

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT
NOVEMBER 17, 2015**

MEMBERS PRESENT: Chair–Sorell
Directors–Eldridge, Griffith, Johnson, Kilburn

STAFF PRESENT: Melvin Matthews, General Manager
Chris Burt, Facilities Supervisor
Shirley Burt, Administrative Assistant & Secretary to the Board

CALL TO ORDER: The meeting was called to order by the chair at 1931 hours. A quorum of Board Members was present and the Agenda was approved as presented.

PUBLIC COMMENT: The following customers of the District were present but did not wish to speak at this time. Shirley Spencer - Division 3 Paul Kolar - Division 4 Donna Matthews - Division 3
Erica Sorell - Division 5 Rudy Tekippe - Division 2 Raj Acharya - Division 1

PUBLIC HEARING - WATER RATES:

The Chair declared the Public Hearing Open at 1945 hours. All customers had been notified of the Hearing by a letter sent on October 1, 2015.

The Chair opened the meeting with an explanation of the information accessed and considered prior to proposing the current rates:

- the reduced income from water sales due to mandated conservation
- the need to fund certain capital projects that provide the District with increased fire protection
- a review of the rates charged at nearby water agencies
- the funds necessary for daily operations
- the fixed cost of running the District and the cost of maintaining and improving the infrastructure, which is shared by the District's 581 customers.

Shirley Spencer stated that she thought the rate increases were reasonable.

Rudy Tekippe, Raj Acharya and **Paul Kolar** asked why a portion of the capital improvement costs were included as part of the usage charge and **Rudy Tekippe** asked why the District had not considered developing tiered rates.

The Chair noted that two other comments with similar concerns had been submitted to the Board, one by letter and one by phone.

The Chair explained that if all the fixed and capital improvement costs were included in the daily service charge it would cause that charge to increase by 100% or more and be a financial burden on the low-usage customers as well as reduce the incentive for customers at all usage levels to conserve. He further noted that the establishment of tiered rates requires a costly rate study in order to meet the requirements of Proposition 218. In addition, tiered rates would add significant continuing administrative costs to establish a water budget for each customer based on household size and the landscaped area of each parcel.

The Chair closed the Public Hearing at 2015 hours.

ADOPTION OF WATER RATES:

The Chair requested a call for a motion from the Board regarding the proposed water rates.

It was M/S/C-(Johnson/Kilburn-5/0)

“That the Board adopts the usage rate of \$4.05 per unit and the daily service charge of \$2.02 per day for the 2016 year.”

(Aye-Eldridge, Griffith, Johnson, Kilburn, Sorell/Nay-0/Abstain-0)

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Page 2

GENERAL MANAGER'S REPORT:

The Board reviewed the report as submitted in the packet.

Director Johnson inquired as to whether the Vosburg Project would be completed within this year and the Facilities Supervisor replied that it all depended upon when Edison could do their hookup. He noted that the facility could be functional by using the District's generator to supply the power.

REVIEW OF MINUTES:

The Minutes of October 20, 2015, were reviewed and approved as submitted.

FINANCIAL REPORTS:

The Financial Reports for October 31, 2015, were reviewed and approved for filing. It was noted that the water sales income was very low, probably due to conservation.

ITEMS FOR NEXT AGENDA:

None

ADJOURNMENT:

The meeting was adjourned at 2040 hours. The next meeting will be on December 15, 2015.

Respectfully submitted,

Shirley Burt
Secretary to the Board