

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT
June 19, 2001**

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

COUNSEL PRESENT: William Kruse, Esq.

STAFF PRESENT: Bill Redcay, Chris Burt and Shirley Burt

CALL TO ORDER: The meeting was called to order by the Chair, Mel Matthews, and he noted that four Board Members were present which constituted a quorum.

APPROVAL OF AGENDA: The Chair asked if there were any changes to the Agenda. Director Brain requested that a letter from Mr. McDannel be added to the Agenda due to the fact that there was some urgency to the matter.

Mr. Kruse stated

-- that government code provides that a matter may be added to an agenda that has already been posted under circumstances where there is a need to take immediate action and where that need arose subsequent to the posting of the Agenda

-- that in order to make that determination the Board has to approve the motion by four votes before it may be added to the Agenda.

-- that the General Manager had proposed that the item be added to the Agenda following Item C - Kinclair Project.

It was M/S/C (Brain/Pickard) "That the Letter from Mr. McDannel be added to the Agenda as Item D."

It was M/S/C (Stock/Pickard) "That the Agenda as amended be approved."

PUBLIC COMMENT

No one present wished to comment at this time.

KINCLAIR PROJECT

Mr. Ricky Chang from Diamond Segundo Corp., Developer of the Kinclair Project, presented two issues regarding the current contract with the District that he wished to have changed.

The first issue was a request that the Board consider deleting the \$500,000. Escrow Account as outlined in the current contract and instead accept a \$100,000. payment.

The second issue was a request that Diamond Segundo assume the total cost of the Sage Tank construction and that the Doyne Road Developer assume the total cost of the Eucalyptus Pump Station Upgrade. The Chair stated that Mr. Chang would have to come to an agreement with the Doyne Road Developers first and then the Board would consider the request.

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT
June 19, 2001**

Mr. Chang was requested to put both proposals separately in writing and send them to the Board. The Board will then give both proposals their consideration.

Page 2

REQUEST TO APPEAR -- MR. MCDANNEL

Mr. McDannel presented a letter (copy is attached) requesting that the City of Pasadena be allowed to install a water meter on the NE corner of Eaton Canyon Drive and New York Drive. The District does not have a line in the area and the City of Pasadena has agreed to install the meter on that corner if the Kinneloa Irrigation District agrees since this area is within the service area of the Kinneloa Irrigation District. It was M/S/C (Stock/Pickard) "To allow the City of Pasadena to install a meter within the boundaries of the Kinneloa Irrigation District Service Area which will be used for irrigation purposes only, and to authorize the General Manager to send a letter to the City of Pasadena so notifying them."

DOYNE ROAD PROJECT

Mr. Kruse presented to the Board a draft of the Water Service Availability Letter directed to the Doyme Road Developers. Following review of its contents it was M/S/C (Matthews/Pickard) "That the General Manager execute the Water Service Availability Letter as submitted by Counsel and deliver same to the Developer."

BROWN RESERVOIR PROJECT

Mr. Redcay reviewed the project stating that this valve will allow us to use the Reservoir to its full capacity without the problem of overflow. It was M/S/C (Pickard/Brain)"That the Brown Reservoir Project for the sum of \$8900. be approved."

DELORES TUNNEL PHASE II

Chris Burt reviewed the current status of the project, noting that it is about 75% completed, and that to date there has been one change order.

ANNUAL WAGE REVIEW

**MINUTES OF THE REGULAR MEETING
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KINNELOA IRRIGATION DISTRICT
June 19, 2001**

Mr. Redcay reviewed a survey of surrounding companies indicating what percentage wage increase had been given to their employees for COLA and merit. It was M/S/C (Brain/Pickard) "That all hourly employees be given a 3% raise which approximates this year's COLA".

Page 3

GENERAL MANAGER'S REPORT

The General Manager reviewed his report, a copy of which is attached.

REVIEW OF MINUTES

The minutes of the regular meeting of May 15, 2001 were reviewed and unanimously approved as presented.

REVIEW OF FINANCIAL REPORT

The financial report of May 31, 2001 was reviewed and unanimously approved for filing.

ADJOURNMENT

The meeting was adjourned at 9:30. P.M. and the next meeting was scheduled for July 31, 2001.

Respectfully submitted,

Shirley L. Burt
Secretary To The Board