

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT
SEPTEMBER 16, 2014**

MEMBERS PRESENT: Chair - President Gerrie Kilburn
Directors - Griffith, Eldridge, Johnson, Sorell

STAFF PRESENT: Melvin Matthews, General Manager
Chris Burt, Facilities Supervisor
Shirley Burt, Administrative Assistant & Secretary to the Board

CALL TO ORDER:

The meeting was called to order by the Chair, Gerrie Kilburn, at 1930 hours. She declared a quorum was present. The Agenda was approved as presented.

PUBLIC COMMENT: No persons desired to speak.

**DISCUSSION OF PROPOSAL FROM SOUTHERN CALIFORNIA GAS COMPANY FOR INSTALLATION OF
ADVANCED METER DATA COLLECTION UNIT ON DISTRICT PROPERTY:**

Helen Shaw, Juan Gonzalez, Jr., and Dennis Lord from the Southern California Gas Company presented a request to the Board to install a Meter Data Collection Unit on the Vosburg Reservoir Site.

It was M/S/C-(Sorell, Eldridge) –

“That Staff meet with representatives from the Southern California Gas Company on the Vosburg site to select the exact space where the device would be located and that the Southern California Gas Company submit a written proposal to the Board at the October Board Meeting.”

Board members Griffith, Eldridge, Johnson, Kilburn, and Sorell voted Aye.

RESOLUTION 2014-9-16 WATER QUALITY, SUPPLY, AND INFRASTRUCTURE IMPROVEMENT ACT:

The **General Manager** explained that this legislative act would be on the November ballot and urged the Board to adopt the resolution in support of the Act.

It was M/S/C-(Johnson/Griffith) –

“That the Board adopt Resolution 2014-9-16 in support of Proposition 1 – The Water Quality, Supply and Infrastructure Improvement Act of 2014.”

Board members Griffith, Eldridge, Johnson, Kilburn, and Sorell voted Aye.

REVIEW OF APPENDIX L – PROPOSED WATER CONSERVATION PROGRAM:

The Board reviewed the proposed document as presented in the Board Packet. It was agreed that the Board Members can submit their suggestions to the General Manager before the next meeting and that the document with any revisions would be presented for action at the October meeting. The General Manager said that the Water Conservation Program can be changed any time in the future by action of the Board.

PRESENTATION OF PRODUCTION AND SALES REPORT FOR 2013-2014:

The **General Manager** reviewed his extensive report in detail and noted that:

- Tunnel Production was significantly below the 20 year average of 272 acre feet.
- This year is the third consecutive year for significantly below-average rainfall.
- In spite of promoting water conservation measures, water sales have increased each year for the past three years and this increase is attributed to the continuation of the drought rather than a lack of conservation efforts by the customers.

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DISCUSSION OF WATER RATES:

The **General Manager** stated that he had presented an extensive written review of the subject in the Board Packet and requested any comments or questions from the Board regarding the material presented. Following discussion and clarification of some items there was a unanimous decision among the Board that a rate increase was needed.

It was M/S/C-(Sorell/Griffith)-

“That the monthly service charge and commodity charge be increased 5% starting January 1, 2015.”
Board members Griffith, Eldridge, Johnson, Kilburn, and Sorell voted Aye.

DISCUSSION OF SCHEDULING AND FINANCING OF MAJOR PROJECTS FOR 2015:

The **General Manager** recommended that the Vosburg Reservoir project be scheduled for the winter and that the East-West Pipeline project be done in the summer. The **Facilities Supervisor** stated that the Engineer is scheduled to have the Vosburg Project Bid package ready by the first of October and then request for bids can be sent out in the middle of October.

The **General Manager** stated that he had researched various financing alternatives and is recommending the proposal from California Special District Finance Corporation that is in the Board Packet. The proposal is for \$1 million dollars structured as a lease purchase agreement for a 20 year term at 4.15%. He stated that his signature on this proposal would serve to lock in the interest rate at 4.15% but would not bind the District to accept the financing. If the District accepts the financing, it could take up to 60 days to fund.

It was M/S/C-(Sorell/Eldridge)-

“That the General Manager be authorized to sign the proposal with the understanding that this does not obligate the District to accept the Financing.”

Board members Griffith, Eldridge, Johnson, Kilburn, and Sorell voted Aye.

GENERAL MANAGER’S REPORT:

The **General Manager’s report** was reviewed by the Board and the Board had no questions or comments.

REVIEW OF MINUTES:

The minutes of August 19, 2014, were reviewed and approved for filing as presented.

REVIEW OF FINANCIAL REPORTS:

Director Sorell reviewed the reports for August 31, 2014, and they were accepted for filing as presented.

POSSIBLE ITEMS FOR NEXT AGENDA:

Review of Appendix L
Discussion of Rates
Update on Projects
Public Meeting Agenda

ADJOURNMENT:

The meeting was adjourned at 2130 hours.
The next meeting will be on October 21, 2014.

Respectfully submitted,

Shirley Burt
Secretary to the Board