

MINUTES
Forest Lakes Mutual Water Company
Board of Directors Meeting August 10, 2021 7:00 p.m.
Public Session
910 Fern Avenue, Felton CA
On-line meeting due to COVID 19

Shareholders are welcome to attend all public session meetings via Zoom:

CONVENE MEETING/ROLL CALL: The meeting was called to order at 7:03 p.m. by President D. Wade. Attending: Directors Davidson, Dennis, Gonda, Maskolunas, Mobley, Wade, West. Staff: General Manager Cortez. Shareholders: S. Hughes, R. Balboa, L. Dargis, C. Barauskas

ADDITIONS/DELETIONS TO AGENDA: Bounce houses in the park

SHAREHOLDER/PUBLIC COMMENTS:

None.

APPROVAL OF MINUTES:

- July 13, 2021 Board of Directors Meeting, Public Session; Dir. Gonda moved to approve; Dennis seconded. Motion passed.

COMPANY REPORTS:

- Financial Reports: G.M. Cortez provided the financial report for July, highlighting the following: Beginning cash on hand, \$904,159.82; ending cash on hand, \$881,879.71. Revenue through 7/31/2021: \$625,827.70. Expenses through 7/31/2021: \$408,665.14. Net Income: \$217,162.56. There were no new overages to report. Dir. West moved to approve the July financial report; Gonda seconded. Motion passed.
- Operations Report: Cortez reported July water production of 1,209,192 gallons. There was a water main leak on Early, and a hydrant leak occurred when the hydrant was hit. There were 8 excessive users, most of whom are habitual excessive users, although the excess is not great. Loss rate was up significantly to 19.2% due to the main and hydrant leaks. All wells static levels were checked in the last 2 weeks and are currently very stable. Staff completed the concrete foundation for the new well on William Way. Superior Tank installed pipe/pump and pump saver. In August, staff will be constructing the building around the new well, installing piping and chlorinator. Electrical will then be installed and the well should be ready to be brought online. The tank to replace Tank 10 has been purchased. Due to the shortage of potable water tanks, expected delivery is 12-15 weeks. Cost was \$5,390.72. Brush was cleared from Tank 2 site and staff began working on removing small dead trees and fire fuels near the Altamont tank. Cortez met with UCSC staff and directed their attention to dead/fallen trees near the property line by our tanks. She pointed out trees that could present a threat to our tanks, treatment plant and staff. They agreed to remove the fallen trees and brush, although this will likely not happen until September. They agreed to remove 2 trees and have given FLMWC permission to limb one redwood on their side, if we have a tree service limb the tree on the property where infrastructure is located. Chlorine: To assure that system demands can be met during the current shortage, Cortez located an additional supplier and established an account with them. [Mid Valley Supply] They will deliver product to us which will save time and money. In response to question, Cortez said water use was 19% down from July 2020. Cortez can compare July to August to see if shareholders are reducing the recommended voluntary 15%.

ADVISORY COMMITTEE REPORTS:

- Water Conservation Committee: No report
- Recreation Committee: No report. Needs to meet.
- HR Committee: To be discussed in Executive Session
- Water Committee: No report
- Road & Safety Committee: Dir. Wade provided a report of the Road and Safety Committee meeting. Dave provided a list of all the streets that need signage; since this will probably take all the funds budgeted for this line item in 2021, purchasing recommended new safety signage will be postponed to 2022. Comments from shareholders about the

difficulties encountered when road closures occur; for example, Quarry cannot handle 2-way traffic. Traffic control would be helpful but costly. One idea is to use temporary signage to indicate location of pullouts. A shareholder commented that although the evacuation map points to Gold, in fact this street is extremely difficult to use in the best of times. There was agreement that this is not a good alternative for an evacuation route.

Culvert and ditch clearing and maintenance were discussed. Annual reminder to shareholders of their responsibilities will be sent out soon. Some non-shareholders also have road frontage; committee may take this up in the future. Volunteer work parties were mentioned.

Playground equipment was discussed; there is interest in adding to/improving existing equipment. Interested shareholders are encouraged to contact the Volunteer Committee regarding fundraising.

Facilities maintenance was also discussed, such as replacing the plastic windows in the office with double-pane glass, and also planning ahead for future expenses such as paint and eventual roof replacement.

- Rules Committee: No report. Should meet in September to discuss, among other things, trees and private property, when a tree might represent a danger to FLMWC property. What would be the time, place, and manner when a situation would affect the company?
- Finance Committee: To be discussed in Executive Session
- Strategic Planning Committee: No report at this time.
- Community Fire Prevention Committee: Dir. Maskolunas reported that acquiring non-profit status will be necessary to get grants; she is working with people familiar with the process. Zone leaders are in the early stage of connecting with their zones. We do have the FireWise sign and have to decide where to put it. It can't be on Hwy. 9 but could be at the beginning of our private roads. Shareholder commented that Gold should not be on the evacuation exit map.

