

KINNELOA IRRIGATION DISTRICT

Regular Meeting – Board of Directors
1999 Kinclair Drive, Pasadena, CA 91107
Tuesday, May 17, 2022
3:00 P.M.

AGENDA

This meeting will be conducted at the District office in accordance with the Brown Act and the Governor's Executive Orders N-25-20 (Mar. 12, 2020), N-29-20 (Mar. 17, 2020), N-08-21 (Jun. 11, 2021) and AB 361 which waive the Brown Act provisions found in Govt. Code section 54953(b)(3) which require the physical presence of the members, the clerk, or other personnel of the body, or the public, as a condition of participation in, or quorum for, a public meeting and allow teleconferencing. Face coverings may be required for attendance at the office. Public comment may be made in person or submitted via email to kinneloa@outlook.com prior to the meeting and any information submitted will become part of the official record. The public may participate at the office or via computer or telephone using the following information:

<https://us02web.zoom.us/j/85061795151?pwd=QRaWGV5Lzg3dmEvcGx1Ujl6akRHdz09>

Meeting ID: 850 6179 5151

Passcode: 156331

Telephone: 669 900 9128

1. **CALL TO ORDER – 3:00 P.M.**
 - a. Declaration of a quorum
 - b. Review of agenda

2. **PUBLIC COMMENT –** Comments from the Public regarding items on the Agenda or other items within the jurisdiction of the District
In compliance with the Brown Act, the Board cannot discuss or act on items not on the Agenda. However, Board Members or District Staff may acknowledge Public comments, briefly respond to statements or questions posed by the Public, ask a question for clarification, or request Staff to place item on a future Agenda (Government Code section §54954.2)

3. **FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 AND INDEPENDENT AUDITOR'S REPORT –**
Auditor and General Manager to summarize the report and respond to questions
Recommended Action: Review report and approve motion to publish on District's website

4. **REVIEW OF MINUTES –** March 29, 2022, April 19, 2022 and April 27, 2022
Recommended Action: Review and approve motion to file

5. **REVIEW OF FINANCIAL REPORTS –** April 30, 2022
Recommended Action: Review and approve motion to file

6. **INFORMATION ITEMS—**
 - a. General Manager's Monthly Report
 - b. General Manager's Annual Report for 2021
 - c. Regional water restrictions due to the drought

7. **RESPONSIBILITIES AND DELEGATION OF AUTHORITY—**Board to review revised document
Recommended Action: Review and approve motion to adopt

8. PROJECT UPDATES – General Manager and staff to provide oral reports

- a. Customer Outreach –
- b. Advanced Meter Infrastructure (AMI) Project
- c. SCADA Reconfiguration Project

9. BROWN-GLEN PIPELINE IMPROVEMENT PROJECT – Staff to provide status report and to answer questions from the Board

Recommended Action: Approve motion authorizing the staff to complete the project plans, specifications and contracts and advertise the project to qualified contractors for sealed bids

10. CLOSED SESSION – DISTRICT SECURITY – Government Code §54957(a): Title: Emergency Response Plan

11. REPORT ON CLOSED SESSION

12. DIRECTOR REQUESTS, REPORTS OR COMMENTS –

In accordance with Government Code §54954.2 Directors may make brief announcements or brief reports on their own activities. Directors may ask a question for clarification, provide a reference to staff or other resources for information, request staff to report back to the Directors at a subsequent meeting, or act to direct staff to place a matter of business on a future agenda.

13. CALENDAR – June 21, 2022 July 19, 2022 August 16, 2022

14. ADJOURNMENT

In compliance with the Americans with Disabilities Act, if you are a disabled person and need a disability-related modification or accommodation to participate in this meeting, please contact the District office 48 hours prior to the meeting at 626-797-6295. Each item on the agenda, no matter how described, shall be deemed to include any appropriate motion, whether to adopt a minute motion, resolution, payment of any bill, approval of any matter or action, or any other action. Material related to an item on this agenda submitted after distribution of the agenda packet is available for public review at the District office or online at the District's website <https://kinneloirrigationdistrict.info>.

**KINNELOA IRRIGATION DISTRICT
FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2021 AND 2020**

AND INDEPENDENT AUDITOR'S REPORT

DRAFT

**KINNELOA IRRIGATION DISTRICT
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DECEMBER 31, 2021 AND 2020**

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**KINNELOA IRRIGATION DISTRICT
BOARD OF DIRECTORS AND DISTRICT PERSONNEL
AS OF DECEMBER 31, 2021**

BOARD OF DIRECTORS

<u>NAME</u>	<u>OFFICE</u>	<u>TERM EXPIRES</u>
Gordon Johnson	Chairman	2025
Dr. David Moritz	Treasurer	2023
Gerrie Kilburn	Director	2023
Stephen Brown	Director	2025
Timothy Eldridge	Director	2023

MANAGEMENT PERSONNEL

Melvin L. Matthews General Manager

OFFICE PERSONNEL

Martin Aragon Office Manager

Sophie Hanson Administrative Assistant

FIELD PERSONNEL

Chris Burt Senior Facilities Operator

Michele Ferrell Facilities Operator

Brian Fry Facilities Operator

Juan Tello Facilities Maintenance Worker

**KINNELOA IRRIGATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021 AND 2020**

Management's discussion and analysis of the financial performance of Kinneloa Irrigation District (the "District") provides an overview of the District's financial activities for the fiscal year ended December 31, 2021. Please read it in conjunction with the District's financial statements, which begin on page 9.

FINANCIAL HIGHLIGHTS

The District's operating revenues, consisting primarily of water sales, increased by 4% to \$1,900,436 as compared to 2020 operating revenues of \$1,825,240. The increase is primarily the result of increased water sales and a 3% rate increase.

Total operating, maintenance, administrative and general expenses including depreciation increased by 4% to \$1,834,718 as compared to \$1,757,019 in 2020. The net increase is primarily due to an increase in labor expense, a decrease in the GASB 68 estimate, and decreases in expenses for maintenance and repairs and outside contractors. A schedule of expenses is presented on page 23.

DESCRIPTION OF BASIC FINANCIAL STATEMENTS

The District operates as a utility enterprise and its annual report consists of a series of financial statements presented on the full accrual basis of accounting. The Balance Sheets and the Statements of Revenues, Expenses and Changes in Net Position provide information about the District as a whole and present a longer-term view of the District's finances.

DESCRIPTION OF OPERATIONS

The District provides water to 590 retail customers in a service area that includes a portion of the unincorporated Los Angeles County that is east of Altadena and an adjacent portion of the City of Pasadena. The District also sells excess groundwater when available to the City of Pasadena on a wholesale basis.

The District obtains its water from two vertical wells and five horizontal wells. These sources are sufficient to meet customer demand except in periods of extreme drought or other emergency. The District has six interconnections with the City of Pasadena municipal water system which allow either agency to supply water to the other agency under emergency conditions.

More information about the Kinneloa Irrigation District can be found on our Internet site at www.kinneloa Irrigation District.info.

**KINNELOA IRRIGATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021 AND 2020**

CONDENSED FINANCIAL INFORMATION

The following condensed financial information provides an overview of the District's financial activities as of December 31, 2021 and 2020.

	<u>2021</u>	<u>2020</u>
ASSETS AND DEFERRED OUTFLOWS		
Current assets	\$ 2,413,524	2,616,248
Restricted assets		
Capital assets, net	5,278,468	5,173,344
Deferred outflows of resources	64,858	93,686
Total assets and deferred outflows of resources	<u>\$ 7,756,850</u>	<u>7,883,278</u>
LIABILITIES AND DEFERRED INFLOWS		
Current liabilities	\$ 221,854	207,423
Noncurrent liabilities	1,446,730	1,792,292
Deferred inflows of resources	160,498	35,841
Total liabilities and deferred inflows of resources	<u>1,829,082</u>	<u>2,035,556</u>
NET POSITION		
Investment in capital assets	-	5,173,344
Unrestricted	5,927,768	674,378
Total net position	<u>5,927,768</u>	<u>5,847,722</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 7,756,850</u>	<u>7,883,278</u>

Capital and other assets – The change in capital and other assets is net of an increase in capital and other assets less current year's depreciation of \$331,226.

Net position – The net position increased from the prior year due to the current year's excess of revenues over expenses. Unrestricted net assets consist of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

**KINNELOA IRRIGATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021 AND 2020**

CHANGES IN NET POSITION

	<u>2021</u>	<u>2020</u>
Total operating revenues	\$ 1,900,436	1,825,240
Total non-operating revenues	<u>14,328</u>	<u>45,750</u>
Total revenues	1,914,764	1,870,990
Total operating expenses	1,764,507	1,695,284
Total non-operating expenses	<u>70,211</u>	<u>61,735</u>
Total expenses	<u>1,834,718</u>	<u>1,757,019</u>
Change in net position	80,046	113,971
Net position, beginning of year	<u>5,847,722</u>	<u>5,733,751</u>
Net position, end of year	<u>\$ 5,927,768</u>	<u>5,847,722</u>

Revenues – Retail water sales by volume increased to 646 acre-feet as compared to 643 acre-feet in 2020 and the total operating revenue increased to \$1,900,436 from \$1,825,240 due to increased water sales and a 3% rate increase.

The District also received \$6,373 in non-operating revenue from interest on its temporary investments and an unrealized loss of \$13,547 in a temporary investment. The District's cash and temporary investments at year end were \$2,193,319 and \$2,340,092 in 2021 and 2020, respectively. The District has identified \$4,952,315 in future projects in its Water Master Plan. The temporary investments will be used for some of these projects and also provide an operating reserve in accordance with the District's reserve policy.

Expenses – The District's operating and maintenance expenses increased by \$117,706 in 2021 as compared to 2020. This increase is due primarily to an increase in the labor costs and utilities. The District's administrative and general expenses decreased by \$27,800 due primarily to changes in estimates relating to GASB 68. A schedule of these expenses is provided on page 23.

**KINNELOA IRRIGATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021 AND 2020**

BUDGET ANALYSIS AND VARIANCES

Revenue from water sales for 2021 was \$1,900,436 as compared to the budgeted amount of \$1,600,000 for retail and wholesale water sales. The budgeted revenue was based on the actual amount from the previous year, adjusted for rate changes and/or expected new service connections for the year. Increased water usage and the 3% rate increase allowed the District to significantly exceed the budgeted revenue for water sales. Total revenue for 2021 was \$1,901,217 as compared to the budgeted amount of \$1,650,000.

Overall, for 2021, the net operating income before depreciation was \$467,155, as compared to the budgeted amount of \$94,581. Capital and planned maintenance projects in the amount of \$592,138 were completed as compared to the budgeted amount of \$777,538. The cash reserve at year end was \$2,193,319 which is in the target range of \$1,000,000 to \$5,500,000 established by the Board in the Reserve Policy Funding Guidelines in the District's Rules and Regulations. Each year the District budgets amounts for capital projects and planned maintenance projects based on its expected operations and available reserves. In 2021, the major projects and equipment purchases included the replacement of the office HVAC system, Sierra Madre Villa & Villa Heights Project, and an advanced water metering system for real time measurement of customer water usage and leak detection.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets – At December 31, 2021 and 2020, the District had investments in land, water rights, buildings, wells and distribution systems, machinery and equipment as follows:

	<u>2021</u>	<u>2020</u>
Land	\$ 96,700	96,700
Water rights	52,060	52,060
Buildings, wells and distribution system	10,055,213	9,620,249
Machinery and equipment	<u>1,008,301</u>	<u>1,006,915</u>
Total	<u>\$ 11,212,274</u>	<u>10,775,924</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Average inflation as measured by the consumer price index for all urban consumers in the Los Angeles area was 6.6% for the 12 months ended December 2021 and the average rate for 2022 was 8.5% through March 2022.

**KINNELOA IRRIGATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021 AND 2020**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES, continued

General economic conditions worsened in 2021 primarily due to the coronavirus pandemic but are expected to improve at a moderate pace in 2022 as businesses re-open and supply chain issues are resolved. However, the pandemic has created an economic crisis and although water service is considered a necessity, it has created a high level of uncertainty regarding any impact on water sales or the ability of customers to pay their water bills in a timely manner. Fortunately, the Kinneloa Irrigation District did not experience any problems with receivables in 2021 and no impact is expected in 2022. The restrictions and regulations imposed by the State of California and the County of Los Angeles regarding water service shut offs and mandatory payment plans are not expected to cause a reduction in volumetric sales and revenue in 2022. The annual rainfall in the 2021-2022 season is expected to be well below the 27-year average and future weather patterns will continue to be the major factor in determining water usage since most of the District's water is used for landscape irrigation rather than household use.

