

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

CONVENE MEETING/ROLL CALL: The meeting was called to order at 7:00 pm by President D. Wade. Attending: Dirs. Wade, Dennis, Gonda, Yatson, Smith-Berdan, West. Absent with notice: Wood. Staff: Cortez. Shareholder: C. Barauskas

ADDITIONS/DELETIONS TO AGENDA: None

SHAREHOLDER/PUBLIC COMMENTS: C. Barauskas expressed concern about someone living in a van, although it appeared the person may have moved on.

APPROVAL OF MINUTES:

- December 10, 2019 Board of Directors Meeting, Public Session: Dir. Dennis moved to approve, Dir. Gonda seconded, motion passed.

COMPANY REPORTS:

- Financial Reports: General Manager Cortez reviewed the December budget. Cash on hand at beginning of month = \$417,103.88; end of month, \$384,974.63. There was a carryover for the month of \$1,476.12, and an overage for YTD of \$53,793.33. Net income YTD through December was under by \$168,124.26 of which \$127,375 was the refund of the FEMA funds, for a net loss of \$40,749.26. Nothing new was added to the existing list of overages except Workers Comp, due to change of billing to a 3 month cycle; actual net cost is lower. Cortez also noted that interest income increased. West moved to approved the report, Smith-Berdan seconded, motion passed.
- Operations Report: Cortez reported on water system updates and issues for December. These included routine maintenance of system components and keeping culverts open during rainy days. Regarding the Well 3A, 3B filter plant, attention was focused on testing the operation of the plant. There were issues with pressure and additional components will need to be installed. Testing and disinfection continues. Water Operations Supervisor J. Busa has modified the system to be compatible with our small water system, and the process is "getting closer to goal." Water loss rate was up by 1.3% compared to November; part of this was due to flushing of the filter plant, and 2 "excessive users" had leaks.

ADVISORY COMMITTEE REPORTS:

- Recreation Committee: No report.
- HR Committee: No report.
- Water Committee: No report
- Road & Safety Committee:
Cortez provided an update of the SBA process, which is stalled because the SBA Legal Dept. says that the deed of trust, which was written by them, is "insufficient to secure the parcel." Cortez has emphasized to SBA the increased costs to us for their error: Another County filing fee and delay to projects. SBA then authorized release of \$25K *for paving only* which Cortez declined, as we would not be able to use the funds [and would have to pay interest on them] until after the rainy season ends. SBA will not release the engineering funds until the deed of trust issue is resolved. Revised deed of trust expected back in about a week. Dir. Wade asked if they will extend the loan period because of this delay. Cortez has asked.
- Rules Committee: No report
- Finance Committee: No report
- Strategic Planning Committee: No report

NEW BUSINESS:

- **Discussion Item:** Water use analysis: Dir. Gonda reported on the results of a water use analysis he conducted, using data from 2014-2019. The study obtained basic data for consumption by service address, plus meter reading cycle data. Highlights noted include the finding that 69% of households use between 51-250 gpd; 36% of addresses used between 101-250 gpd; 33% between 51-100 gpd; and 16% between 21-50 gpd. This has been consistent over the period. There is consistently a handful of users in excess of 250 gpd. The average household use was 83 gpd. During the period covered by the analysis, very low users did not decrease much; there was an upward trend in usage trend in the 21-100 gpd band. Households are using more water. Overall, there was not a lot of change in gpd, leading to the observation that consumption is stable over the past 6 years.
- **Discussion item:** Scheduling a Board SWOT exercise: Dir. Gonda wondered if we could do this at a Board meeting and make it a focus of the meeting. He said that the exercise would be done in advance, and it would take about 1 to 1 ½ hours to go through the process. We would have to go through the regular agenda. It was suggested that we start earlier. Agreed it would be easier to accomplish the task this way. It was noted that the longer we wait, the more action/discussion items could accrue to be added to the agenda. Decided: Meeting to start at 6:30 pm.
- **Discussion item:** Homeowners' Insurance: Dir. West shared her recent experience with having homeowners' insurance cancelled, which is happening in our neighborhood, due to perceived increased fire risk. She has shared specifics with Dawana who can pass along information to other owners with the problem. Dir. Smith-Berdan shared the results of her phone calls to the offices of various elected officials. She would be happy to help with any advocacy. West also mentioned that insurance companies ask about the locations of fire hydrants, and it would be useful to have information available for owners. Smith-Berdan recalled that in the past, we did not locate hydrants on FLMWC maps because there had been a problem with water theft; but an info sheet could be prepared for owners who request information about their specific address.
- **Discussion item:** Evacuation plan: Dir. Yatson asked about possibly updating the evacuation plan and increasing information to owners about that. He cited the backup getting out of Forest Lakes during one of the recent planned power outages, when everyone was trying to get to the store for supplies. This led to discussion about brush reduction. Dir. Wade to contact Chief Gray at FFD to calendar the ride-around previously discussed. We need to do anything we can to encourage owners to reduce fire hazard.
- **Discussion item:** Trash in the park: It has been noted that trash is being left in the park, as well as bikes/trikes/toys. Frequently the recycling bin is filled with household trash, fast food containers, bathroom trash, etc. This could impact our service. Staff plans to relocate the recycling bin up to the corp yard. The installed security cameras do not cover the area so it is not known who may be doing this. The security cameras are not located in a manner that would permit identification of people who may be using the trash cans to supplement their own. It was suggested that an email could accompany the monthly minutes reminding residents to please remove their own trash.
- **Discussion/Action item:** Scenic and Ferrari engineering proposals: Cortez prefaced the discussion with a reminder that we do not yet have funds for this. However, she is very concerned about 1190 Scenic because if something happens to render that impassable, the residents there have no way in or out. It is her recommendation that we do what is possible to get that project moving. Two bids were reviewed: One from Mesiti-Miller and one from Waterways. Comparing the two, Waterways is lower cost overall; Waterways is known and Cortez recommends as does RCD. Dir. Yatson asked if we would bid this as a package under a single contract, and pay as the work was staged. The SBA budget was for \$205K. Dir. Gonda asked if we approve this now, could we get started on 1190 Scenic? Irrespective of what happens with the deed issue? Cortez indicated there is no way to do this. Cortez has pointed out to SBA that the longer we delay, the greater the cost is likely to be.
Dir. Gonda then moved to approve the Waterways proposal, with the General Manager determining the best way to phase the project. Dir. Dennis seconded; motion passed.

- **PUBLIC MEETING ADJOURNMENT TO CLOSED SESSION:** The open session meeting was adjourned to executive session at 8:00 p.m.

PUBLIC MEETING RECONVENED FOR ACTION ITEM REPORTING:

The public meeting was reconvened at 8:10 pm to report that the Board discussed and decided to approve the Waterways proposal for the needed repairs to Scenic and Ferrari.

ADJOURNMENT: The meeting was adjourned at 8:12 pm.