

KINNELOA IRRIGATION DISTRICT
Regular Meeting – Board of Directors
1999 Kinclair Drive, Pasadena, CA 91107
Tuesday, August 18, 2020, 3:00 pm
Minutes

Meeting conducted by teleconference under the provisions of Executive Order N-29-20.

DIRECTORS PRESENT: Zoom teleconference/videoconference (Zoom): Tim Eldridge, Frank Griffith, Gordon Johnson, Gerrie Kilburn and Dave Moritz

DIRECTORS ABSENT: None

STAFF PRESENT: Zoom: General Manager Melvin Matthews

1. CALL TO ORDER: Director/Chair Gordon Johnson called the meeting to order at 3:00 pm and called the roll. A quorum of Board Members was present. The Agenda was reviewed. No changes were requested.

2. PUBLIC COMMENT: Member of the public Michele Ferrell was present via Zoom. The General Manager stated that Ms. Ferrell will be joining the facilities staff on September 14, 2020. Ms. Ferrell introduced herself, expressed that she is looking forward to joining the team and delivered a brief history of her fifteen plus years of water experience. District resident Ohannes Dembekjian was present via Zoom. He introduced himself and expressed an interest in being a part of Kinneloa Irrigation District. District resident Stephen Brown was present via Zoom. He asked about the proposed rate increase [Item 7) and how the District rates compare to other local water districts. The General Manager stated that in the past, the District compares favorably for medium and high usage customers, and higher for low usage customers. Mr. Brown asked about the capital improvement projects [Item 7}. The General Manager stated that the proposed budget of \$500,000 represents an estimate for the Brown/Glen Pipeline Project and the Sierra Madre Villa and Villa Heights Pipeline Project. The amount will likely cover one of the two projects, and the projects will be funded out of the District’s reserve funds. Mr. Brown asked if there is a working list of future improvement projects. The General Manager stated that there is a project list that is presented to the Board.

3. REVIEW OF MINUTES: Director Griffith and Chair Johnson requested clarification for the word “policy” in Item 2, Public Comment [line 4]. Chair Johnson suggested inserting “referring to Item 5 of the Agenda.”

Director Kilburn corrected a typographical error [Item 2, Public Comment, line 13] in sentence beginning, “Mr. Brown asked it...” which should read “Mr. Brown asked if...”.

Director Griffith requested adding the location of the water softener in Item 4 [line 9]. The General Manager stated that system is on the Far Mesa Tunnel at the Glen Reservoir.

Director Griffith stated that [Item 4, line 11] the sentence [beginning], “The General Manager stated that batteries...” is unclear. The General Manager replied that batteries and servicing were needed at several sites and he will rephrase for clarity.

Director Griffith asked about Item 5 [line 12] that says, “He did not request any changes to this section.” He asked if that [sentence] is the opinion of the person who wrote the minutes. Chair Johnson replied that he made the statement that he was not requesting any changes at that time, so they [the staff] were paraphrasing what was said.

KINNELOA IRRIGATION DISTRICT
Regular Meeting – Board of Directors
Tuesday, August 18, 2020
Minutes

It was motioned/seconded/carried unanimously by roll call vote-(Kilburn/Griffith-5/0/0/0):

“That the Board approves the July 21, 2020, minutes with the suggested changes, for filing and posting on the website.”

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

Chair Johnson requested that as the Directors review the minutes for the current meeting, they think about how much detail is needed. He feels there is too much detail and he would like to have a discussion at next month’s meeting. The General Manager added that in the past there were summary minutes and only recording of action items is required. He would like to return to a summary format.

4. REVIEW OF FINANCIAL REPORTS: Director/Treasurer Moritz reviewed the July 31, 2020, financial reports. He highlighted that water sales at \$165,000 were good, though down from the \$179,000 in the previous month.

Director Moritz asked if Operations Labor [5015] is for the salaries of the operators. The General Manager replied that it is for field staff, the facility operators.

Director Moritz asked if the salary of the new operator was reflected in the report. The General Manager said that the new operator has not started yet.

