

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT
JUNE 17, 2008**

CALL TO ORDER The meeting was called to order by the Chair, Director Barkhurst, at 1935 hours. He noted that there was a quorum of the Board present.

MEMBERS PRESENT Directors Barkhurst, Griffith, Kilburn, Pickard, and Sorell The Agenda was approved as presented.

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

PUBLIC COMMENT No one from the Public wished to comment at this time.

APPROVAL OF CAPITAL PROJECTS – Fairpoint and Ranch Top Interconnections

The **General Manager** reviewed these two joint projects with the City of Pasadena and stated that they are being brought to the Board for formal approval as the expense to the District is now known.

He explained that --

--The **Fairpoint Interconnection Project** involved the city putting in a new main on East Fairpoint Street and Sierra Madre Villa and the District putting in the connections at the far end of Fairpoint Street, on Barhite Street and on Sierra Madre Villa for an estimated cost to the District of \$50,000.

--The **Ranch Top Interconnection** is being done by the city and, while there is no known expense at this time, \$10,000 is being budgeted in case the District has to do any final interconnection work .

It was M/S/C – (Kilburn/Sorell-5/0) –**“That the Board approve the East Fairpoint Street Interconnection and the Ranch Top Interconnection Projects.”**

MIDYEAR REVIEW OF 2008 BUDGET

The **General Manager** referred the Board to the memo and spreadsheet that was provided in the Board Packet noting that the spreadsheet was the same one that has been provided for four years. He stated that he had analyzed each line item and forecasted those items for the rest of the year to the best of his ability.

Director Barkhurst commented that it appeared that nine months after the budget had been built very few significant changes were needed. He further stated that, if the year ends up as predicted with a less than \$100,000 negative cash flow, then the Board will need to discuss whether 1) this triggers a rate payer increase or 2) does the District continue to fund projects from existing reserves.

The Board expressed appreciation for the update and the work involved by the General Manager.

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GENERAL MANAGER'S REPORT

The **General Manager** directed the Board's attention to his written report that was in their packet and asked if there were any questions.

Director Barkhurst questioned the amount of time the District spends looking for leaks for customers and suggested that the District look at purchasing the necessary equipment as this could serve as a revenue source for the District in locating leaks for our customers.

The **General Manager** explained that there are a lot of good services already in the area and traditionally the District has tried to stay away from doing things on the customer's side of the meter.

Director Sorell questioned whether the District saw a need for this type of equipment to check for leaks on the District's side of the Meter and the **General Manager** replied that in the future he hoped to hire one of the professional companies to validate the fact that the District has a fairly good leak free system. He noted that whether the District should own this type of equipment would depend upon the cost to determine if it would be cost effective.

Director Griffith questioned how the District determines the hourly rate for invoiced sales and the **General Manager** stated that he has a rate sheet that includes all of the employee costs and that in addition the District charges 15% overhead.

Director Griffith requested that a copy of the rate sheet be sent out to the Board Members as he thinks that the rate is very low.

Director Griffith questioned whether the General Manager receives any compensation from the other Boards that he has chosen to serve on and he replied that only the Foothill Municipal Water District pays him compensation which is \$113.00 per meeting.

Director Griffith questioned as to whether the other Boards pay for transportation or other things and the **General Manager** replied that to save the District some money he registered for the fall ACWA Conference through Foothill Municipal Water District.

Director Sorell requested a copy of the CSDA Audit RFP as mentioned in the General Manager's report on page 2.

REVIEW OF MINUTES

The minutes of the May 13, 2008 meeting was approved as presented with correction of the AB1234 Ethics training requirement from annually to biannually.

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REVIEW OF FINANCIAL REPORTS

Director Sorell reviewed the reports and explained that on the Spread Sheet

- 1) the negative amount shown for maintenance supplies was due to reclassification by the General Manager of some expenses to capital projects.
- 2) the negative amount shown for maintenance contractors was due to the receipt of payment from the contractor's insurance company for repair of damage to a fire hydrant on New York Drive.
- 3) the decreased amount shown for fuel was due to receipt of a refund for federal gasoline tax in the amount of approximately \$400.

Director Sorell questioned the amount of the General Manager's reimbursement check and the **General Manager** replied he did not have the detail in front of him but did think that a large portion was reimbursement for mileage, which is shown on the approved expense report.

Director Griffith questioned as to whether the General Manager would be using the District Truck that is now available for his use for the travel and the **General Manager** replied that he would for local use but not for places such as meetings out of the area.

Director Sorell questioned the tool expense for the 1999 truck and the **Facilities Supervisor** explained that only three trucks had tools before and now the fourth truck needed to be stocked. The reports were unanimously approved for filing.

ITEMS FOR NEXT AGENDA

The **General Manager** suggested that a budget committee be appointed at the next meeting, but after a general discussion among the Board Members, it was decided that the total Board would serve as a budget committee with Directors Sorell and Griffith meeting ahead of time to get the process started.

A rigorous discussion was held regarding sending out an RFP for auditing service for the 2008 year and it was unanimously decided to retain the services of Egan & Egan who have provided the Audit for the prior five years since there is no legal requirement to change.

No items for the next Agenda were identified.

ADJOURNMENT

The meeting was adjourned at 2020 hours. The next meeting will be held on July 15, 2008.

Respectfully submitted,

Shirley L. Burt
Secretary to the Board

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