

AGENDA
Forest Lakes Mutual Water Company
Board of Directors Meeting May 14, 2019 -- 7:00 p.m.
Public Session
910 Fern Avenue, Felton CA

CONVENE MEETING/ROLL CALL: The meeting was called to order at 7:04 PM by Vice President M. Mobley. Attending: Directors Wade, Gonda, Smith-Berdan, Dennis, and Wood. Absent with Notice: Dir. West
Staff: D. Cortez.
Shareholders: C. Barauskas, L. Zimmerman

ADDITIONS/DELETIONS TO AGENDA:

1. Add discussion item for Fleet gas card
2. Delete discussion item for Lighthouse Bank CD

SHAREHOLDER/PUBLIC COMMENTS:

GM Cortez shared from Shareholder J. Purchase regarding a tree by the lake he believed might have been a danger to fall, but upon further inspection thinks it should be fine; would like staff to keep an eye on it in future.

GM Cortez shared from Shareholder concerned about Sudden Oak Death in some trees around the neighborhood, suggested renting a chipper and allowing shareholders to use it to dispose of any trees feared to be infected. Shareholder Barauskas shared that US Department of Forestry advises infected trees cannot be chipped or taken to the dump because it will spread the fungus further. Further research is needed to uncover the proper disposal of trees infected with Sudden Oak Death, and to discuss further fire prevention around the existing dead trees in the neighborhood.

GM Cortez shared from another Shareholder a question about the UCSC expansion and how it will affect or encroach upon our water supply. Further discussion or action item needed?

APPROVAL OF MINUTES:

Dir. Mobley moved to approve the minutes of the April meeting; Dir. Dennis seconded the motion. Motion approved by unanimous vote.

Dir. Gonda moved to approve the minutes of the Special meeting from April 30th; Dir. Wade seconded the motion. Motion approved by unanimous vote.

COMPANY REPORTS:

- Financial Reports:
General Manager D. Cortez reviewed the financial report, highlighting cash on hand on 4/1/2018 of \$848,346.33; ending cash on hand of \$816,490.65; and a carryover for the month of April of \$33,871.88.
Year-to-date income was \$437,228.02 with net income year-to-date of \$258,935.88.
- ✓ Dir. Smith-Berdan moved to approve the financial report; Dr. Gonda seconded the motion. Motion approved by unanimous vote.
- Operations Report:
The written Water Operations Report for September was reviewed.
- ✓ Update on well 4A replacement – requests for bids were sent
- ✓ Update on well 3A, 3B filter plant – waiting on quotes for building construction
- ✓ Update on well 1D maintenance – pulled the pump, performed annual maintenance, replaced pump and motor

ADVISORY COMMITTEE REPORTS:

- Water Conservation Committee: Monthly Conservation Update

- ✓ 5 excessive users; 1 shareholder leak
- ✓ Loss rate at 7% - a historic low
- Recreation Committee: Lake cleanup
- ✓ Dir. Wade gave details on the lake cleanup – great turnout with a lot of positive participation. The clean-up was successful, but we still need to rent a rototiller to mix and break up the beach sand and remove weeds.
- ✓ Shareholder Barauskas volunteered to bring a BBQ for a future lake get-together; Dir. Wade suggested possibly Memorial Day weekend even though the lake will not yet be open.
- HR Committee: Update in Executive Session
- Water Committee: no updates
- Road & Safety Committee: no updates
- Rules Committee: No update - Meeting to review Rules did not happen
- ✓ Outstanding issues to discuss in next Rules Committee meeting –
 - Vacation rental issues
 - Clarify the extra kitchen hookup rule in the bylaws; after decision is made, a letter will be sent to shareholders to inform of final decision
- Finance Committee: Internal audit for April – Dir. Dennis is still completing the post-audit report, but can report no exceptions were found, and only a couple of changes were made to audit procedures to eliminate redundancies.
- Water Future -Due Diligence Committee:
 - ✓ Dir. Gonda suggested we change the name and focus to this committee to Strategic Planning Committee
 - ✓ Renewed focus of this committee will be dedicated to ensuring the health and future of the organization

NEW BUSINESS:

