

**MINUTES**  
**Forest Lakes Mutual Water Company**  
**Board of Directors Meeting May 11, 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: <https://us02web.zoom.us/j/85869216023>

**CONVENE MEETING/ROLL CALL:** The meeting was called to order at 7:04 p.m. by President David Wade. Attending: Directors Davidson, Gonda, Smith-Berdan, Wade, West, Yatson. Absent with notice: Dir. Dennis. Staff: G.M. Cortez. Shareholders: A. McBride, R. Overmire, C. Barauskas, S. Hector, J. Lodinsky. Guest presenters: Adrian Garner and Matt Weld

**ADDITIONS/DELETIONS TO AGENDA:** For discussion/action: Assessment of tree on Quarry

**SHAREHOLDER/PUBLIC COMMENTS:**

None.

**APPROVAL OF MINUTES:**

Dir. Gonda moved to approve the minutes of the April 13, 2021 Board meeting public session, and the minutes of the April 26 Board emergency on-line meeting. Dir. Smith-Berdan seconded, and the motion to approve both sets of minutes was approved.

**COMPANY REPORTS:**

- Financial Reports: G.M. Cortez reported the following: Cash on hand beginning of month: \$1,021,113.45; end of month, \$1,005,536.27. YTD revenue: \$559,847.33; YTD expenses: \$190,915.75. Net income to date: \$368,931.60. Overages were reported as follows: electricity expense is above budget due to rate increases. Insurance for liability and property has incurred a significant increase, as explained in the April meeting, because of the main line break on Fern. The overage is expected to remain the same as all insurance has now been renewed. Other overages have been previously reported.
- Operations Report: Production was 1,087,987 down from April's 1,150,303. Loss rate of 18.8% was down from April and shows the ongoing work at Well 4. There were 4 excessive users.

Work on the new well continued. The drilling part of the project has been completed to a depth of 320ft.

An Electric log of the surrounding formation was completed on the bore hole and it showed very little water below the 300 ft level. The next phase of well development has started and includes trying to break up the very large amount of drilling fluid that was used and has hardened and could potentially "plug" the aquifer. The drilling fluid or "mud" was placed in the well during the drilling process to try to keep the hole open as the geologic formation was made up of sand and clay and was caving in in several spots. Chemicals are added to try and soften the "mud" and open up the natural formation, then it is pumped out. At one point in the development process the well was producing what about 12 gpm, which was expected. Recently the well production has dropped off due to the plugging nature of all the drilling mud. Work will continue on the development process probably through the month of May.

Staff continued to complete installation of piping for fire protection, structural repairs and debris removal at the lake

**ADVISORY COMMITTEE REPORTS:**

- Water Conservation Committee: None
- Recreation Committee: Dir. Smith-Berdan contacted a bocce ballcourt builder and learned that the area in the park is too small for a professional builder. One possible solution would be to create a GoFundMe account and seek shareholders to put in the labor. Dir. Wade said he could facilitate a meeting to discuss.
- HR Committee: None
- Water Committee: None
- Road & Safety Committee: None
- Rules Committee: Update on Excessive Use policy: See discussion under New Business
- Finance Committee: Report of audit of FY2020, completed 5/1/2021: GM Cortez reprised the contents of the audit report which was part of the meeting packet. The audit committee found no errors or omissions other than one missing receipt, which subsequently was discovered attached to the statement for the month following the transaction. The

committee recommended that an audit of the 2020 payroll be conducted this year, due to the unusual circumstances that impacted payroll that year because of Covid 19, the CZU fires, and evacuation.

