

MEETING MINUTES
Forest Lakes Mutual Water Company
Board of Directors Meeting November 10th, 2020 | 7:00 p.m.
Public Session
910 Fern Avenue, Felton CA
On-line meeting due to COVID 19 Shelter-in-place order

CONVENE MEETING/ROLL CALL: The meeting was called to order at 7:03 PM by President D. Wade. Attending: Directors P. Gonda, S. Smith-Berdan, L. Dennis, B. Davidson, and H. Wood. FLMWC Staff: D. Cortez Shareholders: C. Barauskas, K. Haralson, A. Gaber

ADDITIONS/DELETIONS TO AGENDA: none

SHAREHOLDER/PUBLIC COMMENTS: S. Smith-Berdan recapped the first Fire Prevention Committee meeting, covering details discussed by the Fire Prevention Committee such as possibilities of a monthly chipping program, disseminating fire prevention and safety information, and tree pruning.

APPROVAL OF MINUTES:

- October 13th, 2020 Board of Directors Meeting, Public Session
 - ✓ L. Dennis moved to approve the October 13th meeting minutes, B. Davidson seconded the motion. Motion approved by unanimous vote.

COMPANY REPORTS:

- Financial Reports:

General Manager D. Cortez reviewed the financial report:

 - Beginning cash on hand: \$667,868.36
 - Ending cash on hand: \$730,533.44
 - Income through Oct. 31: \$ 602,295.39
 - Spent through Oct. 31: \$554,967.69
 - Net Income: \$58,327.70
- ✓ S. Smith Berdan moved to approve the financial report; L. Dennis seconded the motion. Motion approved by unanimous vote.
- Operations Report:
 - Production: 1,131,897 gal
 - Quarry wells YTD: 14.8 acre ft., the agreement with Granite requires that they provide 18 acre ft. (5,865,325.77 gallons) annually, 448,210 gallons in October
 - 1 system leak on a 2" main on Scenic.
 - Loss Rate approximately 13% down from 15.7% in September
 - Routine maintenance was performed while staffs focus was on cold and hot mix paving repairs prior to winter.
 - We have finally been issued the permit for drilling of the replacement well. Joel will be working to coordinate scheduling with Maggiora.
 - Video of well 8D to determine viability of rehabilitation. Silted in up to 20 ft below ground level. Reason for silting is unknown but another location might be better for drilling than rehab of this well.
 - Granite has begun maintenance of well 10D, pump has been pulled and we had it videoed. Found that the well is in good shape but needs to be clean due to mineral build-up. Joel has informed Granite of the need to clean. The person who performs cleaning for them has asked for information regarding type of cleaning needed. Joel will be emailing Martin Feeney video for recommended cleaning. Maintenance and repair of the Granite wells (10A and 10D) and repairs to the Corp yard filter plant are the responsibility of Granite Construction.
 - Repair at 1190 Scenic began yesterday – installation of curtain drain, Porto block wall, erosion control and paving.

ADVISORY COMMITTEE REPORTS:

- Water Conservation Committee: no updates
- Recreation Committee: no updates
- HR Committee: no updates
- Water Committee: no updates
- Road & Safety Committee: no updates
- Rules Committee: no updates
- Finance Committee: updates covered in discussion items
- Strategic Planning Committee: no updates

NEW BUSINESS:

- **Discussion/Action item:** Approval to purchase tapping tool
 - FLMWC staff has requested purchase of Reed Manufacturing tapping tool that is within the budgeted expense, to use during servicing and tapping new lines without shutting off main lines. It is compatible for all service lines in FLMWC's system. Total \$2,340.90 with free shipping.
 - ✓ Dir. P. Gonda moved to approve purchasing the tapping tool at cost of \$2,340.90; Dir. L. Dennis seconded the motion. Motion approved by unanimous vote.
- **Action item:** Resolution and Adoption of 2021 125 Premium Only Plan which allows employees to pay their health insurance premiums from pre-taxed income
 - Dir. L. Dennis moved to approve the resolution; Dir. B. Davidson seconded the motion. Motion approved by unanimous vote.
 - Dir. L. Dennis moved to adopt the agreement; Dir. B. Davidson seconded the motion. Motion approved by unanimous vote.
- **Discussion item:** Review 2021 Draft Budget
 - GM D. Cortez outlined high-level budget categories including testing expenses, capital improvement projects, and projected expenses based on 2020 budget.
 - The board discussed unpaid shareholder balances, assessments, and recent years' increases in expenses, and the outpacing of revenue by infrastructure expenses. Recent years has required reserve spending to keep up with mandated improvements, maintenance, and company expenses.
 - Future planning needs to include building up reserves to cover costs of replacing aging wells and other large water capital projects. The Board discussed raising assessments again, and the Finance Committee attempted to mitigate this as much as possible by increasing the stock transfer fee for home purchases as those fees had not been adjusted for several years.
 - The Board will review the proposed draft budget and be prepared to approve in the December meeting.
- **Discussion item:** Follow up ADU billing/reduction application
 - Dir. P. Gonda to draft letter to include with assessment bills sent to shareholders in December
- **Discussion/Action item:** Strategic Planning – Finalize board priorities
 - Dir. P. Gonda shared the results of the SWOT analysis done by the Strategic Planning Committee, and the Board members discussed additional items for the Strategic Planning Committee to consider for future, including:
 - Areas of exposure, areas of water and road systems to harden/improve
 - Impacts of shareholder actions such as excessive water use
 - Ensuring access to water supply for addressing natural disasters

PUBLIC MEETING ADJOURNMENT TO CLOSED SESSION: The meeting was adjourned at 8:18 PM

RECONVENE TO OPEN SESSION FOR CLOSED SESSION ACTION ITEM REPORTING

The executive session was adjourned at 9:24 PM and immediately reconvened to open session to report the following:

- ✓ The Board approved the October 13th Board Meeting and September 13th Annual Shareholder meeting closed session meeting minutes.
- ✓ The Board will review with legal counsel the agreement between FLMWC and Granite Construction regarding quarry wells.
- ✓ The Board discussed compensation of an employee.

MEETING ADJOURNED AT 9:25 P.M.