

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT
MAY 17, 2011**

MEMBERS PRESENT: Directors Barkhurst, Eldridge, Kilburn and Sorell
Director Griffith was absent due to a prior commitment.

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

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

PUBLIC COMMENT: No members of the public wished to speak.

REVIEW FOOTHILL MUNICIPAL WATER DISTRICT ADMINISTRATION FEE

The Board reviewed the expense spread sheet of the Foothill Municipal Water District (FMWD) as presented to the Kinneloa General Manager by FMWD showing the suggested administrative expense items that Kinneloa should participate in cost sharing with the other agencies in FMWD. The **General Manager** explained that the other agencies within FMWD think that as a matter of fairness Kinneloa should pay their fair share of the appropriate expense items.

Director Barkhurst stated that the Kinneloa Board has to make two decisions – the first is whether the Board should accept the concept of paying some proportion of the administrative expense that is embedded in FMWD and the second is what is the proper amount to pay. He stated he considers decision number one as a relative inexpensive insurance policy that for a suggested \$11,000 per annum the Kinneloa rate payers will have the ability to have water purchased on their behalf on a virtually guaranteed basis from FMWD or Kinneloa would have to go out into the market place to have water purchased on a retail basis. He noted that if the K-3 Well became disabled Kinneloa would only have two potential sources of water supply, one being FMWD and the other some unknown water provider, who if they had the excess water and chose to do so, would charge us whatever the market would bear. He recommended that, because he thinks is reasonable and fair that whether Kinneloa takes water or not, Kinneloa should participate in the paying the administrative expenses that are associated with making water available.

Director Sorell stated that, having discussed the matter with legal counsel, he thinks that it is legally questionable as to whether FMWD has the right to impose this charge as an “administrative fee”, however as a “ready to serve fee” it is much clearer. He questioned how the Board can be assured that in fact that Kinneloa does have a “ready to serve” standing and that this does serve as an insurance policy.

Director Barkhurst replied that it is his understanding that, as the wholesale public water agency for the Foothill’s District, under California Water Code they have an obligation to make Metropolitan water available to Kinneloa at the prevailing MWD rate.

The **General Manager** noted that for years the taxpayers within Kinneloa have been paying a MWD fee which has been turned over to FMWD and is shown as a credit on the spreadsheet.

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT
MAY 17, 2011**

Page 2

REVIEW FOOTHILL MUNICIPAL WATER DISTRICT ADMINISTRATION FEE: (con)

It was M/S/C – (Barkhurst/Kilburn-4/0) – **“That the Board accepts the concept of a monthly charge from FMWD to absorb approximately 2.3 % of their total administrative charge that would be applicable to Kinneloa Irrigation District”.**

It was M/S/C – (Barkhurst/Kilburn-4/0) – **“That the Board authorizes the General Manager to aggressively negotiate with FMWD the actual amount of the annual charge to be assessed to Kinneloa and report back to the Board.”**

REVIEW VENDOR PROPOSALS:

The General Manager reviewed the three vendor proposals as presented in the Board Packet and provided the following information in answer to questions from the Board.

K-3 Well – Upgrade to Variable Frequency Drive:

- There is urgency to this project
- More expensive than prior bid due to better product quality
- Provides the possibility of running less than 100%
- Well would have to be off line while the switch over is done

East-West Connector Main:

- The actual cost of the project is unknown until the design proposal is obtained from the Engineer
- The prior estimated cost was around one million

Villa Heights Interconnection:

- HOA wants to pave street
- Opportunity to do planned valve replacement before street is paved

It was M/S/C-(Barkhurst/Eldridge-4/0) **“That the Board approves the three projects as presented”.**

REVIEW OF GENERAL MANAGER’S REPORT:

WINDOVER ROAD PROJECT:

The **General Manager** reported that the project was going well although it is complicated by

- the lack of accurate “as built” drawings
- the large number and huge size of some of the boulders that had to be removed
- the requirement by Los Angeles County that the removed soil could not be used as road base and since that was an unexpected event he did not expect the contractor to absorb the full cost

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT
MAY 17, 2011**

Page 3

REVIEW OF MINUTES:

The minutes of April 19, 2011 were unanimously approved as presented.

REVIEW OF FINANCIAL REPORTS:

Director Barkhurst reviewed the reports and made the following comments –
--Water Sales income is ahead of budget both on current month and year to date
-- Maintenance Supplies and Vehicle Maintenance expense are over budget
The Financial Reports were unanimously approved for filing as presented.

ITEMS FOR NEXT AGENDA:

FMWD ADMINISTRATIVE FEE

ADJOURNMENT:

The meeting was adjourned at 20:35 hours. The next meeting will be on June 21, 2011.

Respectfully submitted,

Shirley Burt
Secretary to the Board