- Strategic Planning Committee: Dir. Gonda noted that the Zoom meeting of May 4 met with technical difficulties. Despite the problems there was a good discussion, and another meeting will be scheduled soon.
- Community Fire Prevention Committee: Dir. Smith-Berdan has been trying to recruit people to become “pod” leaders. She has also been working to get paperwork in for the FireWise/Fire Safety Council. Dir. Wade suggested contacting Felton Fire for a site visit. These visits are designed to help owners minimize risk. Shareholders can contact Capt. Dawson at 831-335-4422, or by email: [adawson@feltonfire.com](mailto:adawson@feltonfire.com)

## **NEW BUSINESS:**

**Discussion/Action item:** Presentation by engineers Matt Weld and Adrian Garner of options to repair the Scenic slide: Engineers Adrian Garner and Matt Wells presented the results of their surveys of the slide area, and showed both drawings and LIDAR imagery to illustrate and explain the situation. In brief: The findings indicate that the 2017 slide overlays a larger, deep-seated older earth movement. This older slide could still be active. There is high risk of a future slide, with a “high potential” for continued movement. The ground has continued to move since the slide, as evidenced by the fact that more trees have fallen.

The engineers’ findings bear on choosing repair options. The options that might provide the greatest stabilization are also the most costly. They therefore propose less costly options and these were discussed. They suggested replacing the road at its existing elevation; replacing the present undersized 18” culvert with a 36” culvert, which offers significantly greater capacity to handle water flow; & placing a rock buttress fill on the outside road edge [this could be backfilled and planted with appropriate vegetation later]. The roadbed would be excavated to a depth of about 5’ and replaced with compacted roadfill and geogrid; this would be able to tolerate some movement. An additional option, which would minimize the highest risk, would be to drill down and place steel piers.

Those present were able to ask questions, as follows:

Q: What would be in the drill shaft/s?

A: Reinforced rebar cage, concrete-filled

Q: Is it known if water is still coming down from the ’17 storms?

A: The water is probably ground water and not dependent on the amount of rain in a given year.

Q: Is there any way to de-water the area?

It was noted that subdrains are in plan to address shallow dewatering. Deeper de-watering is not easy, nor is it necessarily effective.

Q: Would there be any benefit to additional mechanical stabilization?

A: The most cost-effective way would be to place piers. There are lots of local contractors with the required expertise.

Q: [Comment] This is not good news for residents of the slide area.

A: There are multiple large landslides in the FLMWC community.

Q: Was the road poorly done to start with?

A: The road was cut into the hill and the roadfill was not compacted.

Q: How can the cost of repair be reduced/contained?

A: The amount of fill and the layers of geogrid can be reduced. Controlling drainage would be important. Gravel could be substituted for asphalt, but it is unlikely this would stand up to traffic and in particular heavy vehicles such as Green Waste and propane trucks. It was also noted that all existing material [e.g. the removed roadfill] can be compacted and reused/replaced.

Q: Would there be a safety rail/guard rail?

A: That could be an option; or, place reflectors.

GM Cortez noted that the engineers’ plans and options have already been given to Valley Paving, to start the estimate process for overall costs. Budget-wise, the repair will be paid for by a loan, to be serviced by debt.

After all questions and comments received a response, the engineers left the meeting.

- Discussion/Action item:** Opening of reservoir for recreational use: As has been noted by all, the reservoir is filling extremely slowly in this drought year. There is some question that it *will* fill, and also with respect to suitability for swimming in the absence of adequate flow-through.

Cortez pointed out that a number of questions must be answered before any opening, if opening is possible, can be announced. She enumerated some of these, and subsequently sent a list to the Board of things that must be decided with respect to guidelines and regulations related to Covid-19. She has located two returning Lifeguards, and a third, who lives in Forest Lakes, may be available. No actions were taken with respect to details of opening for recreational use.
- Discussion/Action items:** Three estimates from Huerta were reviewed and discussed. Questions involved identifying owner of property of one tan oak near Redwood; costs of removing downed trees on Scenic; and whether stump grinding is needed. After all questions and comments were addressed, Dir. Gonda moved to approve all three Huerta estimates with the caveat that if possible, survey data can be found to determine who owns the property of the tan oak in question.
- Discussion/Action item:** Approval of RCD Project Mitigation, Monitoring, and Reporting Plan: GM Cortez described her recent work with RCD and CDFW. She has worked to reduce cost to FLMWC both now and in the future, by clarifying that the amount of the contribution we make now will not incur future additions; that RCD assumes all legal responsibility for fulfilling the mitigation requirements as written by CDFW. However, neither RCD nor CDFW can guarantee that this plan will fulfill our mitigation requirement. If approved, the document will become part of the Notification of Streambed Alteration on which she is currently working, and which will be submitted this month. She has made additional suggestions such as pointing out to CDFW what FLMWC is doing to improve conditions in the forest and to prevent fire; these could be considered as streambed mitigation.

