

KINNELOA IRRIGATION DISTRICT
Regular Meeting – Board of Directors
1999 Kinclair Drive, Pasadena, CA 91107
Tuesday, September 17, 2019, 3:00 pm
Minutes

DIRECTORS PRESENT: Gordon Johnson, Gerrie Kilburn, and Bill Opel
Frank Griffith (arrived at 3:03 pm)
Tim Eldridge (departed at 4:07 pm)

DIRECTORS ABSENT: None

STAFF PRESENT: General Manager Melvin Matthews, Administrative Assistant Joel Bundy

1. CALL TO ORDER: Director/Chair Gordon Johnson called the meeting to order at 3:01 pm. A quorum of Board Members was present. The Agenda was reviewed. No changes were requested.

2. PUBLIC COMMENT: No members of the public were present.

3. REVIEW OF MINUTES: It was motioned/seconded/carried-(Eldridge/Kilburn-4/0/0/1):
“That the Board approves the August 20, 2019, minutes as presented for filing and posting on the website.”

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

4. REVIEW OF FINANCIAL REPORTS: Director/Treasurer Bill Opel reviewed the August 31, 2019, financial reports. On the Income Statement, he pointed out that for the year to date variance, the net income is under budget by \$2,081.39 and the expenses are under budget by \$8,347.33.

(Director Griffith arrived.)

The General Manager responded to a question about line item 5005 Electricity over budget due to Edison catching up on billing for sites not billed in previous months and line item 5030 maintenance/repair contractors over budget due to leaks in the District.

On the Cash Flow Statement, Director Opel stated that there was a net increase in cash of \$57,951.61. He concluded with the Balance Sheet, stating that the Wells Fargo, LAIF and CalTrust accounts have been reconciled.

It was motioned/seconded/carried-(Eldridge/Kilburn-5/0/0/0):

“That the Board approves the financial reports as presented for filing.”

5. GENERAL MANAGER’S REPORT: The General Manager and Board reviewed the report.

II.C. Truck Replacement: The original plan was to purchase one truck in 2019 and one in 2020, but he is considering getting both in 2020.

II.D. Website Redesign: Ongoing costs with Streamline for the platform and hosting will be \$200/month. Director Eldridge asked about the design cost. The General Manager stated that there is only a \$500 one-time fee to migrate the information and documents from the existing site. There is no design charge. He hopes to demonstrate the website to the Board before it goes live.

III.C.7: Test Advanced Water Meter Analytics: The components were delivered on September 16 and will be installed in October.

IV. Water Supply Summary...: The General Manager stated that the Facilities Maintenance Operator and he investigated House Tunnel. They made one repair, and as they were returning down the mountain, they found another water leak in the pipe. They were able to measure the

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flow at about 11 gallons/minute and the District will receive spreading credit, with a potential of 30 acre-feet and a value at imported water rates of \$30,000 or more. Fixing the pipeline will be hard to do economically, because it is in a canyon about 50 feet off the ground, from a suspension cable. The spreading credit for the tunnel does not count as production and will not show on the water supply summary table. He will continue investigating the pipeline repair. He emphasized that the tunnel sources are very valuable to the District.

6. BUDGET FOR 2020: The General Manager reviewed the budget documents.

It was motioned/seconded/carried-(Opel/Eldridge-4/1/0/0):

“That the Board adopts the Budget as presented.”

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

Discussion ensued. The Chair requested that the specific message to customers include examples of projects that are driving the increase. The General Manager replied that the next step is a letter to all customers that highlights any projects and he will seek input from the Directors. The Chair stated that the public understands that physical improvements take money, but general increase due to inflation raises questions of efficiency. Director Kilburn added that specific examples add transparency. Director Opel asked if a call for discussion occurred before the vote. The Chair said it did not. Director Griffith stated that had it been clear that the motion only applied to the Budget and not the rate increase, he probably would have voted aye. As a point of order, Director Opel requested another motion be made. It was motioned/seconded/carried-(Opel/Eldridge-5/0/0/0):

“That the Board adopts the Budget as presented.”

7. INFORMATION ITEMS:

a. Board of Directors Compensation: The General Manager reviewed the memo. The General Manager recommended an increase to \$150 per meeting, which is within the allowed increase of 5% per year and reflects the compensation in other districts. To adopt that, the next step is to prepare an ordinance, which states what the compensation will be and establishes the guidelines for determining director compensation thereafter.

It was motioned/seconded-(Opel/Eldridge):

“That the Board proceeds to embark on the process necessary to increase Directors’

compensation to bring the past amount current in terms of the CPI [Consumer Price Index] and then to maintain it current for the following 5 years, current with the CPI.”

Discussion ensued. Director Kilburn asked if the compensation has always been \$100 per meeting. The General Manager replied that as far as his research showed, the amount has been \$100 since the District was established in 1953. The code allows a 5% increase for every year since 1953, but that would probably bring the amount above what may be appropriate. As an example, Foothill Board compensation is slightly under \$150 and increases by a fraction of a percent.

Director Opel requested amending his motion, to add that the lookback period be no more than 10 years and withdraw the 5 year forward look and just keep it current with inflation.

It was motioned/seconded/carried-(Opel/Eldridge-5/0/0/0):

“That the Board proceeds to embark on the process necessary to increase Directors’

compensation to bring the past amount current in terms of the CPI, with a lookback period no more than 10 years, and then to maintain it current with the CPI.”

