

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT
FEBRUARY 21, 2012**

MEMBERS PRESENT: Directors Barkhurst, Eldridge, Griffith, Kilburn and Sorell.

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 1930 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.

PERFORMANCE EVALUATION OF THE GENERAL MANAGER:

Director Kilburn noted that the Board had met in a special meeting and evaluated the performance of the General Manager.

Director Barkhurst recommended that the matter of compensation be considered in two separate discussions. He noted that a number of companies have a “COLA” built into their human resources manuals which is used to determine the adjustment to the employees compensation each year and explained the various methods used to determine the CPI upon which the “COLA” is based. He recommended that, in order to help all employees with their cost of living expenses and to make sure that their purchasing power is not too adversely affected by inflation, and regardless of compensation for the General Manager, all employees of the District receive a salary increase of a certain percent and that the salary ranges be increased by that same percent and recommended a 2.1% increase.

Director Sorell questioned whether this would be a one-time change and **Director Barkhurst** replied that his recommendation was for the calendar year 2012.

Director Griffith stated that he liked the recommendation but noted that neither the Board approved an additional week of vacation nor the proposed salary increase were included in the current budget and questioned where savings could be made so as to include these two items. After discussion, it was unanimously agreed that the additional expense would not be that great and the monies could be found to fund these expenses within the current budget.

It was M/S/C/- (Barkhurst/ Griffith-5/0)

“That the Board approve an across the Board 2.1 percent salary adjustment for the year 2012 and make a similar adjustment to each of the salary ranges.”

Director Barkhurst stated that he wanted it understood that this has no impact on the Board’s decision regarding the General Manager Performance Salary or his review of any of the other employee’s performance.

Director Kilburn then requested discussion regarding the General Manager’s salary.

Director Griffith stated that he did not see this item in the budget and the General Manager replied that he did include a potential increase of \$5000 in the budget.

Director Griffith said that he did not see that number in the budget but that he was still concerned about the additional week of vacation and **Director Barkhurst** said that he did agree that there was a real cost in bringing someone from three weeks to four weeks vacation.

Director Sorell suggested a \$5,000 bonus for the General Manager and **Director Barkhurst** stated that he would be willing to vote for a \$3000 bonus but not more than that.

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PERFORMANCE EVALUATION OF THE GENERAL MANAGER: (CONTINUED)

Director Griffith stated that in looking at the budget he would suggest a \$2000 bonus.

Director Eldridge stated that he was concerned about the additions to the expenditures since the District is a small company and does not have an income that can be manipulated very well.

Director Barkhurst replied that to a certain extent the revenue side can be manipulated by the amount of water that the District sells to Pasadena.

Director Barkhurst stated that his rationale for giving the General Manager some level of performance based increase, whether bonus or a salary increase, is that the budget numbers reflect that the General Manager did a very good job in finding ways to minimize the expense side of the budget and that it is appropriate that General Manager participate monetarily in these savings. He also stated that he thought \$120,000 a year is a very fair salary for a small water company and recommended that the compensation be in the form of a bonus and that the base salary remain the same.

Director Griffith recommended that the amount be less than \$3000.

Director Sorell recommended a \$3000 bonus.

It was M/S/C-(Barkhurst/ Sorell-5/0) –

“That the Board grant the General Manager a \$3000 performance based bonus on April 1.”

EMPLOYEE POLICIES AND PROCEDURES REVIEW:

Director Kilburn noted that the General Manager had made several changes since the last meeting and questioned if there were further comments from the Board.

Director Barkhurst questioned the General Manager as to whether he had successfully incorporated all of the suggested changes into the current draft and the **General Manager** replied that he had met with the Chairman and that the changes had been inserted into the current draft.

It was M/S/C- (Barkhurst/Eldridge -5/0)-

“That the Board approve the Employee Policies and Procedures Manual Draft of the Kinneloa Irrigation District dated January 24, 2012 to be effective January 1, 2012.”

The **General Manager** reminded the Board that the Manual is a living document and that changes can be considered at any time.

ONLINE CUSTOMER PAYMENT OPTIONS:

The **General Manager** explained that he had investigated the costs involved with the various methods of bill payment and that he is presenting the information for the Board’s review.

Director Barkhurst stated that he would not be satisfied until the District has a system as sophisticated as Edison.

It was M/S/C- (Barkhurst/ Eldridge -5/0)

“That the Board requests the General Manager to develop on an online customer payment option.”

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REVIEW OF THE GENERAL MANAGER'S REPORT:

The General Manager's Report was accepted as written.

REVIEW OF MINUTES:

The minutes of December 20, 2011 were unanimously approved as submitted with the following correction to

Page 2, line 11-delete the word "all", insert the words "as much as" before the word four.

REVIEW OF FINANCIAL REPORTS:

Director Barkhurst reviewed the Financial Reports and directed the Board's attention to the report that showed the comparison of income and expenditures between the years 2010 and 2011. He noted that there was a large difference in Maintenance Labor between the two years and the General Manager explained that that was due to the large amount of overtime in 2011.

Director Barkhurst suggested that overtime be broken out as a separate line item in the report and

Director Sorell asked that the overtime be reported at least quarterly.

Director Barkhurst noted that any overtime tied to a project should then be identified with that project.

The Financial Reports were unanimously approved for filing.

ITEM FOR NEXT AGENDA:

No items were requested for the next meeting.

ADJOURNMENT:

The meeting was adjourned at 2021 hours. The next meeting will be on March 20, 2012.

Respectfully submitted,

Shirley Burt
Secretary to the Board