

Forest Lakes Mutual Water Company
910 Fern Avenue, Felton, CA 95018 (831) 335-5774
September 10, 2002

Type of Meeting: Monthly Board of Directors Meeting – General Session

Board Members Present: John Purchase, Scott Greco, Keith Cicero, Mary Carroll; David Ellison, Henry Burnett

Facilitator: John Purchase, President

Recording Secretary: Debbie Madsen

Board Members Absent: Dick Greco

Shareholders Present: Dave Montgomery

Non-Shareholders Present: Matt Faneuf

Call to order by Scott Greco, 7:04PM. John Purchase facilitated after 7:08PM

Acceptance of Minutes

Motion to accept the August General Minutes by Henry Burnett. Second by Mary Carroll. Motion carried all.

Acceptance of August Financial Report

Motion to accept the August Financial Report by Mary Carroll. Second by Scott Greco. Motion carried all.

Stockholders Concerns

- Anonymous: Stockholder addressed concern regarding property owned by Mark Alexander. The property has two rental properties (one in front and one in back). Forest Lakes had applied double assessments for the property in 2001. Mr. Alexander's water had been shut off whereby he in turn sawed the Forest Lakes lock off, parked his vehicle over the water main, and threatened board with violence. To close the issue, Mr. Alexander provided a written statement indicating that no one was living in one of the units and the second assessment was removed. There is concern for safety due to the past history with this resident. Scott Greco motioned for Forest Lakes to mail a certified letter based upon recent rental information whereby the second assessment will be charged unless Forest Lakes is allowed to inspect property within 24 hrs. Keith Cicero seconded the motion. Motion carried all. Should there be any threatening messages to Board Members or the Forest Lakes office, the event will be recorded and reported to the Sheriff.
- Dave Montgomery, 1870 Pool Rd, reported to the Board that a neighbor, Henry Vallderuten at 1841 Pool Road and his contractor, Hudson Construction, have filled in the drainage ditch with engineering fill. Mr. Montgomery is concerned about the run off onto Pool Road. Additionally, soil was been piled at the base of redwood trees located on their property; extremely harmful to the trees. Ellison Construction delivered letter to all Pool Road residents, Forest Lakes, and Hudson Construction citing the interference and hazard. John Purchase will send letter to Mr. Vallderuten allowing 30 days to rectify the issue. If not completed within 30 days, Forest Lakes will perform the repairs then bill Mr. Vallderuten. Mary Carroll will draft the letter, submit for review by the Forest Lakes attorney, then provide to John Purchase for final signature and transmit.

General Session Highlights:

- ***Water Report***

Matt Faneuf reported 2,900,000 gallons water usage in August. This usage is 750,000 more compared to the 1985-1995 ten-year average and 300,000 more than any peak month. Water levels in the tanks have maintained consistent levels; Tank 6 recording the lowest 16ft. Pederson property meter usage reported 3100 gallons/day representing a constant usage for 93,000 gallons per month. The Pederson property peak daily usage was 4000 gallons.

There were no customer complaints. One water leak forced water shutoff at a home on Madrone and Willow where the resident left on vacation leaving the toilet running; this resulted in the overflow losing 5000 gallons into the septic.

Capital maintenance repairs for all overhead wires that fed any power in corporation yard have been removed. The 10D filter is now on the new power feed.

It was noted that on Willow, Forest Lakes had paved over valves. Matt Faneuf indicated that Forest Lakes should not pave over valves giving alternatives to be performed.

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Scenic Road water usage indicated out of the ordinary water demand. Standard usage is 12,000 to 15,000 gallons per day. On one day, there was 20,000 gallons per day. There were 3-4 days in succession with 5 to 6K gallons of excess usage. This will be watched closely due to past history in this area of suspicious water loss.

Maintenance Culvert Cleaning has begun. Residents are urged to CLEAN DRAINS and STREET FRONTS to prepare for winter.

The Water Testing budget projections for 2003 have been submitted to the Budget Committee. There will be major costs in testing for 2003; estimated at \$36,000.

John Purchase reported that the Turbo Swap data report failed online transfer whereby a hard copy was submitted to the State. The report was later rejected since the GPS coordinates were not in right format. Forest Lakes will request assistance from the SC District Contact, Jan Swaggert to waiver certain tests and avoid associated costs.

- ***Water Committee Report***

Scott Greco provided the 2003 Capital Expense from the Water Committee. Improvements include two new tanks: Tank 5 located on Altamount and Tank 2 located on Pine. Tank price estimates range from \$28-36K for 40-60,000 gallon capacity. Both sites will require new cement pads; Site 5 estimated at \$10K and Site 2 estimated at \$5-7K. Total 2003 Capital expense submitted was \$71-89K

- ***Road Committee***

David Ellison reported that Redwood Rd is awaiting inspection by Kasunich. This should occur in 3-4 days.

- ***Recreation Report***

The Lake permit request was denied by State Water Resources Control Board since there was no domestic facility on the parcel containing the reservoir. Forest Lakes will need to request in year 2003 a different permit with an estimated cost of \$1000.

50 brave souls jumped into the lake during the Community Evening Swim on August 31st and \$75 of donations was collected toward the Recreation Lake and Park Improvement fund.

Upcoming Events:

9/18 Recreation Committee Meeting 7PM
9/28 Flea Market and Bake Sale 8-3PM
[Need donations for the flea market]
10/26 Halloween Costume Party

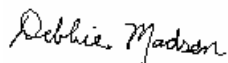
- ***Formation of the Budget Committee***

The Budget Committee membership is completed and the first meeting will be held 9/16 at 7PM

Motion to close submitted by Henry Burnett. Seconded by Mary Carroll. Motion carried all.

Close at 9:45PM

Respectfully Submitted



Debbie Madsen, Secretary/Treasurer
Forest Lakes Mutual Water Company