- **Discussion item**: Tank 7 SCADA license agreement
- ✓ GM Cortez reported the shareholder does not want to sign the agreement that was drafted by Barbara Choi. Joel spoke with the Shareholder, and the Shareholder is requesting adding another pole to the property to work around the issue; PG&E has advised they think this will be an agreeable solution, but this solution will incur additional cost, time, and labor to FLMWC.
- ✓ Next steps – need to look further into the easements throughout the entire Forest Lakes tract to see what legal needs are required to complete projects like these. Additionally, more details are needed from Shareholder regarding more specific concerns about the legal agreement and Dir. Mobley suggests board members meet with the Shareholder to discuss the matter further to see if an agreeable resolution can be reached by both parties.
- **Discussion item**: Staff lunch Monday, May 20th @ 12:00pm
- ✓ Round Table Pizza at the office; Dirs. Attending: Wood, Wade, West, Gonda, Mobley. GM Cortez to make arrangements for ordering pizzas and getting drinks and salads.
- **Discussion item**: Update: Return of de-obligated FEMA funds
- ✓ GM Cortez has obtained in writing an address where to send the money back and confirmed what the funds were for, and will send a cashiers check for the full amount via certified mail. The bank has advised they can track a cashiers check when it is cashed.
- **Discussion item**: Strategic Planning report
- ✓ Dir. Gonda introduced the Strategic Planning Committee to the Board. The purpose of the committee, comprised of Board and interested community members, is to plan for the continued viability of FLMWC as an independent entity. The idea is to develop a mission and vision for FLMWC, outline goals for the company, give goals and oversee standing committees, and write a strategic plan for the company over the next 5 years and into the future.
- ✓ Next steps:
 - Compile information to share at the Annual Shareholders Meeting on June 2nd
 - Recruit members to serve on the committee; Dir. Smith-Berdan and Dir. Gonda volunteered to join the committee
- **Action**: Board to agree to create Strategic Planning Committee

- Dir. Mobley made a motion to approve creation of the Strategic Planning Committee as Dir. Gonda has outlined on attached document, including all relevant next steps. Dir. Dennis seconded the motion; Motion approved by unanimous vote.
- **Discussion item:** Election recruitment efforts
 - ✓ GM Cortez has updated there is a third Shareholder to volunteer to run for the Board; all documents have been completed and will be mailed out to Shareholders before the Annual Shareholder Meeting on June 2nd.
- **Discussion item:** Annual Shareholder Meeting
 - ✓ GM Cortez needs volunteers to help coordinate the meeting. Additional needs: folding tables and canopy shades.
- **Discussion item:** Task assignments for Annual Shareholder Meeting
 - ✓ Saturday ballot counting: 2 volunteers selected
 - ✓ Set-up crew: email will be sent to Shareholders asking for volunteers
 - ✓ BBQ manager: 1 volunteer selected
 - ✓ Clean-up crew: email will be sent to Shareholders asking for volunteers
- **Discussion item:** Fire Safety presentation
 - ✓ Dir. Smith-Berdan to prepare information to present at the Annual Shareholder Meeting regarding steps to take for fire prevention
- **Discussion item:** Lifeguards
 - ✓ GM Cortez is interviewing 3 candidates to fill the positions
- **Discussion item:** CDFW requirements for diversion extension
 - ✓ GM Cortez talked to Department of Fish & Wildlife to attempt to get more details; conversation went well. In order for FLMWC to change our diversion in any way, we have to submit a streambed alteration plan. FLMWC submitted a plan in 2014 to Dept. of Fish & Wildlife, but they did not respond in the legal time required, so it defaulted to be approved. As such, we are unable to amend that existing alteration plan; we would have to write & submit a new one. In order to extend our diversion date, we would have to give some specific criteria for what we consider end of fire season, and as a Board, we have to decide whether or not to write a new plan for the Dept. of Fish & Wildlife to review to potentially grant an extension.
 - ✓ Next Step: Dir. Dennis to try to find out if there is some criteria outlined by CalFire for determining fire season dates
- **Discussion item:** Fleet gas card
 - ✓ GM Cortez informed the Board that QuikStop has sold, which altered their system so the gas cards we currently have do not work. Dir. Mobley suggests getting a Costco card to get gas at Costco, but this gas station is further away, at least 30 minute round trip each time a vehicle needs gas. Cortez suggests getting a Valero fleet card. One type of card they offer provides a discount, but you have to buy a certain minimum amount of gas, and another type of card that is just a simple, straight-forward gas card. GM Cortez's recommendation is to apply for the simple Valero card.
 - Dir. Gonda made a motion to approve applying for the basic Valero fleet gas card, Dir. Dennis seconded the motion; Motion approved by unanimous vote.

PUBLIC MEETING ADJOURNMENT TO CLOSED SESSION: The meeting was adjourned at 8:40pm

RECONVENE TO OPEN SESSION FOR CLOSED SESSION ACTION ITEM REPORTING

The executive session was adjourned at 9:10 PM and immediately reconvened to open session to report the following:

- ✓ The Board approved two job descriptions and filled the Lead Water Operator Position

MEETING ADJOURNED at 9:11pm.