Dir. Wade moved to accept the Riparian Mitigation proposed budget of \$20,609.15. Dir. Smith-Berdan seconded. Motion passed.
- Discussion/Action item:** Approval of Randazzo Enterprises, Inc. estimate of \$6080 for removal of tanks 10-2: The estimate was discussed. Although this estimate is higher than the original quote, the cost of the replacement tank has decreased so total project cost is controlled. Dir. Smith-Berdan moved to approve the Randazzo estimate of \$6080; Gonda seconded; motion passed.
- Discussion/Action item:** Approval of Green Rubber Kennedy ag 4925 poly water tank, delivered, \$3097.24: Estimate was reviewed and discussed. Dir. Smith-Berdan moved to approve; West seconded; motion passed.
- Discussion/Action item:** Approval of proposal/s for replacement of culvert near 1510 Ferrari, culvert on Lakeside before junction with Gold Gulch, paving at 1205 Lakeside to repair deteriorating asphalt, and paving of two areas on Madrona: After discussion, Dir. West moved to approve
- Discussion/Action item:** Approval of engineering estimate for replacement of 24" culvert on Quarry Road: This history of previous study of this culvert was explained and the engineering estimate reviewed. Cortez reviewed estimates from 2015 when replacing this culvert was discussed; cost has increased, in part because there are new CDFW rules plus requirement for CDFW approval. Also, the project is larger than originally estimated. It was noted that Quarry is an essential ingress/egress route for properties above McLellan as well as the corp yard and other FLMWC installations. Also, a water line runs down Quarry. The estimate for engineering for the culvert replacement is \$34,347.10, with an optional approval of \$6,000 for structural engineering if a retaining wall is needed. Dir. West moved to approve; Smith-Berdan seconded; motion passed. Note that construction will not begin this year.
- Discussion/Action item:** Approval of Excessive Use Policy: Dir. Davidson pointed out changes to the previous policy, including the implementation of a logical structure that provides warning. An appeal process has been included, as well as adding authority for the GM or Water Operations Supervisor to turn off a shareholder's water in emergencies. There were questions about the tiers, and suggestion that the starting point for the tiers be based on the stages of water conservation. It was concluded that the revised version is close to being ready to present for action, but there is still need to clarify some language regarding penalties

and the relationship of the tier structure to conservation stages. Decided: Directors to read the proposed policy and submit suggestions/questions to Cortez. Pete will work on revisions and send draft to Rules Committee.

- **Discussion/Action item:** June elections and annual Shareholder meeting: At the April meeting, the date of Sunday, June 13 was proposed. However, this date turns out to be impractical for a few reasons. Other dates were discussed and a date of Saturday, June 26 at 12 noon was chosen. The meeting will be outdoors in the park, with optional Zoom link for people who may be uncomfortable about group situations. This year, FLMWC will not host a BBQ but participants will be welcome to bring their own lunches. FLMWC will provide drinks. It was decided to allow email voting again this year.
- **Discussion item:** Training for new and current Directors: Dir. West noted that some Directors need to complete their required ethics training. She also suggested that as new directors come on board in June, we should set aside time for their training and orientation to the duties of Directors.
- **Discussion/Action item [added]:** The root ball of a large redwood tree on Quarry, just below the 3-way intersection with Early, Lakeside and McLellan, has become significantly eroded. West and Wade have looked at it and raised the question of whether an arborist should be engaged to provide a professional assessment. If this tree were to come down, it would block a major route in and out of the community and of Forest Lakes installations. Cortez suggested that, when Huerta is out in the next week or so to begin the approved projects, we ask him to look at it and provide an estimate of what removal would cost.

