

Minutes  
Forest Lakes Mutual Water Company  
Board of Directors Meeting In Person and On-line  
February 10, 2026 - 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. Shareholders are welcome to attend all public session meetings in person or via Zoom.

CONVENE MEETING/ROLL CALL: Meeting was called to order at 7:03 by P. Gonda. Also present were managers S. Wagner and B. Knutson; Directors W. Baer, D. Dondero, M. Grasso, and D. Pattillo; Shareholders C. Barauskas, L Dennis, and L. West.

Director C. Kelly arrived at 7:05. Director M. Baptista arrived at 7:08.

ADDITIONS/DELETIONS TO AGENDA: P. Gonda removed "New Business" item #2.

#### SHAREHOLDER/PUBLIC COMMENTS

- The Board invites shareholders and residents to speak no more than 3 minutes each on any subject not on the agenda. C. Baraukas shared information about a new disease attacking redwood trees, said that speeding on FL roads is getting out of hand, and expressed frustration with Zone Zero requirements. In response, Gonda suggested that we could request that the county post a sign on Lakeview that registers a driver's speed. C. Kelly said that the drastic Zone Zero requirements are for new construction only.
- Forest Lakes Firewise and Safety Association Update: No report

#### APPROVAL OF MINUTES

**A motion was made to approve the minutes of the January 13, 2026 Board Meeting. The motion was seconded, and the motion carried unanimously.**

#### COMPANY REPORTS

- **Financial Report:** S. Wagner reported on Company finances. An error on the handout was identified and corrected. Cash on hand as of January 31: \$1,700,495.75; Revenue through January 31: \$502,901.70; Expenses through January 31: \$ 79,658.17; Net income YTD as of January 31: \$ 423,243.53; Reserve Total (in Liberty Bank CD) \$ 456,437.71; CIP Funds Total (in Money Market Acct) \$ 335,074.99. There was one new overage that was a result of timing, not overspending. Wagner reported on investments and their earnings. There was brief discussion of items on the handout. There was a question about where the funds for the shade structure were to be found in the budget, and Wagner explained that they were moved from the Recreation budget to CIP funds. Wagner pointed out that QuickBooks is now calculating and holding payroll taxes, reflected in a new line item in the budget.

**There was a motion to approve the Financial Report as corrected. The motion was seconded, and the motion carried unanimously.**

- **Administrative Report:** S. Wagner reported on Company administration. 1) In January, the transition to QuickBooks was completed, improving accessibility, redundancy, and continuity of bookkeeping, and strengthening internal controls and reporting capabilities. 2) Wagner has begun working toward automating monthly bill payments where appropriate. 3) By the end of January, nearly \$500,000 in assessment revenue had been received, and billing deadlines were met. 4) The Rules Committee has been considering possibilities for improving efficiency in the billing system. 5) The Finance Committee has been exploring the possibility of accepting online payments (see "New Business" #1). 6) Wagner has suggested a revision to the Employee Self-Evaluation form to support a more

balanced and constructive evaluation process. This item remains under HR Committee review. 7) Wagner reported an increase in shareholder visits to the office, which has provided opportunities to meet new shareholders and to strengthen community engagement. 8) Administrative work is underway to address a property-record issue involving a recently sold parcel.

- **Operations Report:** B. Knutson reported that operations in January were stable following the events impacting the system over the December holidays. A significant leak in Zone 2 (as described in the January meeting of the Board) was located and repaired, which helped stabilize storage. Infrastructure-related issues included failure of the booster pipeline from Tank 6 to Tank 5 and a leak in a distribution line near the Company office on Fern Ave. Knutson said that all issues were resolved without service interruptions. In addition to repairs and regular maintenance, staff completed 9 Utility locate requests in January. As authorized by the Board at the January meeting, approximately 15,200 gallons of potable water were delivered to Tank 6 to support storage recovery. Water quality remained within expected ranges, and no water quality complaints were received. Knutson reported on progress made toward improvements to infrastructure, including generator reliability and telemetry/remote control potential. He said that staff are in the process of identifying areas of roadway in the community that need repair, to be addressed when the ground conditions are dry enough. There was discussion. To a question about water loss, Knutson replied that the loss rate in January was just under 30% because of the extraordinary storm damage and leaks associated with December weather. He is confident that the loss rate will normalize going forward.

