

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT
APRIL 21, 2015**

MEMBERS PRESENT: Chair –Sorell
Directors –Eldridge, Griffith, Johnson, Kilburn

STAFF PRESENT: Melvin Matthews, General Manager
Chris Burt, Facilities Supervisor
Shirley Burt, Administrative Assistant & Secretary to the Board

EXECUTIVE SESSION: **Director Sorell** called the meeting to order at 1642 hours. He declared a quorum was present and adjourned the meeting to Executive Session. The Executive Session adjourned at 1715 hours.

REGULAR SESSION: **Director Sorell** reconvened the meeting to Regular Session at 1730 hours. He declared a quorum was present. He stated that Items Eleven and Thirteen on the Agenda would be tabled and placed on the Agenda for the next Board Meeting. The remaining items on the Agenda were approved.

REPORT ON CLOSED SESSION: **Director Sorell** reported that the Board had reviewed the potential litigation matter and instructed the General Manager to compose a response to the letter that will be reviewed by the Board and legal counsel.

PUBLIC COMMENT: No one present wished to make a comment.

REVIEW OF 2014 YEAR DRAFT AUDIT: Gail Egan, Auditor, reviewed the draft audit noting that there were no new accounting principles to be addressed in 2014. She recommended that Note 7 of the Contingencies Section of the report be more specific and include discussion of current projects, budget, etc. She explained that the new GASB 68 rules would require that the 2015 audit contain some information that would be available from CalPERS and that a fee would be charged for that information by CalPERS.

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

“That the Draft 2014 Year Audit be approved for filing with a few minor amendments as suggested by the Auditor.” (Ayes-Eldridge, Griffith, Johnson, Kilburn, and Sorell)

PROJECT FINANCING: The **General Manager** referred the Board Members to the proposal from Holman Capital that proposed to loan the Kinneloa Irrigation District 2.3 million dollars at an interest rate of 3.63% for fifteen years to serve as funding for major projects. He noted that he had researched the possible funding opportunities and thought this was the best that was available. He explained that a decision needed to be made as we are currently funding a major project from our reserves and that if we decreased the current reserve, it would be more difficult to obtain funding.

Director Johnson expressed concern as to the effect the decrease in water sales due to mandated conservation would have on the District’s ability to make loan payments and the **General Manager** replied that water rates could be increased or excess leased water could be sold to Pasadena.

It was M/S/C-(Kilburn/Johnson-5/0)-

“That the Board accept the Holman Capital Proposal and request the General Manager to have the Loan Documents prepared for Board Approval at the next Board Meeting.”

(Ayes-Eldridge, Griffith, Johnson, Kilburn, and Sorell)

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REPORT AND DISCUSSION ON CONSERVATION REGULATIONS AND ALLOCATION PLANS:

The **General Manager** reviewed the various regulations and allocation plans that are currently in place in the Governor's Executive Order, at FMWD, at MWD, and the City of Pasadena.

He suggested that the Board consider amending Kinneloa's current Regulations that allow watering three days a week and reduce that to two days a week.

Director Eldridge suggested that signs be posted within the District indicating the WATER STORAGE STAGE so as to communicate to the public the current water situation.

The **General Manager** replied that he has the resources to do that.

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

"That the Board requests the current Conservation Resolution be amended to reduce the days of watering from three days to two days." (Ayes-Eldridge, Griffith, Johnson, Kilburn, and Sorell)

GENERAL MANAGER'S REPORT: The **General Manager** reviewed his report as presented in the Board Packet.

Director Johnson inquired as to when the East West Pipeline Project would be started and the **General Manager** replied that the Plans and Specifications have been received but have not yet been reviewed by the Staff. He noted that the Easements for the project still need to be obtained and that Director Griffith had been very helpful in working with the neighbors in his District.

He stated that he will have to hire an outside agency to help secure the legal easement Documents as Staff does not have to time to undertake this task, but that Epic Land Solutions has already performed part of the work involved and probably would be the Agency to hire for the task.

REVIEW OF MINUTES: The Minutes of March 17, 2015, were reviewed and approved as presented.

FINANCIAL REPORTS: The Financial Reports for March 30, 2015, were reviewed and approved for filing.

ITEMS FOR NEXT AGENDA:

Public Employee Performance Review
Approval of Conservation Resolution
Discussion of Salary Adjustments

ADJOURNMENT: The meeting was adjourned at 2120 hours. The next meeting will be on May 19, 2015, at 1830 hours and will include an Executive Session.

Respectfully submitted,

Shirley Burt
Secretary to the Board