

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT
JUNE 19, 2012**

MEMBERS PRESENT: Directors Barkhurst, Eldridge, Griffith and Kilburn.
Director Sorell was absent due to illness.

STAFF PRESENT: Melvin Matthews, General Manager
Chris Burt, Facilities Supervisor
Shirley Burt, Administrative Assistant

CALL TO ORDER: The Meeting was called to order by the President, Gerrie Kilburn, at 1935 hours. She noted that there was a quorum present. The Agenda was unanimously approved as presented.

PUBLIC COMMENT: No members of the public wished to speak.

REVIEW RISK ASSESSMENT DOCUMENTS:

The **General Manager** presented an overview of the Documents that the District has in the files stating that he did not provide the Documents in detail for security reasons. He noted that he had reviewed the documents and found none that needed major revisions.

DISCUSSION OF BROWN WELL SITE:

Director Kilburn stated that Director Griffith had expressed some concerns about the Brown Well site and that neighbors had complained about the condition of the site to him.

Director Griffith noted that the neighbors had obviously taken matters into their own hands as they had planted some sod on the premises which is now brown due to the lack of water.

The Board requested the General Manager contact the nearby neighbor to determine if they had planted the sod and report back to the Board regarding the matter at the next meeting.

BUDGET PROCESS FOR 2013:

The **General Manager** stated that he would like to start the budget process in July and requested the Board to indicate how they would like to participate in the process.

Director Kilburn stated that she would like to have all the Board Members participate in the process and the other Board Members agreed. The General Manager will schedule a meeting as soon as he has the necessary information available.

REVIEW AUDITOR SELECTION PROCESS:

Director Barkhurst reviewed the background material provided by Director Sorell as to the items that should be considered in the selection of an auditor and whether an auditor should routinely be changed after a certain number of years. He noted that reviewing all of the materials he could find nothing that suggested the District had to change auditors every few years.

Director Kilburn questioned the number of years that the present auditor had prepared the audit for the District and whether it was the same person and the **General Manager** replied that the same auditor had prepared the audit since 2003.

Director Griffith stated that he does prefer changing auditors every five years as sometimes new auditors come up with different questions and suggestions that improve the process and that changing every five years is good business.

Director Eldridge noted that he didn't think changing an Auditor without a sufficient reason should be necessary.

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REVIEW AUDITOR SELECTION PROCESS (continued)

Director Barkhurst made the following motion – That the Board adopts a resolution that states “Every five years the Board shall examine its relationship with its Attorney, Engineer, and Auditor to determine if rotation is appropriate or warranted.”

Director Eldridge seconded the motion and questioned as to when the process would begin and **Director Barkhurst** replied that it would start five years from this date.

Director Griffith stated that he was still in favor of changing auditors but if the Board wanted to adopt this motion he would not want to wait five years.

Director Barkhurst stated his motion was to start the process in the second quarter of the year 2017.

Director Barkhurst cited Appendix G, Section V, 1 of the Rules and Regulations of the District – “The Board shall select an Attorney, Engineer, and Auditor to advise the Board.”

It was M/S/C-(Barkhurst/Eldridge)-2/1) (Director Kilburn declining to vote as Chair) –

“That the Board adopt the following resolution – “That very five years the Board shall examine its relationship with its Attorney, Engineer, and Auditor to determine if rotation is appropriate or warranted.”

REVIEW OF THE GENERAL MANAGER’S REPORT:

The report was reviewed by the General Manager and accepted as presented.

REVIEW OF MINUTES:

The minutes of May 23, 2012 were unanimously approved as written.

REVIEW OF FINANCIAL REPORTS:

Director Barkhurst reviewed the Financial Reports noting that retail sales were lower this month. He noted that because of a significant rate increase after the recent expiration of the three-year agreement for telephone service negotiated by the General Manager and the unavailability of a similar agreement with our current telephone service provider, the District will be changing vendors in the near future. The Financial Reports were approved for filing.

ITEM FOR NEXT AGENDA:

Discuss Brown Well Site
Review East-West Pipeline Engineer’s Report
Schedule Budget Workshop

ADJOURNMENT:

The meeting was adjourned at 2035 hours. The next meeting will be held on July 17, 2012.

Respectfully submitted,

Shirley Burt
Secretary to the Board