

MINUTES
Forest Lakes Mutual Water Company
Board of Directors Meeting March 9, 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: <https://us02web.zoom.us/j/85869216023>

CONVENE MEETING/ROLL CALL: The meeting was called to order at 7:05 pm by President D. Wade. Present: Dirs. Wade Dennis, Yatson, Smith-Berdan, Gonda, Davidson, West. Staff: GM Cortez. Shareholders: A. Meggyes, E. Balint, C. Barauskas.

ADDITIONS/DELETIONS TO AGENDA: Dir. Smith-Berdan asked to discuss the Recreation Committee suggestions for an Easter event. GM Cortez asked to add an action item to request approval for purchase of a second generator.

SHAREHOLDER/PUBLIC COMMENTS: None.

APPROVAL OF MINUTES:

- February 9, 2020 Board of Directors Meeting, Public Session: A motion to approve the minutes of the February 9, 2021 meeting was seconded. The motion passed.

COMPANY REPORTS:

- Financial Reports: GM Cortez provided the February, 2021 Financial Summary, highlighting the following:
 - ✓ Beginning cash on hand, \$999,817.30; ending cash on hand, \$1,022,590.28
 - ✓ Annual revenue overview: Budget = \$705,459.26; year to date income = \$475,903.95
 - ✓ Annual expense overview: Budget = \$696,073.37; year to date expenses = \$88,891.68
 - ✓ Net income YTD = \$387,012.27
 - ✓ Overages greater than \$500 for the month were explained. The largest [\$20,422.56] was for engineering for Scenic/Ferrari repairs. It was suggested that a new line item for engineering be created, in order to provide accurate tracking of engineering expenses.
- Operations Report: GM Cortez summarized operations in February.
 - ✓ There was a 10% water loss but this was largely due to maintenance [e.g. flushing] and also water used in drilling Well 4. Loss rate excluding this usage was estimated at 8%.
 - ✓ Well 10D is now back on line. A variable frequency drive will be needed to control the increased amount of water now coming from the well, after it was cleaned.
 - ✓ Well 4 drilling progress was detailed. The drillers will have to stop on Monday, March 15 to allow the removal of large Douglas Firs by homeowner. Drilling will resume when the trees have been removed.
 - ✓ Tank 2 was repaired and is "working fine."
 - ✓ An SBA disbursement extension was requested and given; working on a plan to prioritize FLMWC roads and culverts for repair and maintenance; estimates are in for all projects planned; and Cortez has met with RCD to explore possible funding for current and prospective projects.
 - ✓ Monica Oey is no longer our CDFW rep for the lake. Cortez to meet with new rep on 3/10 to see where we are. The current Streambed Alteration Plan expires on 5/31.

ADVISORY COMMITTEE REPORTS:

- Water Conservation Committee: Nothing to report.
- Recreation Committee: Dir. Smith-Berdan inquired about funds to rent Laili's ice cream truck for the event. No Board approval is needed for this; the budgeted funds may be used at the Committee's discretion. Smith-Berdan hopes to recruit more shareholders for the committee. She will decorate the park, and look into the ice cream truck arrangements.
- HR Committee: To be discussed in Executive Session.
- Water Committee: Nothing to report.
- Road & Safety Committee: Nothing to report.

- Rules Committee: Excessive use policy to be discussed as New Business.
- Finance Committee: Nothing to report.
- Strategic Planning Committee: To be discussed as New Business.
- Community Fire Prevention Committee: The Committee has had informal discussions about looking at dangerous trees in the community, as well as problems with broom and ivy. The Committee plans to put out more info to owners—both on line and on paper for those w/o internet access. Dir. Smith-Berdan reported on discussions w/ Chief Gray, who has expressed concerns about the properties on Ferrari and also around the Corp yard. Chief Gray is pleased with the progress of the Committee and has offered to meet with Shareholders to provide info about emergency evacuation. He is also willing to write letters to individual Shareholders if there are concerns on specific properties. The Committee is looking into a chipping program.
Dir. Wade suggested asking Shareholders if people have particular trees of concern. One approach could be considering “clusters” of homes to make tree removal a more financially viable project.
Dir. Davidson suggested posting news and photos on FB of people cleaning up, to increase positive motivation.

