

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT
OCTOBER 21, 2008**

DRAFT

MEMBERS PRESENT: Directors Barkhurst, Griffith, Kilburn, Pickard, and Sorell

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 one from the Public wished to comment at this time.

IDENTITY THEFT PREVENTION PROGRAM:

The **General Manager** stated that the Identity Theft Prevention Program had been presented to the District requesting action rather quickly and that the legal counsel for the Public Water Agencies Group had prepared the resolution format that could be used by the water agencies.

Director Sorell questioned whether the District could do all of the things that are being stated in the resolution and the **General Manager** replied that he thought he could, noting that the burden is on him to develop the program.

Director Sorell stated that the reason he is concerned is because Legal Counsel recommended that this be done or there will be a large amount of liability. He questioned whether it was worse to adopt a resolution and say we are doing do this when we are not, than to take this matter under advisement and develop a plan over the next three to six months and then adopt the resolution.

Director Griffith question whether the district had ever had a problem and the **General Manager** replied that the district had not had a problem and that he thought he could write a very simple program noting that there is no enforcement action and that the thinking is that it is better to adopt the resolution and develop a program even if later someone states the program is not satisfactory..

Director Pickard questioned whether there was a cost to the program and the **General Manager** replied that there was no cost.

The **Administrative Assistant** reminded the Board that the District takes very little information from the customer—no social security numbers or driver’s licenses-- and that therefore the amount of information to be protected is minimal.

It was M/S/C-(Griffith/Kilburn-5/0) – **“That the Board adopts Resolution 2008-10-21
ADOPTING IDENTITY THEFT PREVENTION PROGRAM”**

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT
OCTOBER 21, 2008**

DRAFT

Page 2

REVIEW OF THE 2007/08 PRODUCTION AND SALES REPORT

The **General Manager** reviewed the Production and Sales Report noting that –
--the statistics might show some evidence that conservation is working
--figure four shows that 65% of the production came from the K-3 Well and that will be true for the next year unless there is a good rainy season
--the Dolores tunnel is down to 7% of total production when last year it supplied 25%

Director Barkhurst questioned the cost of operating the Wilcox Well and the implications if it was shut down.

The **General Manager** replied that

--it provides significant production in times of emergency
--the Raymond Basin Management doesn't dictate which production source is used
--the standby charge is about \$800/month
--it is a valuable resource although the pumping level is very low

Director Sorell questioned as to how often the Wilcox Well ran and the possibility of obtaining power by using one of the District's generators.

The **General Manager** replied that--

--the well is run once a month minimum
--a generator large enough to run the well is not in the budget until 2010
--the power for the chlorinator and lights would need to be considered and maybe a different power rate could be obtained for the smaller usage.

Director Pickard stated that the pump cannot be allowed to just sit there and the **General Manager** agreed explaining that the Well could seal itself off if not used.

The **General Manager** stated that is he very nervous having only one Well to rely upon and that while the emergency connection with the City of Pasadena worked well when the K-3 Well was down, the District may not have the water to repay them and there will have to be a monetary repayment. He noted that he is exploring the possibility of developing another well site nearby in partnership with the City of Pasadena or a tie in to the Foothill Municipal Water District system.

Director Sorell questioned whether we could not use the water in long term storage and the **General Manager** replied that would depend upon the decision reached by the Raymond Basin Management Board and that decision may not be made until next March. He explained that the current proposed plan is to reduce pumping by 6% each year for 5 years for a total reduction of 30% from our 1955 decreed rights.

The **Board** congratulated the General Manager for the excellent Report and for the fact that he had passed the Grade 3 Certification Test.

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT
OCTOBER 21, 2008**

DRAFT

Page 3

GENERAL MANAGER'S REPORT:

The **General Manager** asked the Directors for comments and questions about the items in his Report.

Control Valve Maintenance

Director Griffith questioned the number and cost of the Cla-Val valves in the system and the **Facilities Supervisor** replied that –

- there are about 14 valves in the system -- one at every Booster Station and Well site
- the cost for a new 6" valve is approximately \$3500-\$4500
- the cost to rebuild one is around \$500-\$600.

Director Sorell stated that he thought some of the valves were fairly new and the **Facilities Supervisor** replied that some of them are fairly new but they require scheduled maintenance so that they remain functional.

House tunnel

Director Griffith questioned the difference in the contractors price of \$80,000 and the General Manager's price of \$1000 for an in-house repair of the House tunnel and the **General Manager** explained that the work to be done differed in the two estimates and that he felt compelled to save the District that money based on the current rate of flow from the tunnel. He stated that over the next two or three weeks he would be completing the job. He explained that the Contractor's price included building a access road rather than a trail, removing all of the debris from the landslide, putting in a new outlet pipe, as well as sealing up the tunnel entrance.

Director Barkhurst questioned whether there was an opportunity for FEMA reimbursement and the **General Manager** explained that this is not a declared disaster incident and therefore not eligible for FEMA money.

Director Griffith questioned whether this was an area where a landslide could occur again and he expressed concern about the General Manager's safety working in the area but the **General Manager** explained that he would have a safety buddy with him.

Director Griffith wondered if, due to possible liability, it would not be wise to have some engineering provided and a soil test done, but the **General Manager** stated that he felt perfectly safe working in the area and does not feel that anything else is necessary.

REVIEW OF MINUTES

The minutes of the Regular Meeting of September 16, 2008 were approved as presented with the insertion of the word "internet" after the word preliminary on page 2, line 18.

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT
OCTOBER 21, 2008**

DRAFT

Page 4

REVIEW OF THE FINANCIAL REPORTS

Director Sorell reviewed the reports noting that the -

- Capital Projects expenditures were very close to budget
- Income for the month was \$109,000 and the expenditures were \$12,000 above budget
- Net income was slightly under budget but the budget year to date was ahead \$55,000
- Maintenance supplies and contractor expense were the largest expenditure variances
- Negative net outflow this month was \$36,000 mostly because of the truck purchases and proceeds from the financing will appear on the cash flow report and offset the negative flow.

The **General Manager** explained that

- Most of the maintenance supplies were major electrical items purchased for inventory as spare parts for the well and booster stations.
- The Contractor expense was due to a main break on Villa Knolls
- Reimbursement of approximately \$86,000 will come back when the trucks are financed

Director Sorell questioned what action is required regarding the main break on Villa Knolls as he noted in the General Manager's Report that it was a temporary repair.

The **General Manager** explained that

- The main has had at least four or five breaks in the last four years and is not reliable due to the thin wall thickness of the PVC pipe and the high pressure in the line
- The work that needs to be done includes transferring five services onto another nearby existing main and extending the existing main to the end of the street
- Chris is getting estimates for transferring the five services to the other main
- The pipeline extension is a pipeline project and needs to be engineered

Following the review the Financial Reports were unanimously approved for filing.

ITEMS FOR NEXT AGENDA

Approval of the Rate Increase

Approval of the 2009 Budget

Request from HOA to place Storage Container on District Property

Mesa Pipeline Project

ADJOURNMENT

The meeting was adjourned at 2015 hours and the next meeting will be on November 18, 2008.

Respectfully submitted,

Shirley L. Burt
Secretary to the Board