

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT**

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September 21, 1999

MEMBERS PRESENT: Directors Lutz, Matthews, Schindler, Sorell and Stock

STAFF PRESENT: Jean Di Angelous, Chris Burt, and Shirley Burt

COUNSEL PRESENT: William Kruse, Esq.

CALL TO ORDER: The meeting was called to order by the Chair, Steve Sorell, who noted that all five members were present thereby constituting a quorum.

The Chair stated that prior to this meeting a closed session of the Board was held and several matters of pending litigation and personnel evaluation were discussed but no action was taken.

The Chair asked for approval of the Agenda, and it was M/S/C (Schindler/Stock) that the Agenda be approved as presented.

PUBLIC COMMENT

There was no comment from the public.

BILLING COMPLAINT

Mr. Geoffrey Frank made the following complaints regarding his delinquent account.

- 1) The meter readings and the charges are not accurate
- 2) The billings have not been submitted in a timely manner
- 3) The time period of one year for pay off constitutes a financial hardship

He then asked for the standard procedure as regards past due billings.

The General Manager replied that the procedure generally is as follows-

1) When the billing is delinquent 60 days, a letter is sent to the customer asking if there is a problem and stating that the last payment of a certain amount was received on a certain date. They are asked to bring the account to a current status, and told that if they don't take action within 10 days, steps will be taken to discontinue service.

2) If no response is received then a letter is sent stating that service will be discontinued in thirty days.

3) If no response to the thirty day letter is received, then a five day termination notice is sent and service is terminated if no payment is received..

Director Schindler stated that as he understood the problem there were two areas of discrepancy that Mr. Frank was questioning- 1) the amount that was owed and 2) the time period in which to pay off the past due billing as Mr. Frank had requested five years and the Board Policy is one year.

Director Stock asked Mr. Frank if he could pay the amount due within a year which is the current policy of the Board.

The General Manager stated that Mr. Frank had already stated that that constituted a financial hardship for him.

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT**

--

Page 2 -- September 21, 1999

Director Sorell stated that if there is a financial hardship the Board has a procedure for evaluating that and would be glad to consider an extended payment plan if Mr. Frank would fill out a financial statement and submit a copy of his tax returns.

Mr. Frank replied that he would make a trade, in that he would pay the amount due within one year if the District would remove the lien from his property and write a letter to his lender stating that it was filed in error.

Mr. Kruse stated that the lien could be removed from the property without a problem but that the District could not state that it was filed in error.

Mr. Frank replied that once he receives a copy showing that the lien has been removed he will pay off the amount due within twelve months.

Mr. Kruse stated that a copy will be given to him which shows the recorders stamp. He also stated that the understanding must include the fact that Mr. Frank would remain current as regards current charges in addition to making the payments toward the past due balance.

Mr. Frank replied that he still thinks the past due amount is not correct and requested some correction stating that the past due balance should be \$ 2,326.84..

The General Manager noted that the current balance showing on the account is \$ 2, 501.60.

Director Sorell stated that the \$2,326.84 amount was the balance due back in May.

The General Manager stated that if Mr. Frank is willing to pay the \$2,326.84 then he is willing to credit his account with the difference.

Mr. Frank then questioned penalties that had been charged and payments that he did not think had been credited to his account since May.

Mr. Kruse asked if in the spirit of compromise could the amount due be \$2326.84 minus \$120. which equals \$2,206.84. Mr. Frank and the General Manager agreed.

Mr. Kruse made the following statement for the record-

" Mr. Frank will pay the sum of \$183.90 in twelve equal payments due on the first of each month commencing October 1, 1999. In addition he will maintain his account current as to current water charges beginning with the October payment. The District will remove the lien against his property and will send him a copy showing that the lien has been removed. However, in the event he fails to make either the monthly payment or the normal payment for current water charges, the lien can be reinstated at the option of the Board and the District will then proceed to collection and shutoff."

Mr. Frank agreed to the statement providing he receives proof of the lien removal prior to October 1, 1999.

It was M/S/C/ (Lutz/Sorell) that the above agreement be approved.

DELORES TUNNEL

Director Sorell noted that was nothing new to report and that discussions were still underway.

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT**

--

Page 3 -- September 21, 1999

REVIEW OF DRAFT FLUORIDE VARIANCE

The General Manager noted that he had sent a copy of Director Schindler's comments regarding the Draft Fluoride Variance Document that had been prepared by Mr. Kruse to the Board and that he felt that a committee should be appointed including Director Schindler.

Mr. Kruse noted that another possibility might be to ask Director Schindler to prepare a fact sheet for consideration by the Board, in another words a committee of one, but set some basic guidelines in preparation of this fact sheet.

Mr. Kruse stated that the following were his goals in preparing the initial draft that the Board is reviewing tonite- 1) To keep the draft in reasonably short form--no more than 5 pages, 2) To present a balanced picture of what the controversy may be and in doing so start with what the Health Department had approved as ballot materials when the first hearing was conducted by the Health Department. The object is to discuss both sides of the issue -- one side being represented by the American Dental Association whose website seems to be gung ho as far as Fluoride is concerned and the other side which is represented by some of these other materials that are in the packet, and 3) To make sure that the material is understandable and not too technical for the audience, referring those persons wishing more technical information the website having that information. He further stated that if Director Schindler could prepare a document that the Board could then consider, or modify, then when three votes are obtained for one version or the other, the process could move forward.