NEW BUSINESS:

- **Discussion/Action item:** Confirm appointment of Louise West to Board of Directors:
 - In February, Dir. H. Wood stepped down from her position as Dir. and Secretary. After discussion, Dir. Wade appointed Shareholder and former Board member L. West to fill the vacated Board position. A motion was made and seconded to confirm this appointment. Motion passed.
- **Discussion/Action item:** Parking on private property:
 - A Shareholder letter requesting FLMWC help in dealing with recurring problems of people parking on private property on Upper Scenic. Dir. Gonda provided further detail, describing how newer residents, having been given info by realtors about access to hiking and bike trails, drive up and park, and/or otherwise obstruct driveways while dropping off hikers/bikers. Mountain bike activity has been increasing, and in addition to concern about cars parking, there is also the issue of increased traffic along an already very narrow road.
 - Suggestions and possible options were explored, including placing stickers on cars, drafting a letter to be placed on offending vehicles, and even having cars towed away.
 - Part of the problem is that no one is exactly sure where the boundaries are between UCSC and the State Park.
 - Dir. Gonda suggested that it might be useful to send a letter to Shareholders a reminder about not trespassing on private property. He also requested a copy of the standard letter FLMWC sends, or posts on offending vehicles, regarding parking. *GM Cortez to send him a copy of this letter.*
- **Discussion/Action item:** Review of Strategic Planning Committee process:
 - Dir. Gonda shared information about the progress of the SPC. He noted that he is gratified to see that several committees are already working on goals prioritized by the SPC. He provided a recap of the ideas generated by the Committee, and noted the five priorities that have been identified. He would like Board agreement to proceed with holding a [virtual] community meeting to present these 5-year goals for sustainability. He noted that the Board has formally adopted the priorities and goals, and suggested that there should be two or possibly three community meetings. He would like to have the first of these take place before the April Board meeting.
 - A sub-committee of the SPC may meet with the GM to review the Summary statement and look at what has been done, what is underway, and what might be problematic.
 - Decided: Dir. Gonda to meet with GM Cortez to discuss and to organize a community outreach Zoom.
- **Discussion/Action item:** Excessive use policy modification:
 - Dir. Wade pointed out that we are limited by the amount of data we can capture in a timely manner. Example: Detection of major leaks, or inappropriate/dangerous use, is not always readily detectable.
 - Various options were discussed, including establishing a policy of immediate levy of fines for excessuse during a declared water emergency, as well as immediate shut-off of water service. Dir. Smith-Berdan described one local water company’s policy of immediate imposition of fines for “abuse of the water

- system.” Possible definitions of abuse of the water system would include any action that jeopardizes the system, such as happened during the CZU fires and evacuation.
- GM Cortez suggested that the policy revision state that FLMWC can turn off water service to a property if abusive use is observed or suspected.
 - *A revised draft of the policy modification to be prepared and submitted for review.*
 - **Discussion/Action item:** ADU’s:
 - GM Cortez recommended leaving current practice as it is, to handle ADU issues on a case-by-case basis, and to defer discussion until later.
 - **Discussion/Action item:** Lake opening:
 - Shareholders are interested in knowing if the lake will be open for swimming and gathering this summer. At this point, it appears likely that masks and social distancing will still be general practice then. If FLMWC should opt to open the lake for activity, how can we safely do so?
 - American Red Cross policy about Lifeguards says that Lifeguards must not be tasked with the responsibility of monitoring social distancing or mask compliance. Their job is solely to keep swimmers safe.
 - Several suggestions were offered, including solutions implemented at the Simkins swim center. Dir. Wade to look into that.
 - Decided: Ultimately the Board must decide who would be responsible, whether for assuring that volunteers are trained and reliably present [supervised] OR hiring additional lifeguards.
 - **Discussion/Action item:** Volunteer needed to record minutes of April meeting:
 - Decided: Dir. West to use GM’s notes + Zoom recording to prepare minutes.
 - **Discussion/Action item:** Permission to purchase second generator:
 - GM Cortez said that the generator purchased previously is now on Scenic and can run that well to assure water to that portion of the system. She recommended purchase of a second generator which could power the booster pump, or Well 4, or potentially equipment in the Corp yard. Cost of generator is approx.. \$1399.
 - Decided: A motion to approve this purchase was seconded and passed.

PUBLIC MEETING ADJOURNMENT TO CLOSED SESSION: The meeting was adjourned to executive session at 8:05 pm.

RECONVENE TO OPEN SESSION FOR CLOSED SESSION ACTION ITEM REPORTING

The Open Session was reconvened at approximately 9:45 pm to report the following action items:

- Suggested revisions were made to the harassment policy. Final draft of the revised policy to be submitted to Counsel for legal review.
- Performance Reviews for Lead Water Operator and General Manager were reviewed, and actions taken as appropriate.
- Succession planning was discussed.
- Legal issues were discussed.

MEETING ADJOURNED AT 9:55 PM.

Respectfully submitted,

Louise West, Secretary

David Wade, President