In 2022, the District plans to continue capital improvement projects included in the District's Water Master Plan and planned maintenance projects using available cash reserves rather than using an installment purchase agreement or other financing.

To continue our high-priority time-critical capital improvement and planned maintenance projects, the Board of Directors approved a budget for 2022 that uses reserves for a major pipeline project. However, favorable operating results to budget will allow these and additional projects to be completed without a major impact to reserves.

The Board approved the 2022 budget without a rate increase for 2022. However, a rate increase in future years may be necessary to address the significant inflation rate in 2021 and 2022 and to fund future capital projects out of reserves or to cover debt service. Wholesale water sales are budgeted in 2022 to offset any possible reduction in retail water sales.

Although weather will continue to play a significant role in determining retail water sales for 2021, other factors such as drought regulations make it increasingly difficult to forecast volumetric sales. However, we will continue to have the option of selling surplus water to the City of Pasadena if there is significant rainfall in 2022-2023 and/or if there is a decline in retail sales due to greater conservation efforts. These factors when combined make it difficult to know the effect on the District's operations in 2022. Fortunately, the District has the flexibility to adjust expenditures for capital improvements and planned maintenance to meet the overall budget objectives for 2022.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our purveyors, customers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report, or need additional financial information, contact the District's finance office at 1999 Kinclair Drive, Pasadena, CA 91107. Current and archived documents of the Kinneloa Irrigation District can also be found on our Internet site at www.kinneloairrigationdistrict.info.

EGAN & EGAN
CERTIFIED PUBLIC ACCOUNTANTS
1545 N. COLUMBUS AVENUE
GLENDALE, CA 91202
(877) EGAN 4 US EGANCPA.COM

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Kinneloa Irrigation District
Pasadena, California

Opinion

We have audited the accompanying financial statements of Kinneloa Irrigation District (the "District") as of and for the years ended December 31, 2021 and 2020 and the related notes to the financial statements which collectively comprise the District's basic financial statements listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the District as of December 31, 2021 and 2020, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial statements contained in Government Auditing Standards issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions,

misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 2 through 6 and the Schedules of District's Proportionate Share of the Plan's Net Pension Liability and Contributions to the Pension Plan on pages 26 through 27 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Operating Expenses on page 25 is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Operating Revenues and the Schedule of Operating Expenses are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and

certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April __, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, and contracts.. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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**KINNELOA IRRIGATION DISTRICT
STATEMENTS OF NET POSITION
DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current assets		
Cash and cash equivalents	\$ 308,527	448,753
Cash, restricted as to use	1,884,792	1,891,339
Customer receivables	163,939	222,629
Prepaid expenses	36,266	33,527
Materials and supplies	<u>20,000</u>	<u>20,000</u>
Total current assets	2,413,524	2,616,248
Capital assets, net of accumulated depreciation	5,278,468	5,173,344
Deferred outflows of resources		
Deferred amounts from pension plan	<u>64,858</u>	<u>93,686</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ <u>7,756,850</u>	<u>7,883,278</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
Current liabilities		
Current portion of installment purchase contract	\$ 148,796	143,538
Accounts payable and accrued expenses	44,978	35,959
Accrued payroll and payroll taxes	26,025	24,071
Customer deposits	<u>2,055</u>	<u>3,855</u>
Total current liabilities	221,854	207,423
Installment purchase contract, net of current	1,302,275	1,451,072
Net pension liability	<u>144,455</u>	<u>341,220</u>
Total liabilities	1,668,584	1,999,715
Deferred inflows of resources		
Deferred amounts from pension plan	160,498	35,841
Net position		
Invested in capital assets, net of related debt	5,278,468	5,173,344
Restricted for debt service		
Unrestricted	<u>649,300</u>	<u>674,378</u>
Total net position	<u>5,927,768</u>	<u>5,847,722</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ <u>7,756,850</u>	<u>7,883,278</u>

The accompanying notes are an integral part of the financial statements.

KINNELOA IRRIGATION DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Operating revenues		
Water sales and service fees	\$ 1,900,436	1,825,240
Operating expenses		
Operating and maintenance	953,220	836,551
Administration and general	480,061	506,824
Depreciation	331,226	351,909
Total operating expenses	<u>1,764,507</u>	<u>1,695,284</u>
Operating income	<u>135,929</u>	<u>129,956</u>
Non-operating revenue and expense		
Interest	6,373	21,821
Interest expense	(56,664)	(61,735)
Unrealized (loss) gain	(13,547)	23,929
Other income	7,955	-
Net non-operating revenue and expense	<u>(55,883)</u>	<u>(15,985)</u>
Change in net position	80,046	113,971
Net position, beginning of year	<u>5,847,722</u>	<u>5,733,751</u>
Net position, end of year	<u>\$ 5,927,768</u>	<u>5,847,722</u>

The accompanying notes are an integral part of the financial statements.

**KINNELOA IRRIGATION DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

Cash flows from operating activities:	<u>2021</u>	<u>2020</u>
Cash received from customers	\$ 1,959,126	1,776,118
Cash payments to employees for services	(552,231)	(504,496)
Cash payments for services and goods	<u>(872,816)</u>	<u>(825,100)</u>
Net cash provided by operating activities	<u>534,079</u>	<u>446,522</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(436,350)	(185,145)
Net cash used (provided) for pension liabilities	(43,280)	16,150
Principal paid on installment purchase agreement	(143,539)	(138,466)
Customer deposits	(1,800)	2,700
Other non-operating gain, net	(13,547)	23,929
Other non-operating income	7,955	-
Interest expense paid	<u>(56,664)</u>	<u>(61,735)</u>
Cash used by capital and related financing activities	<u>(687,225)</u>	<u>(342,567)</u>
Cash flows from investing activities:		
Interest received	<u>6,373</u>	<u>21,821</u>
Net (decrease) increase in cash and cash equivalents	(146,773)	125,776
Cash and cash equivalents, beginning of the year	<u>2,340,092</u>	<u>2,214,316</u>
Cash and cash equivalents, end of the year	<u>\$ 2,193,319</u>	<u>2,340,092</u>
SUMMARY OF BALANCE SHEET CASH and CASH EQUIVALENTS		
Cash	\$ 308,527	448,753
Temporary investments, restricted as to use	<u>1,884,792</u>	<u>1,891,339</u>
Total cash	<u>\$ 2,193,319</u>	<u>2,340,092</u>

The accompanying notes are an integral part of the financial statements.

**KINNELOA IRRIGATION DISTRICT
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
Reconciliation of operating income to net cash operating activities:		
Operating income	\$ 135,929	129,956
Adjustments to reconcile operating income to net provided by operating activities:		
Depreciation	331,226	351,909
Decrease (increase) in receivables	58,690	(49,122)
(Increase) decrease in prepaid expenses	(2,739)	7,404
Increase in accounts payable and accrued expenses	<u>10,973</u>	<u>6,375</u>
Net cash provided by operating activities	<u>\$ 534,079</u>	<u>446,522</u>

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The accompanying notes are an integral part of the financial statements.

**KINNELOA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Kinneloa Irrigation District (the "District") is a special district organized in 1953 under the provisions of Division 11 of the Water Code of the State of California. The District delivers water to the residents in a specific area of Los Angeles County, northeast of the City of Pasadena. This District is not a subdivision of a larger governmental organization.

The District is governed by an elected Board of Directors. At December 31, 2021, the Board of Directors were as follows:

<u>NAME</u>	<u>OFFICE</u>
Gordon Johnson	Chairman
Dr. David Moritz	Treasurer
Gerrie Kilburn	Director
Stephen Brown	Director
Timothy Eldridge	Director

The accounting policies of the District conform to generally accepted accounting principles as applicable to governmental enterprise funds. The more significant policies reflected in the financial statements are summarized as follows:

a. Basis of Presentation and Measurement Focus

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs of providing water to its customers on a continuing basis be financed or recovered, primarily through user charges (water sales and services) or similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

Operating revenues and expenses are generated and incurred through the water sales activities to the District's customers. Management, administration, and depreciation expenses are also considered operating expenses. Other revenues and expenses not included in the above categories are reported as non-operating revenues and expenses.

In accordance with U.S. GAAP, the Statements of Net Position reports separate sections for Deferred Outflows of resources, and Deferred Inflows of Resources, when applicable.

b. Deferred Outflows of Resources

Represent outflows of resources (consumption of net position) that apply to future periods and that, therefore, will not be recognized as an expense until that time.

**KINNELOA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,
continued**

c. Deferred Inflows of Resources

Represent inflows of resources (acquisition of net position) that apply to future periods and that, therefore, will not be recognized as revenue until that time.

d. Net Position

The financial statements utilize a net position presentation. Net position is categorized as follows:

Net Investment in Capital Assets – This component of net assets consists of capital assets, net of accumulated depreciation and reduced by any debt outstanding against the acquisition, construction or improvement of those assets.

Unrestricted – This component of net position consists of net assets that do not meet the definition of restricted or net investment in capital assets.

e. Utility Plant

Utility plant is stated at cost. The District capitalizes applicable overhead costs in connection with self-constructed assets. Depreciation of all exhaustible utility plant is charged as an expense in the accompanying statements of income. Depreciation is provided over the estimated useful lives of the asset using the straight-line method. Estimated useful lives are as follows:

	<u>Number of Years</u>
Water system	5 to 50
Autos and trucks	3 to 5
Office equipment	5 to 10
Office and production facilities	10 to 40

f. Restricted Assets

The Board of Directors has designated a portion of the District's cash and cash equivalents to be maintained for future capital improvements. The restriction is at the discretion of the Board.

g. Uncollectible Accounts

The District's management estimates that accounts receivable are collectible. Unpaid water accounts receivable become a lien on the property and must be paid upon the sale of the property.

h. Cash and Cash Equivalents

The District defines cash and cash equivalents as demand account balances, cash on hand and money market accounts. The District invests cash in excess of its operating

**KINNELOA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,
continued**

h. Cash and Cash Equivalents, continued

requirements primarily with the State Treasurer's Local Agency Investment Fund (LAIF) and CalTrust, a money market account.

i. Materials and Supplies

Materials and supplies are stated at cost and consist of expendable supplies held for consumption or future additions to Utility Plant.

j. Concentration of Credit Risk

The District's receivables are from consumers within a specific geographic area.

k. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

l. Budgetary Process

Each year, the District adopts a budget which provides for its general operations. Budgets are prepared on the accrual basis of accounting. The District follows these procedures in establishing the budget for the fiscal year:

- i. Formal budgetary integration is employed as a management control device during the year for the operations.
- ii. The Board approves the total budget for the year for the District. The Board is authorized to make any budget adjustments during the year.
- iii. Unused appropriations lapse at the end of the year unless extended into the subsequent year by a vote of the Board of Directors.

m. Income Taxes

The District is exempt from income taxes under provisions of the Internal Revenue Code and related California statutes; accordingly, no provision for income taxes is required.

n. Compensated Absences

It is the District's policy to permit employees to accumulate paid time off for either vacation or illness in accordance with the limits expressed in its employee handbook. Upon termination, retirement or death of an employee, the District pays eligible accrued time in a

**KINNELOA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,
continued

n. Compensated Absences, continued

lump-sum payment to the employee or beneficiary. Accumulated paid time off is recorded as an expense and a liability at the time the benefit is earned.

o. Operating Revenues and Expenses

Operating revenues, principally water sales, are charges for services resulting from exchange transactions associated with the principal activity of the District and billed monthly. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues result from non-exchange transactions or ancillary activities in which the District gives or receives value without directly receiving or giving equal value in exchange.

p. Property taxes

The Constitution of the State of California, Article 13A, limits the District's ability to levy taxes on property within the District. Taxes may be imposed upon the vote of a two-thirds vote of the qualified electors of the District. Such taxes would be limited for a specific purpose such as bond indebtedness or improvements to the water system.

q. Subsequent Events

The District has evaluated subsequent events through the date at which the financial statements were available to be issued, which was April __, 2022.

NOTE 2. CASH AND CASH EQUIVALENTS

At December 31, 2021 and 2020 cash and cash equivalents consist of:

	<u>2021</u>	<u>2020</u>
Insured with financial institutions	\$ 308,527	448,753
Local Agency Investment Fund ("LAIF")	128,239	127,715
Uninsured and uncollateralized	<u>1,756,553</u>	<u>1,763,624</u>
	<u>\$ 2,193,319</u>	<u>2,340,092</u>

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

**KINNELOA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 2. CASH AND CASH EQUIVALENTS, continued

The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Of the bank balances, up to \$250,000 is Federally insured and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the District's name.

