

**MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT
MAY 17, 2016**

MEMBERS PRESENT: Directors Eldridge, Griffith, Johnson, Kilburn, Opel

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

CALL TO ORDER: The meeting was called to order by the Chair, Director Kilburn, at 1830 hours. A quorum of Board Members was present and the Agenda was approved as presented.

PUBLIC COMMENT ON CLOSED SESSION AGENDA ITEMS: There was no public comment.

ADJOURNMENT: Director Kilburn adjourned the Board to Executive session at 1835 hours.

REGULAR SESSION: Director Kilburn reconvened the Board at 1955 hours and reported that no decisions had been made during the closed session.

PUBLIC COMMENT: No members of the public wished to speak.

REVIEW OF DRAFT AUDIT YEAR 2015: Gail Egan, Auditor, reviewed the Draft Audit Report and answered questions from the Board.

Director Opel stated that he thought there should be further information provided in Note 4 Installment Purchase Agreement, but **Ms. Egan** explained that there is additional information in other places in the audit as well as in the footnotes.

Director Opel question whether the Directors are covered with Liability Insurance and **Ms. Egan** replied yes.

Ms. Egan explained that the new auditing requirements of GASB 68 were instituted this year to improve accounting and financial reports by State and Local Government Agencies as regards to Pensions and requires that the unfunded balance be included in the Audit. The unfunded balance is determined each year from the Actuarial Report developed by CalPERS. The cost of this report each year will be paid by the District. She will be filing the State Controller's Report by July 1, 2016.

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

"That the draft Audit Report be approved for publishing as presented with the exception of either change in format or corrections of typographical errors."

(Aye-Eldridge, Griffith, Johnson, Kilburn, Opel/Nay-0/Abstain-0)

VENDOR PAYMENT PROCEDURES: The General Manager reviewed the proposed changes in current vendor payment procedures. Following a lengthy discussion among the Board Members, Director Eldridge made a motion to approve the proposal and the motion was seconded by Director Johnson. Further discussion continued.

It was M/S-(Eldridge/Johnson)

"That the proposed Vendor Payment Procedures be adopted."

(Aye-Eldridge, Johnson/Nay-Griffith, Kilburn, Opel/Abstain-0)

The motion failed for lack of a majority in support of the motion.

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EAST-WEST PIPELINE PROJECT: The General Manager explained that he is currently working with one of the property owners involved in the project to address the owner's concerns and obtain a written agreement to the project. He stated that Director Griffith has been of great help in talking with this owner to determine his concerns.

Director Kilburn requested that the General Manager and Director Griffith meet with the property owner and obtain the signed agreement as soon as possible, noting that the 45 days that the bid is valid ends on June 13, 2016.

She requested that a Special Meeting be called as soon as the signed agreement is obtained so that the contract can be awarded.

Director Johnson requested that all residents involved be notified of the exact date when the work will be done so that the residents in the area of the project will be well informed.

VOSBURG PUMP STATION PROJECT: The General Manager reported that the last Change Order from the Contractor is being reviewed for accuracy by the Engineer and Staff. When the review is completed he will notify the Board of the results.

GENERAL MANAGER'S REPORT: The General Manager reviewed his report and provided clarification as requested by members of the Board.

REVIEW OF MINUTES:

The minutes of April 19, 2016, were reviewed and approved for filing as presented.

The minutes of May 10, 2016, were reviewed and approved for filing as presented.

REVIEW OF FINANCIAL REPORT: The Financial Reports for April 30, 2016, were reviewed by Director Johnson and approved for filing as submitted.

ITEMS FOR THE NEXT AGENDA:

No items were requested at this time.

ADJOURNMENT: The meeting was adjourned at 2150 hours. The next meeting will be a Special Meeting with the date and time to be determined.

Respectfully submitted,

Shirley Burt
Secretary to the Board