Director Moritz asked if Stand-by Compensation [5020] is on call pay. The General Manager said that the operator who is on stand-by duty is paid \$30 per day for being on call and available. If the operator needs to report to the District, they are also paid for actual hours worked.

Director Moritz asked if work was done on one of the vehicles [Vehicle Maintenance 5035]. The General Manager replied that major service was done on two vehicles and pointed out that the year to date total for vehicle maintenance is still under budget.

Director Moritz asked if the new vehicles are still coming. The General Manager stated that one new truck is on site now and the second one is coming shortly. He added that the trucks will need to be equipped before they are put into service.

Director Moritz asked about Taxes – Use [6086]. The General Manager explained that for some purchases, primarily online purchases, sales and use tax is not applied and the District files an annual use tax return with the State [of California]. He added that there is a credit because the wrong amount was submitted and the District received a refund.

Director Moritz highlighted that the net income was \$70,000.

Director Moritz asked about the check register, [payee] Brightview Landscape services. The General Manager stated that Brightview maintains landscaping at fourteen sites in the District, including the office.

It was motioned/seconded/carried unanimously by roll call vote -(Griffith/Eldridge-5/0/0/0):

“That the Board approves the financial reports as presented for filing.”

5. GENERAL MANAGER’S REPORT: The General Manager and the Board reviewed the report.

III. B. 3. b: The General Manager stated that one truck has been delivered and one is coming soon.

III. C. Future Capital Improvement...: The General Manager stated that the list includes the two main pipeline improvement projects and other minor projects and repairs that are not high priority.

IV. Water Supply Summary...: The General Manager stated that the summary is the year-end summary for the 2019-2020 Watermaster Year. The bottom line is that the District ended up with

KINNELOA IRRIGATION DISTRICT
Regular Meeting – Board of Directors
Tuesday, August 18, 2020
Minutes

185 acre feet. Without the lease from Alhambra, the District would have had a slight deficit. Of the 185 acre feet, the District will carryover 10% to next year. The District has the option of selling surplus water on a wholesale basis to the City of Pasadena, and some of the excess will be put into the short-term storage account.

Director Kilburn asked if there is a limit to the amount of water that can be stored in the short-term water storage account. The General Manager replied that the limit is 300 acre feet maximum, and that has to be the first water used in the next year. In other words, it gives the District an additional starting point of pumping rights in addition to the 10% carryover of adjudicated rights.

Director Griffith asked when the Foothill Municipal Water District increased the monthly fee. The General Manager stated that the monthly fee goes up when administrative expenses increase. Director Griffith asked if it was a flat fee. The General Manager replied that the administrative fee is not a flat fee. It is based upon the number of meters in the District.

6. LAFCO INDEPENDENT SPECIAL DISTRICT ALTERNATE REPRESENTATIVE: The General Manager introduced the item, stating that the Local Agency Formation Commission (LAFCO) is the agency in the county that reviews consolidations and annexations of districts and cities. There are two seats on the Board for special districts. The alternate representative does not have a vote but can participate at the meetings. The General Manager concluded that he thinks it is important that special districts have good representation on LAFCO, especially when situations arise where there might be considerations of consolidation. Foothill Municipal Water District is the sponsor for his nomination.

Director Eldridge asked who the Chief Executive is at LAFCO. The General Manager replied that it is Paul Novak, who has been CEO for several years.

Chair Johnson summarized that the District has one vote. The Board selects a candidate and authorizes him to vote on behalf of the District.

Director Eldridge nominated Mel Matthews. Director Kilburn seconded the nomination.

There was no further discussion. Director Griffith called for the vote.

It was motioned/seconded/carried unanimously by roll call vote -(Griffith/Eldridge-5/0/0/0):

“That the Board nominates Mel Matthews for LAFCO Independent Special District Alternate Representative and authorizes the Chair to vote on behalf of the District.”