Director Matthews stated that that was exactly his reaction -- to challenge Director Schindler to prepare an alternate fact sheet although he is concerned that the material presented might be too complex and go over the heads of some people.

Director Stock stated that he thought the current draft was a relatively good document and that he would suggest that Director Schindler be asked to add to this document, in other words use this document as a core thereby retaining a majority of the information. He also noted that what was missing was a clear definition of some of the alternatives and the consequences of those alternatives, and that these alternatives should include those in which the resident provides his own drinking water or installs his own ion exchange unit.

Director Sorell stated that he thought in having the ballot indicate a fluoride level for the customer to select was asking too much..

Mr. Kruse stated that the purpose in placing these choices on the ballot was due to the provisions in the Health and Safety code that says if the District decides that the exiting fluoride variance is inappropriate then the District is also charged with suggesting to the Health Department what level would not be a level at which there is substantial community concern.

Director Schindler asked-What if the public unexpectedly decided that they wanted the fluoride level to be below the state level of 2 MGM/L?

Mr. Kruse replied that if the Board decided as a matter of policy to serve water below the state MCL level they clearly have the authority to do that. He noted however that the procedure we are currently talking about is a fluoride variance procedure which is to allow you to serve water at a level above that which would otherwise be required. He further stated that possibly a better

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT**

--

way to take the temperature of the community is to ask -) I like Fluoride the way it is, 2) I prefer Fluoride which is at the state level, or 3) I would accept higher Fluoride.

Page 4 -- September 21, 1999

The General Manager stated that there should be a certain amount of financial information along with each choice.

Director Schindler stated that the financial information provided should be the "hit" that the customers sees, not how much it will cost the District.

Director Lutz asked what the word "substantial" means.

Mr. Kruse stated that that would be whatever at least three members of the Board decide..

Director Sorell stated that he thought having Director Schindler prepare a document using the current draft document as a core was an excellent suggestion and directed him to do so.

Director Matthews stated that all Directors should have the opportunity to present a fact sheet for consideration by the Board, and all Directors agreed.

EMPLOYEE BENEFITS

COLA -- It was M/S/C (Matthews/Stock) that all employees be given a 2.5% salary increase retroactive to July 1, 1999.

EMPLOYEE BENEFITS -- The Committee received comments from the Board and requested further information from the General Manager regarding the current policies of water agencies in the area.

STANDBY POLICY -- The Board agreed to make no change to the current Standby Policy until a decision has been made regarding the Benefit Package.

GENERAL MANAGER'S BONUS -- It was M/S/C (Schindler/Sorell) that the General Manager be given the bonus of \$7500. that had been

part of the contract agreement. Director Sorell stated that further issues regarding the current year compensation will be discussed at a later meeting.

REVIEW OF Y2K CONTINGENCY PLAN/GENERATOR LEASE

After lengthy discussion it was M/S (Stock/Matthews) that the Y2K Contingency Plan not be adopted. The motion passed 4/1 with Director Schindler voting no. Staff was directed to come up with an alternative plan that would be concerned only with the Y2K problem. Director Schindler asked that the Fire Preparedness Policy be placed on the Agenda for the next meeting.

GENERAL MANAGERS REPORT

Master Plan -- The General Manager reviewed the master plan in a new format which is divided into five sections, and requested that the Board review and comment.

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT**

--

Director Stock noted that it was very important that the rate study be based on the master plan and stated that a time line is needed for the projects. Staff indicated that the Board needs to approve the Master Plan before the dollars can be included in the rate study.

Page 5 -- September 21, 1999

Annual Newsletter -- Dr Schindler reported that he is working on his article for the newsletter and reminded Director Lutz that he was supposed to be writing an article about the Equestrian Center.

REVIEW OF MINUTES

The minutes of July 20, 1999 were reviewed and approved as presented with the following correction -- Director Stock requested that the second paragraph under "Review of Board Policy Re: Water Service To Common Lands" be changed to read as follows-

"Mr. Chiampa was then asked by Director Stock whether the District could charge for the water from the Delores Tunnel that is beyond that required in the Mitigation Plan, and he stated that it probably would not be possible because CEQA makes it difficult to impose costs related to Mitigation Plans. However, he stated that he did not know for sure and would get back to the Board with a definitive answer."

The minutes of August 17, 1999 were reviewed and approved as presented with the following corrections -- Director Schindler noted that on page 2, second sentence, that the word "stated" should be inserted after "Mr. Kruse".

Director Schinder noted that on page 3, second paragraph, the title of the report should be "California Public Health Goal For Fluoride In Drinking Water."

REVIEW OF FINANCIAL REPORT -- AUGUST 17, 1999

The Financial Report was reviewed and approved for filing.

CALENDAR

The next meeting will be held on October 19, 1999.

BOARD OF EQUALIZATION HEARING

The Chair opened the Hearing and asked if there was anyone present who wished to question the proposed assessment. No comment from the public was made and Staff reported that they had received no objections in writing.

It was then M/S/C (Stock/Schindler) that Resolution 99-9-21 be adopted setting the assessment rate at .80/\$100. assessed land value.

The Hearing was then closed.

Respectfully submitted,

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT**

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Shirley Burt
Acting Secretary