

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT
January 15, 2002**

MEMBERS PRESENT: Directors Brain, Matthews, Pickard, Sorell and Stock.

STAFF PRESENT: Bill Redcay, Chris Burt and Shirley Burt

CALL TO ORDER: The meeting was called to order by the Chair, Mel Matthews at 1935, and he noted that a quorum was present.

APPROVAL OF AGENDA: The Agenda was unanimously approved as presented.

PUBLIC COMMENT:

Johnny Lima, from Brkich Construction, gave a review of the incident involving damage to the entrance gate of the Upper Kinneloa Ranch Home Owners Association by his company. He detailed various phone calls that occurred between himself, his insurance adjuster, and Mr. Griffith, Member of the Board of the Home Owners Association. He finalized his report by stating that the insurance adjuster has agreed to pay the Upper Kinneloa Ranch Home Owners Association the amount of the quote they had submitted which is around \$3200.

Mr. Griffith delivered a letter to the Board regarding the incident, a copy of which is attached. Director Stock then requested that Mr. Griffith be more specific about the request he made in the letter- "that the Board take the problems that we have had with Brkich under consideration when asking for bids from outside companies for work in and around the ranch." Mr. Griffith replied- "Well, I am just saying- to think about that when you are hiring people and whether or not they are going to be taking care of problems in a timely manner. And our Association would prefer that we not have the company on our property. However you may see that there is reason to have them on there."

The Chair then thanked Mr. Lima for making this report to the Board and stated that this was an accident and nothing that either the District nor the Contractor did deliberately.

REPORT FROM FINANCE COMMITTEE

The Committee Chair, Steve Sorell, reported that the committee had met with the Mr. Aldinger, the Auditor, on January 8, 2002 and discussed the items in the management letter, which is attached to these minutes. After the review of the items outlined in the letter, the committee made the following recommendations--

--The staff should continue to maintain the accounting records on a cash basis rather than an accrual basis, as was suggested, because the Board uses the information as a management tool.

--The receivable balance should be put on the new accounting system so that the cash receipts and the receivable balance are on the same system.

--That in the future, as fixed assets are accumulated, they should be broken down into pipelines, pumps, reservoirs, etc., but that prior accumulated assets would be maintained on the books in their present form..

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Mr. Sorell then stated that the engagement letter from the auditor for the year 2001 included the quote of \$11,000. He stated that he thinks this is excessive and that he would like to obtain at least one more quote. It was M/S/C Sorell/Pickard (5/0) "That Mr. Sorell be authorized to exercise his best judgment in approving a contract at a cost not to exceed \$11,000. and to conclude a contract within the next two weeks." Director Brain then requested that this matter be revisited at the May Board Meeting.

PERSONNEL COMMITTEE MEETING

Director Sorell, Committee Chair, reported that the committee did not meet and the Board Chairman, Director Matthews, requested that the committee reschedule the meeting for a time prior to the next Board Meeting.

PURCHASE OF VEHICLE RADIOS

The General Manager reminded the Board that this was an item that had been approved in the 2002 Budget and that he had received two bids -- one for \$5,500. and another for \$ 6,088. He stated that the low bidder, Metro Mobile, also services and provides radios to Foothill Municipal Water District, Valley Water and a couple of other agencies in the area. The quote will include utilizing the three radios that we currently own and buying two new ones, and will provide us with better reception than we currently have. It was M/S/C (Stock/Pickard-5/0) that "The Board authorize the purchase of vehicle radios for the sum of \$5,500.

BOARD OFFICER TERM LIMITS

Director Brain submitted the following motion for the Board's consideration--

"That the following sentence be added to paragraph 4.02 of our Policy and Procedure Manual-- No Board Officer shall serve more than five consecutive full terms in the same office."

He explained that he thought term limits were a good idea and that he was not firm about it having to be five years. He stated that this would mean that a Director could be Treasurer or Chairman for up to five years, then could serve in a different office for two or three years, and then could be elected back into the same office again, noting that there is nothing wrong with being brought back into the same office but the idea is - let's break it up once in awhile, rather than have somebody become known forever as the Chairman or Treasurer of the KID.

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It was M/S/C (Brain/Stock-5/0) that the motion, as submitted, be adopted. The Chair stated that this motion would apply to those currently holding office and would be retroactive to the time of their appointment.

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BOARD OFFICER ELECTION PROCEDURE

Director Brain submitted the following motion for the Board's consideration--

"That the Board adopt the following procedure for election of Board Officers--

Officers will be nominated and elected individually, not as a "slate". The procedure is as follows:

- The Chairman calls for nominations for the office of Chairman**
- A candidate is nominated**
- The Chair calls for a second to the nomination**
- The nomination is seconded (If a second is not received the nomination dies)**
- The Chair then asks if there are other nominations**
- All other nomination (if any) are received and seconded**
- The Chair then calls for a vote and announces the results**
- The same procedure would be followed for the of Treasurer and Secretary."**

It was M/S/C (Brain/Sorell-5/0) that the motion as submitted be adopted.

BOARD COMMITTEES AND COMMITTEE MEMBERS

The following ad hoc committees and membership were approved

Finance Committee -- Steve Sorell, Maurice Pickard

Personnel Committee -- Robert Brain, Steve Sorell

Special Projects Committee -- Melvin Matthews, Maurice Pickard

GENERAL MANAGER'S REPORT

The General Manager reviewed his report, a copy of which is attached to this minutes. A copy of the revised budget format was given to the Board.

REVIEW OF MINUTES

The minutes of the regular meeting held on December 18, 2001 were approved as presented.

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REVIEW OF FINANCIAL REPORT

The financial report of December 31, 2001 was reviewed and approved for filing.

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ADJOURNMENT

The meeting was adjourned at 2145 and the next meeting was scheduled for February 19, 2002.

Respectfully submitted,

Shirley Burt
Secretary to the Board