7. DISTRICT BUDGET FOR 2021: The General Manager introduced the proposed budget documents and focused on the budget worksheet [Item 7 – Page 5]. He stated that many of the budget items have no change from the previous year. He highlighted items that have changed and their corresponding notes. He pointed out that Unrealized Gain(Loss)-CalTrust [4036], by request of the auditors, is now on the income statement rather than the balance sheet. It shows as a \$25,000 increase because it was not budgeted last year, and the amount is close to what is expected at 2020 year-end. He stated that if a pipeline project is done, the projected net cash flow loss is \$664,957 and is a planned expenditure because the pipeline projects are budgeted to come out of the reserve account which was established to be used for capital improvement projects as needed. He concluded that the net revenue is projected as \$112,581, which is down from the current year-end forecast and down from last year’s budget. The intent is to budget to the expected cash flow and have a net revenue close to zero. Any net revenues are moved into the reserve account.

KINNELOA IRRIGATION DISTRICT
Regular Meeting – Board of Directors
Tuesday, August 18, 2020
Minutes

The General Manager stated that a Board vote is not required at this time and suggested that the Directors review the budget and when it is presented at next month's meeting, he will answer any questions.

Chair Johnson asked if the Senior Facilities Operator had the opportunity to have input into the proposed projects for this budget. The General Manager replied that the opportunity had been given for three months, but no specific input had been received.

The General Manager emphasized that the projected revenue is based upon a 3% rate increase, which is not imbedded in the budget. Once the budget comes up for approval, the actual proposed rate increase is open to Proposition 218 procedure and Board discussion and approval. In general, if the budgeted revenue is kept the same as the current year, he expects that the rate increase is needed because unit sales are decreasing. When water sales go down, rates need to go up to cover fixed expenses.

8. INFORMATION ITEM: The General Manager stated that final interviews for the Office Manager position have been completed and a job offer was extended and accepted. The tentative start date is September 1st. There were over seventy applications for the position. The new Office Manager is familiar to the Personnel Committee because he originally applied for the Facilities Operator position and he is a certified operator. The General Manager thanked the Personnel Committee for their assistance.

9. DIRECTOR REPORTS AND/OR COMMENTS: Director Kilburn asked Director Eldridge for an update on the traffic in the Glen. Director Eldridge stated that he spoke with Jamal Butler, the L.A. Gateway District Ranger [U.S. National Forest] and confirmed that the District owns land within the boundary of the forest. He was told that the Forest Service does not do any enforcement when there is private property, which leaves it [parking enforcement and restricting public access] in the hands of the District and the neighborhood. Since the General Manager stated at the last meeting that he would like to see the neighborhood act first, they have made some signage changes, added cones and flashing lights, and asked residents to use the visitor parking or walk up to the area. Mr. Butler called other agencies and the Glen has had visits from the U.S. Forest Service patrol truck and increased sheriff patrols. The situation is better, but it will take a lot more people reminding others and discussing what is appropriate behavior. There are a lot of bears in the neighborhood, a mountain lion, and a pair of bobcats. The neighborhood message is: "If you are leaving the road, you are entering an area where there are plenty of wild animals." With all the input from the neighborhood residents and help from some enforcement agencies things are going better. Director Kilburn stated that there is a mountain lion in her area as well and quite a few skunks. Chair Johnson said that there is also a herd of deer. Director Kilburn expressed how great it is to see everyone [on Zoom], welcomed Ms. Ferrell to the group, and thanked the General Manager for putting the budget together. Chair Johnson asked that the comparison rates of other agencies be included with next month's budget item. The General Manager replied that he will include the comparison rate chart, which will show agencies along the foothills as well as City of Pasadena and City of Sierra Madre.

9. CALENDAR: The next meeting will be a Regular Meeting on September 15, 2020, at 3:00 pm.

KINNELOA IRRIGATION DISTRICT
Regular Meeting – Board of Directors
Tuesday, August 18, 2020
Minutes

10. ADJOURNMENT: It was motioned/seconded/carried unanimously-(Griffith/Kilburn-5/0/0/0):
“That the Board adjourns the meeting.”

The meeting was adjourned at 4:29 pm.

Prepared by,
Bernadette Allen, Administrative Assistant

Reviewed and submitted by,

Melvin L. Matthews

Melvin L. Matthews
General Manager/Acting Board Clerk