

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT
October 16, 2007**

MEMBERS PRESENT: Directors Barkhurst, Sorell and Pickard.
Directors Griffith and Kilburn had previously notified the Board that they would be unavailable for the meeting.

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, **Richard Barkhurst**, at 1930 hours. The Agenda was unanimously approved as presented.

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

APPROVAL OF YEAR 2008 BUDGET

Director Barkhurst requested that the minutes reflect that Directors Griffith and Kilburn, who are absent from the meeting, had actively participated in the development and approval of the budget that is being presented.

Director Sorell made the following comments regarding the proposed budget --

- A rate increase is not being proposed for the year 2008
- Water sales are predicted to be the same as in 2007
- No disaster assistance is being forecasted
- Expenses are forecasted to increase mainly in the areas of insurance, water master fees, salaries, PERS, Social Security, gasoline, computer maintenance, and truck purchase
- The budget committee did recommend approval of the proposed budget.

Director Barkhurst commented that the proposed budget is conservative as regards revenues and expenses but will leave a negative cash flow of \$88,000 and that the minutes from the budget committee meeting indicated that it was the consensus of the committee that a rate increase not be recommended this year but that the District will live within the negative cash flow as shown.

Director Sorell agreed with Director Barkhurst's statement but noted that the District could draw down on the reserves if needed.

The **General Manager** stated that there might be additional funds available from the 2007 year carry over to offset the projected negative cash flow due to the receipt of FEMA funds. He further stated that there will be a project list established that will indicate the priority and estimated costs for each of the capital projects and that each of the projects will be brought to the Board separately for approval.

Director Barkhurst commented then that the assumption is based on this budget including the capital piece and that the total capital type of expenditures for 2008 would stay within the \$325,000.

It was M/S/C- (Sorell/Pickard-3/0) - **“That the 2008 proposed budget be approved as presented.”**

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DEVELOPMENT OF COMMUNITY OUTREACH PLAN

Director Barkhurst stated that he had requested that this item be placed on the Agenda so that it remains an agenda item because the Director who has volunteered to lead this project is not present and he recommended therefore that the discussion be continued at the November meeting.

The **General Manager** reported that Foothill Municipal Water District is going to hire a part time person to deal with conservation and community outreach and that this person would be available to Director Kilburn as a resource.

Director Barkhurst commented that he had observed from the ads in the local newspapers that there are a number of water districts and related entities that are holding public meetings and that the District could learn from what they have done and what proved to be most successful.

GENERAL MANAGERS REPORT

The General Manager highlighted the following topics from his report.

Truck Purchase – The District has the final quotation from Wondries which is within the budget but the District is waiting for more backup material to be sure that the utility body meets the District specifications.

K-3 Pipeline – The Contractor is scheduled to begin on Wednesday, October 17, 2007

REVIEW OF THE MINUTES

The minutes of September 16, 2007 were reviewed and unanimously approved with the following correction

Page 2, paragraph 10, last line – after the word “for” insert the words “specific capital projects or revenue generation”.

The minutes of September 24, 2007 were continued to the November meeting since the minutes were of a budget discussion and two members of that discussion were absent from the meeting.

REVIEW OF FINANCIAL REPORTS

The **General Manager** directed attention to the expenditures for the Hi-Lo Pressure Tunnel and noted that the District’s cost is down to \$911.47 due to FEMA payments.

Director Barkhurst noted that expenditures were over budget for the water treatment category and the **General Manager** explained that was due to the replacement of a chlorinator unit that had been malfunctioning and Director Sorell stated that it would be a maintenance cost.

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REVIEW OF FINANCIAL REPORTS (CONTINUED):

Director Sorell questioned the cost for Diesel fuel and the **Facilities Supervisor** explained that during the power outage he had used that amount in three days for the auxiliary pumps.

Director Sorell questioned the amount spent for water meters and the **Facilities Supervisor** replied that the cost covered 6-1" meters, 2-1 ½ meters, 2- 2" meters and 6- ¾" meters which are all the radio control type which allows for drive by reading.

The Financial Reports were unanimously approved as present.

ITEMS FOR NEXT AGENDA:

Community Outreach Plan
Minutes of September 24, 2007
Presentation of Master Plan
Review of Production Report
Results of Election

ADJOURNMENT:

The meeting was adjourned at 2115 hours and the next meeting will be on November 20, 2007. Director Pickard notified the Board that he will be out of town on that date.

Respectfully submitted,

Shirley L. Burt
Secretary to the Board