

**MINUTES OF THE SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT
March 3, 2004**

MEMBERS PRESENT: Directors Brain, Pickard, Sorell and Stock.

STAFF PRESENT: Chris Burt and Shirley Burt

CONSULTANT PRESENT: William Kruse, Esq.

CALL TO ORDER: The Executive Session of the Board was convened at 1910 Hours by the Acting Chair, Steve Sorell, with only Members of the Board and Legal Counsel in attendance.

STATEMENT REGARDING EXECUTIVE SESSION:

After the Executive Session , the Board convened in open session at 1940 Hours. The Acting Chair, Steve Sorell, reported that the Board had met in Executive Session to discuss the General Manager position and that no decisions were made. He noted that a quorum of four Board Members were present and that the Agenda was before the Board.

STATEMENT OF ACTING CHAIR

Prior to receiving comments from the public, Director Sorell made the following statements.

- 1) This discussion was started by the resignation of the General Manger which left a vacancy in the General Manager position and that the Board had been considering several alternatives and was struggling with the issue.
- 2) The Board wanted to take this matter public and get a sense of the community on this issue.
- 3) Essentially there are three options
 - a) To look outside the District again, advertise, and interview candidates
 - b) To look inside the Community as former Chairman of the Board, Mel Matthews, has announced his desire to take the position and Chris Burt has also expressed an interest.
- 4) Each of these options have advantages and disadvantages.
 - a) Looking outside has had the advantage of bringing in new ideas and training from other companies, but has the disadvantage of someone coming in unfamiliar with our situation and all issues peculiar to the KID.
 - b) Looking at our internal candidates brings other issues. Mel Matthews has run businesses that are much larger than the kid, has substantial business experience, and has been involved with the KID for a number of years, but has not run a water company and does not have certain water licenses and certificates. Chris Burt has the advantage of being a known commodity and has worked for the district for many years.
- 5) All comments should be kept brief and focused on the issue and that no personal comments at this session are appropriate.

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PUBLIC COMMENTS

Gene Thomas -- Stated that he had lived in the District over 40 years, and as a contractor had worked with Chris and found Chris would stand for what was right. He noted that he had run a company and knows what it is to have people who are willing to give more than eight to five. He thought the District was fortunate to have staff that were willing to do this and he indorsed Chris for the job.

Loren Lutz -- Stated that he had lived on the hill for a number of years and that he had never had a problem with the KID. He stated that he indorsed Chris Burt for General Manager as he has the experience, education, ability and he gets along with people. He complimented the Board on the job that they were doing.

Ben Walker -- Stated that a good job had been done by the KID over the years and that the long range planning that was done was good. He stated that he thinks it is now time to look at how the KID can operate efficiently, capitalize on what we have done in planning and avoid a lot more expenses in getting from here to there as we go down the road. He stated that Chris was an ideal candidate for the job as it will help consolidate things and keep things small and on a minimum track cost wise

Margo Reid -- Stated that she had lived for thirty two years on Vosburg Street. and that she thought that someone who has the experience, has worked and lived with this water District all these years, who brought us through the melted pipes after the Fire with almost no disruption in service, is certainly the kind of person that we would want to lead us in this District. She stated that she understood that Chris has all the proper certifications and licenses that are necessary and that it did not seem practical to hire someone who is not familiar with this District, or would have to spend a great deal of time educating themselves about it.

Frank Griffith -- Stated that he wished to read a statement from Chuck McReynolds, who was a former Board Member. Mr. McReynolds wrote that in his opinion Chris Burt should be appointed to this position, that the job description should be changed to indicate the hands on nature of the job, that money could be saved by not hiring from the outside, and that money saved could be used to hire more field personnel.

Mr. Griffith stated that he thought Chris has done a great job, that we need someone who has the qualifications in the field, someone who has the licenses, someone who can do the office work, someone who knows the District and the recommended that Chris be hired for the job.

Linda Williams -- Read a letter which is attached to these minutes.

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John McDannel -- Stated that he would like to find stability in the management of the District once again and that going outside the District and having someone commute spells a little bit of disaster for longevity. He stated that he would like to see someone hired who can keep the costs down and the quality up.

Karl Dietzel -- Stated that he is concerned about Nepotism in the Organization and that new managers get chewed up quickly. He stated that a manager can come in with managerial talent and skill and run the business and qualify himself rather quickly in the details that are acquired. and he recommended that Mel Matthews be hired for the job.

Warren Williams -- Stated that he wished to reiterate that conflict of interest issues can be a devastating factor in managing a company, and that management principles of today indicate that this is not in the best interest of the Irrigation District.

Bert Tibbet -- Stated he is a large water user in the District and it is one of the larger costs in his business. He questioned as to why there have been two General Managers in the last five years, why there is no physical inventory, and why the matter concerning the Regional Water Quality Board has not been settled. He recommended that the former Chairman of the Board be given a one year contract to be renewed on the basis of his satisfactory performance. He also recommended that the Board have the District appraised and consider putting it up for sale.

Jacqueline Samolis -- Questioned how long Board Members serve and if there is an opportunity for them to explain why they should get the job. She also questioned whether the decision would be made at the meeting, and the Chair replied no.

John McDannel -- Questioned how the decision could be made since there are only four Board Members and two members decide for Candidate A and two decide for Candidate B. The Chair replied that the decision will be worked out and that there will not be a hung jury.

Ben Walker -- Stated that a problem has been floated out and that the problem needs to be solved before the Board goes any further.

Frank Griffith -- Stated that he thinks the Board does know why the General Managers left, that it doesn't have anything to do with some of the things that were mentioned tonight, and that every body on the Board, including Mel, plus the Staff does an outstanding job and go way beyond what they are asked to do. He stated that many of the statements made tonight are out of line and we need to stick with the facts, and stick with the requirements that are listed for the job.

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Linda Williams -- Stated that the staff are compensated for the job they do, and that it is not for the good will. The Chair replied that there is a lot of good will in the job.

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Ray Towne -- questioned whether, as regards Candidate Matthew, the water certificates will be suspended as a requirement until he can get them or are the total certification requirements being totally eliminated. The Chair replied that there is a clear expectation that he would move as rapidly as possible to get them.

The Chair thanked the public for their attendance and stated that there will be an brief Executive Session following the meeting but that it is not the intention of the Board to make a final decision during that Session.

The Regular Meeting was adjourned at 2019 hours.

The Board then met in Executive Session.

Following the Executive Session the Board met in Regular Session and the Chair announced that no decision had been made.

Respectfully submitted

Shirley Burt
Secretary to the Board