

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT
February 18, 2005**

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

STAFF RESENT: Melvin Matthews, Christopher Burt, and Shirley Burt

CALL TO ORDER: The meeting was called to order at 1937 hours by the Chair, Richard Barkhurst. He noted that there was a quorum of the Board present. The Agenda was unanimously approved as presented.

PUBLIC COMMENT

No members wished to comment at this time.

REQUEST FOR REVOCABLE LICENSE FOR BROWN WELL SITE

Frank Griffith, a member of the North Kinneloa Ranch Homeowners Association, stated that the Association wished to use the Brown Well site as a **turnaround** at their entrance gate but that the design had not been developed in detail. He stated that currently it is very difficult for vehicles to turn around at the gate and that Los Angeles County has stated in the past that they would like to have a **turnaround** at this site. The Chairman requested that Staff investigate and see if there is anything required in terms of a notice and to present a draft of an agreement that would be subject to review by the Board.

Mr. Griffith asked if the exact property boundaries were known and noted that there is a lot of cleanup to be done on the westside of the current driveway. The Chairman stated, "Everyone is going into this venture with the spirit that whatever is done is going to make the area look better than it does currently."

DELORES TUNNEL PRODUCTION PLAN COMMITTEE REPORT

The Board reviewed the report written by the General Manager of the first committee meeting. Director Sorell asked if anything was accomplished at that meeting and whether an alternate plan was proposed. The General Manager stated that no alternate plan was presented although two members of the committee indicated a willingness to look into alternatives. The Chair then stated – "The Board proposed this process, the process took place, and there is a recording of that process which will become part of the minutes and may prove to be an important document at some point in the future."

Director Brain noted that in the written report it states that the General Manager agreed to do a cost benefit analysis, and Director Sorell stated that this would need to be done anyway if any legal action was taken by the District. The General Manager agreed that he would do the analysis but that it would take some time due to the complexity of the analysis and the time period on which to base the analysis. Following further discussion and questions from the Board about the meeting, the General Manager was requested to revise his report so as to include the additional information that he provided during the discussion.

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The Chairman then stated - "As I see it, the Board signed the EIR and whether the Board should have signed it or not is moot and the EIR says what it says. So on a going forward basis we have a fairly limited number of options. One, we can do nothing and continue to adhere to the general interpretation of the existing EIR. Two, we can revise the definitions internally. Three, we can go through the process that entails revising the EIR. Number three is very expensive. Number two could lead to litigation because we could be sued for violating the EIR. Number one we would be continuing as we have been doing for approximately the last six years."

Director Sorell stated "I would like to qualify the statement that the EIR "says what is says". I think those statements are actually open to some discussion because it says what it says but we are not sure what it says. Our outside counsel actually has a very different read as to what it means."

Director Stock stated – "In support of what you are saying, if you remember, we spent a year or more doing the mitigation monitoring program. And if you remember the results of that monitoring program clearly stated that that which was purported in the EIR was not correct and they were going to assist us in modifying the EIR. Those facts were right there and it was studied scientifically. The EIR was based on a lot of hearsay but in regard to item three, there is a year or more of monitoring data and an environmental company that will stand behind it and would offer to help us change the EIR."

Director Pickard stated – "That's the problem. The cost."

Director Barkhurst stated – "What I would recommend we do, without putting it into the form of a motion, is to informally ask the General Manager to do a thoughtful cost benefit analysis and when he has completed that project, to present it to the Board. That is determine what is the annualized benefit if we took all of the water, or if we took more of the water but less than all of it."

Director Brain questioned the monitoring studies and asked about the companies that performed them. Following a review of this matter by Director Barkhurst, Director Brain stated that he was quite sure that the Board had never taken any action regarding the second report. He further stated that the Board accepted the report, did not say anything about what would be done subsequent to receiving it, and it was never discussed in another board meeting since that time.

Mr. Griffith was recognized by the Chair and he made the following statement – "You said that you would not check to see what the litigation would cost. But I think it is time you did because we have spent a lot of time and money and agony is these meetings going over what we have to do to satisfy the people in the Glen. And the cost of that we have already lost and will loose in the future, maybe that is a cheap price. We need to stop cringing every time the Glen says that they are going to sue. Also in the EIR it discusses the wetlands, and I understand that they have been lost, they have been swept away."

Director Stock stated – "The wetlands are maintained in spite of the fact that we take water from Delores Tunnel because there is additional flow. The wetlands now become a non issue because we did not have this alternate flow at the time we went into the EIR."

Director Pickard – "Unfortunately, and I am not justifying them, the EIR talks about the wetlands down at the bottom and I don't know who decides what is no good anymore."

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Following discussion of the various reasons the lower wetlands come and go, it was the consensus of the Board that the results of the cost benefit analysis to be done by the General Manager would be the main factor in determining future action of the Board.

Director Barkhurst stated – “I think the Board appreciates the comments from the public but maybe we had better do this in sequence. If we are going to save 3, 4, or 5 thousand dollars a year, then I think our course of action is far different than if we were going to save fifty thousand dollars a year. I think it is important that we at least have a sizing of the various reasonable scenario’s and that will determine our next course of action, which very well could be to determine the cost of litigation.”

Director Brain noted that the costs involved could include not only the legal costs but also the cost of another analysis by the environmental company. Director Sorell stated that it is not certain that we would have to have a whole study again and the General Manager noted that there are certain circumstances where we do an amendment.

It was the consensus of the Board that the Board proceed in the direction proposed by Director Barkhurst.

PROPOSED CHANGES TO THE 2005 BUDGET

The General Manager reviewed the changes that he proposed to the budget making the following comments –

- All adjustments are minor with about a \$10,000. difference.
 - Some of the costs where 2004 actuals exceed the current budget were on purpose because of my awareness of actual lower costs in the next year
 - Presented for the Board’s information but not suggesting any formal action
- Director Barkhurst stated – “For the sake of accuracy we should use the revised figures.” Further comments were made by the General Manager regarding the changes to the budget , namely

- Outside contractor amount increased due to additional work due to storm damage
- Professional dues increased due to the 2004 actual costs
- Cellular telephone increased due to the 2004 actual costs
- Outside labor was increased to an oversight
- Outside services adjusted due to 2004 actual costs

The motion was then M/S/C –(Brain/Sorell-5-0) – “That the revised budget be adopted even though it reflects only a small change.”

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GENERAL MANAGER'S REPORT

The General Manager reviewed his written report and further discussed the following items-

New projects -- He is in the process of revising the Master Plan since five years have gone by and it is time to revisit and update the plan. He encouraged input from the Directors and stated that he would present the updated plan to the Board sometime in June or July. He stated that one of the nice things about this project is that he was able to list some projects that have been completed.

East Tank -- Director Sorell asked how the tank held up in the rain and the General Manager replied that it held up well and that there was just some slippage and erosion behind the tank, but that there is no erosion that is undermining the tank.

REVIEW OF MINUTES

The minutes of January 18, 2005 were reviewed and unanimously approved as presented.

REVIEW OF FINANCIAL REPORT

The financial reports of January 31, 2005 were reviewed and approved for filing as presented.

ITEMS FOR NEXT AGENDA

Consideration of Revocable License Agreement for Brown Well Property
Revised report of the Dolores Tunnel Committee Meeting

ADJOURNMENT

The meeting was adjourned at 2025 hours and the next meeting will be on March 15, 2005.

Respectfully submitted,

Shirley Burt
Secretary to the Board