

KINNELOA IRRIGATION DISTRICT
Regular Meeting – Board of Directors
1999 Kinclair Drive, Pasadena, CA 91107
Tuesday, June 19, 2018
3:00 p.m.
Minutes

DIRECTORS PRESENT: Directors Tim Eldridge, Frank Griffith, Gordon Johnson, Gerrie Kilburn, Bill Opel

DIRECTORS ABSENT: None

STAFF PRESENT: Melvin Matthews, General Manager/Acting Board Secretary; Donna Eggehorn, Administrative Assistant; Chris Burt, Sr. Facilities Operator

1. CALL TO ORDER: Chair Frank Griffith, called the meeting to order at 3:00 p.m. A quorum of Board Members was present. The Agenda was reviewed, and no changes were requested.

2. PUBLIC COMMENT: No members of the public were present.

3. REVIEW OF MINUTES: The minutes of May 15, 2018 were reviewed. Director Kilburn requested to remove the words “and approved” on Item #20 Report on Closed Session. Chair Griffith requested for the Board to receive copies of the letter sent to property owners that was approved in Item #13 Brown Well and Brown Reservoir Easements. It was motioned/seconded/-(Kilburn/Opel-4-0-1 (Aye-Eldridge, Griffith, Kilburn, Opel/Nay-0/Abstain-Johnson) **“that the minutes of May 15, 2018 be approved with corrections.”**

4. REVIEW OF FINANCIAL REPORTS: Director Opel reviewed the financial reports for May 31, 2018, highlighting that the District had increased water sales as compared to the budget and that operations and maintenance expenses were lower than the budget this month. It was motioned/seconded/unanimously carried -(Opel/Kilburn 5-0) **“that the Board approves the financial reports for filing as presented.”**

5. GENERAL MANAGER’S REPORT: The General Manager and Board reviewed the report and highlighted the follow items and answered question from the Directors:

VersaTerm Replacement Project. Project is complete. New handheld meter-reading computer is operational.

Audit. Final draft was presented at today’s meeting for discussion and approval to publish.

SCADA Upgrade/Replacement Project. Project is complete. Old system will remain online as a backup for the next few months.

Activities/Meetings/Webinars/Conferences. The General Manager reported his activities during the month of May.

Water Samples and Test Results Update table. The General Manager stated that there were no out of tolerance tests to report. Director Griffith requested to add a column for Maximum Contaminant Levels (MCLs) to the report.

KINNELOA IRRIGATION DISTRICT
Regular Meeting – Board of Directors
Tuesday, June 18, 2018
Minutes

6. REVIEW OF 2017 AUDIT: Gail Egan, audit partner from Egan and Egan, reviewed the draft 2017 audit report. She stated that there were no new accounting principles that relate to the District. Gail Egan mentioned again from last year that CalPERS has been under pressure by bond writers to change the investment rate. Note 5 on page 21 was included to show how a 1% change in the discount rate affects liability. There was additional discussion on whether the liability is a real number. Gail indicated that it was an actuarial calculation for the pool of small agencies and that the District is likely to have a very small liability due to the small number of employees that will retire from the District. Director Opel asked about the CalPERS deficiency assessment and Gail explained that since KID participates in a pooled fund with other entities, we are required to contribute toward mitigation of shortfalls in the pool and that it would be possible but not necessarily in the best interest of the District or its employees to withdraw from CalPERS since there would be a fee assessed for our portion of the unfunded liability at that point in time. Finally, questions were asked regarding the investment of our reserve funds in CalTRUST and LAIF and the relative safety and investment return. Gail indicated that this is beyond the scope of the audit.

It was motioned/seconded/unanimously carried-(Griffith/Kilburn 5-0)

“that the draft 2017 audit be approved for publishing with the correction of Director Opel’s term expiration on page 1 to be 2019 and a separation of the CalPERS actual retirement expense and the change in estimate of the future expense due to the actuarial calculation of the District’s unfunded liability as shown on page 24.”

7. WATER MASTER PLAN FOR THE KINNELOA IRRIGATION DISTRICT: The chair indicated that he had not met with the General Manager and Senior Facilities Operator and recommended that this item be carried over to the next meeting.

8. PERSONNEL COMMITTEE: The committee requested that the Board discuss a cost of living adjustment. Although the Directors indicated that there had been discussion on this topic in closed session in previous years, the General Manager confirmed that no cost of living increase had been approved in open session by the Board since July 2015.

After discussion, it was motioned/seconded/-(Kilburn/Johnson-4-0-1

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

“that a 6% cost of living adjustment for the three full-time employees (Burt, Matthews, and Fry) be made effective June 16, 2018.”

Director Eldridge requested that the Board discuss this subject again at the end of 2018 to make a timelier determination for 2019. The Board also reviewed the following items and recommended that they be carried over to the next meeting with any Director input to be provided to the committee by July 16.

- a. General Manager’s job description
- b. Establish goals for General Manager
- c. Employee performance evaluation forms to be used for 2018 evaluations

9. REGULAR BOARD MEETING TIME: The Board discussed setting the meeting time for Board meetings hereon, to be 3:00 p.m. instead of 7:00 p.m.

KINNELOA IRRIGATION DISTRICT
Regular Meeting – Board of Directors
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It was motioned/seconded/-(Kilburn/Johnson-5-0)

“that future regular meetings be held at 3:00 p.m. on the third Tuesday of the month.”

10. DIRECTOR REPORTS AND/OR COMMENTS: General Manager Matthews informed the Board that it is possible at future meetings to have a presentation by the Public Water Agencies Group (PWAG) Emergency Preparedness Coordinator as well as a presentation by a representative from the ACWA JPIA on the insurance programs.

11. CALENDAR: The next regular meeting will be moved to 3:00 p.m. on Tuesday, July 31, 2018 due to Board members' schedules and vacations for the month of July.

12. ADJOURNMENT: It was motioned/seconded/unanimously carried -(Johnson/Opel 5-0) the meeting was adjourned at 4:54 p.m.

Respectfully submitted,



Acting Secretary to the Board

and

Donna Eggehorn, Administrative Assistant