The District is a voluntary participant in LAIF, which is regulated by California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro rata share of the fair value provided by LAIF for the entire LAIF portfolio. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

The District invests in CalTrust, a Joint Powers Authority established by public agencies in California for the purpose of pooling and investing local agency funds. A Board of Trustees, comprised of experienced investment officers and policymakers of the members, supervises and administers the investment program of the Trust. CalTrust invests in fixed income securities eligible for investment pursuant to California Government Code. Investment in CalTrust accounts are uninsured and uncollateralized.

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The District manages its exposure to interest rate risk by participating in LAIF.

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District does not believe a credit risk exists from its deposits with LAIF.

**KINNELOA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 3. CAPITAL ASSETS

Capital asset activity for the years ended December 31, 2021 and 2020 was as follows:

2021				
	Balance January 1	Additions	Disposal & Transfers	Balance December 31
Land	\$ 96,700			96,700
Water rights	52,060			52,060
Buildings, wells and distribution system	9,620,249	434,964		10,055,213
Machinery and equipment	1,006,915	1,431	45	1,008,301
	10,775,924	436,395	45	11,212,274
Less accumulated	(5,602,580)	(331,226)		(5,933,806)
Total capital assets	\$ 5,173,344	105,169	45	5,278,468
2020				
	Balance January 1	Additions	Transfers	Balance December 31
Land	\$ 96,700			96,700
Water rights	52,060			52,060
Buildings, wells and distribution system	9,513,172	107,077		9,620,249
Machinery and equipment	931,822	78,068	2,975	1,006,915
	10,593,754	185,145		10,775,924
Less accumulated	(5,253,646)	(351,909)	(2,975)	(5,602,580)
Total capital assets	\$ 5,340,108	(166,764)	-	5,173,344

**KINNELOA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 4. INSTALLMENT PURCHASE AGREEMENT

During the year ended December 31, 2015, the District entered into a \$2,300,000 installment purchase agreement ("the Agreement") to provide funds for the construction and acquisition of a booster pump station and connector pipelines. The Agreement requires semi-annual payments of principal and interest of \$100,101. Future annual debt service is as follows:

Year ended December 31,	Installment Payments	Interest	Total Debt Service
2022	\$ 148,796	51,406	200,202
2023	154,246	45,956	200,202
2024	159,896	40,306	200,202
2025	165,753	34,449	200,202
2026	171,825	28,377	200,202
Thereafter	650,555	48,222	698,777
	<u>\$ 1,451,071</u>	<u>248,716</u>	<u>1,699,787</u>

The District pledged Net Water Revenues as security for the Agreement. The District is required to maintain a minimum unrestricted fund balance of \$200,200.

NOTE 5. PENSION PLAN

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Plan Description

The District contributes to the State of California Public Employees Retirement System ("PERS"), an agent multi-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by statute and city ordinance. Copies of PERS' annual financial report may be obtained from their offices or through their web site.

All full-time employees are eligible to participate as members of PERS. Benefits vest after five years of service. District employees are eligible to retire upon attaining age 60. Annual retirement benefits are determined based upon the age at retirement, the length of membership service and the amount of earnings based upon the highest twelve consecutive months' average.

Benefits Provided

PERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service.

**KINNELOA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 5. PENSION PLAN, continued

On September 12, 2012, the California Governor signed the California Public Employees' Pension Reform Act of 2013 (PEPRA) into law, taking effect January 1, 2013. The new legislation closed the District's PERS 2.5% at 55 and 2% at 60 Risk Pool Retirement Plan to new employee entrants effective December 31, 2013. The District has 6 employees included in Classic. All employees hired after January 1, 2013, are eligible for the District's PERS 2% at 62 Retirement Plan under PEPRA. The District has 2 employees covered by New Classic.

The Plans' provision and benefits in effect as of the June 30, 2021 measurement are as follows:

	Miscellaneous Plan		
	Classic	New Classic	PEPRA
	Prior to <u>January 1, 2011</u>	On or after <u>January 1, 2013</u>	On or after <u>January 1, 2013</u>
Hire Date	2.0% @ age 55	2% @ age 60	2% @ age 62
Benefit formula	5 service years	5 service years	5 service years
Benefit vesting schedule	Monthly for life	Monthly for life	Monthly for life
Benefit payments	50-55	52-67	52-67
Retirement age	2.0% to 2.5%	1.0% to 2.5%	1.0% to 2.5%
Monthly benefits, as a % of eligible comp.	6.902%	6.912%	6.25%
Required employee contribution rates	8.892%	7.634%	6.842%
Required employer contribution rates			

Contributions

California Public Law requires that the employer contribution rates for all public employees be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in rate. Funding contributions are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarial determined rate and the contribution rate of employees.

Employer contributions for the years ended December 31, 2021 and 2020 were \$43,355 and \$37,734, respectively.

Net Pension Liability, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

As of December 31, 2021 the District reported net pension liabilities for its proportionate share of the net pension liability of the Plan as follows:

	Proportionate Share of Net <u>Pension Liability</u>
Miscellaneous	\$ <u>144,455</u>

**KINNELOA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 5. PENSION PLAN, continued

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2021, and the total pension liability for the Plan was determined by an actuarial valuation as of June 30, 2021.

The District's proportionate share of the net pension liability for the Plan as of the reporting period ending December 31, 2021 and 2020 was as follows:

	<u>Miscellaneous</u>
December 31, 2020	0.00809%
December 31, 2021	0.00761%
Change - Increase	-0.00480%

For the years ended December 31, 2021 and 2020, the District recognized pension expense of \$23,691 and \$83,592, respectively. At December 31, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions after the measurement date	\$ 21,517	
Differences between actual and expected experience	16,199	
Change in assumptions		
Change in employer's proportion and differences between the District's contributions and the District's proportionate share of contributions	27,142	34,396
Differences between projected and actual earnings on Plan investments		126,102
	\$ 64,858	160,498

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Fiscal Year Ending December 31,</u>	<u>Amount</u>
2022	\$ (26,977)
2023	(27,197)
2024	(28,135)
2025	(34,848)
	\$ (117,157)

**KINNELOA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 5. PENSION PLAN, continued

Actuarial Assumptions and Methods

The actuarial valuation is computed using the entry age normal actuarial cost method. The actuarial assumptions include: (a) an investment rate of return of 7.15% compounded annually, (b) projected annual salary increases that vary by duration of service, and (c) payroll cost-of-living adjustments of 2.75%. The rates used in (a) and (b) are compounded annually at 3%. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period. Initial unfunded liabilities are amortized over a specific period that depends upon the plan's date of entry into PERS. Subsequent plan amendments are amortized as a level percentage of projected payroll over a closed 20-year period. The District does not have an unfunded liability.

Discount Rate

CalPERS used a 7.15% discount rate to determine the total pension liability for the year ended December 31, 2021 and 2020. The District relies upon the actuarial analysis performed by CalPERS actuaries for the reasonableness of this discount rate.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1 - 10</u>
	%	%
Global Equity	50.0	4.80
Fixed Income	28.0	1.00
Inflation Assets	0.0	0.77
Private Equity	8.0	6.30
Real Assets	13.0	3.75
Liquidity	1.0	0.00
	<u>100.0</u>	

**KINNELOA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 5. PENSION PLAN, continued

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The District relies upon CalPERS to compute the liability using an expected long-term rate of return. The following presents the District's proportionate share of the net pension liability calculated using the discount rate for the Plan and what the District's proportionate share would be if it was calculated using a discount rate that is one percent lower and one percent higher:

	Discount Rate		
	Less 1% - 6.15%	Current - 7.15%	Plus 1% - 8.15%
Proportionate Net Pension Liability	\$ <u>385,117</u>	<u>144,455</u>	<u>(54,496)</u>

NOTE 6. INSURANCE POOLS

The District is a member of the Joint Powers Insurance Authority ("JPIA"), which pools together members of the Association of California Water Agencies for the purpose of paying group property, general liability and workers' compensation claims. Premiums are remitted directly to the JPIA by its members. The property portion is entirely self-funded, and the general liability self-funded portion is capped at \$5,000,000. Excess liability insurance in the amount of \$55,000,000 has been purchased by the Authority, bringing the total liability coverage to \$60,000,000.

To date, the District and its counsel are not aware of any material claims incurred through the period ended December 31, 2021, regarding these insurance plans. The District does not anticipate the need for a reserve for Incurred but Not Reported.

NOTE 7. CONTINGENCIES AND COMMITMENTS

Contingencies

The District is the subject of certain claims and assessment arising in the normal course of its operations. Management of the District does not believe that the resolution of these matters will have a material adverse effect on the District's financial condition.

**KINNELOA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

Contingencies

The District is subject to water usage requirements of the State of California. The District's primary source of water is from groundwater wells and its water rights are sufficient to meet customer demand under normal conditions. Interconnections with the City of Pasadena are used for supplemental water in the event of an operational emergency. The District is also a member agency of the Foothill Municipal Water District which is a wholesale supplier of imported water from the Metropolitan Water District of Southern California.

The accompanying financial statements do not include the effects, if any, should the District be required to import additional water to meet demand.

COVID-19 Pandemic

On April 2, 2020, the Governor of the State of California issued an Executive Order ("Order") N-42-20 responding to the COVID-19 pandemic, which prohibits the discontinuation of water service for lack of payment. The District has not incurred significant loss from this Order.

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SUPPLEMENTARY INFORMATION

DRAFT

**KINNELOA IRRIGATION DISTRICT
SCHEDULE OF OPERATING EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
Operating & Maintenance		
Power	\$ 174,346	137,678
Purchased water	63,135	63,135
Labor	291,380	241,107
Engineering	33,647	28,551
Maintenance and repairs	45,933	39,069
Water analysis	15,497	26,907
Outside contractors	133,124	130,086
Truck maintenance and fuel	30,969	29,022
Insurance	116,463	114,097
Watermaster	13,047	10,503
Other	<u>35,679</u>	<u>16,396</u>
	<u>\$ 953,220</u>	<u>836,551</u>
Administrative and General		
Administrative salaries	\$ 145,486	143,326
Office labor	122,776	116,221
Payroll taxes	42,606	37,695
CalPERS retirement	43,355	38,034
CalPERS change in estimates	(19,664)	45,558
Outside services	25,432	26,150
Legal fees	18,181	9,737
Professional dues	15,199	14,111
Board compensation	7,350	6,450
Office expense	45,928	41,966
Telephone, internet	8,051	5,999
Accounting fees	7,100	7,100
Permits and operational fees	8,644	7,218
Information systems	9,617	7,048
Election	<u>-</u>	<u>211</u>
	<u>\$ 480,061</u>	<u>506,824</u>

KINNELOA IRRIGATION DISTRICT
Required Supplementary Information (Unaudited)
Schedule of the District's Proportionate Share of the Plan's Net Pension Liability
For the Year Ended December 31, 2021

California Public Employees' Retirement System (CalPERS) Miscellaneous Plan

Measurement Date:	June 30, 2021¹	June 30, 2020¹	June 30, 2019¹	June 30, 2018¹
District's Proportion of the Net Pension Liability	<u>0.0000929%</u>	<u>0.0000948%</u>	<u>0.008380%</u>	<u>0.008070%</u>
District's Proportionate Share of the Net Pension Liability	<u>\$ 144,455</u>	<u>\$ 341,220</u>	<u>\$ 305,004</u>	<u>\$ 271,329</u>
District's Covered-Employee Payroll	<u>\$ 554,185</u>	<u>\$ 491,319</u>	<u>\$ 444,684</u>	<u>\$ 398,795</u>
Liability as a Percentage of Covered-Employee	<u>26.07%</u>	<u>69.45%</u>	<u>68.59%</u>	<u>68.04%</u>
Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	<u>90.49%</u>	<u>77.71%</u>	<u>77.73%</u>	<u>80.09%</u>

KINNELOA IRRIGATION DISTRICT
Required Supplementary Information (Unaudited)
Schedule of the District's Contributions to the Pension Plan
For the Year Ended December 31, 2021

California Public Employees' Retirement System (CalPERS) Miscellaneous Plan

Fiscal Year:	<u>2020-21¹</u>	<u>2019-20¹</u>	<u>2018-19¹</u>	<u>2017-18¹</u>	<u>2016-17¹</u>	<u>2015-16¹</u>
Actuarially Determined Contribution ²	\$ 42,594	\$ 33,964	\$ 30,027	\$ 23,647	\$ 21,100	\$ 19,754
Actuarially Determined Contribution ²	<u>(42,594)</u>	<u>(33,964)</u>	<u>(30,027)</u>	<u>(23,647)</u>	<u>(21,100)</u>	<u>(19,754)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>					
District's Covered-Employee Payroll	<u>\$ 554,185</u>	<u>\$ 491,319</u>	<u>\$ 444,684</u>	<u>\$ 398,795</u>	<u>\$ 350,511</u>	<u>\$ 309,239</u>
Covered-Employee Payroll	<u>7.69%</u>	<u>6.91%</u>	<u>6.75%</u>	<u>5.93%</u>	<u>6.02%</u>	<u>6.39%</u>

¹ Historical information is presented only for measurement periods for which GASB No. 68 is applicable.

