

**MINUTES OF THE SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT
July 17, 2000**

MEMBERS PRESENT: Directors Brain, Matthews, Schindler, Sorell and Stock

STAFF PRESENT: Jean Di Angelous, Chris Burt, and Shirley Burt

COUNSEL PRESENT: William Kruse

CALL TO ORDER: The meeting was called to order by the Chair, Stephen Schindler, and he noted that four Board Members were present constituting a quorum. (Director Matthews arrived at 7:40 P.M.)

APPROVAL OF AGENDA : The Chair requested approval from the Board to include discussion of Director Stock's memo regarding the purchase of a second Pump during the Budget Committee Report. The Board unanimously agree to this request. The Agenda was then unanimously approved.

PUBLIC COMMENT

Linda Williams stated that she had received the Annual Drinking Water Quality Report and although generally speaking she had found it to be very informative and interesting, she thought that it was very misleading to the public and that it contained outright errors or lies. She stated that by saying that there was no MCL violation of the Fluoride and the Iron she thought was an outright fallacy. She stated that the water quality report sent out by the City of Pasadena did not contain these errors.

Director Schindler stated that he had noticed these errors also and had requested Mr. Kruse to look into the matter. He requested Mr. Kruse to give his report on the matter at this time.

Mr. Kruse made the following statement.

"We took a look at the regulations that require an annual report of the drinking water quality and found 22 code regulations 64463.1. That section requires that the public water drinking system provide an annual report which provides specific information on water quality to each customer.

We needed to see what is the requirement and, of course the District can go beyond the requirement, but at a minimum you are required to report information concerning concentrations of microbiological contaminants, minerals, physical agents, inorganic chemicals, organic chemicals, and radioactivity. There is no requirement to state the MCL nor a definition of what the MCL is in the context of the report provided to the consumers under this section.

It is certainly reasonable to interpret MCL in this context to include that level which is permitted under the District's PERMIT TO OPERATE. Of course as to Fluoride the District does have the Variance which sets the MCL at a higher level. In order to avoid the misleading characterization that's been brought from the public, in the future it might be appropriate to explain that in some fashion. For example to put an asterick in the box where it says did we exceed the MCL and to provide at the bottom of the page an explanation that the statewide normal maximum contaminate level is set at a certain level and that by permit the District is permitted to exceed that level to a different maximum level. As to the Iron I am not familiar with the facts. I have been told although I have not seen the report "----

Director Schindler interrupted at this point to state that he had the report in front of him and that the range of detections were from none to 335 non units, which he assumed is parts per million.

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The MCL is 300 parts per billion.

The General Manager stated that the requirement to report a violation of MCL is not based on one report, it is based on the average in your system.

Director Schindler stated that it doesn't appear to be that way in the Pasadena Report.

The General Manager noted that the City of Pasadena did not put any of the mandatory language in their report which leaves it open to question.

Director Stock questioned as to what is the issue with Iron, indicating that the concern appeared to be with the error and the exceedence.

The General Manager replied that it is not an error and it is not an exceedence, but that it is a secondary standard and is based on the average in your system which is 19.

Director Schindler noted that the City of Pasadena has an average that is below the MCL for nitrates--31 versus 45, and yet their MCL violation is indicated yes.

Director Schindler stated that since there are certain inconsistencies between the two reports, that maybe further discussion could be postponed and Mr. Kruse could look into the matter a little further.

Mr. Kruse stated "Ultimately from a legal standpoint there are certain minimum requirements which I have read to you. You would still be in compliance if you even deleted the entire column that says "MCL Violation" and not provide that information at all. The regs do not require a specific format."

Mr. Kruse further stated that the Board with concurrence of three votes can mandate any particular format or any particular entry into any of these columns. He also stated "That what I think I am hearing from staff is that they were going based upon what the Health Department was requiring or deeming to be an MCL violation and if it wasn't, from the Health Department standpoint, then it wasn't listed as one in this column."

The General Manager asked if the Board wanted a letter from the Health Department stating that the information provided in the report was within their compliance since they had called and said it was an excellent report and had found no problem with the information provided.

Director Schindler stated that obviously they made an error.

Director Brain questioned as to what the error is?

Mrs. Williams replied that the error is that this report is misleading to the public in that it provided information that is not accurate on its face.

The General Manager stated that it is not a violation as it is a secondary standard.

Director Schindler requested that the General Manager check back with the Health Department regarding the issues of average versus range, and report back to the Board.

FLUORIDE FACT SHEET

Director Schindler stated that Draft D of the Fluoride Fact sheet was sent to the Board on Saturday, and he is aware that not all members have had a chance to read it. He stated that he had received a number of comments from Board Members, some of which have been

Saturday, and he is

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incorporated into this Draft, but that he did not incorporate all comments submitted because he simply did not agree with them. He reminded the Board that Mr. Kruse had suggested that

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the Board respond by August with the Fluoride Fact Sheet, and that he thought he could not do any better than Revision D.

Director Sorell stated that he thought a few simple changes still need to be made.

