

**MINUTES OF A SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT
AUGUST 14, 2009**

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

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

CALL TO ORDER: The Meeting was called to order by the Chair, Director Barkhurst, at 0830 hours. He noted that there was a quorum present. The Agenda was unanimously approved as presented.

PUBLIC COMMENT: No persons from the Public were present.

DISCUSSION OF PROPOSED 2010 YEAR BUDGET:

The **General Manager** stated that he wished to start the discussion with a review of the current status of both the Raymond Basin Management Board and the Foothill Municipal Water District because the statewide water shortage have affected operations and water deliveries to retail agencies which have a direct effect on water rates.

He reviewed the Raymond Basin Management Board operations and their effect on the District as follows –

- Raymond Basin has entered a new water master year as of July 2009 and all the Agencies made a voluntary agreement to decrease pumping in the Basin by 6% each year for five years and therefore the KID will have a reduction of approximately 30 acre feet of pumping rights for the 2009/2010 year.
- This reduction may not have an adverse effect if there is a good rainy season however if there is no rain and the conservation efforts are not successful there could be a water shortage.
- As a prudent measure KID has leased 50 Acre Feet from San Gabriel County Water District for \$10,000 for the 2009/2010 year which has been done in the past.
- If the KID ends up with a surplus, that water could be sold to Pasadena which has been done in the past since the voluntary agreement does not allow the KID to put any surplus into long term storage.
- The 2010 Budget has \$20,000 budgeted to purchase water because each year the pumping rights decrease by another 6%.

Director Barkhurst questioned where the water goes that flows down Eaton Canyon and who owns that water. The **Facilities Operator** replied that currently that water flows on down to the ocean and that those spreading rights belong to the City of Pasadena along with Los Flores and Rubio Canyon Water Companies.

Director Kilburn questioned if action is not now being taken to capture that water and letting it percolate into the ground. The **General Manager** replied that one of the objectives the Raymond Basin Management Board has, is to work with Los Angeles County and collect those storm waters for the benefit for everyone.

**MINUTES OF A SPECIAL MEETING
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Director Griffith questioned whether there were water rights in the area that could be bought up as he understood Rubio Canyon Water Company was trying to do. The **General Manager** replied that he was not aware of any rights currently available.

Director Barkhurst questioned whether there was anyway the District could purchase those waters that gush down Eaton Canyon and the **General Manager** replied in the negative. He further explained that if San Gabriel County Water District did not rehabilitate the wells that are contaminated, they might in the future put some of their pumping rights up for sale. He also noted that the Raymond Basin Management Board could make a different decision in the future –to either decrease the cutbacks or increase them as the level of the Basin raises or lowers, noting that the Raymond Basin is not a replenishment Basin as is the San Gabriel Basin.

Director Barkhurst questioned as to where the District would get water if it could not purchase water and the **Facilities Supervisor** replied that the District would then pull water from their long term storage account although they could not replenish it.

Director Barkhurst questioned the possibility of digging another well and the **General Manager** stated that would not increase the District's water rights, however that may be something that needs to be considered for other reasons.

Director Barkhurst questioned why it appears that no one has the will or legal ability to capture the waters that rush down Eaton Canyon and the **Facilities Supervisor** replied that those waters are already legally tied up but are not being used.

Director Barkhurst questioned whether the Owner of those rights could sublease them to the District and the **Facilities Supervisor** replied that one of the rules in the Raymond Basin is that no spreading rights can be leased to another agency, only adjudicated rights can be leased.

The **Facilities Supervisor** further explained that some agencies have water rights, spreading and adjudicated, that they are not able to pump out of the ground because the water level in the ground is too low at that particular well site.

The **General Manager** then reviewed the Foothill Municipal Water District operations and the effect of their decisions on the District noting that -

- Foothill is a wholesaler of Metropolitan Water to smaller agencies and is terribly concerned about the huge cost of water and the question of supply in the future
- Some of their planned projects are based on developing new water – capturing storm water but more importantly recycling water which is seen as developing new water.
- They are planning to build three small recycling plants and are looking at a parcel tax as a method of financing which might amount to approximately \$50.00 per parcel which would be subject to a vote of the people.

The **General Manager** then directed the Board's attention to his proposed rate increases noting that

- 1-It is important to ensure that there is adequate revenue to cover operational expenses as well as funds for the purchase of water and improvement of facilities
- 2-There is a modest increase of 10% for the daily service charge and an 8% increase for commodity
- 3-This factors in the loss of sales which prevents you from getting the full benefit of a rate increase
- 4-Compared with Pasadena's rates, these proposed rates are lower for most of our customers.

**MINUTES OF A SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT
AUGUST 14, 2009**

Page 3

Director Sorell stated that he was impressed that

-The proposed rates for the typical District customer are lower when compared with the current Pasadena's rates

-An 8% raise in the commodity rate only yields 2% or \$20,000

Director Barkhurst stated that the numbers should come in so as

-To permit the District to maintain the reserves on a level basis

-To allow for those Capital Projects that are deemed necessary for maintenance of the structural integrity of the facilities

Director Griffith stated that if we looked at the fixed costs of the District, it amounts to about \$33.00 per household per year or \$3.00 per month and suggested that the proposed DSC charge be increased from \$45.00 to \$49.00 per month.

The Board then reviewed and discussed each line item of the proposed budget making the following suggestions for some of the items-

-increase the legal expense to \$15,000 from \$10,000

-decrease the professional expense from \$7,000 to \$5,000

-determine the true estimate for the insurance coverages

-include the \$20,000 lease payment for the truck

Following the discussion Director Barkhurst stated that he agreed that the DSC rate should be increased as Director Griffith had suggested and asked for a motion from the Board.

It was M/S/C –(Kilburn/Griffith -5/0) – **“That the budget be approved with the proposed changes and that the DSC rate be \$49.00 per month and that the Commodity Rate be \$2.75 per unit.”**

ADJOURNMENT:

The meeting was adjourned at 1015 hours.

Respectfully submitted,

Shirley L. Burt
Secretary to the Board