

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT
March 19, 2002**

MEMBERS PRESENT: Directors Brain, Matthews, Pickard, Sorell and Stock.

STAFF PRESENT: Bill Redcay, Chris Burt and Shirley Burt

CONSULTANT PRESENT: William Kruse, Esq.

CALL TO ORDER: The meeting was called to order by the Chair, Mel Matthews, at 1935 hrs. and he noted that a quorum was present.

APPROVAL OF AGENDA: The Agenda was unanimously approved as presented.

PUBLIC COMMENT:

No member of the public wished to comment at this time

REPORT FROM FINANCE COMMITTEE

Director Sorell reported that the 2001 yearly audit is almost complete and will be completed before the end of April.

Director Sorell stated that he had investigated the matter of the interest rates available and gave the following review:

LAIF Rate -- currently is 3%

Bond Rate -- Three to Six months is 1.8%, 10-20 Years before you get to LAIF rate

Money Market Rate -- 3/4 % to 1 1/2 %

He stated that with this information the LAIF Account remains the best option for the District.

REPORT FROM PERSONNEL COMMITTEE

Director Brain reported that the committee had met several weeks ago and reviewed the tons of data available. He stated that they have not yet pulled together a recommendation for the Board to consider, but hope to do so at the April meeting.

PROPOSED PROCEDURAL GUIDELINES FOR FORMATION OF COMMITTEES

The Chair requested Mr. Kruse to review the legal aspects of committees and he made the following comments:

-- There is no requirement that the Board function with any committees

-- In areas where there is special scrutiny required, it is often convenient for Boards to make use of committees

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-- The Board, by majority vote, can define what the committees will be, what the committees will

do, and who gets on the committees or who appoints members to the committees. It is general practice that the Chair is usually allowed to decide who will serve on the specific committees, although that is not the only way to make the decision.

-- The legal regulations relating to committees depends upon whether the committee is a Standing Committee or a committee appointed for a particular purpose, known as an AD Hoc Committee.

-- The difference between the two committees has to do with the Brown Act. The Brown Act has required since 1998 that Standing Committees of an elected body are subject to the same requirements that a Board is subject to, i.e.

1) A 72 hours notice must be posted prior to the meeting

2) Public participation must be permitted at the meeting

3) Special Meetings can be called on a 24 hour notice

4) A written Agenda must be posted and adhered to and items can only be added under extra ordinary circumstances.

5) A committee which has continuing subject matter jurisdiction or a fixed meeting schedule determined by the Board is a so called Standing Committee, and this is true whether the committee is vested with the power to make decisions or only advisory.

6) An Ad Hoc meeting can have several meetings, but these meetings are not scheduled by the Board and once the task is accomplished the committee no longer meets.

7) The reference in the Rules and Regulations of the District to the term "Finance Committee" without more description would imply that this is a Standing Committee. The Board could delete the term "Finance Committee" or could better define the committee task in order to make it an Ad Hoc Committee.

The Chair then directed the Board to review the Resolution regarding procedural Guidelines for Committees as proposed by Director Stock. Director Stock moved that Resolution 2002-3-19A "Procedural Guidelines for Formation Of Committees" be considered for adoption. The motion failed for want of a second.

PROPOSED PROCEDURAL GUIDELINES FOR AUDITOR SELECTION AND AUDIT REVIEW

Director Stock moved that Resolution 2002-3-19B "Procedural Guidelines for Auditor Selection and Audit Review" be considered for adoption. The motion failed for want of a second.

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The Chair appointed Director Pickard and himself to meet with Staff to review the Policy and Procedure, Rules & Regulations, and Employee Manuals and 1) eliminate those areas that are duplicated and 2) review the contents for accuracy , typographical errors, etc.

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GENERAL MANAGER'S REPORT

The General Manager reviewed his report, a copy of which is attached to these minutes. He also reviewed the status of the Kinclair Project which has been shut down until the financial status of the project has been stabilized.

REVIEW OF MINUTES

The minutes of February 19, 2002 were unanimously approved as submitted.

REVIEW OF FINANCIAL REPORT

The financial report of February 28, 2002 was reviewed and unanimously approved for filing.

ADJOURNMENT

The meeting was adjourned at 2057 hrs. and the next meeting was scheduled for March 19, 2002.

Respectfully submitted,

Shirley Burt
Secretary to the Board