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b. Privileged Information: The General Manager stated that the Board requested addressing privileged information and public record access. He added that the Board acts collectively, but an individual Director's request, unless it is for a committee, is the same procedure as a public information request. He stated that CSDA (California Special Districts Association) and ACWA (Association of California Water Agencies) work hard to keep districts compliant. He decided the best approach was to include the CSDA's Public Records Act Compliance Manual. He pointed out that the District's Rules and Regulations also have two articles regarding public records act and the steps in the Rules and Regulations are right in step with the requirements. After a request, the District has 10 days to decide whether the information is disclosable. There is always the balance between customer privacy and disclosing information that is useful for the public good. Director Opel requested that the staff have some sensitivity of the needs of individual Directors to information to maintain relations with their constituents, while not violating any good practices. Director Griffith pointed out, Item 7, page 8, right column: "Also, officials may access public records of their own agency that are otherwise exempt when authorized to do so as a part of their official duties." He requested that someone determine what that means. Director Eldridge added that sometimes a determination that is made can be challenged and be reversed by a judge.

c. Password Backup: The General Manager reviewed the computer and security procedures memo. Director Johnson asked: how many people have access to the usernames and passwords, are they kept up to date, and should there be a designated person on the Board? The General Manager stated that the entire staff has access to all the general passwords. There are also individual passwords to banks, and so forth, that are not general, but all three office staff have total access to those sites. Director Johnson asked if there are specific applications or data that is not available in the manner described. The General Manager said that performance evaluations would be an example of data that is not accessible. Those computer files are password protected. However, there are printed copies, so there is physical access to physical personnel records. There are not any other files that would not be accessible. Director Eldridge asked what would happen if the District was hacked and all the data was held hostage. The General Manager stated that there are off-site backups of all critical data and redundant backups of all data in the office. In other words, we are well protected. Director Griffith asked if other than staff, does anybody on the Board have access. Director Eldridge said, "No." The General Manager stated that he has always offered to the Board, the ability if they have a need, to come into the office and log on. Director Griffith asked if the General Manager had stated earlier that he did not want anybody leaving with a printed document. The General Manager stated that he did not want sensitive documents to leave in a printed or email form, like the securities procedure manual. Director Griffith stated that he thought there should be a Board member who could have access if the staff is not available. Director Kilburn stated that she could not think of any of the Directors really needing access, because they have three people with full access and cloud backups to data. The Chair summarized that staff have access to everything, except for personnel records, which the General Manager retains. Director Eldridge added that the District's back up is three staff members, and if something goes wrong, you call in people who are experts. The Chair requested a follow up discussion to having a backup redundancy to the personnel records in the personnel committee. Director Griffith stated that in the past, a copy of personnel files was retained by the Chair. The Chair stated that did not happen and decades and years are missing. Director Kilburn added that

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the personnel committee would like to schedule an interview time with each employee and have a closed meeting with the Board.

d. Management Report: The General Manager reviewed the report.

(Director Eldridge departed.)

He detailed the following figures:

Figure 2 shows an uptick in tunnel production, and well production was slightly lower.

Figure 3 shows that despite increased tunnel production, K-3 Well supplied 82% of production.

Tunnel production was a small percentage, but very important and valuable. Wilcox Well was virtually zero percent. The well is run once a week to keep it alive, and it is still an important emergency source. If needed, it could provide 15-20% of total production, but at a much higher cost due to lack of efficiency and cost of electricity.

Figure 4 shows retail customer sales are down and shows a downward trend line, which is problematic in terms of rates and revenue. Sales directly impacted the 2020 Budget and are very dependent upon weather.

Figure 5 shows the pattern of water sales, and though the exact sales amounts change, the pattern is almost identical every year.

Figure 6 shows the water usage of the District's customers. He pointed out that the majority of the District's customers, in the month of June 2019, used less than 50 units. Director Kilburn asked if some Divisions have a different variation of water usage. The General Manager stated that he has not analyzed usage based on different areas in the system. Director Griffith asked if an additional column could be added to reflect the monetary cost of the usage for each category.

Figure 7 shows monthly water sales. The table shows how the District is doing on the conservation front, from 2013 to June 2019. 2013 was the comparison year the state board selected to draft emergency conservation restrictions.

Figure 8 shows rainfall. The measurement is taken from Eaton Dam records.

Figure 9 shows power cost in dollars per acre and reflects the efficiency of the pumps and motors. There are trends. For example, if there is a lot of tunnel production and the pumps are not run as much, the District gets a lot of water at very little cost. There is a general increase in power cost over the years, but the District has done very well to keep increases to a minimum. Director Griffith asked if the District is still considering solar power. The General Manager stated that he continually evaluates solar power project or grant options, but currently there is very little incentive for utilities to adopt solar power. The two potential sites would be the reservoir roofs at Wilcox and Vosburg.

Figure 10 shows the long-term storage account. If a situation arises where the water is needed, it can be pumped.

Director Opel made the following suggestions: page 4, supply issues section, add water quality and testing information; page 4, capital improvement section, add distribution system project information, including the importance of fire protection, a looped system, and topographic challenges of the area; page 4, administrative activities, add governance information: an elected Board arranged by District, a non-profit public agency, governed by a Board, and operations under the control of the General Manager.

8. DIRECTOR REPORTS AND/OR COMMENTS: Director Griffith requested that the General Manager and he meet with Mr. Lofthouse. Director Griffith stated that the fire department is

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trying to determine who ordered the brush clearance that was done by the California Conservation Corps. The General Manager stated the District granted access to property, but the brush removal was not a District project. Director Griffith stated that he would speak with the president of the Pasadena Glen Firesafe Council who arranged for the work using grant funds from the State of California. The General Manager said that the work was a benefit to the District's property and was done using the same procedures as has been done in past years.

9. CALENDAR: No discussion.

10. ADJOURNMENT: The meeting was adjourned at 4:40 pm.

Prepared by:
Bernadette Allen, Office Manager/Board Secretary

Reviewed and submitted by:

Melvin L. Matthews

Melvin L. Matthews
General Manager