**PUBLIC MEETING ADJOURNMENT TO CLOSED SESSION:** The public meeting was adjourned at 9:19 p.m.

**RECONVENE TO OPEN SESSION FOR CLOSED SESSION ACTION ITEM REPORTING:** Open session was reconvened at 9:45 p.m. to report closed session actions, as follows:

Approval of increase to Lifeguard hourly wage and approval for recertification of returning lifeguards under education program.

Approval of addition of employer-paid vision coverage to employee benefit package

Approval of increases of hourly wage, as per usual, for employees who satisfactorily complete their orientation

Approval of Third Party Harassment Policy

**MEETING ADJOURNED** at 9:49 p.m.

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Louise West, Secretary

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David Wade, President

**MINUTES**  
**Forest Lakes Mutual Water Company**  
**Board of Directors Meeting May 18, 2021**  
**Emergency Online Meeting**  
**910 Fern Avenue, Felton CA**  
**On-line meeting due to COVID 19 Shelter-in-place order**

**CONVENE MEETING/ROLL CALL:** An emergency online meeting was requested by General Manager D. Cortez to address adding to already approved costs for paving on Madrona. In reviewing the area project area prior to beginning construction, it was noted that the area between the two approved projects is continuing to crack and the roadbed is sinking. Cortez noted that the area is of concern; would need to be paved within the next couple of years regardless; and adding it now will result in a smooth, compacted surface in a hillside area that is sinking. If the additional square footage is approved, it will result in a decrease in the square footage price, as there is no additional move-in of equipment, and paving one long surface is more efficient and cost-effective than several shorter ones. The reason for holding a meeting before the next regular Board meeting was to avoid project delay.

**AGENDA:** Review GM request and recommendation to add \$6950 to previously approved projects to pave Madrona.

President D. Wade emailed all directors with a motion to hold the meeting. Dir. West seconded. Wade, Dennis, Davidson and West all voted to hold the meeting, with West adding to her Yes vote a motion [if the meeting proceeded] to approve Valley Paving's bid of \$6950 to pave the area between the other two projects, based on the explanation of the need and benefits of doing this project now.

The on-line meeting being convened with the approval of four directors, the motion to approve the Valley Paving bid was then seconded by Dir. Dennis. Dirs. Dennis, Wade, West, Yatson, and Smith-Berdan voted to approve the bid of \$6950 to add to the previously approved projects. The motion passed.

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D.M. Wade, President

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L. West, Secretary

**MINUTES**  
**Forest Lakes Mutual Water Company**  
**Board of Directors Meeting May 26, 2021**  
**Emergency Online Meeting**  
**910 Fern Avenue, Felton CA**  
**On-line meeting due to COVID 19 Shelter-in-place order**

**CONVENE MEETING/ROLL CALL:** An emergency online meeting was requested by General Manager D. Cortez to address adding to address two matters:

- Rolling over a matured \$77,037.31 Liberty Bank Reserve CD to a 7 month CD at 0.17% interest. The finance committee will be meeting soon to discuss investment options for two additional CD's set to mature this year.
- The revised Waste and Excessive Use policy.

Dir. West moved to hold the emergency on-line meeting; Dir. Wade seconded; Dirs. Smith-Berdan, Yatson, Davidson, West and Wade vote yes to proceed with the meeting. Motion passed.

