

MINUTES
Forest Lakes Mutual Water Company
Board of Directors Meeting On-line Meeting
September 12, 2023 7:00 p.m.
Public Session
910 Fern Avenue, Felton CA

This meeting was 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 Dennis, Gonda, Kelly, Linstrum, Wade, West. Absent with notice: Dir. Baer. Staff: General Manager Cortez. Shareholders: C. Clement, S. Knoepler, S. Hector, A. Kelly

ADDITIONS/DELETIONS TO AGENDA: Additional roadwork on Redwood Road

SHAREHOLDER/PUBLIC COMMENTS:

- Shareholder C. Clement described an incident that occurred during the 2020 CZU evacuation. A neighbor used a large amount of water which she took without permission from the Clement property. The Clements asked that the water usage be removed from their record and instead be noted on the record of the person who used it. Pres. Gonda invited General Manager Cortez to comment. Cortez noted that the fire and evacuation event were extraordinary and we had no policies at that time to address water usage. No excess usage fee was charged, and there was no bill. Dir. Kelly suggested that the item be considered further in Executive Session.
- Pres. Gonda congratulated Firewise for the \$100,000 grant it received. Kudos to FLFSA for its successful work!

APPROVAL OF MINUTES:

- Minutes of August 8, 2023 public session meeting: Dir. Kelly queried the Discussion/Action item regarding the RCD chipping program. He asked if the liaison between FLFSA and FLMWC had been appointed, and if so, by whom. Background information was provided by Dirs. Dennis and Linstrum. A motion to approve the August 8 minutes was made and seconded. Motion passed with unanimous approval.

COMPANY REPORTS:

- Financial Report: General Manager Cortez presented the Financial Report for August, 2023 as follows: Cash on hand 8/1/2023: \$1,168,749.03; on hand 8/31/2023, \$1,095,614.50. Income through 8/31/2023 was \$839,765.37. Expenses through 8/31/2023 were \$423,392.79. Net income through 8/31/2023: \$416,372.58. With respect to income, the 2023 budget included an anticipated \$1100.00 in interest, but due to the approved investment policy, and short-term investments made this year, an additional \$8,626.66 has been earned in interest. New overages include line item 622 Paving/Resurfacing Improvements: The annual budget was \$38,500; \$41,175 has been spent for Board-approved projects to address storm damage repairs. After informing the Finance Committee, and following the approved policy, on 8/29/2023 Cortez invested \$250,000 in an 8-week Treasury Bill with a yield of 5.29%. A motion to approve the August, 2023 Financial Report was seconded and passed with unanimous approval.
- Operations Report: Production for the month was 1,155,782 gals. There were 11 excessive users, including 3 customer leaks. System leaks included flushing the line on Madrona plus leaks on the 10D well line and 3A/3B filter plant. Routine tasks performed by staff included the daily water run, which includes monitoring all wells, tanks, treatment plants including backwash and chlorine residuals; dynamic and static readings at all wells for drought reporting; measurements of wetted width and velocity up- and downstream of fire protection reservoir; and water testing. Other operations included repair of pavers removed due to Lakeview open line leak. C&N's annual maintenance of the tractor was completed, and stabilizing bars were replaced. A check valve on the tank 4 overflow pipe was installed. Water was shut off, and State protocols followed for testing/boil water notices, to install a 2" bypass line for the Quarry Road 4" line. The 6" galvanized pipe was capped. This was a multiple day project. A leak was plugged at tank 1D. Brush was cleared at tank 2 [Pine Ave.] Pressure-treated wood was loaded and hauled to the dump. Cortez met with the contractor of a Redwood Road property; the meter was turned on, the line was left on and broke again, and water was shut off again.

Earthquake anchors for the poly tank at the corporation yard were installed. A small leak at the 3A/3B filter plant was repaired. The air gap valve at 10D was replaced. The line on Madrona was repaired. The Quarry Road culvert project is progressing. Valley Paving completed the projects on Laurel, Willow Way, and two projects on Tollhouse. In addition, they patched 600 Tollhouse with no additional charge.

ADVISORY COMMITTEE REPORTS:

- Water Conservation and Water Committee: No report.
- Recreation Committee: Dir. Wade reported that the lake is now closed. There was a good turnout for the last 2 swim days. There was a movie night in the park; up next are a Halloween event set for Saturday, 10/21, and Pie in the Park in November.
- HR Committee: Will report in Executive Session.
- Road & Safety Committee: No report.
- Rules Committee: No report.
- Finance Committee: Will report in Executive Session.
- Strategic Planning Committee: No report.
- Community Fire Prevention Committee: Dir. Wade attempted contact with FLFSA liaison Greco, but they were unable to get together.

