

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT
JULY 21, 2009**

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

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

CALL TO ORDER: The Meeting was called to order by the Chair, Director Barkhurst, at 1930 hours. He noted that there was a quorum present. The Agenda was unanimously approved as presented.

PUBLIC COMMENT: No persons from the Public wished to comment at this time.

**REVIEW RESOLUTION 2009-09-21: Placing in Nomination Melvin Matthews As A
Member of ACWA Board Region 8**

The **General Manager** stated that he wished to serve on the Board of ACWA Region 8 again and that a Resolution from the Board of Directors supporting his request is required by the nomination procedure of ACWA. He noted that the Board had supported his request two years ago and that the resolution of support is required every two years.

Director Sorell noted that the Board would be covering the expenses.

Director Griffith questioned as to the estimated cost for the two years.

The **General Manager** replied that he makes two trips to Sacramento per year if he gets appointed to the Finance Committee, which is just a day trip, and that the Board Meetings are held locally which is nominal driving expense. He stated that he could provide the exact amounts if necessary.

Director Griffith questioned whether the General Manager goes to Sacramento for other meetings and the **General Manager** replied that he goes for the CSDA meetings and that between the two organizations he makes approximately five trips to Sacramento per year.

Director Griffith stated that he would like to know the costs involved.

Director Sorell stated that it would appear that the costs would not exceed \$500 and that he would support approval of the resolution.

It was M/S/C—(Sorell/Pickard-5/0) – **“That The Board approve Resolution 2009-09-21 supporting the Nomination of the General Manager as a Member of the Board of ACWA REGION 8”.**

APPOINTMENT OF AD HOC BUDGET COMMITTEE:

Director Barkhurst appointed Director Sorell as Chair of the AD Hoc Budget Committee and requested that he select one other person to work with him. Directors Pickard and Griffith volunteered.

Director Sorell noted that if there were two other members on the committee it would require that the meeting to be noticed and **Director Barkhurst** agreed.

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APPOINTMENT OF AD HOC BUDGET COMMITTEE (continued):

Director Kilburn stated that in the prior year all the Board Members wanted to be on the committee and so the Board met as a Budget committee and she suggested they do so again.

Director Sorell stated it was his sense that all Board Members wished to be on the committee and therefore the whole Board would meet as an Ad Hoc Budget committee.

GENERAL MANAGER'S REPORT:

Kinneloa Mesa Pipeline Project:

The **General Manager** reported that the project is almost completed with the exception of small items to be completed such as painting the speed bumps and replacing a damaged street sign.

Facility Roof Maintenance:

The **General Manager** noted that the roof maintenance that was done will extend the life for at least another ten years and that all the roofs had been done with the exception of the Vosburg and that he was waiting to proceed on that repair pending his analysis of the mid year budget status.

Doyme Road Development:

Director Griffith questioned whether all of the engineering expense was being covered by the Developer and the **General Manager** explained that almost all of the engineering is being paid for by the Developer except for additional work that the District is planning to do at the same time when the Wilcox Reservoir is out of service. He noted that the project is on hold pending County approval of the drainage plan.

Director Griffith questioned whether they are paying ahead and the **General Manager** stated that they pay ahead but that at present there is an outstanding invoice.

Director Griffith questioned as to how far behind they were and the **General Manager** replied that it is about 60 days

Director Griffith questioned whether the General Manager saw a problem with this and the **General Manager** replied that he did not foresee any problem but that he has put a stop to any further expenditures until the invoice is paid.

Director Barkhurst questioned if it was known as how the Developer is funding the project and the **General Manager** replied that he is apparently borrowing money for the project and is probably hoping to obtain additional funds from the sale of the lots.

Director Barkhurst noted that the Developer could possibly have had his funds cut off by his bank.

The **General Manager** replied that he had no knowledge of that possibility but that could possibly be the reason that the outstanding invoice has not been paid.

Director Barkhurst stated that the District needs to be very careful that the District not be exposed any further until payment is made.

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REVIEW OF MINUTES:

The minutes of June 16, 2009 were reviewed and unanimously approved as presented.

REVIEW OF FINANCIAL REPORT:

Director Sorell reviewed the Financial Reports noting that

--The Aged Receivable Report is in good shape despite the hard economic times

--Revenue is \$20,000 over budget due to outside water sales

--Expenses are decently favorable looking at the half year

--Workers' Comp is close to budget

--Medical Expense remains under budget for no apparent reason even though there is an upper trend

--Electrical Expense remains surprising within budget

Director Sorell questioned as to estimated amount remaining in the Capital Budget Fund at the end of the year noting that \$425,000 had been spent and the **General Manager** stated that he thought it would be around \$228,000 which is close to the budgeted amount.

Director Pickard questioned whether the **General Manager** expected any projects for next year to be more costly than the current pipeline project and the **General Manager** stated that the cost would be approximately the same. He further explained however that if the Doyne Project was in progress next year, then he did not anticipate doing another capital project due to the limitations of staff time. He further explained that he would hope to proceed next year with the Engineering for the next pipeline project.

Director Griffith questioned as to the price for East to West Pipeline Project and the **General Manager** replied that he had estimated it some time ago at around two million dollars. He noted that it is a very important project from an operational standpoint and that he will continue to explore ways of doing it in an economically feasible manner despite the current estimated cost.

Director Griffith stated that he imagined that if the price tag was not so high that it would be the number one project and the **General Manager** agreed.

Director Sorell questioned the cost for tree removal and the **General Manager** explained that the neighbor had complained about the fire hazard they presented and that rather than having to have them trimmed each year he decided to have them removed and get rid of the hazard.

Director Sorell questioned the \$689 Administrative Expense and the **General Manager** explained that was the lodging for himself at the ACWA Spring Convention.

Director Sorell questioned the Wells Fargo transfer from the Credit Line and the **General Manager** explained that it served as an overdraft backup.

Director Griffith questioned what the bank charged for the overdraft as he remembered signing a check for around \$200 and the **General Manager** stated that it is included with the regular monthly Bank Charges.

The **General Manager** explained that he will be negotiating for fees again with the Bank and that he hoped he would not have to change banks again. The Reports were approved as presented.

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ITEMS FOR NEXT AGENDA

Review of Kinneloa Mesa Project (if project completed)

ADJOURNMENT:

The meeting was adjourned at 2030 hours and next meeting is scheduled for August 18, 2009. A tentative date of August 14, 2009 at 8:30 A.M. was set for the Budget Committee Meeting. Director Griffith questioned whether the Board would receive any input from the General Manager prior to the meeting and the **General Manager** stated he thought he would present his proposal at the scheduled meeting and it would also be available electronically.

Respectfully submitted,

Shirley L. Burt
Secretary to the Board