² Employers are assumed to make contributions equal to the actuarially determined contributions (which is the actuarially determined contribution). However, some employers may choose to make additional contributions towards their side-fund or their unfunded liability. Employer contributions for such plan exceed the actuarial determined contributions. CalPERS has determined that employer obligations referred to as *side-funds* are not considered separately financed specific liabilities.

³ Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB No. 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

KINNELOA IRRIGATION DISTRICT

Regular Meeting – Board of Directors
1999 Kinclair Drive, Pasadena, CA 91107
Tuesday, March 29, 2022, 3:00 P.M.

MINUTES

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

The meeting was conducted by teleconference pursuant to the Brown Act Waivers provided for under the Governor’s Executive Orders in response to COVID-19 State of Emergency as well as the District Board room. The District offered the public to attend the meeting by telephone, videoconference or in-person as stated in the agenda.

DIRECTORS PRESENT: Zoom teleconference/videoconference
(In-Person): Stephen Brown, Gordon Johnson, Gerrie Kilburn & David Moritz

DIRECTORS ABSENT: None

STAFF PRESENT: (In-Person): General Manager, Melvin Matthews; Office Manager, Martin Aragon, Office Assistant Melanie Timoteo; Field Staff; Chris Burt & Michele Ferrell

PUBLIC PRESENT: (Zoom): Shawn Harkness of CV Strategies
(In-Person): Tom Majich, KID General Counsel William Kruse of Lagerlof LLP. & John Robinson of John Robinson Consulting, Inc.

1. CALL TO ORDER:

Chairman Johnson called the meeting to order at 3:00 P.M. and took roll call. A quorum of Board Members was present and reviewed the agenda.

2. PUBLIC COMMENT: None

3. OATH OF OFFICE - Division 4 appointee Thomas “Tom” Majich II:

Administration of Oath was postponed until the County Board of Supervisors has ratified the appointment.

4. FORMAT OF MEETING MINUTES – Board to discuss format and content of meeting minutes in consideration of the recommendation of the District’s General Counsel.

Discussion outcomes and action items will be captured in the minutes.

5. REVIEW OF MINUTES - February 15, 2022

Director Brown motioned to substitute the italicized language in item ten for:

“Discussion outcome:

The Delegation of Authority document should include criteria for when the General Manager will designate a member of staff to act on his behalf, for example when the General Manager is on vacation, on medical leave, or away from Southern California. Once the revisions to the Delegation of Authorities document have been completed, it will be presented to the Board for review”

and was seconded by Director Kilburn. Chairman Johnson conducted a roll call vote. Directors Brown, Johnson, Kilburn, and Moritz voted *Aye*

Director Kilburn motioned to approve the February 15, 2022, Minutes for filing with indicated revisions and was seconded by Director Brown. Chairman Johnson conducted a roll call vote. Directors Brown, Johnson, Kilburn, and Moritz voted *Aye*

6. REVIEW OF FINANCIAL REPORTS – January 31, 2022, and February 28, 2022:

Director Moritz motioned to approve the financial reports for filing and was seconded by Director Brown. Chairman Johnson conducted a roll call vote. Directors Brown, Johnson, Kilburn, and Moritz voted *Aye*.

7. GENERAL MANAGER’S REPORT:

The General Manager presented his report.

8. ELECTION OF INDEPENDENT SPECIAL DISTRICT REPRESENTATIVE TO LAFCO

Director Kilburn motioned to elect E.G., “Jerry” Gladbach as a Voting Member for Special District LAFCO and was seconded by Director Moritz. Chairman Johnson conducted a roll call vote. Directors Kilburn and Director Moritz voted *Aye*. Directors Brown and Johnson voted *nay*.

Director Brown motioned that the Board, on behalf of the District, abstain from casting a vote for either of the two candidates for Alternative Member to the Special District LAFCO and was seconded by Director Kilburn. Chairman Johnson conducted a roll call vote. Director Brown, Johnson, Kilburn, and Moritz voted *Aye*.

The Board decided not to vote in either race.

9. PROJECT UPDATES:

Discussion Outcome

A. Customer Outreach

Shawn Harkness of CV Strategies will have a report to present at the 4/19/22 Board Meeting. He will discuss the findings from the survey and newsletter distribution.

B. System Map Updates

From the correspondence between Field Staff and SA Associates, the System Map Updates are further along than the last update provided at the 2/15/22 meeting. Completion of the System Map Updates remain indefinite.

C. Emergency Response Plan

The Emergency Management Coordinator, Alix Stayton from PWAG, reviewed the draft ERP for the District and found that its contents conformed to what is required for such a document. Alix Stayton, of PWAG, recommended that the District reformat the document contents to conform to ERP's submitted by other PWAG members. The draft ERP will be presented to the Board at the May meeting.

D. Master Plan Revision – Draft Technical Memo from consultant.

From John Robinson's perspective, because the K.I.D. capital improvement plan (CIP) reflects the information provided by the General Manager, Michele Ferrell, and Chris Burt it is more representative of what is necessary to maintain and improve the system. Chairman Johnson recommended that we perform a failure analysis of the K3 well and review the potential impact of accessory dwelling units (ADU).

Director Brown cited future water supply as the overriding priority.

Chairman Johnson questioned whether the KID is upgrading our existing infrastructure at a sufficient pace.

Chairman Johnson requested a copy of the agreement with the City of Pasadena that we rely on for emergency supplies. He also requested a plan for obtaining a Supply Reliability Study.

E. Brown-Glen Pipeline Improvement Project

The General Manager presented the Civiltec Engineering Inc. Water System Analysis and Technical Memorandum Brown/Glen Sustaining Valve Study.

The next action is to speak with the customer who will be affected by the project.

10. TELECONFERENCING OF BOARD MEETING:

Director Brown motioned to approve the resolution and was seconded by Director Kilburn. Chairman Johnson conducted a roll call vote. Director Brown, Johnson, Kilburn, and Moritz voted Aye

11. CLOSED SESSION - PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Government Code §54954.5(E): Title: General Manager

12. REPORT ON CLOSED SESSION:

Discussion Outcome:

Chairman Johnson announced the closed session concluded and no action was taken.

13. DIRECTOR REPORTS AND/OR COMMENTS:

Chairman Johnson requested updates for that several items discussed in previous Board meetings be tracked and updates be provided at future Board meetings until each item has been completed:

- Delegation of Authority
- Modify internal rules to clarify process used by staff to request Board review of a personnel matter.
- Provide the Board of Directors with the City of Pasadena agreement to provide emergency water supply.
- Develop a plan to assess water supply reliability.
- Seek an intern to help collect data for initiation of an Asset Management Plan.
- Schedule a discussion item in April and plan for an action to adopt the Emergency Response Plan in May.

Director Kilburn asked if all the Subeca devices would be installed in April. Melvin Matthews explained that the install would require three months to complete. Install will start with Division 1 and include locations where the Badger meter equipment has failed. Once the installation is complete, then a plan for education will be developed.

ADJOURNMENT:

Chairman Johnson adjourned the meeting at 6:10 pm.

Prepared and submitted by,

Martin Aragon

**Martin Aragon
Office Manager/Board Clerk**

In compliance with the Americans with Disabilities Act, if you are a disabled person and need a disability-related modification or accommodation to participate in this meeting, please contact the District office 48 hours prior to the meeting at 626-797-6295. Each item on the agenda, no matter how described, shall be deemed to include any appropriate motion, whether to adopt a minute motion, resolution, payment of any bill, approval of any matter or action, or any other action. Material related to an item on this agenda submitted after distribution of the agenda packet is available for public review at the District office or online at the District's website <https://kinneloairrigationdistrict.info>.

KINNELOA IRRIGATION DISTRICT

Regular Meeting – Board of Directors
1999 Kinclair Drive, Pasadena, CA 91107
Tuesday, April 19, 2022, 3:00 P.M.

MINUTES

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

The meeting was conducted by teleconference pursuant to the Brown Act Waivers provided for under the Governor’s Executive Orders in response to COVID-19 State of Emergency as well as the District Board room. The District offered the public to attend the meeting by telephone, videoconference or in-person as stated in the agenda.

DIRECTORS PRESENT: Zoom teleconference/videoconference
(In-Person): Stephen Brown, Gordon Johnson, Gerrie Kilburn, Tom Majich & David Moritz

DIRECTORS ABSENT: None

STAFF PRESENT: (In-Person): General Manager, Melvin Matthews; Office Manager, Martin Aragon, Field Operators Michele Ferrell & Chris Burt

PUBLIC PRESENT: (Zoom): Shawn Harkness of CV Strategies.
(In Person): KID General Counsel William Kruse of Lagerlof, LLP

1. CALL TO ORDER:

Chairman Johnson called the meeting to order at 3:00 P.M. and took roll call. A quorum of Board Members was present and reviewed the agenda.

2. PUBLIC COMMENT: None

3. OATH OF OFFICE

Oath of office for Director (Division 4) Tom Majich II. Gordon Johnson subscribed and sworn before Kinneloa Irrigation District Treasurer David Moritz, Director (Division 5).

4. REVIEW OF MINUTES – March 15, 2022, and March 29, 2022

Director Kilburn motioned to approve the *March 15, 2022* minutes for filing with indicated revision and was seconded by Director Brown. Director Johnson conducted a roll call vote. Directors Brown, Johnson, Kilburn, Majich and Moritz voted *Aye*.

Review of the *March 29, 2022* minutes was deferred to the next meeting.

5. REVIEW OF FINANCIAL REPORTS

Director David Moritz reviewed the Financial Reports. Stephen Brown motioned to approve the financial reports for filing and was seconded by Director Kilburn. Director Johnson conducted a roll call vote. Directors Brown, Johnson, Kilburn, Majich and Moritz all voted *Aye*.

6. GENERAL MANAGER'S REPORT

The General Manager presented his report.

Discussion Outcome:

The Advanced Meter Infrastructure (AMI) installations have covered a majority of the Division 1 area.

The audit performed by Egan CPAs LP was completed and will be presented at the May meeting along with the Annual Report and draft of the Emergency Response Plan.

7. EMPLOYEE POLICIES AND PROCEDURES

Director Moritz motioned to adopt the revision to the Employee Policies and Procedures and was seconded by Director Brown. Director Johnson conducted a roll call vote. Directors Brown, Johnson, Kilburn, Majich and Moritz all voted *Aye*.

8. RESPONSIBILITIES AND DELEGATION OF AUTHORITY

Discussion Outcome:

Review of the Delegation of Authority was extended to the meeting in May.

9. PROJECT UPDATES

Discussion Outcome:

The counsel for the City of Pasadena is reviewing the revised Emergency Interconnect Agreement. The existing Emergency Interconnect Agreement was sent to each Director.

If Kinneloa Irrigation District were to consider a new source of water by connecting to the Metropolitan Water District, then an agreement would be established with Foothill Municipal Water District for the purchase of the Metropolitan Water. Then an agreement would be formed with the City of Pasadena for delivering the water through their water system to the Kinneloa Irrigation District.

If Kinneloa Irrigation District were to focus on reliability, then rehabilitation of the Wilcox Well could be considered.

At one time the Wilcox Well generated 550 gallons of water per minute, it currently generates approximately 250 gallons per minute according to field staff member Chris Burt.

Director Majich recommended that the District request an estimate from John Robinson Consulting for the rehabilitation of the Wilcox Well.

There was an agreement among the field staff members Chris Burt, Michele Ferrell and Director Majich to meet with the property owner who will be directly impacted by the Brown/Glen Project.

Director Majich recommended that the Kinneloa Irrigation District develop an asset inventory.

