

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT
JANUARY 20, 2009**

MEMBERS PRESENT: Directors Barkhurst, Kilburn, Pickard, and Sorell
Director Griffith notified the Chair that he would be absent.

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

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

PUBLIC COMMENT: No persons from the Public wished to comment at this time.

REVIEW OF GENERAL MANAGER'S REPORT:

The **General Manager** asked if the Board had any questions regarding any items in his report.

Accounts Payable Procedure:

Director Barkhurst explained that he had been working with the General Manager and the Auditor to determine if there is a method whereby bills could be paid electronically, and the scheme he is suggesting is to have a listing of the bills with a fairly complete description Emailed to all the Board Members several times a month and upon receiving back an approval from a minimum of three Board Members the General Manager would thereby be authorized to pay those bills electronically.

Director Sorell commented that, while approval could be given for a list of bills to be paid, there is no control to ensure that those specific bills would be paid and not some other bills that had not been approved.

Director Barkhurst replied that the Bank Statement reconciliation at the end of the month would serve as the oversight control.

Director Sorell questioned who was doing the Bank Statement reconciliation and **Director Barkhurst** replied that he thought Director Sorell was doing that and Director Sorell replied that he was not.

The **General Manager** stated that he performs the Bank Statement reconciliation and it is available for review.

Director Sorell noted that the General Manager is writing the checks and also reconciling the accounts and he thinks that the Auditor would see that as a control issue. He further stated that what minimizes that issue now is that currently two Board Members sign the checks as the General Manager is not a signatory on the check and the Board Members are actually handling the paper. He further stated that, if the General Manager is doing everything on line, this negates that point of control.

The **General Manager** noted that the Bank doesn't even check signatures on the checks anymore and **Director Sorell** stated that he was aware of that.

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GENERAL MANAGER'S REPORT (continued):

Director Barkhurst stated that nothing is finalized yet and that he just wanted the Board to know that a procedure is being developed and will be presented for Board review.

The **General Manager** stated that he wanted to make the Board aware that there is not much control now and that it is his basic honesty and integrity that prevents abuse and this suggested procedure would not represent any change from the current practice.

Overtime :

Director Kilburn questioned how the overtime for 2008 compare with 2007 and the General Manager replied that he thought it was slightly more but that the purpose of this overtime report was to delineate where the overtime is incurred.

Director Sorell noted that Facility Check is a scheduled activity and Projects are a known kind of activity but that the other activities are unplanned and the General Manager concurred.

REVIEW OF THE MINUTES:

The minutes of December 16, 2008 were reviewed and unanimously approved with the correction of three typographical errors.

REVIEW OF FINANCIAL REPORTS:

Director Sorell reviewed the reports and made the following comments –

- The reports reflect the unofficial report of this year's activity
- Water revenue for the year is \$1,041,000
- The District is about \$50,000 ahead in the budget overall
- Electricity costs are less than budgeted
- Maintenance Contractors are over budget mostly due to leak repairs
- Legal expense are within budget but a larger portion than expected is being spent on obtaining ownership of the Sage and West Tank sites

Director Barkhurst stated that he had been asked by Director Griffith to make the following comments –1)He could not reconcile the power expense, 2) He wished to know why there was not the Budget Spread Sheet in the Board Packet and 3) Why the Credit Card Disbursement Report shows Brian using the credit card for expenditures that could be better handled at the office level.

Director Sorell stated that that question about the power reconciliation had already been answered. The **General Manager** stated that he had decided to eliminate that Budget Spread Sheet because it is not used at the meetings, but that he will keep it as an internal document which can be reviewed at any time.

The **General Manager** explained the expenditures that Brian made were within his area of responsibility.

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REVIEW OF FINANCIAL REPORTS(continued):

Director Sorell noted that a schedule of our power bills could be shown where at least ten of the months would line up.

Director Barkhurst requested the General Manager to report on the feedback from the Board Members regarding what financial reports they would like to have included in the Board Packet. The **General Manager** replied that Director Sorell requested the Income Statement, Balance Sheet, Cash Flow Report, Check Register, and the Aged Receivables Report, and that was about the same for the other Directors, although he had not received a reply from Director Griffith.

Director Sorell stated that it is nice to have a resource where he can look at the trend on a month to month basis and suggested that the Budget Spread Sheet be reviewed on a periodic basis.

Director Barkhurst noted that it would be particularly helpfull when there are large unanticipated expenditures that might change the actuals at the end of the year.

Director Sorell said that it would be helpful to have the report available at the meeting.

The **General Manager** suggested that he could Email the report which would avoid the printing.

The Financial Reports were unanimously approved for filing as submitted.

ITEMS FOR NEXT AGENDA:

Director Barkhurst stated that as Chair he would like to appoint Gerrie Kilburn and Maurice Pickard to an Ad Hoc Personnel Committee to review the performance of the General Manager for the calendar year 2008 and that Gerrie Kilburn act as scribe. He reviewed the process that should be followed--

- The General Manager will Email a Performance Review Form that has been used for the last four years to Director Kilburn.
- Director Kilburn will meet with Director Pickard and develop a complete narrative of the Performance Review leaving the number scores blank.
- The General Manager will Email to all Board Members his self appraisal for the year 2008.
- The Board will meet in Executive Session in March.

ADJOURNMENT:

The meeting was adjourned at 1955 hours. The next meeting will be held on February 17, 2008.

Respectfully submitted,

Shirley L. Burt
Secretary to the Board