

**MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS OF THE  
KINNELOA IRRIGATION DISTRICT  
February 20, 2001**

**MEMBERS PRESENT:** Directors Matthews, Pickard, Sorell and Stock

**STAFF PRESENT:** Chris Burt and Shirley Burt

**CALL TO ORDER:** The meeting was called to order by the Chair and he noted that four Board Members were present which constituted a quorum.  
(Mr. Brain arrived prior to the beginning to the Public Hearing.)

**APPROVAL OF AGENDA:** The Chair requested approval of the Agenda. The Agenda was unanimously approved as presented.

**PUBLIC HEARING**

The Chairman opened the Public Hearing with the following historical review of the District.  
"Since its formation in 1953 the KID has made minor renovations or upgrades to its system based upon a policy to repair only as needed. There was no provision in its rate structure to fund preventive maintenance or to fund current and future improvement projects. Prior to this time major improvements such as those undertaken in the Kinneoloa Estates and the former Mira Loma Mutual Water Company areas were funded through the formation of various Improvement Districts where Bonds were sold to investors and repaid through Assessments on the affected properties. However now the majority of the transmission facilities actually even predate 1953, when the current District was formed, and are nearing the end of their useful life."  
"

"By the mid 1990s, following the disastrous wildfire of October 1993 and a number of other factors, the Board and many residents were convinced that major upgrades to the entire system were needed to prepare the system for the future. This included potential future emergencies as well as continuing to be able to deliver water in a reliable and cost effective way in normal operations. After several years of work by the Board, Staff, and Consultants and input at public meetings such as this one, the Board adopted a Master Plan on June 20, 2000 which is contained in this red binder, that describes the present historical future water supply and demands and identifies and categorizes necessary improvements and sets out cost estimates for implementing the improvements. "

"The total cost for all necessary improvements over the next twenty years is \$2,118,200. based on the current estimates and failure to undertake these expenditures in a planned way leaves the KID vulnerable to serious and sustained service failures, and much higher costs in making emergency repairs. In order for the Board to responsibly address the funding of the master plan the Board engaged Chris Aldinger, who is a CPA with the firm of Peasley, Aldinger, and O'Bymachow, to analyze the District's current and future operating expenses, debt service, capital costs, and reserves, and the revenues necessary to cover those components for the next five years. We also asked Chris to propose a future rate structure as well as provide comparisons with other water

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companies in the area and this report was presented to the Board in November 2000. "

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At his time the Chair requested Mr. Aldinger to provide a brief overview of the scope of his work the methodology used and his recommendations. Mr. Aldinger then made a brief presentation. Following the presentation the Chair pointed out that a vast amount of work had gone into the preparation of the Master Plan, that it had been revised several times, and the Board had done it's homework. He further noted that none of the projects were considered unnecessary although they had been prioritized. He emphasized that it is a living document and may be changed as circumstances arise. The Chair then reviewed the actions taken at the Board meeting on January 29 at which time the Board took all of the data available, looked at the revenue requirements, and voted unanimously that the fixed service charge would be proposed to be increased from \$20.00 to \$30.00 and that the current commodity rate of \$1.60 per unit be increased to a \$1.90. He stated that this recommendation was determined after a variety of suggestions were considered.

The Chair then asked for public comment.

-There followed an extensive question and answer period between members of the audience and members of the Board.

-Mr. Philipson asked whether it was not possible to join a larger water company and reduce our costs. Director Sorell replied that the Board had considered this suggestion and that there are a number of reasons to not do this besides the fact that we have access to the wonderful tunnel water. He stated that joining any other entity would have the same costs involved as they would require that the system be brought up to their standards. He stated that one way or another the money has to be spent, and would have to be paid for by us.

-Mrs. Konsari requested information as to the quality of the water, and the Chair referred her to the materials available in the office.

-Mrs. Konsari questioned the status of a well on her property and Mr. Kruse made the explanation that all of the water in this area is adjudicated to the Kinneloa Irrigation District, and that legally she would have no right to pump water out of the well.

-Mrs. Williams stated that she has been present at most of the Board meetings over the past years and that she wanted to commend the Board for all of the work that has been done.

-Mrs. Konsari asked why she is paying an assessment and the Chair stated that all of us at some point in the history had paid assessments for improvements. He stated however that the Board is trying to avoid having to go to the assessment method of paying for improvements by adopting a rate structure that will allow improvements to be made in a planned manner over a period of time.

-Mr. Thomas stated, that being in the construction business over 40 years, he has observed many water companies in operation, and that the staff at KID is far above in efficiency when compared with most of the other water companies.

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Following discussion regarding the process involved with joining or being managed by another water entity, the Chair closed the Public Hearing.

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The Chair then asked if the Board Members had any further discussion or comments. Since there were no comments, the Chair stated that the motion approved at the meeting on January 29, 2001 would be implemented with the April usage and the first billing reflecting the increase would reach the customer in May, 2001.

**REGULAR SESSION:**

**PUBLIC COMMENTS**

-Mr. Walker made a recommendation to the public present that if they wanted to know how the water company operates that they should come to the Board Meetings. He stated that he had been doing this and commended the Board for the job that they are doing.

-Mrs. Williams stated that the condition of the road in Pasadena Glen, following the installation of the pipeline, left the road ugly in appearance. The Chair asked Staff to obtain an estimate for a fog coat of the road in question.

**GENERAL MANAGER'S SEARCH COMMITTEE REPORT**

Director Pickard reported that seven applications had been received and three of those applicants were asked to come in for an interview. The first applicant was contacted but canceled out. The second applicant came in for an interview but sent a letter to the District declining the position. The third applicant was interviewed and seemed very interested in the position. An Executive Session will be scheduled with the Board to interview this candidate and members were requested by the Chair to notify the Board Secretary as to their availability for the next three Fridays.

**GENERAL MANAGER'S REPORT**

Chris Burt reviewed the General Manager's Report, a copy of which is attached to these minutes.

**REVIEW OF MINUTES**

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The minutes of January 16, 2001 were reviewed and approved as presented. The minutes of January 29, 2001 were reviewed and approved as presented.

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**REVIEW OF FINANCIAL REPORT**

The Financial Report of January 31, 2001 was reviewed and approved for filing.

**ADJOURNMENT**

The meeting was adjourned and the next Regular Meeting was confirmed for February 20, 2001.

Respectfully submitted,

Shirley Burt  
Acting Secretary