- 10. TELECONFERENCING OF BOARD MEETINGS** – Board to consider continuing to waive certain provisions of the Brown Act as permitted by AB 361 during the COVID-19 emergency. Recommended Action: Board to decide whether to extend the provisions of Resolution 2020-1-18 for 30 days by adopting Resolutions 2022-04-19

Director Kilburn motioned to approve the resolution and was seconded by Director Brown. Director Johnson conducted a roll call vote. Directors Brown, Johnson, Kilburn, Majich and Moritz all voted Aye.

- 11. CLOSED SESSION - PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Government Code §54954.5(E)**: Title: General Manager

12. REPORT ON CLOSED SESSION:

Discussion Outcome:

Chairman Johnson announced the closed session concluded and no action was taken.

13. DIRECTOR REPORTS AND/OR COMMENTS:

Director Kilburn suggested that water quality information be included in the next newsletter.

ADJOURNMENT:

Chairman Johnson adjourned the meeting at 5:08 pm.

Prepared and submitted by,



Martin Aragon

Office Manager/Board Clerk

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KINNELOA IRRIGATION DISTRICT

Regular Meeting – Board of Directors
1999 Kinclair Drive, Pasadena, CA 91107
Wednesday, April 27, 2022, 3:00 P.M.

MINUTES

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

The meeting was conducted by teleconference pursuant to the Brown Act Waivers provided for under the Governor’s Executive Orders in response to COVID-19 State of Emergency as well as the District Board room. The District offered the public to attend the meeting by telephone, videoconference or in-person as stated in the agenda.

DIRECTORS PRESENT: Zoom teleconference/videoconference
(In-Person): Stephen Brown, Gordon Johnson, Gerrie Kilburn, Tom Majich & David Moritz

DIRECTORS ABSENT: None

STAFF PRESENT: (In-Person): General Manager, Melvin Matthews; Office Manager, Martin Aragon

PUBLIC PRESENT: None

1. CALL TO ORDER:

Chairman Johnson called the meeting to order at 3:00 P.M. and took roll call. A quorum of Board Members was present and reviewed the agenda.

2. PUBLIC COMMENT: None

3. CLOSED SESSION - PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Government Code €54954.5(E): Title: General Manager

4. REPORT ON CLOSED SESSION:

Discussion Outcome:

Chairman Johnson announced the closed session concluded and no action was taken.

5. DIRECTOR REPORTS AND/OR COMMENTS: None

6. **ADJOURNMENT:**

Chairman Johnson adjourned the meeting at 4:10 pm.

Prepared and submitted by,

Martin Aragon

Martin Aragon

Office Manager/Board Clerk

In compliance with the Americans with Disabilities Act, if you are a disabled person and need a disability-related modification or accommodation to participate in this meeting, please contact the District office 48 hours prior to the meeting at 626-797-6295. Each item on the agenda, no matter how described, shall be deemed to include any appropriate motion, whether to adopt a minute motion, resolution, payment of any bill, approval of any matter or action, or any other action. Material related to an item on this agenda submitted after distribution of the agenda packet is available for public review at the District office or online at the District's website <https://kinneloairrigationdistrict.info>.

DRAFT

Kinneloa Irrigation District
Income Statement for the Four Months Ending April 30, 2022

	Current Month Actual	Current Month Budget	Current Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance
Revenues						
4000 Water Sales	119,017.64	115,000.00	4,017.64	484,967.66	451,000.00	33,967.66
4015 Wholesale Water Sales	18,415.58	25,000.00	(6,584.42)	45,583.76	75,000.00	(29,416.24)
4020 Service/Installation Charges	317.20	833.33	(516.13)	2,143.32	3,333.32	(1,190.00)
4035 Interest-Reserve Fund	1,000.17	583.33	416.84	2,861.65	2,333.32	528.33
4036 Unrealized Gain(Loss)-CalTRU	(7,274.80)	2,083.33	(9,358.13)	(39,302.41)	8,333.32	(47,635.73)
Total Revenues	131,475.79	143,499.99	(12,024.20)	496,253.98	539,999.96	(43,745.98)
Expenses						
5000 Leased Water Rights	0.00	0.00	0.00	63,135.00	63,135.00	0.00
5005 Electricity	14,463.07	12,000.00	2,463.07	51,486.88	46,000.00	5,486.88
5010 Maintenance/Repair Supplies	7,052.51	2,500.00	4,552.51	17,670.37	10,000.00	7,670.37
5011 Material and Labor for Install	0.00	833.33	(833.33)	0.00	3,333.32	(3,333.32)
5012 Safety Equipment	207.05	166.67	40.38	504.70	666.68	(161.98)
5015 Operations Labor	23,151.14	25,133.33	(1,982.19)	95,503.12	100,533.32	(5,030.20)
5016 Operations OT	1,632.15	1,291.67	340.48	7,493.70	5,166.68	2,327.02
5020 Stand-by Compensation	720.00	915.00	(195.00)	3,240.00	3,660.00	(420.00)
5022 Training/Certification	0.00	133.33	(133.33)	393.00	533.32	(140.32)
5025 Water Treatment/Analysis	5,532.95	2,083.33	3,449.62	11,642.20	8,333.32	3,308.88
5030 Maintenance/Repair Contractors	16,420.57	11,666.67	4,753.90	41,275.53	46,666.68	(5,391.15)
5034 Equipment Maintenance	0.00	1,666.67	(1,666.67)	10,302.99	6,666.68	3,636.31
5035 Vehicle Maintenance	25.35	1,333.33	(1,307.98)	412.10	5,333.32	(4,921.22)
5036 Fuel	1,996.53	1,666.67	329.86	8,638.04	6,666.68	1,971.36
5045 Insurance-Workers Comp.	0.00	0.00	0.00	2,736.04	5,000.00	(2,263.96)
5046 Insurance-Liability	1,471.16	1,416.67	54.49	5,884.64	5,666.68	217.96
5048 Insurance-Property	255.28	208.33	46.95	1,021.12	833.32	187.80
5049 Insurance-Medical	6,428.48	8,604.17	(2,175.69)	25,713.92	34,416.68	(8,702.76)
6000 Engineering Services	6,615.00	3,958.33	2,656.67	22,141.25	15,833.32	6,307.93
6005 Watermaster Services	1,304.42	1,333.33	(28.91)	5,217.68	5,333.32	(115.64)
6015 Administrative Salary	12,787.30	13,216.67	(429.37)	51,149.20	52,866.68	(1,717.48)
6017 Administrative Travel	0.00	250.00	(250.00)	61.89	1,000.00	(938.11)
6020 Board Compensation	600.00	700.00	(100.00)	1,950.00	2,800.00	(850.00)
6021 Administrative & Board Exp.	0.00	83.33	(83.33)	6.65	333.32	(326.67)
6022 Board of Directors Election	0.00	0.00	0.00	344.22	0.00	344.22
6024 Customer/Public Info. Prog.	3,157.29	333.33	2,823.96	6,749.92	1,333.32	5,416.60
6025 PERS - KID	3,829.83	4,000.00	(170.17)	14,870.07	16,000.00	(1,129.93)
6030 Social Security - KID	3,000.34	3,000.00	0.34	12,003.44	12,000.00	3.44
6031 Medicare - KID	701.68	708.33	(6.65)	2,807.31	2,833.32	(26.01)
6035 Office/Computer Supplies	347.06	583.33	(236.27)	3,408.51	2,333.32	1,075.19
6036 Postage/Delivery	7.50	416.67	(409.17)	941.39	1,666.68	(725.29)
6040 Professional Dues	555.17	1,333.33	(778.16)	2,220.68	5,333.32	(3,112.64)
6045 Legal Services	3,356.58	1,250.00	2,106.58	8,781.32	5,000.00	3,781.32
6050 Telephone	314.94	375.00	(60.06)	1,259.76	1,500.00	(240.24)

Kinneloa Irrigation District
Income Statement for the Four Months Ending April 30, 2022

	Current Month Actual	Current Month Budget	Current Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance
6051 Mobile Communications	140.97	41.67	99.30	550.43	166.68	383.75
6052 Pagers	106.02	41.67	64.35	254.44	166.68	87.76
6053 Internet Service	109.98	133.33	(23.35)	429.92	533.32	(103.40)
6059 Computer Software Maintenance	760.16	1,000.00	(239.84)	2,940.14	4,000.00	(1,059.86)
6061 Office Equipment Maintenance	0.00	83.33	(83.33)	0.00	333.32	(333.32)
6070 Office & Accounting Labor	10,144.73	10,916.67	(771.94)	36,820.00	43,666.68	(6,846.68)
6075 Professional/Contract Services	3,141.02	2,333.33	807.69	12,646.09	9,333.32	3,312.77
6080 Administrative Fees	836.48	1,036.67	(200.19)	3,546.10	4,146.68	(600.58)
6081 Permits/Fees	408.66	1,250.00	(841.34)	1,634.64	5,000.00	(3,365.36)
6086 Taxes - Sales/Use	0.00	291.67	(291.67)	0.00	1,166.68	(1,166.68)
6120 Bank Service Charges	954.97	833.33	121.64	3,252.15	3,333.32	(81.17)
Total Expenses	132,536.34	121,122.49	11,413.85	543,040.55	550,624.96	(7,584.41)
Net Income	(1,060.55)	22,377.50	(23,438.05)	(46,786.57)	(10,625.00)	(36,161.57)
Other Expenditures						
1511 WaterTreatment Plant	0.00	500.00	(500.00)	2,413.85	2,000.00	413.85
1514 Computer/Office Equipment	0.00	330.00	(330.00)	1,325.64	2,390.00	(1,064.36)
Total Other Expenditures	0.00	830.00	(830.00)	3,739.49	4,390.00	(650.51)
Total Increase or (Drawdown)	(1,060.55)	21,547.50	(22,608.05)	(50,526.06)	(15,015.00)	(35,511.06)

Kinneloa Irrigation District
Balance Sheet as of April 30, 2022

ASSETS

Current Assets

1010	Checking-Wells Fargo Bank	\$ 288,542.23
1012	Reserve Fund-LAIF	128,414.11
1014	Reserve Fund-CalTRUST	1,719,977.30
1016	Accrued Interest-LAIF	78.21
1100	Accts. Receivable-Water Sales	27,767.87
1190	Allowance for Bad Debts	(771.48)
1200	Inventory	20,000.00
1340	Accrued Water Sales	138,760.83
1350	Prepaid Insurance	6,319.79
1360	Prepaid Expenses	24,493.80

Total Current Assets	2,353,582.66
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Property and Equipment

1501	Water Rights	52,060.41
1503	Land Sites	96,700.08
1504	Water Mains	4,010,066.35
1505	Water Tunnels	737,474.60
1506	K-3 Well	89,543.06
1507	Improvement District #1	602,778.12
1508	Mountain Property	6,620.00
1509	Wilcox Well/Wilcox Booster	94,030.98
1510	Interconnections	14,203.27
1511	Water Treatment Plant	205,867.41
1512	Water Meters	164,901.13
1513	Electrical/Electronic Equip.	256,918.72
1514	Computer/Office Equipment	75,658.84
1515	Vehicles & Portable Equipment	308,656.75
1516	Water Company Facilities	104,222.20
1517	KID Office	64,899.78
1518	Shaw Ranch	280,789.92
1519	Dove Creek Project	487,383.87
1520	Glen Reservoir/Booster	24,190.86
1521	Kinneloa Ridge Project	690,492.58
1522	Eucalyptus Booster Station	532,342.43
1526	Vosburg Booster	1,647,215.66
1527	SCADA Equipment	362,117.90
1528	Tanks and Reservoirs	119,491.90
1529	Holly Tanks	181,113.76
1530	Tools	6,273.13
1600	Accum. Depreciation	(5,933,805.76)

Total Property and Equipment	5,282,207.95
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Other Assets

1901	PERS-Deferred Outflows	64,858.00
	Total Assets	\$ 7,700,648.61

Kinneloa Irrigation District
Balance Sheet as of April 30, 2022

LIABILITIES AND CAPITAL

Current Liabilities

2000	Accounts Payable	\$	42,577.58
2272	Job Deposits		3,600.00
2275	Deposits-Water Customers		255.02
2290	Accrued Vacation		26,024.60
			72,457.20
	Total Current Liabilities		72,457.20

Long-Term Liabilities

2400	Installment Purchase Agreement		1,451,071.19
2801	PERS- Net Liability		135,640.66
2901	PERS- Deferred Inflows		160,498.00
			1,747,209.85
	Total Long-Term Liabilities		1,747,209.85
	Total Liabilities		1,819,667.05

