and as we proceed through 2024.
New overages exceeding \$250 include Item 810: Telephone and Communications: A designated on-call phone, charger, and service plan were purchased. Item 920: Vehicle License: Registration on the Toyota Tacoma was paid in January 2023; the 2024 renewal was received in December and paid early.
In accordance with our investment policy, on 12/26/23 \$250,000.00 was invested in an 8-week T bill with a return of 5.27%.
A motion to approve the December, 2023 Financial Summary was seconded and passed by unanimous vote.
- Operations Report: Cortez provided the following summary of Operations:
Production was 962,993 compared to November production of 902,003. Granite Quarry: 286,000 gals., 10.16-acre feet. There was one system leak and 3 customer leaks. The conservation report has changed since it was originally completed and placed in the board packet. Two additional meters were able to be read, changing the total metered use, average shareholder use, average systemwide use, and loss rate. Average daily use per household is 85 gpd, higher than previously reported. Average monthly use per household, 27,396 gals. Loss rate is now 11.8%. Staff is continuing to backwash 3a/3b weekly. There was one system leak on Tollhouse on a service line on FLMWC's side of the meter. Final measurements were taken, the last dam board removed, and loggers at the lake removed per streambed alteration plan. The fence/gate to the corporation yard was rebuilt. Duff on roadways was cleared, and potholes filled. Culverts were cleared between rain events. A system leak was repaired.
There was discussion about residents parking over meters. Cortez suggested an email to shareholders reminding them to avoid this.

ADVISORY COMMITTEE REPORTS:

Cortez noted that the Water and Road Committees both need to meet. She will contact committee chairs to schedule. The Road Committee needs to talk about 2024 issues, and the Water Committee about the Quarry wells.

- Water Conservation and Water Committee: No report.
- Recreation Committee: No report.
- HR Committee: No report.
- Road & Safety Committee: No report
- Rules Committee: No report.
- Finance Committee: No report.
- Strategic Planning Committee: No report.
- Community Fire Prevention Committee: No report.

NEW BUSINESS:

1. **Update:** Potential Endowment Fund for Park/Facility Improvement funding: Pres. Gonda hopes to have a draft statement for the February meeting, and will meet with Dirs. Baer and Wade to discuss. Not all policy issues have yet been identified. In response to a query, Gonda indicated concern related to past occurrences. The idea of a possible endowment fund would be to look at ways shareholders could contribute.
2. **Discussion/Update:** Planning for FLMWC's 100th anniversary: FLMWC's date of incorporation was February 13, 1925. We might want to start planning for this, and elevate the topic to monthly agendas. It could be a good opportunity to fundraise for park improvements. Some ideas that were suggested included considering having commemorative T-shirts to sell; a celebration in the park to include sharing histories provided by long-time residents. The SLV museum might have other materials. FLMWC's role in the larger community was noted. To be continued.
3. **Discussion/Update:** Board candidacy recruitment plan: The terms of 4 directors will end in June [Gonda, Kelly, Wade and West]. We should encourage interested people to look at the Strategic Plan, and consider joining a committee or submitting a candidate statement. Posting signs on the office was suggested, as was sending an email communication to shareholders. Pres. Gonda offered to develop a draft email to shareholders, and Dirs. Baer and Kelly indicated willingness to help develop posters.

PUBLIC MEETING ADJOURNMENT TO CLOSED SESSION: The Public Session was adjourned to Closed Session at 7:50 p.m.

RECONVENE TO OPEN SESSION FOR CLOSED SESSION ACTION ITEM REPORTING: The Open Session was reconvened at 9:03 p.m. to report that action was taken concerning an Excess Use Appeal, and that there was discussion regarding the fairness of an assessment.

MEETING ADJOURNED: The meeting was adjourned at 9:04 p.m.

Pete Gonda, President

Louise West, Secretary