

MINUTES
Forest Lakes Mutual Water Company
Board of Directors Meeting September 10, 2019 7:00 p.m.
Public Session
910 Fern Avenue, Felton CA

CONVENE MEETING/ROLL CALL: Call public meeting to order and record the roll: The meeting was called to order at 7:05 pm by President David Wade. Attending: Directors Wade, Smith-Berdan, Dennis, Gonda, Yatson, West. Absent with notice: Wood. Staff: General Manager Cortez. Shareholders: C. Barauskas, H. Burnett.

ADDITIONS/DELETIONS TO AGENDA: The HR Committee item was moved to the Closed session.

SHAREHOLDER/PUBLIC COMMENTS:

Cortez shared a comment from a non-shareholder about the pothole at Laurel and Willow. C. Barauskas shared a news item which seemed to relate warm water temperatures to forecast for delayed start to rainy season.

CONVERSATION WITH FELTON FIRE CHIEF GRAY:

Chief Robert Gray attended a portion of the meeting at the request of the Board. Key points of the discussion include the following:

- Vegetation clearance: Chief Gray said Ferrari is a high priority. He suggests removing canopy along all our roads, not only to reduce fire hazard but also to facilitate mobilizing firefighting equipment.
- CalFire can arrange for crews to provide brush clearance. This would require trained “sponsors” from the community, to serve as the eyes and ears of the crew supervisor. For a very reasonable fee [\$200/day for 13 men, all tools and a chipper] , a crew can perform a lot of work in just one day. However, there are only 3 crews for all of Santa Cruz/San Mateo counties, so this probably could not be arranged until spring. He suggested a form letter from the Chief could be distributed to shareholders to prepare them for what to expect.
- Chief Gray offered to do a drive-around with a Board member to identify target areas. He suggested doing all of the community first and then Ferrari last.
- With respect to this service being available to “road associations,” the Chief felt this would not be a problem for FLMWC even though we are not formally a road association.
- If there is a fire:
 - Know the way[s] out.
 - Fire personnel will evacuate people to safety zones. FD would try to stagger evacuation to reduce bottlenecks.
 - If a fire were moving toward Forest Lakes, we would be notified, by phone and also possibly by loudspeakers.
 - Leave early!
- Other tips:
 - Call 911 any time you feel unsafe.
 - Homeowners insurance: The Fire Department can help support defensible property by referring to our reservoir.
 - The Fire Department is working toward using Code Red to push out notifications.
 - When reporting smoke/fire in the canyon, please note the milepost markers! “Somewhere between Santa Cruz and Felton” is not helpful.
 - Email your supervisor about your concerns!

APPROVAL OF MINUTES:

- August 13, 2019 Board of Directors Meeting, Public Session: It was noted that the date of the Halloween Carnival was incorrect. The correction was made. Dir. Dennis moved to approve the corrected version; Dir. Yatson seconded. Motion carried.

COMPANY REPORTS:

- Financial Reports: Cortez reviewed the August, 2019 financial summary, noting the following: Cash on hand, beginning of month: \$635,153.35; end of month, \$571,781.64. There was an overage for the month of \$25,197.77 because of all the road projects completed and paid. Net income to date = \$13,405.82. Other overages were explained. Dir. West moved to approve the financial report; Dir. Dennis seconded. Motion carried.
- Operations Report: Cortez reviewed the Operations Report, noting the following:
 - ✓ Production was up but shareholders are still conserving.
 - ✓ Well 3A, 3B filter plant: Plumbing is done; electrical not yet complete.
 - ✓ Tank 7 well and booster pump controls: A problem in the permitting process has been addressed. Work continues to correct resistance problems in the wiring that connects the pump to the tank. Electrician to apply for permit; Cortez will accompany him to the Planning Dept. as she has had contact and info about what needs to be done. J. Busa to research cost of radio controls to enable booster pump controls. Dir. Wade asked about reception in the target area. Antenna[s] could be needed.
 - ✓ 1722 View Dr.: relocation of water lines complete.
 - ✓ Tank 10-2 replacement: Busa met with salvage contractor regarding removal of the tank. Also requested bid to remove Tank 8 and the Scenic tanks. Proposal forthcoming. Anticipate costs of ~\$26,000.
 - ✓ Loss rate for the month was 12.7% despite a tank overflow! There were 3 suspected leaks, of which one was fixed.

ADVISORY COMMITTEE REPORTS:

- Recreation Committee: Dir. Smith-Berdan is working on applying for a grant to improve the playground, and also to look into costs for a bocce ball court.
- HR Committee:
 - ✓ Workers'Comp insurance change: See Closed Session minutes.
- Water Committee: No meeting.
- Road & Safety Committee:
 - ✓ Updates on projects: All projects have been completed.
 - ✓ Cortez has all bids in for SBA projects. SBA has directed her where to submit the application; all documents have been sent in. The application has gone to the Loan Department.
 - ✓ Committee to meet next week.
- Rules Committee:
 - ✓ Follow-up: Multiple water connections: See under New Business.
- Finance Committee: No updates. Will meet after all other committees submit budgets.
- Strategic Planning Committee: A SWOT analysis has been done. This generated a good discussion for a starting point. Some ideas are to compare ourselves to other agencies, how to set a rate structure, and how to set budgets. Committee to meet next month. One consideration for the 2020 budget could be to allow for consultant fees.

NEW BUSINESS:

- **Discussion item:** Letter to Shareholders re: by-law change and application of "second kitchen" rule: Cortez indicated that clarification is needed regarding any ADU on just one metered connection. Should GPD be specified? Currently, this is not addressed. Other points to consider include timeliness of notification to shareholders, relative to annual assessments going out; lack of clarity regarding enforcement of the rules; uncertainty as to how this will affect projected income for 2020; and how to address the issue of shareholders who may have been "grandfathered in" prior to rule changes. Suggest Rules meet to review the number of people affected and how to address these questions. Gonda to work on a draft to be circulated by email.

- **Discussion item:** Fire safety and vegetation management: See above [conversation with Chief Gray]
- **Discussion item:** Flashing lights for STOP signs: Dir. Yatson reviewed what he has learned with respect to State guidelines and requirements and a manual of uniform signage. Decided: Refer to Road Committee for further study and then bring back to the Board.
- **Action item:** Approve submission of water discharge permit application and accompanying fee: Cortez reported that the State Water Resources Control Board requires a water discharge permit application. The permit and accompanying fee is \$2,286. This permit is to discharge water at Well 4, as needed for drilling the new well. After Cortez explained the requirement, Dir. West moved to approve the expenditure; Dir. Wade seconded; motion carried.

PUBLIC MEETING ADJOURNMENT TO CLOSED SESSION: The public meeting adjourned to Closed Session at 9 PM.

RECONVENE TO OPEN SESSION FOR ACTION ITEM REPORTING:

- Bonuses were awarded to two of this year's 4 lifeguards on the basis of their outstanding performance. Bonuses to be based on \$1 for each hour worked. Total amount approved: \$263.33.
- A change of employee health insurance plan from Anthem to Kaiser Platinum HMO B, at an additional cost to FLMWC of \$770 per year, but with greatly increased coverage to employees, was approved effective 10/1/19.

ADJOURNMENT: The meeting was adjourned at 9:45 PM.