

MINUTES
Forest Lakes Mutual Water Company
Board of Directors Meeting September 14, 2021 7:00 p.m.
Public Session
910 Fern Avenue, Felton CA
On-line meeting due to COVID 19 Shelter-in-place order

Shareholders are welcome to attend all public session meetings via Zoom

CONVENE MEETING/ROLL CALL: The meeting was called to order at 7:05 p.m. by President David Wade. Attending: Directors Gonda, Maskolunas, Wade, West. Staff: General Manager D. Cortez. Absent with notice: Directors Davidson, Dennis, Mobley. Shareholders: C. Barauskas.

ADDITIONS/DELETIONS TO AGENDA: None

SHAREHOLDER/PUBLIC COMMENTS: None.

APPROVAL OF MINUTES:

- August 10, 2021 Board of Directors Meeting, Public Session: Dir. West moved to approve the minutes of the public session of the August 10, 2021 Board meeting. Dir. Maskolunas seconded. The motion passed.

COMPANY REPORTS:

- Financial Reports: D. Cortez presented the financial report for August, noting the following: Beginning cash on hand, \$881,879.71; ending cash on hand, \$775,817.48. YTD income of \$666,702.06 exceeds budget. YTD expenses of \$527,237.62 is under budget. YTD net come is \$139,464.44. Overages were reviewed. Dir. West moved to approve the August, 2021 financial report. Dir. Gonda seconded. The motion passed.
- Operations Report: Cortez provided a report on operations and water production data for August, 2021. She noted the following: There were 2 service line and one main line leak. Loss rate for August was 13.1%, down from July. Overall water use was down 21% compared to August, 2020. There were 7 excessive users. Staff poured the concrete pad around the new Well 4 and constructed a building to house the well and electrical controls. Staff began investigating and excavating water mains on Fern to replace a temporary repair line from Tank 4 that feeds Zone 4. Parts were ordered and received for a new tie to eliminate the old line. Hydrant leak on Fern was repaired.
Post-meeting follow-up: The majority of the electrical and all of the plumbing work has been completed at Well 4, and test pumping can be started week of 9/20.

ADVISORY COMMITTEE REPORTS:

- Water Conservation Committee: Dir. Wade noted that the Water Conservation and Water Committees have been joined. They will meet soon.
- Recreation Committee: Shareholders C. Wade, R. Davidson and C. Clement have been active in on-line planning discussions. Dir. Maskolunas is involved.
- HR Committee: Committee report in Executive Session
- Water Committee: As above.
- Road & Safety Committee: Meeting to be scheduled.
- Rules Committee: Meeting to be scheduled. One topic to be addressed: Trees on private property that present a danger to Company infrastructure.
- Finance Committee: Will meet after Road and Water committees establish their 2022 priorities. Dir. Gonda reported that he and Dir. Davidson had received a follow-up email from an investment management company they had contacted, to the effect that this company could do an asset allocation study. Discussion to continue.

G.M. Cortez commented that a source funding CD matures soon, and discussion will be needed about that as well as the \$10,000 to be added to that fund.

- Strategic Planning Committee: See under New Business.
- Community Fire Prevention Committee: Dir. Maskolunas reported that Zone 10 has been working to see if there is any way a fire road could be created from Altamount. She reported that Capt. Dawson said that the owners on Empire Grade are opposed to any such road. Legal title [to the properties along a route] is unclear. Dir. Wade added that the recent fire in the neighborhood received a robust and fast response from CalFire, Felton Fire, Zayante Fire, Ben Lomond and Boulder Creek Fire Departments. No cause has been determined. Fortunately, recent property clearance kept the fire from moving upslope to outbuildings. Dir. Wade is looking into an RCD chipping program. We would need a contractor, at least 8 shareholders, and someone to coordinate. Dir. Gonda said that several shareholders on Scenic would be interested. Maskolunas noted that Capt. Dawson talked about the decrease in egress routes over the years. The Gold route is regarded by the Fire Depts. as only "half" an exit. Dir. West mentioned previous discussions about a possible route from Gold Gulch; Cortez suggested that the owner of the parcel involved could be invited to join discussions with the fire chiefs.

Post-meeting follow up: Cortez has retrieved additional County documents relating to Altamount and will be reviewing them. Also, staff report that UCSC is clearing the fire fuels on Marshall Road behind our tanks, as per agreement.

NEW BUSINESS:

- **Discussion/Action item:** CDFW Streambed Alteration Plan and Riparian Mitigation: Cortez reported that diversion dates have been extended to March 15-May 31. Cortez will f/u to see if language could be added to take variable seasonal weather conditions into account. Other changes include alteration of the pumping rate to correspond to what Felton Fire needs. Photographs will now be required. RCD contingencies have now been met.
Post-meeting follow-up: Cortez has reviewed the documents and submitted corrections and questions regarding the Plan.
- **Discussion/Action item:** Review and possibly approval of pavement striping estimates: Bids for this project were reviewed. After discussion. Dir. West moved to accept the bid of Stripe-a-Lot in the amount of \$780. Dir. Gonda seconded. Motion passed.
Post-meeting follow up: The striping and "STOP" markings have been completed.
- **Discussion/Action item:** Review and possible approval of paving project on Upper Scenic: Bids were reviewed. Needed work was discussed. Cortez said that company staff is not able to perform the necessary work, and that a contractor is required. The road is very steep, narrow, and sinking on both sides. The amount of the project was not included in the road budget, but given that the work can be completed w/o tapping reserves, and that there are no pending/anticipated road projects, this appears to be a good time to do this project. Dir. West moved to accept the Valley Paving bid of \$36,350 for the Upper Scenic repair as described. Dir. Maskolunas seconded. Motion passed.
Post-meeting follow-up: Contract documents have been completed and sent to Valley Paving.
- **Discussion item:** Purchase of second tank for Tank 10 project: Cortez reported that a water tank meeting all our specifications suddenly became available. The tank purchase already approved by the Board will not arrive until later this year. The plan always was to get a second tank to tie in. The company offering the second tank needed an immediate decision. Upon learning of the availability and need for immediate action, i.e. no time for a Board meeting, Cortez contacted Wade and West who agreed that purchase of this second tank would be both efficient and cost-effective as we would not have to pay shipping. Cortez then purchased the tank, which will be delivered on 9/21.
- **Update:** Legal counsel status—Altamont easement: Cortez summarized action to date. Maps do not appear to match what is on the deeds involved. A surveyor would be needed to figure this out. Cortez plans to go to the County and search through the records one more time, and will attempt to get all the deeds for the area involved..

- **Discussion item:** Non-shareholder use of facilities [continued from August meeting]: The question of non-shareholder signs on FLMWC sign structures was referred to Rules to discuss.
- **Discussion/Action item:** Board direction on review of draft strategic plan: Dir. Gonda said that the draft of the plan is about ready for posting to the website for review and comment. He asked if the Board would want to review it before it is publicly posted. Discussed and decided that the draft should be circulated to the Board prior to posting, not for approval but rather so that Directors and staff can be prepared for questions.

PUBLIC MEETING ADJOURNMENT TO CLOSED SESSION: The public meeting was adjourned at 8:30 p.m.

RECONVENE TO OPEN SESSION FOR CLOSED SESSION ACTION ITEM REPORTING: There were no action items to report.

MEETING ADJOURNED: The meeting was adjourned at 9:45 p.m.

David Wade, President

Louise West, Secretary