

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT
MAY 19, 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 1842 hours. He declared a quorum was present and adjourned the meeting to Executive Session. The Executive Session adjourned at 1920 hours.

REGULAR SESSION: Director Sorell reconvened the meeting to Regular Session at 1930 hours. He declared a quorum was present. The Agenda was approved as presented.

REPORT ON CLOSED SESSION: Director Sorell reported that the Board had reviewed the potential litigation matter and the separate request to share with an adjacent property owner the cost of re-landscaping the slope south of the Vosburg Reservoir. The Board instructed the General Manager to respond to the landscaping request and instructed the District’s Legal Counsel to respond to the Claimant’s Legal Counsel on the potential litigation matter.

PUBLIC COMMENT: Shirley Spencer, member of the Kinneloa Canyon Association, questioned whether the proposed pipeline project would damage Kinneloa Canyon Road and the General Manager replied that there would be some damage and it would be repaired as part of the project.

PROJECT FINANCING AGREEMENT: The Board reviewed the fifteen year Installment Sale Financing Agreement as proposed by Holman Capital Corporation for the sum of 2.3 million dollars at an annual interest rate of 3.63%. Frank Gill from Holman Capital Corporation was present and answered numerous questions from the Board as to some of the specific details in the Agreement.

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

“That the Board approves RESOLUTION 2015-5-19A AUTHORIZING THE ACCEPTANCE AND EXECUTION OF AN INSTALLMENT SALE AGREEMENT FOR PROJECT FINANCING WITH HOLMAN CAPITAL CORPORATION DEPENDENT UPON THE REVIEW AND ACCEPTANCE BY KINNELOA IRRIGATION DISTRICT’S LEGAL COUNSEL AND RECEIPT OF THE AUDITOR’S CERTIFICATE.”

(Aye-Eldridge, Griffith, Johnson, Kilburn, Sorell/No- 0/Abstention-0)

Director Johnson requested that the General Manager present a Contingency Plan to the Board that would be enacted if the income from the water sales diminished due to conservation and did not meet the annual payment requirements of the Agreement.

APPROVAL OF EMERGENCY WATER CONSERVATION RESTRICTIONS AND ADOPTION OF STATE WATER RESOURCES CONTROL BOARD REGULATIONS ON THE DELIVERY AND CONSUMPTION OF WATER FOR PUBLIC USE.

The General Manager explained that the proposed EMERGENCY WATER CONSERVATION Restrictions are similar to those in the nearby communities in an effort to eliminate confusion since many customers live in one area of jurisdiction but have their business in other areas of jurisdiction. He noted that the restrictions are in force for 270 days from the date of approval by the Board and after that time would need to be reviewed for additions or deletions. He further explained that the adoption of the SWRCB REGULATIONS is required.

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

“That the Board approves RESOLUTION 2015-5-19b EMERGENCY WATER CONSERVATION RESTRICTIONS AND THE ADOPTION OF THE STATE WATER RESOURCES CONTROL BOARD REGULATIONS ON THE DELIVERY AND CONSUMPTION OF WATER FOR PUBLIC USE.

(Aye-Eldridge, Griffith, Johnson, Kilburn, Sorell/No-0/Abstention-0)

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

REVIEW OF MINUTES: The Minutes of April 21, 2015, were reviewed and approved as presented with some minor corrections of typographical errors.

FINANCIAL REPORTS: The Financial Reports for April 30, 2015, were reviewed by Director Johnson and approved for filing as presented.

ITEMS FOR NEXT AGENDA:

Public Employee Performance Review
Discussion of Salary Adjustments
Update on Easements for the East-West Pipeline
Update on 3454 Barhite Project
November District Director Elections

ADJOURNMENT: The meeting was adjourned at 2050 hours. The next meeting will be on June 16, 2015, at 1845 hours and will include an Executive Session.
Director Kilburn notified the Board that she will be out of town on June 16, 2015.

Respectfully submitted,

Shirley Burt
Secretary to the Board