**AGENDA:**

- **Action/Discussion item:** Request to approve rolling over a matured Liberty Bank Reserve CD to a 7 month CD at 0.17% interest: Action is needed because the CD matured on 5/22, and a decision regarding the funds is needed before the next scheduled Board meeting. The interest rate is the best available at this time.  
Dir. West moved to approve rolling over the matured CD account # 3832943 to a 7-month CD at 0.17% interest. Dir. Wade seconded. Dirs. Smith-Berdan, Yatson, Wade and West vote Yes to approve the rollover. Motion passed.
- **Action/Discussion item:** The revised policy on Waste and Excessive Water use was attached to the request to meet. Dir. Smith-Berdan moved to approve the revised policy and Dir. West seconded. Questions and requests for clarification were entertained. Discussion followed, resulting in Smith-Berdan moving to amend the original motion, specifically, to rename the policy to apply only to water conservation Stages 1 and 2. Dir. Davidson then shared a revision of the table of excessive use fees, and after further discussion, the both the motion to approve the revised policy, and the motion to amend, were withdrawn.  
Dir. Davidson then made a new motion, as follows: That the Board "approve the drafting of a new Water Waste, Excessive Use and Conservation Policy that reflects the attached table, and to direct the Rules Committee to revise/redraft the policy document for approval at the next Board meeting."  
Dir. Wade seconded this motion. Dirs. West, Wade, Yatson and Davidson voted to approve the motion that the Board approve the drafting of a new Water Waste, Excessive Use and Conservation Policy, and to direct the Rules Committee to revisit/redraft the document for approval at the next Board meeting. The motion passed.

**ADJOURNMENT:**

There being no further business, the on-line meeting was adjourned by President D. Wade.

