

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT
NOVEMBER 18, 2008**

MEMBERS PRESENT: Directors Barkhurst, Griffith, Kilburn, Pickard, and Sorell

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

CALL TO ORDER: The meeting was called to order by the Chair, Director Barkhurst, at 1930 hours. He noted that there was a quorum of the Board present. The Agenda was unanimously approved as presented.

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

PUBLIC HEARING – WATER RATES:

Director Barkhurst opened the Public Hearing and requested comments from the public regarding the proposed water rate increase. No one present wished to comment. The Public Hearing was then declared closed.

APPROVAL OF WATER RATES:

Director Barkhurst requested comments from Board Members regarding the proposed water rates as outlined in the hearing notice. No comments were made and Director Barkhurst then requested a motion to approve the proposed water rates.

It was M/S/C -- (Kilburn/Pickard-5/0) – **“That the Board approve increasing the commodity rate from \$2.42 to \$2.55 per unit and the daily service charge from \$36.00 to \$41.00 per month as outlined in the letter of October 1, 2008 sent to all customers.”**

IDENTITY THEFT PREVENTION PROGRAM

Director Barkhurst reviewed the action taken by the Board at the prior meeting regarding the requirement by the Federal Trade Commission that the District develop an Identity Theft Prevention Program by December 1, 2008 noting that concern had been expressed by the Board that this requirement was being forced for action too quickly. He explained that now the enforcement date has been revised to May 1, 2009 and that he is recommending that the Board revisit this issue at either the January or February meeting when a more thorough discussion on the subject can be held and the Board can satisfy themselves that the District does have the tools to successfully comply with the required enforcement process.

It was M/S/C – (Griffith/Kilburn – 5/0) – **“That the Board revisits this required enforcement program at the January or February meeting.”**

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT
NOVEMBER 18, 2008**

Page 2

APPROVAL OF 2009 BUDGET:

Director Barkhurst questioned whether any change needed to be made to the proposed budget in view of the negative set of press releases issued by CALPERS.

The **General Manager** stated that there could be a change in the rate but there is not enough information provided at this time as to how it would affect the District budget.

It was M/S/C – (Pickard/Griffith – 5/0) – **“That the Board approve the 2009 Budget as presented which shows anticipated income of \$1,122,795 and expenses of \$1,139,850 with a net cash flow of -\$17,055.”**

APPROVAL OF EMERGENCY EQUIPMENT STORAGE SITE REQUEST:

Director Barkhurst reviewed the request from Michael Dilsaver, President of the Kinneloa Estates Association, to place a storage shed containing emergency items at the District Office.

Director Kilburn questioned whether this same privilege would be offered to other associations and the **General Manager** replied that he thought that the same privilege should be available to the other associations especially those behind the gate.

Director Griffith questioned as to who is responsible for the equipment, whose insurance would cover it and what is the District’s liability and the **General Manager** replied he would require insurance coverage by the Association the same as for any other contractor.

Director Griffith questioned as to whether there would be room if other associations wished to do the same thing and the **General Manager** replied that if there is more than one request he would ask that it become a common site for all associations rather than three separate units because then space would become a problem.

Director Sorell questioned whether there should be any concern about propane tanks being stored in the shed and the **General Manager** replied that he had no concern as they are small tanks.

Director Kilburn questioned as to how often they would be checking the supplies including the propane tanks so as to ensure that the valves are working properly and the **General Manager** stated that he did not think that the program had been developed to that detail but since he would be writing the agreement he could include those details.

Director Kilburn questioned what amount of space the shed would occupy and the **General Manager** replied that it would be an 8’ by 5’ by 10’ well constructed shed.

Director Sorell questioned as to where it would be put at the office site and its visibility to the neighbors and the **General Manager** replied it would be to the southwest and behind the office and not visible to others.

Director Griffith questioned as to whether other Associations should be contacted to see if they are interested and the **General Manager** did not think that it was advisable to do so.

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT
NOVEMBER 18, 2008**

Page 3

APPROVAL OF STORAGE EQUIPMENT SITE REQUEST (continued):

Director Barkhurst stated that he did not think any associations other than the ones located behind the gate would be interested as it would be too far away.

