

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

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November 16, 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 an executive session of the Board was held with Counsel and Mr. Kruse will give the report of that meeting.

Mr. Kruse then stated-

"It was a conference with Legal Counsel under Government Code Section 54956.9(b)(1) with regard to pending litigation in the case of Towne vs. Kinneloa Irrigation District Case #GC023644. In closed session the Board approved a settlement agreement in that case that was motioned by Director Schindler, seconded by Director Matthews, and unanimously approved.

Under the terms of the settlement agreement the case will be dismissed without prejudice which is effectively a dismissal of the CEQA claim in its entirety. In exchange the Board agreed

to consider information to be brought to its attention by the Plaintiff over the course of the next few months. A copy of the settlement agreement will be available for inspection in the District Office as soon as a final dismissal has been filed by Mr. Towne. We are happy to report on the settlement of this case which has been pending for some time."

The Chair then asked for approval of the Agenda. The General Manager requested that the item in his report entitled "Kinclair Project" be taken out of order so that discussion could take place during the presence of the General Counsel. The request was granted and the Agenda was unanimously approved as amended.

PUBLIC COMMENT

The Chair asked for comment from the public and there were no requests to speak.

Director Schindler stated that he wished to use this Public Comment Period to question the General Manager as to the status of the Fish and Game Permit.

The General Manager replied-

-that he had met with Scott Harris at the Project site two weeks ago

-that he had talked with him today and that he would be sending the agreement in a few days for our review and signature.

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KINCLAIR PROJECT

The General Manager reported that Mr. Bert Tibbet had notified the office that he had been employed by Diamond Brothers to act as the liason between the Developer and the entities involved in building the housing tract, and that Mr. Alan Donnelly was no longer a member of the corporation. He indicated that he had some concerns about several items in the contract but was told that the District thought the contract was a good contract.

The General Manager stated that he had verified the above information with Mr. Bob Stewart and indicated to him his concern that the District had not been notified of the above changes.

Shortly after this call to Mr. Stewart the General Manager was contacted by Mr. Ricky Chang and a meeting was scheduled with Mr.Chang in the offices of Wm. Kruse.

The General Manager also reported that he had obtained an \$68,000. estimate from Mr. Kerger for the design of the changes at the Eucalyptus Reservoir. Mr. Stewart and Mr. Tibbet have both indicated that this estimate should be around \$25,000. and have requested permission to have their own engineer produce the engineering work. The Board gave informal approval to this request provided all work is reviewed and approved by ASL Engineering.

REVOLVING LOAN FUND APPLICATION

The General Manager reported that the District has received a fifteen page loan application from the State Department of Health Services for funds to replace the Delores Tunnel pipeline. The District's request was for \$130,000. and the interest for this year is approximately 3% or \$10,000- all to be paid back over the next five years. The General Manager indicated that the loan application is extensive - requesting information that we currently do not have - and there will be a cost to the District for the staff and engineering time required for its preparation. He requested direction from the Board as to whether the time and money should be invested in preparing this application. It was M/S (Stock/Lutz) that "The staff make application for these funds using as short a time as possible in the preparation and with the engineering cost not to exceed \$2000." The motion was passed 3/2 with Directors Stock, Lutz, and Sorell voting "Aye" and Directors Matthews and Schindler voting "No".

PURCHASE OF PORTABLE BOOSTER PUMP

The General Manager reviewed the costs involved with the proposed purchase of the Paco Pump which includes the noise suppression and positive prime features. It was M/S/C (Schindler/Sorell) that "The General Manager be authorized to purchase the Paco Pump for the sum of

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\$50,000 all inclusive."

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Y2K PLAN

It was M/S/C that "The revised Y2K Plan be approved as presented" (A Copy is attached to these minutes.

DELORES TUNNEL

The General Manager presented the expanded cost benefit analysis prepared by Mr. Aldinger which includes some of the information requested following the presentation of the initial analysis. The Board was requested to study this report and be prepared to discuss it at the next Board Meeting.

GENERAL MANAGER'S REPORT

Doyne Road Project -- The General Manager reported that a meeting had been held with Kent Steffan from ASL Engineering, who is representing Doyne Road Assoc. from their Land Design Department, and the purpose of the meeting was to bring him up to date.

Fluoride Information Letter -- The General Manager reported that a meeting had been held today in Mr. Kruse's office with Director Schindler to discuss Director Schindler's first draft of the informational letter that is to be sent to the customers. As a result of this meeting there will be some modifications to the economic analysis and staff has been given the task to determine some costs related to voluntary reduction of the fluoride level to 2.0 parts per million and 1.0 parts per million.

Employee Manual -- The eighth revision was given to the Board and they were requested to review the proposed manual and be prepared to discuss it at the next Meeting. Director Sorell requested that it be put on the next Agenda for approval.

Meter Reader -- It was decided that the annual newsletter would be sent out with the January billing.

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REVIEW OF THE MINUTES

The minutes of October 19, 1999 were approved as presented.

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REVIEW OF FINANCIAL REPORT

The financial report of October 31, 1999 was approved as presented. (It was noted that the power bills are high because Edison is still having problems with their billing system.)

ADJOURNMENT

The next meeting of the Board will be adjourned to December 28, 1999 from December 21, 1999, due to the absence of several Board Members.

Respectfully submitted,

Shirley Burt
Acting Secretary