Director Schindler stated that as far as he was concerned he was no longer going to be involved and he requested the Board to make a suggestion as how to proceed --maybe have a sub-committee to rewrite the fact sheet. If so it should be done in a fairly timely manner.

It was moved by Director Schindler that the Board approve Revision D of the Fluoride Fact Sheet. The motion failed due to a lack of a second.

Director Stock and Matthews stated that they felt the Draft was still incomplete.

Director Sorell stated that he would be willing to work on another Draft with the help of another Board Member in the hopes of being able to obtain three votes.

The Chair then approved the appointment of Directors Sorell and Matthews to a subcommittee to develop another draft of the fact sheet and all Members are welcome to submit comments to the Subcommittee.

Director Brain stated that he thought that the date for the public meeting should be set before the fact sheet is sent out to the public, and that we should not be pushed to meet an August deadline but do it as soon as possible.

Director Schindler stated that he is recommending that staff continue and complete their version of the economic analysis and have it available at the next Board Meeting for discussion in context with the fact sheet.

Director Stock stated that the updated tabular graphs should also be included with the fact sheet.

The General Manager reminded the Board that a decision had not been made regarding the inclusion of item #5 in the cost analysis as he had been directed to contact legal counsel about several suggestions that had been made by Board Members as avenues to avoid possible litigation.

Director Schindler asked Mr. Kruse if the suggestion to reimburse customers for costs related to buying bottled water would alleviate the potential liabilities about which he had been concerned.

Mr. Kruse replied that the District can subsidize the purchase of bottled water for its constituents according to a designated plan as long as it is directly related to the mission of the District which is to provide water to the customers. He further stated that the possible liabilities about which he had concern were -

1) those activities which would require District Personnel to go on the customer premises and 2) where the District would be selecting the water provided to the customer.

Director Stock requested to know the criteria for reimbursement and questioned whether we are raising another liability issue in deciding who receives the subsidy.

Mr. Kruse stated that the District could establish a rational basis upon which one would qualify or not qualify for a subsidy and that rational basis could include such things as the presence of children in the home, the home being located in a specific geographical area, or maybe things such as the ambient temperature.

Director Stock stated that he did not think the reimbursement issue should be considered at all.

Director Schindler suggested that the subcommittee be allowed to study the issue and come up

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with a suggestion.

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DELORES TUNNEL

Director Schindler stated that he had worked with staff in rewriting the Request For Proposal by reviewing the July 1999 Board meeting minutes and attempting to clarify the issues that had been discussed at the last Board Meeting. He stated that the current document coupled with the EIR and Mitigation Plan clearly provides any Environmental Company with the understanding of what is being requested. Directors Sorell, Stock, and Brain both questioned whether there was enough specific direction to provide the qualitative review that is expected.

It was M/S/C/ (Schindler/Mathews) that the RFP be sent out with cost analysis included.

Director Stock presented a report to be filed with the Board Packet.

The General Manager stated he had received an updated cost from Thomas Construction for the contract to install the upper portion of the Delores Tunnel and that it was considerably higher.

The General Manager was directed to get an updated estimate from ASL and then to negotiate the cost with Thomas Construction. He was also directed to get an updated Engineering Estimate from ASL for the rest of the Project.

KID TELEMETRY -- EAST TANK PROPOSAL

This item was tabled and is to be considered at a later date.

BUDGET COMMITTEE REPORT

The General Manager stated that the committee reviewed the income expected for the year and were made aware that the income will be considerably decreased. This decrease is due to the fact that we will have less water to sell to the City of Pasadena because of the decrease in rain fall. This will amount to about a \$60,000 shortfall in income.

Director Schindler noted that on the expenditure side the contract for the next section of the Delores has increased by \$15,000. which increases the shortfall to \$75,000. He stated that many options involving the proposed expenditures were reviewed and that the conclusion appears to be that we have to make a choice between the Delores Tunnel or a new Pumper. He noted that one solution could be to initiate a short term rate increase.

Director Schindler then directed the Board's attention to Director Stock's Memo-"Justification For KID Owning a second, \$50,000. PACO Pump" which had a number of questions to which he requested answers. The Board asked staff to cover the material requested in a five minute presentation, which was done by Chris Burt. At the end of the presentation Director Stock stated that the response was inadequate and he was advised to discuss the matter with the staff at a later date. Director Stock requested that his report be filed with the Board Packet.

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It was decided that a decision regarding a rate increase should not be made until the Rate Study is presented to the Board, hopefully at the next meeting.

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GENERAL MANAGER'S REPORT

Doyme Road Associates -- There has been no activity on this project.

Kinclair Project -- The contract is ready for signing tonight and the Board commended the staff for all the fine work involved however the Project cannot be started until some other documents have been submitted to Mr.Kruse.

Delores Tunnel -- The pipeline has been installed and we are waiting for the final surfacing by the contractor.

REVIEW OF MINUTES

The minutes of the meeting of June 20, 2000 will be reviewed at the next meeting.

REVIEW OF THE FINANCIAL REPORT

The Financial Report of June 30, 2000 was reviewed and approved for filing.

ADJOURNMENT

The next meeting will be held on August 15, 2000

Respectfully submitted,

Shirley Burt, Secretary to the Board

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