NEW BUSINESS:

1. **Discussion/Action item**: Email to shareholders regarding Board appointments: Dir. Gonda was unable to connect with Dir. Kelly due to schedule conflicts. Gonda has drafted an email which he will send to Kelly to review.
2. **Discussion/Update**: Fire Prevention Committee: Shareholder A. Kelly reported that FLFSA is beginning to collect data needed for its annual report. There are now two liaisons: A. Kelly and S. Greco. Kelly suggested the need for a protocol for collaborations between FLFSA and FLMWC. FLFSA will need assistance with communications with shareholders/residents, and would like someone on the Board to work with. She emphasized the importance of developing effective communication. Cortez agreed that clear lines of communication and responsibility are essential. Dir. Linstrum asked for clarification of what FLFSA needs. Kelly said they are looking for someone to get emails out to constituents. She said the organizations need to do a better job of collaborating and working together for FLFSA to be eligible for a greater amount of grant funding. For now, the focus is on safe ingress and egress of residents, and FLFSA wants to be able to give shareholders and residents advance notice of Firewise activities and potential road closures for hazard reduction. "We need to revisit how we're going to work together." Cortez said careful coordination will be needed to avoid scheduling road projects at the same time that Firewise activities might require road closure. Cortez said sending out emails to shareholders is not a problem. Gonda asked if the Fire Prevention Committee could be the liaison with FLFSA. Cortez noted that communications with shareholders would have to go through her. Gonda suggested having a primary and a backup liaison, and working with the Fire Prevention Committee to simplify communication. He referred to some communication problems related to the RCD chipping program. Gonda again congratulated FLFSA on its success in obtaining the grant.
3. **Discussion/Update**: Scenic Tank Replacement—Matrix progress: Dir. Kelly researched types of tanks and began constructing a matrix to assist with decisions. The "attributes" cells on the matrix have not yet been populated. These fields would be questions to ask of providers. The next step will be to populate these fields so that we can be educated about the various options. He asked if there were suggestions to add columns. Some suggestions were offered, including engineering costs, transportation costs, tree work that might be required, and other costs associated with installation. Kelly would like to get the matrix to the Water Committee. Dir. Linstrum asked if committee members would do their own research to fill in the attribute columns; Kelly said the first step will be to brainstorm attributes. The committee will make a decision on the content of the matrix. Gonda asked when would be a good date for completion. Wade asked when it might be practical to schedule the next meeting; Cortez indicated the week of 9/18/2023. She will send out an email asking committee members to indicate their availability. Dir. Wade asked committee members to send their input on the matrix to Dir. Kelly, and plan to meet next week.
4. **Discussion/Action item**: Additional roadwork on Redwood Road: Cortez described the background of work on Redwood Road. Valley Paving is scheduled to do patching on Redwood on 9/18/2023. When Cortez and Valley Paving went back over several areas of concern, the latter marked several additional areas that were not covered

by the previously approved \$7,500 patching estimate. That estimate was provided in January and included 14 tons or one full truck of asphalt. Some areas could use additional attention, particularly if there is a wet “El Niño” winter.

Cortez noted that the estimate to repave Redwood was over \$176,000 (not including addressing drainage issues), an amount we cannot afford. The proposed repairs are not “forever repairs” but would ensure drivability should Lakeview close again this winter. The additional cost, with discounts applied, would be \$11,520.00.

With respect to budget considerations, Cortez noted that as of this date, stock transfer income has reached \$45,000 with an additional property closing today and another in escrow. FLMWC has also received \$6619.20 in excessive water use fees, which are not part of the budget. The two items together result in additional revenue of \$11,619.20.

Dir. Kelly said that the Road Committee normally likes to “walk the work” to inspect and asked if the committee should do this before approving. Cortez replied that the project is to be completed on Monday, September 18, 2023, and the project discount would be lost if the project is delayed.

Shareholder Knoepler asked if there might be an intermediate approach between total repair and a temporary “band-aid” strategy. Dir. Kelly pointed out that it would not make sense to pave until we have an engineering assessment to mitigate the known water problem. Kelly then moved to approve the Valley Paving updated bid for the additional amount of \$11,520.00. The motion was seconded and passed with unanimous approval.

PUBLIC MEETING ADJOURNMENT TO CLOSED SESSION: The meeting was adjourned to Executive Session at 8:16 p.m.

RECONVENE TO OPEN SESSION FOR CLOSED SESSION ACTION ITEM REPORTING: The Open Session meeting was reconvened at 8:52 p.m. to report that an action was taken to adjust an employee pay rate; to approve a simple IRA retirement plan for employees; and to accept the HR/Finance Committee’s Payroll and Benefit Review.

MEETING ADJOURNED: The meeting was adjourned at 8:53 p.m.

Pete Gonda, President

Louise West, Secretary