#### ADVISORY COMMITTEE REPORTS

- Water Conservation and Water Committee: No report.
- **Recreation Committee** met to discuss normal recreational events such as the Spring Egg Hunt and Movie Night. There are plans to do some fund-raising at the Egg Hunt. There was also the request that the Company seek lifeguards to work weekends through Labor Day. Wagner reminded the Board that the Company offers incentives for local lifeguards by paying for training and certification. The Recreation Committee is also hoping to have the portable toilet at the park again this season.
- HR Committee: There is an item on the Executive session agenda.
- 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. Discussion/Action: **Credit Card and Online Payment Acceptance.** S. Wagner reported that the Company currently accepts check and cash only. She has been asked by shareholders about online payment options. She presented the results of her research and recommended that the Board approve establishing an online payment method through QuickBooks, with associated fees to be borne by the shareholder. The fee for credit card payments is 2.99%, and the fee for ACH deposits is 1%. There was considerable discussion of the logistical challenges and the administrative burden associated with adding the online payment option.

**A motion was made to approve, as a pilot program, the options of Credit Card payments via QuickBooks and ACH deposits for Assessment payments, with associated fees (2.99% for credit card and 1% for ACH deposit) to be paid by the shareholder. The motion was seconded, and the motion carried by unanimous vote.**

2. Discussion/Action: Adding General Manager as Authorized Signer on Liberty Bank Money Market Account: **Deleted from agenda** because a review of the bylaws showed that only the Board president and treasurer can be signatories to bank accounts.
3. Discussion: **Tollhouse Road Property/Water Connection Request.** S. Wagner presented background information on a request from a neighbor for a water hookup. The parcel is situated within the Company boundaries. Gonda said that interaction with this party goes back several years, and the Board decided at that time, in closed session, not to move forward with the request based on correspondence from the attorney and based on then-manager Cortez's recommendation; the documentation needs to be reviewed before further action can be taken. There was discussion of the situation. No new hookups have been installed since 2004, and a process would need to be undertaken with the State before installing a new hookup.
4. Discussion/Action: Suggested **Carryovers from 2025.** S. Wagner presented her suggestions for assigning the adjusted carryover of \$169,071.04. Of this amount, Wagner assigned \$81,009.84 to State mandated reserves, and she suggested that the remainder (\$88,061.20) be assigned to CIP. There was discussion of how the carryover funds were assigned within CIP and of the flexibility of the budget to be modified when necessary. In answer to a question about the dollar amount attached to the State mandated reserves, Wagner said that the State requires the Company to have six months of operating costs in reserve. There was further discussion of the likely cost of future infrastructure and development needs.  
**There was a motion to approve the assignment of 2025 carryover funds to the 2026 Reserve and CIP budgets as presented. The motion was seconded, and the motion carried by unanimous vote.**
5. Discussion/Action: **Authorization to Purchase Water Quality Monitoring Equipment** (Not-to-Exceed \$5,000). B. Knutson presented his proposal to install equipment for measuring water quality, particularly for aesthetic factors, such as iron, manganese, pH, and turbidity. This equipment helps also to monitor the overall effectiveness of the operations. There was discussion. Gonda said that the Board should establish new, more realistic spending thresholds for the managers, and more discussion followed on the topic of spending limits.  
**There was a motion to approve the purchase of Water Quality Monitoring equipment. The motion was seconded, and the motion carried by unanimous approval.**
6. Discussion/Action: **Authorization to Purchase Refuse 2-Yard Dumpster for Corporation Yard.** B. Knutson proposed that the Company rent a 2-yard dumpster from GreenWaste to manage debris at the Corporation Yard. The cost is \$466 per month. Knutson explained the rationale, stating that the accumulation of garbage at the site could be addressed a little bit at a time. After brief discussion, he agreed with the idea that this expense should probably go into the budget. He said that the expense can be reevaluated once the situation is under control.  
**There was a motion to approve the cost of a dumpster for the Corporation Yard. The motion was seconded, and the motion carried by unanimous vote.**

PUBLIC MEETING ADJOURNMENT TO CLOSED SESSION at 8:30.

RECONVENE TO OPEN SESSION at 9:21 to report that there was discussion, but no action was taken in closed session.

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Pete Gonda, President

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Winnie Baer, Secretary