

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT
OCTOBER 20, 2009**

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 present. The Agenda was unanimously approved as presented.

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

PUBLIC HEARING– WATER RATES:

Director Barkhurst declared the Public Hearing open at 1935 hours and questioned whether anyone from the public wished to speak to the Board.

Mrs. Linda Williams, from Pasadena Glen, stated that she approved of the rates that the Board was proposing.

Mr. Dale Wurm, from Pasadena Glen, stated that he thought the meter charge increase of \$8.00 which is a 20% increase is excessive, that it is out of line with that charged by local companies and he passed out copies of local water billings showing their current charges. He suggested that the commodity charge be increased to meet the needed revenue and thought that would be more responsible and would give the smaller user less of an increase. He further stated that the Board should adopt a commodity rate structure that would reward those persons who conserve and charge more to the large user.

Director Barkhurst thanked Mr. Wurm for his comments and for taking the time to do the research and stated that he found no fault with his approach. He then explained that the Board had a lengthy discussion regarding the breakdown between commodity and basic charge because it was unknown as to how successful the conservation mode would be with the rate payers. He noted that the concern was, that if the conservation mode was too successful, than the revenue would be less than needed. He explained that besides meeting the operating expenses the District also needs to spend approximately \$250,000 for capital expenditure annually in order to maintain the infrastructure and thereby avoid costly unexpected problems and in addition the District wanted to maintain a \$250,000 prudent reserve. Therefore the decision was made to increase the basic amount this year but that next year, since the Board would have more information regarding the success of the conservation mode, the Board would be more inclined to collect more money from the large user who did not conserve and put less burden on the basic monthly charge.

Director Barkhurst then declared the public meeting closed as there were no other members of the public that wished to comment.

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APPROVE WATER RATES:

Director Barkhurst requested comments from the Board regarding the proposed water rates but there were no comments from the Board and he requested a motion to approve the proposed water rates.

It was M/S/C – (Griffith/Sorell-5/0) – **“That the basic rate be set at \$49.00 per month and that the commodity rate be set at \$2.75 per unit.”**

APPROVE YEAR 2010 BUDGET:

Director Barkhurst requested a motion to approve the Year 2010 Budget which he noted had been reviewed by the Board at the prior meeting.

It was M/S/C – (Sorell/Pickard-5/0) – **“That the Budget for Year 2010 be approved as presented.”**

REVIEW OF GENERAL MANAGER’S REPORT:

The **General Manager** questioned whether any Board Member had questions or comments regarding the report that had been included in the Board Packet.

Director Kilburn questioned whether any contact had been made with the Doyne Road Project Developer and the **General Manager** replied that a payment had been received for two of the outstanding invoices but no payment had been received for the advance deposit.

REVIEW OF MINUTES:

The minutes of September 15, 2009 were reviewed and unanimously approved as presented.

REVIEW OF FINANCIAL REPORTS:

Director Sorell reviewed the Financial Reports noting that –
--Revenue is a little behind as compared with the budget
--Water Analysis expenses are high for the month but close to the annual budgeted amount
--Engineering Services are over the annual budget which is mostly due to the mapping project
The Financial Reports were approved for filing as presented.

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ITEMS FOR NEXT AGENDA

Comparison of LAIF and CALTRUST Investment Vehicles
Review of Kinneloa Mesa Project

ADJOURNMENT:

The meeting was adjourned at 2012 hours. The next meeting will be on November 17, 2009.

Respectfully submitted,

Shirley L. Burt
Secretary to the Board