

MINUTES
Forest Lakes Mutual Water Company
Board of Directors Meeting March 8, 2022 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 7:03 p.m. by President D. Wade. Attending: Directors Davidson, Dennis, Gonda, Maskolunas, Mobley, Wade, West. Staff: General Manager Cortez. Shareholders: C. Barauskas, Monica Ball

ADDITIONS/DELETIONS TO AGENDA: Reminder of upcoming June elections

SHAREHOLDER/PUBLIC COMMENTS:

None.

APPROVAL OF MINUTES:

- February 8, 2022 public session meeting: Motion to approve the minutes with one minor correction was seconded. Motion passed.

COMPANY REPORTS:

- Financial Reports: Cortez reviewed the financial report for February, 2022. Cash on hand, beginning of month: \$949,313.51; end of month, \$966,213.69. YTD expenses: \$105,494.72 with a carryover of \$675,678.10. Net income YTD is \$421,588.08. Overages were reviewed. It was noted that inflation and rising fuel prices have an impact.
- Operations Report: Production was 976,257 gallons; use was 810,939 gallons. February loss rate was 12.7. This included pumping of Well 4 prior to final testing and 3 leaks that were on company side of meters. The loss rate in January was 10%.
An additional test for manganese was taken at Well 4. 3 tests have been taken with results below the MCL. Results and paperwork sent to SWRCB asking for permit amendment to allow operation of the well. \$2500 engineering deposit was paid to PG&E to review the site and plan to replace pole and line to Tank 5. The booster from 6 to 5 is being operated and monitored manually to fill the tank until power can be restored. The flashboard dam at the reservoir will be installed on 3/15 and CDFW informed of our intent to divert the stream. The loggers are installed and required measurements calculated.
1260/1330 Scenic: County has requested a minor change but it appears all their questions have been answered. SBA loan extension set to end on 4/18/22. Cortez will request additional extension as well as beginning the process to request subtractions and additions to the loan in order to determine potential loan amounts for construction on the Scenic project.
Ferrari culvert: plans completed and are being submitted to the County for review.
Quarry Road culvert replacement project: Plans are not fully complete but Cortez has spoken with RCD rep who confirms RCD will provide some TBD funding for the project. Funds could relate to plans, permits, construction or some combination of these.

ADVISORY COMMITTEE REPORTS:

- Water Conservation and Water Committee: Did not meet.
- Recreation Committee: Activities include the February art contest, and plans for a Spring Clean swap meet on 3/26. An Easter-themed fest is planned for 4/9.

- HR Committee: Report in Executive Session
- Road & Safety Committee: Did not meet.
- Rules Committee: Did not meet. Will have additional info later regarding hazardous trees, brush clearance and fire safety.
- Finance Committee: Did not meet.
- Strategic Planning Committee:
- Community Fire Prevention Committee: Defensible space needs to be cleared around critical water infrastructure, such as tanks. See further under New Business.

NEW BUSINESS:

- **Discussion/Action item:** Attorney/surveyor costs related to possible Altamount route; update on conversation with Chief Gray: Documents show we have easements on all parcels along the route. Staff has been clearing the road up to where trees are down. A document found in FLMWC files establishes right of access for water infrastructure. It is clear that a survey will be needed, but before initiating that process, we should clarify with our attorney first to verify that our closure of the road in 1976 poses no conflict with the easements, and second to see if we can limit the scope of the survey.
It is possible that grant funds might be available for this project. The following questions arose:
Q: Who would write the grant application? A: not yet known. Chief Gray might be able to put us in touch with someone qualified.
Q: Would the grant cover our legal and survey costs? A:
Q: What is the estimated cost of the survey? A: \$10,000 for 3 parcels. It was noted that if monuments are missing, cost could be higher. Comment: It is important that FLMWC protects its rights, easements and access. A survey would serve that purpose.
Q: What would the grant cover? A: Chief Gray said that a grant through Cal Fire would cover labor for creating an emergency exit. Comment: We need to know the details of what the grant could cover.

Action: After this discussion, it was moved and seconded that FLMWC return to Counsel with our newly-found documents, plus the documents she requested previously, and ask for review and verification of our continued rights. The motion passed.

- **Discussion/Action item:** Infrastructure protection plan for reducing fuel load around water tanks: We are required by the Public Resources Code [Sect. 4291] to harden our facilities and assure fuel management around tanks, sheds and other infrastructure. It was suggested that a plan be created for brush management and defensible space, and that that the General Manager have staff develop a checklist for this. This can be undertaken when we are again fully staffed and new staff trained. Also discussed: Considering volunteer assistance with clearing around tanks. Liability will have to be checked with current carrier. Another option would be to outsource the work.
- **Discussion/Action item:** Planning for securing temporary help if/when needed: General Manager has been in touch with Operational Technical Services as a possible backup for water operations staff needs. OTS can provide short-term help and also assistance in locating qualified candidates. OTS would provide all insurances and benefits. There would be a minimum of 24 hrs per week. Dirs. Gonda and Davidson to review the contract documents; Cortez to check references. When these steps are complete, an emergency on-line meeting will be scheduled to approve signing a contract.
- **Discussion/Action item:** Time frame for annual budget review: It was moved, seconded and passed to have a draft budget to the Board by the October Board meeting. Note: This will mean that committees must plan accordingly.
- **Discssion/Action item:** Water use standards in drought: There was a suggestion to add a stage "2-B" and consider charging for usage greater than 150 gpd. Recommendation: refer the questions back to the Water Committee to review and bring back to the Board in April.

- **Discussion/Action item:** Approval of revised Board letter notifying of water service shutoff: The reasons for the revision were explained, noting the legally required language. It was moved, seconded, and passed to approve the revised letter.
- **Discussion item:** Fee structure for new connections: Other local agencies have much higher connection fees than our current fee, which is \$5,000, with some charging as much as \$30,000. Given that County regulations about ADU's could encourage new construction, and possibly new meters, this should be evaluated. Decided: Refer to Water Committee to consider.
- **Discussion item:** Annual elections: Noted that annual elections normally take place at the annual shareholder meeting on the first Sunday in June, which will be June 5 this year. Decided: Discuss at April meeting and begin planning.

PUBLIC MEETING ADJOURNMENT TO CLOSED SESSION: The meeting was adjourned at 9:12 p.m.

RECONVENE TO OPEN SESSION FOR CLOSED SESSION ACTION ITEM REPORTING

MEETING ADJOURNED

Louise West, Secretary

David Wade, President