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D.M. Wade, President

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L. West, Secretary

Attachment: Table provided by Dir. Davidson

Water Conservation Stages	0 - 100 GPD	101 - 150 GPD	151 - 200 GPD	201 - 250 GPD	251 - 300 GPD	301 - 400 GPD	401 - 500 GPD	501 - 1,000 GPD	1,000 + GPD
Stage 1. Concise						Initial 2nd Notification Provided Upon 3rd Notification - Water Restriction May Be Applied @ Excessive Use Fee 1- 50 GPD Over 300 GPD - \$0.025 Per Gallon 15- 100 GPD Over 300 GPD - \$0.10 Per Gallon 85- 750 GPD Over 300 GPD - \$0.10 Per Gallon 75% GPD Over 300 GPD - \$0.20 Per Gallon		No Warning Notifications Water May Be Shut Off \$75 Normal Business Hours Reconection Fee \$50 After Hours Reconection Fee 1- 50 GPD Over 500 GPD - \$0.025 Per Gallon 15- 100 GPD Over 500 GPD - \$0.10 Per Gallon 85- 750 GPD Over 500 GPD - \$0.10 Per Gallon 75% GPD Over 500 GPD - \$0.20 Per Gallon	No Warning Notifications Water Will Be Shut Off \$75 Normal Business Hours Reconection Fee \$50 After Hours Reconection Fee 1- 50 GPD Over 300 GPD - \$0.025 Per Gallon 15- 100 GPD Over 300 GPD - \$0.10 Per Gallon 85- 750 GPD Over 300 GPD - \$0.10 Per Gallon 75% GPD Over 300 GPD - \$0.20 Per Gallon
Stage 2. Warning					Initial 3rd Notification Provided Upon 3rd Notification - Water Restriction May Be Applied @ Excessive Use Fee 1- 50 GPD Over 250 GPD - \$0.025 Per Gallon 15- 100 GPD Over 250 GPD - \$0.05 Per Gallon 85- 750 GPD Over 250 GPD - \$0.10 Per Gallon 75% GPD Over 250 GPD - \$0.20 Per Gallon			No Warning Notifications Water Will Be Shut Off \$75 Normal Business Hours Reconection Fee \$50 After Hours Reconection Fee 1- 50 GPD Over 250 GPD - \$0.025 Per Gallon 15- 100 GPD Over 250 GPD - \$0.05 Per Gallon 85- 750 GPD Over 250 GPD - \$0.10 Per Gallon 75% GPD Over 250 GPD - \$0.20 Per Gallon	No Warning Notifications Water Will Be Shut Off \$75 Normal Business Hours Reconection Fee \$50 After Hours Reconection Fee 1- 50 GPD Over 250 GPD - \$0.025 Per Gallon 15- 100 GPD Over 250 GPD - \$0.05 Per Gallon 85- 750 GPD Over 250 GPD - \$0.10 Per Gallon 75% GPD Over 250 GPD - \$0.20 Per Gallon
Stage 3. Severe Emergency Shortage			Initial 2nd Notification Provided Upon 3rd Notification - Water Restriction May Be Applied @ Excessive Use Fee 1- 50 GPD Over 150 GPD - \$0.025 Per Gallon 15- 100 GPD Over 150 GPD - \$0.05 Per Gallon 85- 750 GPD Over 150 GPD - \$0.10 Per Gallon 75% GPD Over 150 GPD - \$0.20 Per Gallon	No Warning Notifications Water May Be Shut Off \$75 Normal Business Hours Reconection Fee \$50 After Hours Reconection Fee 1- 50 GPD Over 150 GPD - \$0.025 Per Gallon 15- 100 GPD Over 150 GPD - \$0.05 Per Gallon 85- 750 GPD Over 150 GPD - \$0.10 Per Gallon 75% GPD Over 150 GPD - \$0.20 Per Gallon		No Warning Notifications Water Will Be Shut Off \$75 Normal Business Hours Reconection Fee \$50 After Hours Reconection Fee 1- 50 GPD Over 150 GPD - \$0.025 Per Gallon 15- 100 GPD Over 150 GPD - \$0.05 Per Gallon 85- 750 GPD Over 150 GPD - \$0.10 Per Gallon 75% GPD Over 150 GPD - \$0.20 Per Gallon			No Warning Notifications Water Will Be Shut Off \$75 Normal Business Hours Reconection Fee \$50 After Hours Reconection Fee 1- 50 GPD Over 250 GPD - \$0.025 Per Gallon 15- 100 GPD Over 250 GPD - \$0.05 Per Gallon 85- 750 GPD Over 250 GPD - \$0.10 Per Gallon 75% GPD Over 250 GPD - \$0.20 Per Gallon
Stage 4. Critical Emergency Shortage		Initial 2nd Notification Provided Upon 3rd Notification - Water Restriction May Be Applied @ Excessive Use Fee 1- 50 GPD Over 100 GPD - \$0.025 Per Gallon 15- 100 GPD Over 100 GPD - \$0.05 Per Gallon 85- 750 GPD Over 100 GPD - \$0.10 Per Gallon 75% GPD Over 100 GPD - \$0.20 Per Gallon	No Warning Notifications Water May Be Shut Off \$75 Normal Business Hours Reconection Fee \$50 After Hours Reconection Fee 1- 50 GPD Over 100 GPD - \$0.025 Per Gallon 15- 100 GPD Over 100 GPD - \$0.05 Per Gallon 85- 750 GPD Over 100 GPD - \$0.10 Per Gallon 75% GPD Over 100 GPD - \$0.20 Per Gallon		No Warning Notifications Water Will Be Shut Off \$75 Normal Business Hours Reconection Fee \$50 After Hours Reconection Fee 1- 50 GPD Over 100 GPD - \$0.025 Per Gallon 15- 100 GPD Over 100 GPD - \$0.05 Per Gallon 85- 750 GPD Over 100 GPD - \$0.10 Per Gallon 75% GPD Over 100 GPD - \$0.20 Per Gallon				No Warning Notifications Water Will Be Shut Off \$75 Normal Business Hours Reconection Fee \$50 After Hours Reconection Fee 1- 50 GPD Over 300 GPD - \$0.025 Per Gallon 15- 100 GPD Over 300 GPD - \$0.05 Per Gallon 85- 750 GPD Over 300 GPD - \$0.10 Per Gallon 75% GPD Over 300 GPD - \$0.20 Per Gallon