Capital

3040	Fund Balance		5,927,768.13
	Net Income		(46,786.57)
			5,880,981.56
	Total Capital		5,880,981.56
	Total Liabilities & Capital	\$	7,700,648.61

Kinneloa Irrigation District
Statement of Cash Flow
For the Four Months Ended April 30, 2022

	Current Month	Year to Date
Cash Flows from Operating Activities		
Net Income	\$ (1,060.55)	\$ (46,786.57)
<i>Adjustments to reconcile net income to net cash provided by operating activities</i>		
1100 Accts. Receivable-Water Sales	(11,016.73)	(2,914.67)
1340 Accrued Water Sales	33,833.50	978.61
1350 Prepaid Insurance	1,726.44	6,905.76
1360 Prepaid Expenses	(13,139.84)	(1,453.86)
2000 Accounts Payable	(2,802.82)	(2,401.30)
2250 PERS Withholding-Employee	(44.30)	0.00
2272 Job Deposits	1,800.00	1,800.00
	10,356.25	2,914.54
Net Cash Provided by Operations	9,295.70	(43,872.03)
Cash Flows from Investing Activities		
<i>Used for</i>		
1511 WaterTreatment Plant	0.00	(2,413.85)
1514 Computer/Office Equipment	0.00	(1,325.64)
	0.00	(3,739.49)
Net Cash Used in Investing	0.00	(3,739.49)
Cash Flows from Financing Activities		
<i>Proceeds from</i>		
<i>Used for</i>		
2801 PERS- Net Liability	(2,203.58)	(8,814.32)
	(2,203.58)	(8,814.32)
Net Increase (Decrease) in Cash	\$ 7,092.12	\$ (56,425.84)
Summary		
Cash Balance at End of Period	\$ 2,137,011.85	\$ 2,137,011.85
Cash Balance at Beg. of Period	(2,129,919.73)	(2,193,437.69)
Net Increase (Decrease) in Cash	\$ 7,092.12	\$ (56,425.84)

KINNELOA IRRIGATION DISTRICT

CHECK REGISTER

April 1, 2022 to April 30 , 2022

Date	Check #	Payee	Amount	Description
4/5/22	ETF5184	CA Public Employees Ret. Sys.	2,203.58	KID & Employee Retirement Contributions
4/5/22	ETF5185	CA Public Employees Ret. Sys.	7,308.76	KID & Employee Retirement Contributions
4/5/22	10123	Applied Technology Group, Inc.	120.00	PWAG: Handheld Emergency Communication
4/5/22	10124	BrightView Landscape Services	1,603.61	Landscape Maintenance (All Facilities)
4/5/22	10125	Underground Service Alert	26.50	Digalert
4/5/22	10126	Eurofins Eaton Analytical, Inc.	600.00	Water Sample Analysis
4/5/22	10127	Geotab USA, Inc	98.75	Vehicle Maintenance
4/5/22	10128	John Robinson Consulting, Inc.	900.00	Professional/Contract Services
4/5/22	10129	Melvin L. Matthews	61.89	Travel Expense Reimbursement
4/5/22	10130	McMaster Carr	772.94	Maintenance/Repair Supplies
4/5/22	10131	OnSolve, LLC	50.00	Customer/Public Info. Prog.
4/5/22	10132	Ultimate Cleaning Solutions, Inc.	90.00	Janitorial Service
4/13/22	EFT5186	Arco Gaspro Plus	1,996.53	Vehicle Fuel
4/13/22	EFT5187	Century Business Solutions	414.76	Credit Card Processing Fee
4/13/22	EFT5188	Southern California Edison Co.	12,711.07	Electricity - District (Pumping)
4/13/22	EFT5189	Spectrum	349.92	Internet Service
4/13/22	EFT5190	Streamline	200.00	Website Service
4/13/22	EFT5191	VeriCheck, Inc.	104.08	E-Check Payment Processing Fee
4/13/22	10133	ACWA-JPIA	2,736.04	Workers Compensation
4/13/22	10134	Aramark Uniform Services	84.34	Towel Service
4/13/22	10135	Civiltec Engineering, Inc.	185.00	Engineering Services
4/13/22	10136	Cricket Consulting	1,350.00	SCADA Maintenance
4/13/22	10137	Employee Relations	49.00	Professional/Contract Services
4/13/22	10138	Foothill Municipal Water District	836.48	Administrative Fee
4/13/22	10139	General Pump Company	3,989.45	Maintenance/Repair Contractors
4/13/22	10140	Hill Brothers Chemical Co.	735.20	Chlorine - Water Treatment/Analysis
4/13/22	10141	McMaster Carr	145.03	Maintenance/Repair Supplies
4/13/22	10142	Public Water Agencies Group	289.08	Monthly Emergency Preparedness Program
4/13/22	10143	SA Associates	6,430.00	Map Updates
4/13/22	10144	Western Water Works	883.77	Maintenance/Repair Contractors
4/13/22	10145	ACWA-JPIA	7,071.16	Health Benefits - April
4/13/22	10146	Public Water Agencies Group	875.00	Monthly Emergency Preparedness Program
4/13/22	10147	Western Water Works	1,153.65	Maintenance/Repair Contractors
4/15/22	EFT5192	Bernadette C. Allen	667.12	Salary
4/15/22	EFT5193	Arthur M. Aragon	1,986.16	Salary
4/15/22	EFT5194	Christopher A. Burt	2,953.17	Salary
4/15/22	EFT5195	Christopher A. Burt	300.00	Salary
4/15/22	EFT5196	Michele M. Ferrell	2,056.08	Salary
4/15/22	EFT5197	Brian L. Fry	1,883.57	Salary
4/15/22	EFT5198	Melvin L. Matthews	4,187.19	Salary
4/15/22	EFT5199	Juan R. Tello	1,643.86	Salary
4/15/22	EFT5200	Juan R.Tello	353.00	Salary
4/15/22	EFT5201	Melanie E. Timoteo	1,416.41	Salary

KINNELOA IRRIGATION DISTRICT

CHECK REGISTER

April 1, 2022 to April 30 , 2022

Date	Check #	Payee	Amount	Description
4/15/22	EFT5202	Automatic Data Processing, Inc.	7,479.73	Payroll Taxes & Withholdings
4/27/22	EFT5203	Automatic Data Processing, Inc.	106.98	Payroll Taxes & Withholdings
4/27/22	EFT5204	American Messaging Services	106.02	Paging Service
4/27/22	EFT5205	AT&T Mobility	140.63	Telephone Service
4/27/22	EFT5206	Athens Services	222.16	Trash Service
4/27/22	EFT5207	Century Business Solutions	15.00	Electronic Business Charge
4/27/22	EFT5208	Pasadena Municipal Services	2,057.63	Electricity - Wilcox Well (Pumping)
4/27/22	EFT5209	Umpqua Bank	4,257.37	Staff Credit Cards
4/27/22	10148	Griswold Industries	3,074.76	Maintenance/Repair Contractors
4/27/22	10149	Clinical Lab of San Bernardino	108.00	Water Analysis
4/27/22	10150	Cricket Consulting	2,577.26	SCADA Maintenance
4/27/22	10151	CV Strategies	2,481.25	Communication Services (March)
4/27/22	10152	Eurofins Eaton Analytical, Inc.	600.00	Water Sample Analysis
4/27/22	10153	Lagerlof, LLP	2,192.50	Legal Services
4/27/22	10154	McMaster Carr	541.11	Maintenance Supplies
4/27/22	10155	Raymond Basin Management Board	15,816.00	Water Mater Services
4/27/22	10156	Utility Service Co., Inc.	5,429.10	Tank Maintenance
4/27/22	10157	Raymond Basin Management Board	3,489.75	Water Treatment/Analysis
	Total		124,567.40	

Credit Card Detail Umpqua Bank
April 2022
(Expenses incurred/billed in April and due/paid in May)

Acct. No.	Account Description	Additional Description	MM	CB	BF	MA	MF	JT	TOTAL
1505	House Tunnel Project								\$0.00
1511	Water Treatment Plant								\$0.00
1514	Computer/Office Equip.								\$0.00
5010	Maintenance Supplies	CB: Water Pump, Replacement Valve, Tools, Key Copies BF: Paint Tools, Coppertop, Hose MF: Motor Oil, Granite Drill, Screwdriver MA:		\$990.64	\$59.76	\$207.05			\$1,257.45
5011	Materials for Install								\$0.00
5012	Safety Equipment	MA: Hard Hats					\$282.47		\$282.47
5022	Training/Certification								\$0.00
5025	Water Treatment/Analysis								\$0.00
5035	Vehicle Maintenance	BF: Floor Mats			\$25.35				\$25.35
5036	Fuel								\$0.00
5030	Maintenance/Repair contractors								\$0.00
6021	Adm. & Bd. Exp.								\$0.00
6024	Customer/Public Info								\$0.00
6035	Office/Computer Supplies	MM: Toner Cartridge MA: Uniforms, Pens, Paper, Cleaning Supplies	\$216.94				\$130.12		\$347.06
6036	Postage/Delivery	MA: Stamps					\$7.50		\$7.50
6040	Professional Dues								\$0.00
6050	Telephone	MM: Alert Communications	\$75.00						\$75.00
6051	Mobile Phone								\$0.00
6053	Internet Service								\$0.00
6054	Customer/Public Info	MM: GoDaddy Domain, SplashTop	\$476.04						\$476.04
6059	Computer/Software Maint.	MM: Sage Software Premium	\$352.25						\$352.25
6061	Office Equipment Maint.								\$0.00
6075	Outside Services								\$0.00
6081	Permits/Fees								\$0.00
TOTAL			\$1,120.23	\$990.64	\$85.11	\$207.05	\$420.09	\$0.00	\$2,823.12

General Manager's Report for the Board of Directors Meeting on May 17, 2022

I. Customer Account Information and Internet Usage

A. Customer Accounts –

Active accounts: 590
 Delinquent accounts receiving late charges: 18
 Accounts shut off for non-payment: None

B. Aged Receivables –

Month	Current	30 days	60 days	90 days or greater	Total
May 2021	\$26,360.19	\$3,534.96	\$290.84	\$0.00	\$30,185.99
June 2021	\$16,933.11	\$2,091.84	\$783.73	\$0.00	\$19,808.68
July 2021	\$34,129.88	\$2,694.38	\$1,134.17	653.89	\$38,612.32
August 2021	\$17,411.06	\$1,756.57	\$373.22	\$0.00	\$19,540.85
September 2021	\$32,036.26	\$2,380.03	\$0.00	\$0.00	\$34,416.29
October 2021	\$33,896.61	\$4,370.85	\$631.32	\$0.00	\$38,898.78
November 2021	\$19,367.43	\$2,756.78	\$553.36	\$313.14	\$22,990.71
December 2021	\$20,857.23	\$3,390.27	\$292.56	\$313.14	\$24,853.20
January 2022	\$23,194.52	\$1,157.57	\$509.67	\$6.61	\$24,868.37
February 2022	\$14,806.91	\$1,385.73	\$0.00	\$6.61	\$16,199.25
March 2022	\$15,564.59	\$1,186.55	\$0.00	\$0.00	\$16,751.14
April 2022	\$42,134.95	\$2,164.16	\$0.00	\$0.00	\$44,299.11

C. Website Usage and Online Payments –

Month	Users	Page Views	Online Payments	Online Amount
May 2021	292	1,616	112	\$27,299.87
June 2021	262	1,409	109	\$26,067.48
July 2021	251	1,217	120	\$34,674.20
August 2021	374	1,682	105	\$34,635.70
September 2021	291	1,424	115	\$36,546.23
October 2021	287	1,111	114	\$34,577.62
November 2021	301	1,352	116	\$31,969.58
December 2021	380	1,620	113	\$26,972.98
January 2022	327	1,488	118	\$28,429.94
February 2022	442	2,587	106	\$18,909.23
March 2022	493	2,684	122	\$28,872.00
April 2022	713	2,475	113	\$30,154.69

