

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT
February 21, 2006**

MEMBERS PRESENT: Directors Barkhurst, Brain, Pickard, and Sorell
Director Krieger was absent due to a prior commitment.

STAFF PRESENT: Melvin Matthews, Christopher Burt, and Shirley Burt

CALL TO ORDER: The meeting was called to order at 1942 hours by the Chair, Richard Barkhurst. He noted that there was a quorum of the Board present. The Agenda was unanimously approved as presented.

PUBLIC COMMENT

No members of the public wished to comment at this time. Director Sorell stated that he wished to take this opportunity to commend the General Manager for the excellent quality of the Annual Report.

REVIEW OF LINE OF CREDIT APPLICATION

The Chair reviewed the proposal for "Application For Credit" from Wells Fargo Bank.

Director Sorell questioned whether there is a "material adverse change" provision and the **General Manager** stated that he had not addressed that subject and would discuss that matter with the Bank Representative.

Director Barkhurst noted that the conditions and terms were more liberal than he was used to seeing when extending credit to a small business, and that the fee of \$750. was very nominal.

Director Brain noted that the fee was a one time fee which limits the expense.

Director Sorell noted that the document states "used for equipment" but he presumed that the funds could also be used "for construction." The **General Manager** stated that he had been told that the funds could be used for installation labor, construction of pipe lines, and so forth.

The **General Manager** was directed to continue negotiating and finalizing the application and to circulate to all Board Members any further documents received regarding the Application.

SELECTION OF COMMITTEE FOR GENERAL MANAGER'S REVIEW

Director Barkhurst asked for volunteers noting that the period to be reviewed goes from March to March.

Director Sorell nominated Director Pickard who served on the committee last year.

Director Barkhurst stated that in the absence of any objections he would appoint the same committee as last year which would be himself and Director Pickard. He recommended that next year at least one new member if not both new members should be appointed.

There was unanimous agreement with this decision.

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ELECTION OF OFFICERS

The Chair called for nominations for the office of Chairman. **Director Sorell** nominated Director Barkhurst. There were no other nominations.

It was M/S/C-(Barkhurst/Pickard-4/0)- **“That Director Barkhurst be elected to the Office of Chairman.”**

The Chair called for nominations for the office of Secretary. **Director Sorell** nominated Director Pickard. There were no other nominations

It was M/S/C-(Sorell/Brain-4/0)- **“That Director Pickard be elected to the office of Secretary.”**

The Chair called for nominations for the office of Treasurer. **Director Pickard** nominated Director Sorell. There were no other nominations.

It was M/S/C/(Pickard/Brain-4/0)- **“That Director Sorell be elected to the office of Treasurer.”**

GENERAL MANAGER’S REPORT

The **General Manager** reviewed his report that had been included in the Board Packet. He described the following projects that are being considered for 2006.

- 1)- Installation of FLOLOC Valves, 2)-Installation of Chlorine Analyzers, and 3) Upgrade of the hand held Reading Meter.

He stated that he did not have firm quotes on the cost of these projects but they would be held within the projected budget for the year and only partial projects would be done if the quotes exceeded the budget.

Director Sorell questioned about the schedule for the “Ethics Training” that is required for the Board Members. The **General Manager** stated that he will keep the Board apprised of the opportunities for this training as ACWA sets them up.

The **General Manager** then reviewed the Annual Report that was included in the Board Packet. and made the following comments --

- The total water production and customer demand was down because of the rainfall
- The total water production chart for 1994/95 to 2004/05 shows that in a very rainy year the production was down which saves electrical costs
- Delores Tunnel contributed 17% to the total water production and all tunnels contributed almost 50% to the total water production.
- In rainy years it is impossible to capture all of the tunnel water produced due to the limitation of the storage facilities.
- Water loss is not just leakage, but it also includes tanks that overflow, broken lines, and un-metered water usage at District Facilities.

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REVIEW OF THE MINUTES

The minutes of January 17, 2006 were reviewed and unanimously approved.

REVIEW OF FINANCIAL REPORT

The Financial Report of January 31, 2006 was reviewed by the Treasurer and approved for filing as presented.

ITEMS FOR THE NEXT MEETING

Report from the General Manager Performance Review Committee
Report on the "Line Of Credit" Application

ADJOURNMENT

The meeting was adjourned at 2020 hours and the next meeting will be on March 21, 2006. The Chair requested that an Executive Session be scheduled for 7:30 P.M. for the General Manager's Performance Review and the Regular Session for 8:00 P.M.

Respectfully submitted,

Shirley Burt
Secretary to the Board