Director Griffith questioned as to whether storage space could be provided at other sites such as the Vosburg Reservoir and the **General Manager** stated he would consider a request from any other Association.

Director Barkhurst stated that because he would personally benefit from the storage unit as requested that he would recuse himself from voting on the request.

It was M/S/C – (Sorell/Pickard – 4/0 (Director Barkhurst recusing) – **“That the General Manager be authorized to establish an agreement with the Kinneloa Estates Property Owners Association to place a storage shed on District Property.”**

Mrs. Williams, resident of Pasadena Glen Area, questioned as to what would be going into the shed and who would be buying those supplies and **Director Kilburn** replied that the Association would be responsible for buying the supplies, that they would need insurance and that there was no risk to the District except for the responsibility of the Association checking their supplies.

SELECTION OF AUDITOR FOR YEAR 2008:

Director Barkhurst requested that the Treasurer, Director Sorell, make a recommendation as to what the Board should do regarding the selection of an Auditor.

Director Sorell stated that since it is so close to the end of the year and since the Board has been satisfied with the service provided by Egan and Egan that he would make a motion to retain them for the year 2008.

It was M/S/C – (Sorell/Kilburn-4/1 (Director Griffith Opposed) – **“That the Board retains the Firm of Egan & Egan to perform the Audit for the year ending 12/31/2008”**

Director Barkhurst then suggested that the matter of the selection of the auditor for the year 2009 be placed on the Agenda in either the June or July meeting of 2009 and the Board concurred.

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT
NOVEMBER 18, 2008**

Page 4

GENERAL MANAGER'S REPORT:

Kinneloa Mesa Pipeline Project:

The **General Manager** reviewed the status of the Kinneloa Mesa Pipeline Project noting that he hoped to have a contract for the Board's review and approval at the next meeting.

Director Kilburn questioned as to the exact location of the pipeline installations and whether Kinneloa Mesa Road would be dug up and the **Facilities Supervisor** replied that the only digging on Kinneloa Mesa Road would be in the vicinity of Fire Hydrant Replacements and the streets involved with pipeline installation were the lateral streets on the west side of Kinneloa Mesa Road and Doyne Road.

House Tunnel Repair:

Director Griffith questioned as to the location of the internal dam in the tunnel and the General Manager replied that it is about 3 feet high and located about 50 feet back in the tunnel.

Director Kilburn questioned as to the height of the tunnel and the **General Manager** replied that it is about 5 feet high, noting that if anyone wanted to see the tunnel they should go soon as the poison oak has been somewhat cleared out.

REVIEW OF MINUTES

The minutes of the Regular Meeting of October 21, 2008 were approved as presented.

REVIEW OF THE FINANCIAL REPORTS

Director Sorell reviewed the reports noting that –

- the revenue was \$103,000 for the month which was a little above the budget.
- the expenses were quite low for the month compared to the budget which was due to \$22,000 reclassification of maintenance supplies
- there was no expense posted for PERS or Social Security
- the number of customers on the Aged Receivable Report did not show the total customers being billed.

The **General Manager** explained that he had changed procedure for posting the PERS and Social Security and hereafter would be posting it in the month that it was paid. **Director Sorell** replied that he would expect it to be posted when accrued and that he would discuss the issue with the General Manager at another time.

The **General Manager** explained that the number of customers included in the Aged Receivable Report only includes those who owe the District at the end of the month.

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT
NOVEMBER 18, 2008**

Page 5

The **General Manager** explained that he reclassified the maintenance supplies into electrical equipment as it is not inventory for leak repair or resale. **Director Sorell** replied that he would discuss this item with the General Manager at a later time as the matter of depreciation needs to be considered.

Director Sorell questioned the expense involved with updating the system drawings and the **General Manager** explained that the drawings are being updated by the Engineer as they have not been updated for years. He stated that he would be bringing a project for approval to the Board next years to also have the District maps put into an electronic form so that they are easily accessible..

The Financial Reports were then unanimously approved for filing.

ITEMS FOR NEXT AGENDA:

Executive Session Personnel item.
Kinneloa Mesa Pipeline Contract
Election of Officers
2009 Project List

ADJOURNMENT:

The meeting was adjourned at 2015 hours and the next meeting will be on December 6, 2008.

Respectfully submitted,

Shirley Burt
Secretary to the Board