

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT
May 15, 2007**

MEMBERS PRESENT: Directors Barkhurst, Griffith, Kilburn, Sorell and Pickard.

STAFF PRESENT: Melvin Matthews, General Manager
Chris Burt, Facilities Supervisor
Shirley Burt, Administrative Assistant

CALL TO ORDER: The meeting was called to order at 1938 hours by the Chairman, **Richard Barkhurst**. He noted that there was a quorum present and asked for approval of the Agenda. The Agenda was approved as presented.

PUBLIC COMMENT:

No one from the Public was present.

APPROVAL OF THE 2006 YEAR AUDIT:

Director Barkhurst requested comments regarding the final 2006 Year Audit.

Director Kilburn noted that on page 18 the PERS information for the 06/30/06 date had been omitted. It was the consensus of the Board that the omission would not affect the validity of the Audit.

Director Griffith noted that the corrections had been made on page four regarding the water sale revenues.

It was M/S/C- (Sorell/Kilburn-5/0) – **“That the 2006 Year Audit be accepted as presented.”**

EARTHLINK INTERNET SITE LEASE

Mr. Matthews reported that no further action has been taken on the project as he is waiting for the Kinneloa Ridge HOA to have their meeting which will be later this month.

Director Griffith asked whether any contact had been made with other organizations that have this type of installation to see whether they have had any technical problems and what the fee schedule was.

Mr. Matthews stated that he had not but he would make note to do that once the project is a go.

GENERAL MANAGER’S REPORT

Mr. Matthews briefly reviewed the ACWA Conference that was held in Sacramento. He stated that the main emphasis was placed on water conveyance and storage structures, infrastructure repair and the needed improvements to the levee system as the current structures could fail if there was a major earthquake. He indicated that financing for the projects will be a challenge. He noted that energy was also a topic of concern as 20% of all energy used in California is used to move water around and there was new emphasis on solar energy.

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CONTINUATION OF THE GENERAL MANAGER'S REPORT

Director Barkhurst asked if there were further questions on the General Manager's Report.

Director Griffith questioned the difference between number of delinquent accounts shown on the General Manager's Report and that shown on the Aged Receivable Report and **Mr.**

Matthews replied that the two reports are developed at different times and that the Aged Receivable Report is the last report generated.

Director Griffith questioned when the penalties are applied and **Mr. Matthews** replied that the penalties are applied after forty five days which is a \$15.00 flat fee and then a 10% fee on the outstanding balance that is 45 days in arrears.

Director Griffith and **Director Sorell** requested clarification of the Boardroom Refurbishment Topic appearing under Office Operations involving Barbara Simon, Interior Design Consultant. **Mr. Matthews** replied that he had put money in the budget to do some work in the Boardroom such as painting and new carpet.

Director Griffith questioned what service Barbara Simon was providing for \$150.00 and **Mr. Matthews** replied that she is helping him to decide on everything that he will propose as she is an interior designer.

Director Griffith stated that usually if you go to one of the business furniture places they will provide proposals on colors, kinds of furniture, and the whole project.

Mr. Matthews replied that it is a very nominal sum and that she has saved him time.

Director Griffith questioned whether this is all that she was paid and **Mr. Matthews** stated that he thought there was another check for \$100. and that it was a nominal fee for the size of the project.

Director Griffith stated that he was only pointing out that this type of service is available for free.

Mr. Matthews stated that he budgeted \$10,000. which will include some new furniture as well.

Director Griffith stated that he doesn't think that the Boardroom looks that bad and that he would rather put the money toward one of the other projects that needs to be done.

Director Sorell stated even though the project is in the budget, everyone will have a chance to vote on.

Mr. Matthews stated that the interior decorator will be coming out a week from Wednesday so that he can get bids on the painting part of the project and that she is coordinating the people to do the work.

REVIEW OF MINUTES

The minutes of April 17, 2007 were reviewed and unanimously approved as presented.

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The Financial Reports were reviewed by the Treasurer.

Director Sorell commented that he understood that there can be a timing difference between the amounts that appear on the budget report and those that appear on the check register but when bills come in the middle of the month they should line up. He stated that there is \$8200. shown for power on the budget report and there are two checks shown on the check register for power, one for \$8000. and one for \$1650. and he questioned the difference.

Mr. Matthews explained that there are two elements to the power bill, a bill from the City of Pasadena for the Wilcox Well and a bill from Edison for everything else.

Director Sorell replied that the two checks total \$9700. -- check #3393 & #3397 and that does not match the \$8278. shown on the budget report.

Mr. Matthews replied that he would look in the General Ledger and see what transactions that represents.

Director Sorell noted that normally these two track very well.

Director Sorell noted on page two of the financial statement that the water tunnels have gone from CIP to being officially posted on the books.

Director Barkhurst questioned the service charge from Wells Fargo and **Mr. Matthews** replied that was for normal activity.

Director Griffith questioned the items on the Check Register that have no check number and

Mr. Matthews replied that those items are direct debits from the checking account.

Director Barkhurst reminded the Board that Gail Egan, the Auditor, suggested that those that sign checks also be responsible for doing a bank reconciliation or checking the reconciliation.

Mr. Matthews stated that when Shirley presents the checks for signature that she should also have the binders of the checking accounts with her. He explained that he has reviewed them and initialed and dated them.

Director Sorell reminded the Board that the other policy that Ms. Egan recommended had to do with direct payment reviews as no one signs a check for those payments.

Mr. Matthews stated that he includes the internet payment confirmations with the bills.

Director Griffith questioned how the payroll was reported and **Mr. Matthews** stated that the reporting is done on line and they send back a report which is readily available any time for the Board's review.

Director Griffith noted that the fuel expenditure showed only \$290. but the checks totaled over \$600. **Mr. Matthews** replied that he credited the \$400. fuel tax refund toward that expenditure which only occurs once a year. He further explained that the invoices are posted in the month that they are received and most of the checks for that month will match up since he pays promptly.

Director Sorell noted that on the individual project reports the FEMA monies are shown.

Director Griffith questioned whether the expenditures could be tracked by facility which would be a cost center and you can see a pattern of repeated expenditures. **Mr. Matthews** replied that he would investigate whether a report by facility could be produced.

The Financial Reports were unanimously accepted for filing.

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ITEMS FOR NEXT AGENDA

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Earthlink Internet Site Lease

ADJOURNMENT

Director Sorell questioned whether the election process for the Board of Directors had been started and **Mrs. Burt** replied that the list has been sent in and that sometime in June she will receive further instructions from the Registrar/Record's Office.

Director Griffith questioned the status on the purchase of a new truck.

Mr. Matthews stated that the truck he wants to replace is the 1989 and Chris thinks it is important to have a lift gate, but the truck that Chris specified and he specified does not have a lift gate. So he is rethinking the project. However he still hopes to get rid of the 1993 pickup which he uses before it needs major repair because it is not safe or serviceable although other personnel use it when the other trucks are in for service. He noted that all of the trucks are getting pretty old and mileage alone does not tell the story because of low speeds and hills. Director Griffith stated that he had learned that neither Ford nor Chevrolet can order the yellow color but that it would be not too expensive to have it repainted.

Mr. Matthews stated that was another issue. He wanted to keep the fleet looking nice and together and not get a whole bunch of different colors. He further stated that the project has not been as easy as anticipated.

The meeting was adjourned at 20:25. The next meeting will be held on June 19, 2007.

Mr. Matthews reminded the Board that he would not be present at the next meeting as he will be on vacation. Director Griffith stated that he may also be out of town at the time of the next meeting.

Respectfully submitted,

Shirley L. Burt
Secretary to the Board