NEW BUSINESS:

- **Discussion/Action item:** RCD Riparian Mitigation Funding Agreement: Cortez reviewed the RCD Riparian Mitigation Funding Agreement. The cost to FLMWC in the mitigation and reporting plan was already approved, contingent upon approval by CDFW at the May 2021 board meeting. Kelli Camara has talked to Serena Stumpf with CDFW who visited the site last month and has been reviewing our application for a Streambed alteration plan. When meeting with CDFW, Cortez requested that the mitigation plan be approved as part of the plan, allowing us to fulfill the requirement established in 2015. Kelli has spoken with Serena who has indicated that she intends to approve our mitigation plan as well as the dam removal plans submitted by RCD. The draft of our agreement is supposed to be completed later this month. In order to assure that this can move forward as quickly as possible for both parties, in a meeting with Kelli Camara and Daniel Nylen we looked at how best to time this approval and determined that approving the project at this meeting with the following contingencies would allow both FLMWC and RCD to act as soon as approval was confirmed by CDFW
Dir. Davidson then moved that the Branciforte Creek Dam Removal Mitigation and Project Funding Agreement be approved contingent upon CDFW's accepting the project and funding plan as sufficient to complete FLMWC's riparian mitigation requirement; that RCD has adequate funding to complete the project, which includes the removal of all three (3) dam structures; and that RCD has obtained all necessary project permits for project construction. West seconded the motion. Motion passed.
- **Discussion/Action item:** Approval of estimate for electrical work required for new well: San Lorenzo Valley's proposal for electrical work on the Tank 4 new pump house was reviewed. Dir. West moved to approve the proposal in the amount of \$5,750.00 as specified in the contract. Dennis seconded. Motion passed.
- **Discussion/Action item:** Increase to engineering costs for 1260/1330 Scenic slide, related to change of project scope per July Board meeting: As per the Operations report above, there will be an increase of \$3500 in engineering funds for work that must be done by a structural engineer. However, as we have already received more SBA funds for engineering than originally estimated, this increase will not affect the budget.
- **Discussion/Action item:** F/u only: Evaluation of redwood tree on Quarry: A certified arborist will be on-site on 8/12 to inspect.
- **Discussion item:** Non-shareholder Forest Lakes residents' use of facilities: This discussion was prompted by remarks posted on Facebook. Some non-shareholders would like their names on the sign directories. Issues of fairness and equity were discussed. Non-shareholders may now purchase annual swim passes for \$125. They of course use FLMWC roads but do not pay an assessment toward road maintenance. There was some expressed support for charging non-shareholders to have signs placed. There is no policy about this now. Cortez said that the signs are not expensive to make. Dennis suggested there be further discussion at a later date about this. Davidson suggested looking at ways to encourage non-shareholders to be a part of the community and at the same time generate revenue. He noted that non-shareholders may not

even be aware that FLMWC, not the County, maintains the roads. Dir. Mobley suggested that this item be kept on the agenda and also be referred to the Roads and Rules committees for further evaluation. Gonda noted the history of Glengarry and the need to look at this question holistically. Shareholder commented that not all the roads in Forest Lakes are FLMWC roads [some are County]. Conclusion: Make this an agenda item for September.

- **Discussion item:** Update re: search for Altamont easement documentation: In the interest of saving legal costs, G.M. Cortez has done as much research as possible before referring the matter to Counsel. She has gone through all the files and original maps and agreements. She then went to the County, following page and book numbers as indicated on the maps; these referred to original documents. There are easements for different things, such as a well or pump house. This will be referred to Counsel for further evaluation, and to determine whether an easement can be lost if not used. The Felton Fire Department & CalFire have asked why we don't exercise our right, which apparently is shown on some maps. There was a question as to whether a title company could do this research, at lesser cost; but Dawana has already done the research, and it remains for Counsel to advise regarding whether our rights are permanent or can be lost.
- **Discussion item:** Bounce houses in the park: Cortez noted that in recent weeks, there have been two parties with bounce houses in the park. The hosts did not ask or notify the office, and did not provide insurance with evidence of indemnification. Our practice has been to permit bounce houses, but always before, the shareholder involved has asked at the office and been directed to provide the appropriate documentation. Requesting shareholders have also been informed that they cannot reserve the park for this activity, although they can restrict the use of the bounce house to their invited guests. Dir. Maskolunas pointed out that given the current outbreaks of Covid in the valley, and the known risks to children with the new Delta variant, a bounce house poses a health risk in addition to the usual risks associated with them. After discussion, it was decided that Dawana will draft an email to shareholders to let them know that at present, bounce houses will not be permitted at all, with more information to follow about insurance requirements once it is deemed safe to have them at all. Maskolunas may post a message on Facebook after the formal message from FLMWC is emailed to shareholders.

PUBLIC MEETING ADJOURNMENT TO CLOSED SESSION: The meeting was adjourned at 8:40 p.m.

RECONVENE TO OPEN SESSION FOR CLOSED SESSION ACTION ITEM REPORTING: There were no action items to report.

MEETING ADJOURNED: The meeting was adjourned at 10:30 p.m.

Louise West, Secretary

David Wade, President