II. General Manager's Projects and Activities

- A. Advanced Meter Infrastructure (AMI) Project – As of this meeting the total installations are 187 out of the 590 active accounts. The remaining installations will be completed as quickly as possible as materials are received.
- B. Customer Outreach Project – The spring newsletter has been distributed via email and as a bill stuffer to all customers that receive a printed bill via mail.
- C. Distribution System Map Update Project – The engineer has committed to completing the final set of maps by the end of May.
- D. 2021 Audit – The final draft of the audit is being presented at this meeting.
- E. 2021 Annual Report – The report is being presented at this meeting.
- F. Emergency Response Plan – The latest revision is being presented at this meeting.
- G. Brown-Glen Pipeline Improvement Project – Final plans and specifications are being prepared.
- H. Activities/Meetings/Webinars/Conferences*
 - 1. KID Staff Meetings
 - 2. KID Board Meetings
 - 3. FMWD Board Meeting
 - 4. LAFCO Board Meeting
 - 5. Webinar - WIN-911 2021 - New User Training
 - 6. PWAG Conservation and Education Team Meeting
 - 7. ACWA Region 8 Event Planning Workgroup Meeting
 - 8. Webinar - Risk Management for Small Water and Wastewater Systems
 - 9. FMWD Manager's Meeting
 - 10. PWAG COVID Update Call
 - 11. Webinar-Are Your Rates Affordable? Understanding Affordability and How to Self-Assess Your Rates
 - 12. Webinar - Water Loss Series for Small Water Systems: Taking Action to Address Real Losses
 - 13. Webinar - Water Loss Series for Small Water Systems: Mapping - The Water Loss Control and Asset Management Nexus

* Organization Acronyms:

ACWA – Association of California Water Agencies

ACWA JPIA – Association of California Water Agencies Joint Powers Insurance Authority

CSDA – California Special Districts Association

CUEA – California Utilities Emergency Association

FMWD – Foothill Municipal Water District

KID – Kinneloa Irrigation District

LAFCO – Local Agency Formation Commission of Los Angeles County

PWAG – Public Water Agencies Group

RBMB – Raymond Basin Management Board

RCAC – Rural Community Assistance Corporation

SCADA – Supervisory Control and Data Acquisition System

SMVA – Sierra Madre Villa Avenue

III. Incident Reports and Facility Activities

A. Incident Reports –

Customer Leaks	System Leaks	Water Waste	Water Quality	Customer Service*	Comments
0	1	0	0	0	Meter gasket leak on KID side of meter

* Customer service includes requests for water shutoff to facilitate customer plumbing repairs, inquiries about water bills, requests for leak checks and general questions.

B. Capital Improvement, Facilities Improvement, Maintenance and Repair Projects

1. House Tunnel Pipeline repair (Completed) (MR)*
2. System Maps Update (In Progress) (EP, OPS)
3. Brown/Glen Pipeline Improvement Project (Design phase in progress) (CIP, EP, OPS)
4. Advanced Meter Infrastructure (In Progress) (CIP, OPS)
5. Truck replacement – Replace one pickup truck that is 23 years old (CIP)

*Project Categories

CIP – Capital improvement or replacement of equipment or facilities at end of useful life

EP – Emergency preparedness

OPS – Operational improvement

MR – Maintenance and repair

IV. Water Supply Summary as of March for the Watermaster Year 2021-2022

Raymond Basin Groundwater (Acre Feet)		Kinneloa Irrigation District Water Tunnels (Acre Feet)	
Water Rights	516	Eucalyptus	37
Prior Year Carryover	52	Far Mesa	25
Less Temporary 30% Reduction in Water Rights	-155	Delores	5
Leases/Exchanges	207	House	1
Prior Year Spreading	77	Holly High/Low	27
Short Term Storage	45		
Current Year Spreading	0		
Total Allowable Extractions	742		
Less Water Extracted YTD This Watermaster Year	-480	Year to Date Tunnel Production	95
Remaining Allowable Groundwater Extractions through June 2022	262	Remaining Estimated Tunnel Production through June 2022	32
Total Available Water Supply (Remaining Allowable Groundwater + Remaining Estimated Tunnel Production through June 2022)			294 Acre Feet
Less Remaining Forecasted Retail Water Sales through June 2022			-160 Acre Feet
			Estimated Surplus Water through June 2022*
			134 Acre Feet

* This is the forecasted surplus water available for sale in the current year and/or carryover to the next Watermaster year which starts on July 1 subject to the carryover limits established by the Raymond Basin Management Board. Regarding the available surplus water, we will maximize the carryover to the next year and deliver the balance of the forecasted surplus water (if any) to the City of Pasadena. In the 2020-2021 year, 103 Acre-Feet were sold to the City, 52 Acre-Feet were carried over to 2021-2022 and 45 Acre-Feet were put into our short-term storage account. Although we may lease additional pumping rights from another agency with surplus pumping rights, this is not considered a guaranteed source of supply since it is subject to negotiation. In addition to the available water, the KID has 767 Acre Feet in a long-term storage account. Additions to long-term storage are no longer permitted but withdrawals can be made to supplement allowable extractions. However, since KID staff considers long-term storage to be an emergency supply, we do not plan to use or sell this water now.



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WEBSITE: kinneloairrigationdistrict.info

Annual Report

2021

Presented to the Board of Directors by
Melvin L. Matthews, General Manager

May 17, 2022

Letter from the General Manager

May 17, 2022

On behalf of the staff of the Kinneloa Irrigation District (District), I am pleased to present the 2021 Annual Report to the Board of Directors. This has been a challenging year due to the continuing COVID-19 pandemic and its effect on the operations of the District and its vendors and contractors. Nevertheless, we were able to successfully conduct our mission to provide a safe and reliable source of water to our 590 customers without any major problems or financial impact. Although some major projects were postponed or delayed, the District completed three major projects and performed all scheduled maintenance tasks and water quality testing.

CAPITAL IMPROVEMENT AND MAINTENANCE PROJECTS

To fulfill our mission in the years ahead, the District continues to conduct projects as part of our *Water Master Plan*; replace capital assets when needed; and perform preventative maintenance on buildings, wells, water tunnels, pumps, tanks and reservoirs. Some of the major projects started or completed in 2021 are summarized below:

1. Water Meters and Transmitters – An Advance Meter Infrastructure (AMI) pilot programs was completed using equipment from two vendors to evaluate the next generation transmitters that send meter readings and other data to our office or any Internet-connected location. These devices provide water usage and leak notifications to the customer and to the District. The Board approved a beta test at 53 locations using equipment from Subeca Inc. The test was successful and the plan is to implement the installation in the entire district in 2022.
2. Water Main Replacement and Improvement Projects – Construction was completed on the new Sierra Madre Villa/Villa Heights Road East Tank Connector Pipeline. This project completes the work to increase storage and flow during fire events in this pressure zone as well as providing operational improvements and redundancy. Design work on the Brown-Glen Replacement Pipeline was substantially finished and is under staff and Board review. Both projects improve our emergency preparedness.
3. Emergency Response Plan – The plan was revised with input from Director Eldridge and the Public Water Agencies Group Emergency Management Coordinator.
4. Water Supply – Leaks were repaired at three locations in the House Tunnel Pipeline and preparations were made for restoring the tunnel to active service in 2022

We have captured in pictures some of the capital and planned maintenance projects that were completed in 2021 and they are presented in Exhibit A.

FINANCIAL REPORT

An unaudited financial summary for the calendar year of 2021 and 20 is presented in Exhibit B.

The financial highlights for the year of 2021 are as follows:

1. The District ended the year in sound financial condition with favorable financial results with respect to the budget.
2. Total revenues were \$1,901,215.90.
3. The net income for the year was \$433,074.52.
4. Capital improvement and major planned maintenance projects in the total amount of \$592,138 were completed using reserve funds.
5. Principal payments on long-term debt for previous capital improvement projects were made in the amount of \$143,538.

WATER SALES, WATER SUPPLY AND WATER USE EFFICIENCY

Water Sales for 2014 through 2021 are shown in Exhibit C.

Water Sales for 2021 exceeded the budgeted amount. Our analysis indicates that this result is primarily due to warmer weather and the lack of sufficient rain in several months during the year. There was a 1.6% increase in 2021 water sales as compared to 2020 although the 2021 water sales were 10.9% lower than the year of 2014 after statewide emergency drought regulations were enacted.

Because the Kinneloa Irrigation District is the only water company in the San Gabriel Valley that has been self-sufficient using its local groundwater, California's periodic droughts continue to be a concern to the District and its customers. Therefore, the District has been encouraging water use efficiency since 2006 to avoid the need to purchase expensive imported water. The following issues will continue to be addressed in 2022:

1. The water level in the Raymond Basin Aquifer, which is the natural underground water storage basin underlying the greater Pasadena area continues to decline. This is the source for 50 to 85% of our groundwater supply depending on rainfall and our tunnel supplies. Our water rights are meaningless if the levels decline below the pumping level of our current wells. The Raymond Basin Management Board (RBMB) previously approved a voluntary 30% reduction in this supply source to help stabilize the level for the benefit of Kinneloa and other agencies. Although this reduction has slowed the decline, several scenarios are being discussed to further reduce pumping and find a source of replenishment water. However, since imported water may not be available at a reasonable cost to replenish the Raymond Basin and stabilize the level the reduction in the amount of extraction is critical to preserve our principal water supply.

2. Our man-made water tunnels, which collect water percolating down through the San Gabriel Mountains, provide 15 to 50% of our groundwater supply. The quantity from these sources is dependent on the long-term average rainfall and maintenance of the pipelines. In periods of drought these sources decline significantly but remain a significant low-cost water supply.
3. Purchasing imported water as a supplemental source is not a viable alternative at the present time. The District does not have a pipeline to receive water from Foothill Municipal Water District, the wholesale source of imported water from the Metropolitan Water District of Southern California (MWD). Even if a pipeline is built or water is wheeled through the pipelines of adjacent water companies the cost of the water is approximately 10 times the cost of producing our local groundwater.
4. A new well could be drilled for a cost of \$2 million or more depending on the site and the required depth. However, this would not be a new source of supply unless additional groundwater pumping rights could be obtained from another agency and this would be counter to the goal of the RBMB to reduce pumping to restore basin levels.
5. Water rates would need to be increased to finance any alternative water supply project.

These and other issues will be the focus of future planning. The staff and I appreciate the support of the Board of Directors in meeting the future challenges of providing high quality water service to our customers at a reasonable cost.

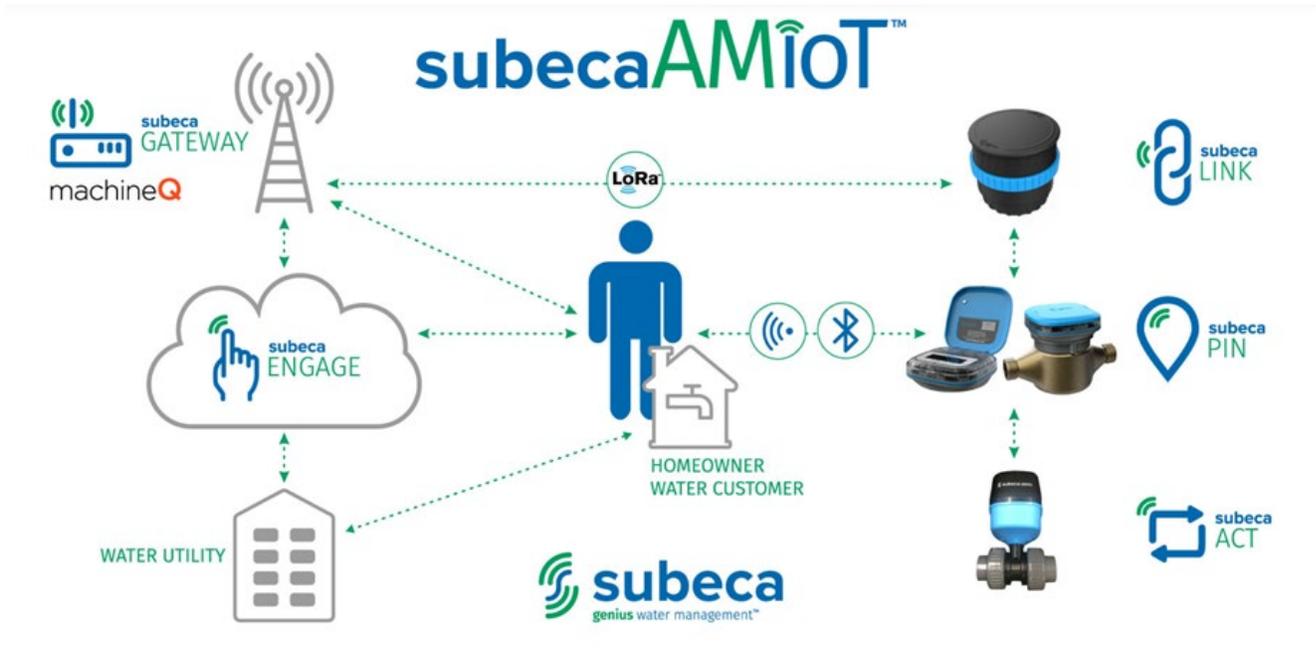
Sincerely,



Melvin L. Matthews
General Manager

Exhibit A
The Year 2021 in Pictures

Advanced Meter Infrastructure
(Installation in Progress)



Water Meter Transmitter and Communications System for Automated Meter Reading (AMR) and Leakage Notifications



Contractor and District crew install advance metering equipment. Item 6b - Page 9



Communications equipment was installed at three District Locations.



