

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT
November 18, 2003**

MEMBERS PRESENT: Directors Brain, Matthews, Pickard, Sorell and Stock.

STAFF PRESENT: William Redcay, Chris Burt and Shirley Burt

CALL TO ORDER: The Regular Meeting of the Board was called to order at 1934 Hours by the Chair, Melvin Matthews. He noted that a quorum was present and that the Agenda was before the Board.

PUBLIC COMMENT

No members of the public wished to make comment at this time.

BUDGET COMMITTEE REPORT

Director Sorell, Chair of the Ad Hoc Budget Committee, reviewed the proposed budget for 2004 in detail. His review included the following comments--

--The source of income from interest is reduced from last year due to the drop in interest rate, and the reduction of the funds held in the LAIF Account.

--The source of income from water sales is a conservative estimate.

--The proposed expenditures for Planned Maintenance and Capital Expenditures include some projects that were approved in the 2003 Budget.

--Not all proposed projects will necessarily be done, as approval of the Budget does not give a blanket approval of all the proposed Projects, and there is a practical limit as to how fast we can spend money for the proposed projects.

--The Budget as proposed leaves only a very small amount in the reserve fund beyond the \$250,000 that has been set aside as an emergency fund.

--When the Master Plan was approved several years ago it called for doing rate increases on a regular basis and a subcommittee can be formed to review the need for a rate increase.

--This proposed Budget for 2003 provides the tools to look at the needs for 2005.

--The proposed \$20,000 for the office Generator is needed to replace the current Office Depot Generator which is not big enough to support the demands of the computers, SCADA system and other office equipment.

--The proposed expenditure of \$18,000 for meter replacement is an endeavor to improve water sales that are currently being lost due to older, poorly functioning water meters.

--Before the next Board meeting, the committee should meet and develop a presentation for the Board as to what income and projects are anticipated for the next several years and base any discussion of a rate change on this information.

--It is recommend that salary changes for the nonexempt employees be considered in the month of January rather than July.

--There needs to be a breakout of the PERS costs.

--A separate sub budget for the proposed computer programming costs is available.

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--It has been suggested that next year a short written summary accompany the proposed Budget.

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It was then unanimously agreed that the Board Members be given time to review the proposed budget with the additional information provided by the review and that it be placed on the Agenda at the next meeting for consideration for approval.

Following Director Brain's suggestion that the Non-Management Wage Program should be put on the next Agenda, Director Sorell agreed that the Ad Hoc Committee will work on that also.

GENERAL MANAGER'S REPORT

The General Manager reviewed the topics listed on his report and Chris Burt reviewed the beginning documents that he had prepared for the Operations Manual.

The incident regarding "deer hunters" on District Property was discussed and Staff, along with a member of the audience, made the Board aware of the concern of residents that the District allows this kind of activity on District property. Chris Burt stated the he had pursued these complaints and would continue to pursue the problem as "NO TRESPASSING" signs are posted on the property.

REVIEW OF MINUTES

The minutes of the Regular Meeting of October 21, 2003 were unanimously approved as presented.

REVIEW OF FINANCIAL REPORTS

The Financial Report of October 31, 2003 was reviewed and unanimously approved for filing.

ITEMS FOR NEXT AGENDA

Committee Reports on 1) Non-Management Wage Program & 2) Projection of income and projects anticipated for the years 2005, 2006, 2007

ADJOURNMENT

The meeting was adjourned at 2103 hours, and the next meeting will be held on November 18.
Respectfully submitted,

Shirley Burt

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Secretary To The Board