The District's communication gateways use the LoRaWAN® specification, which is a Low Power, Wide Area (LPWA) networking protocol designed to wirelessly connect battery operated 'things' such as our AMI devices to the internet and provide bi-directional communication, and end-to-end security.



Eucalyptus Reservoir and Pump House were repainted.



House Tunnel and its pipeline were restored to provide a supplemental water supply.



Water from the tunnels need minimal treatment and is a low-cost source because pumps are not needed to access it.



Water main repair in Pasadena Glen.

Exhibit B
Financial Summary for Year Ended
December 31, 2021 and December 31, 2020

Net Income Statement for Years Ending December 31, 2021 and December 31, 2020

	Year of 2021	Percentage	Year of 2020	Percentage
Revenues				
4000 Water Sales	\$ 1,817,624.69	95.60	\$ 1,745,675.97	93.30
4015 Wholesale Water Sales	58,033.60	3.05	70,712.84	3.78
4020 Service/Installation Charges	18,776.53	0.99	8,851.90	0.47
4035 Interest-Reserve Fund	6,372.59	0.34	21,820.62	1.17
4036 Unrealized Gain (Loss)-CalTRUST	(13,546.59)	(0.71)	23,928.61	1.28
4050 Capacity Charge	6,000.00	0.32	0.00	0.00
4070 Misc. Income	7,955.08	0.42	0.00	0.00
	<hr/>		<hr/>	
Total Revenues	1,901,215.90	100.00	1,870,989.94	100.00
Expenses				
5000 Leased Water Rights	63,135.00	3.32	63,135.00	3.37
5005 Electricity	163,990.84	8.63	137,678.35	7.36
5010 Maintenance/Repair Supplies	35,319.18	1.86	39,068.98	2.09
5011 Material and Labor for Install	75.79	0.00	0.00	0.00
5012 Safety Equipment	2,289.74	0.12	1,408.55	0.08
5015 Operations Labor	261,327.06	13.75	211,194.36	11.29
5016 Operations OT	17,210.46	0.91	12,936.84	0.69
5020 Stand-by Compensation	10,890.00	0.57	11,760.00	0.63
5022 Training/Certification	3,439.44	0.18	445.02	0.02
5025 Water Treatment/Analysis	15,311.57	0.81	26,906.97	1.44
5030 Maintenance/Repair Contract	133,123.83	7.00	130,086.12	6.95
5034 Equipment Maintenance	16,693.05	0.88	14,542.29	0.78
5035 Vehicle Maintenance	13,597.16	0.72	13,954.45	0.75
5036 Fuel	15,494.10	0.81	15,067.94	0.81
5040 Equipment Rental	13,257.26	0.70	0.00	0.00
5045 Insurance-Workers Comp.	11,906.13	0.63	11,832.88	0.63
5046 Insurance-Liability	16,900.70	0.89	15,695.90	0.84
5048 Insurance-Property	2,707.92	0.14	2,207.36	0.12
5049 Insurance-Medical	84,948.45	4.47	84,361.47	4.51
6000 Engineering Services	21,195.00	1.11	28,551.38	1.53
6005 Watermaster Services	13,047.00	0.69	10,502.54	0.56
6015 Administrative Salary	145,485.58	7.65	143,325.61	7.66
6017 Administrative Travel	2,867.98	0.15	494.84	0.03
6020 Board Compensation	7,350.00	0.39	6,450.00	0.34
6021 Administrative & Board Exp.	2,449.36	0.13	1,017.13	0.05
6022 Board of Directors Election	0.00	0.00	211.03	0.01
6024 Customer/Public Info. Prog.	1,632.00	0.09	2,469.13	0.13
6025 PERS - KID	43,329.54	2.28	83,592.00	4.47
6030 Social Security - KID	34,529.68	1.82	30,523.12	1.63
6031 Medicare - KID	8,075.73	0.42	7,172.16	0.38
6035 Office/Computer Supplies	8,450.76	0.44	6,680.98	0.36
6036 Postage/Delivery	3,298.98	0.17	4,170.30	0.22
6040 Professional Dues	15,198.60	0.80	14,111.06	0.75
6045 Legal Services	18,181.46	0.96	9,737.34	0.52
6050 Telephone	3,772.23	0.20	4,492.17	0.24
6051 Mobile Communications	1,420.48	0.07	251.03	0.01
6052 Pagers	419.79	0.02	416.25	0.02
6053 Internet Service	2,364.26	0.12	839.88	0.04
6059 Computer Software Maintenance	9,387.48	0.49	7,047.86	0.38
6065 Accounting Services	7,100.00	0.37	7,100.00	0.38
6070 Office & Accounting Labor	122,776.34	6.46	116,220.50	6.21
6075 Professional/Contract Service	25,432.38	1.34	26,150.03	1.40
6080 Administrative Fees	12,356.99	0.65	11,286.86	0.60
6081 Permits/Fees	8,643.67	0.45	7,218.10	0.39
6086 Taxes - Sales/Use	180.50	0.01	6,887.51	0.37
6088 Interest Expense	56,663.52	2.98	61,735.46	3.30
6120 Bank Service Charges	10,914.39	0.57	8,955.74	0.48
	<hr/>		<hr/>	
Total Expenses	1,468,141.38	77.22	1,399,892.49	74.82
Net Income	433,074.52	22.78	471,097.45	25.18

Balance Sheet as of December 31, 2021 and December 31, 2020

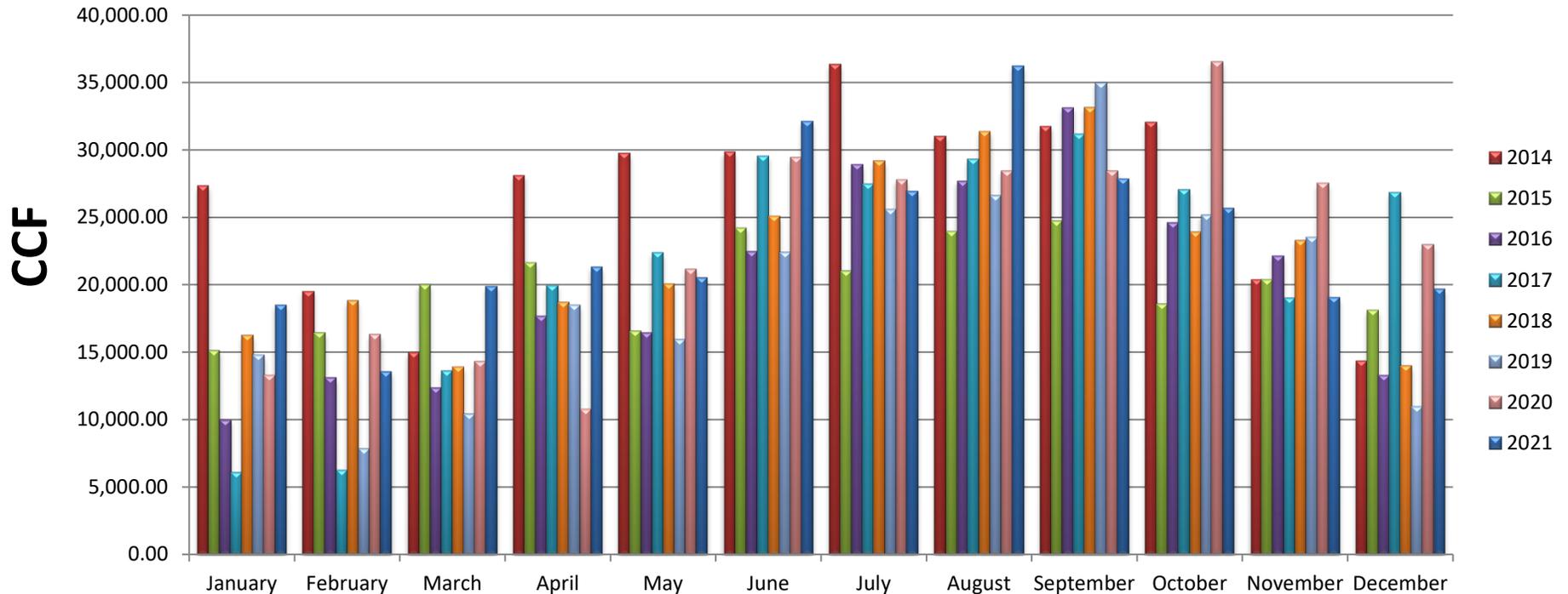
	2021 Balance	2020 Balance
ASSETS		
Current Assets		
Checking-Wells Fargo Bank	308,527.31	448,753.16
Reserve Fund-LAIF	128,239.17	127,714.90
Reserve Fund-CalTRUST	1,756,552.87	1,763,624.27
Accrued Interest-LAIF	118.34	745.21
Accts. Receivable-Water Sales	24,853.20	31,481.98
Employee Loans	0.00	301.07
Allowance for Bad Debts	(771.48)	(771.48)
Inventory	20,000.00	20,000.00
Accrued Water Sales	139,739.44	190,874.54
Prepaid Insurance	13,225.55	12,116.94
Prepaid Expenses	23,039.94	21,409.52
	2,413,524.34	2,616,250.11
Total Current Assets		
Property and Equipment		
Water Rights	52,060.41	52,060.41
Land Sites	96,700.08	96,700.08
Water Mains	4,010,251.35	3,584,518.10
Water Tunnels	737,834.73	729,074.60
K-3 Well	89,543.06	89,543.06
Improvement District #1	602,778.12	602,778.12
Mountain Property	6,620.00	6,620.00
Wilcox Well/Wilcox Booster	94,030.98	94,030.98
Interconnections	14,203.27	14,203.27
Water Treatment Plant	206,015.06	203,453.56
Water Meters	164,901.13	118,735.53
Electrical/Electronic Equip.	256,918.72	256,918.72
Computer/Office Equipment	76,494.74	74,378.20
Vehicles & Portable Equipment	308,656.75	308,656.75
Water Company Facilities	104,222.20	104,222.20
KID Office	64,899.78	54,741.36
Shaw Ranch	280,789.92	280,789.92
Dove Creek Project	487,383.87	487,383.87
Glen Reservoir/Booster	24,190.86	24,190.86
Kinneloa Ridge Project	690,492.58	690,492.58
Eucalyptus Booster Station	539,321.65	532,342.43
Constr. in Progress	0.00	53,875.00
Vosburg Booster	1,647,215.66	1,647,215.66
SCADA Equipment	362,117.90	362,117.90
Tanks and Reservoirs	119,491.90	119,491.90
Holly Tanks	181,113.76	181,113.76
Tools	6,273.13	6,273.13
Accumulated Depreciation	(5,602,579.76)	(5,602,579.76)
	5,621,941.85	5,173,342.19
Total Property and Equipment		
Other Assets		
PERS-Deferred Outflows	93,686.00	93,686.00
	93,686.00	93,686.00
Total Other Assets		
	8,129,152.19	7,883,278.30
Total Assets		

LIABILITIES AND CAPITAL

Current Liabilities		
Accounts Payable	30,251.95	35,958.94
	2021 Balance	2020 Balance
Job Deposits	1,800.00	3,600.00
Deposits-Water Customers	255.02	255.02
Accrued Vacation	18,854.60	18,854.60
	<hr/>	<hr/>
Total Current Liabilities	51,161.57	58,668.56
Long-Term Liabilities		
Installment Purchase Agreement	1,451,071.19	1,594,609.63
PERS- Net Liability	317,603.98	341,220.40
PERS- Deferred Inflows	35,841.00	35,841.00
	<hr/>	<hr/>
Total Long-Term Liabilities	1,804,516.17	1,971,671.03
	<hr/>	<hr/>
Total Liabilities	1,855,677.74	2,030,339.59
Capital		
Fund Balance	5,852,938.71	5,733,750.26
Net Income	420,535.74	119,188.45
	<hr/>	<hr/>
Total Capital	6,273,474.45	5,852,938.71
	<hr/>	<hr/>
Total Liabilities & Capital	8,129,152.19	7,883,278.30
	<hr/> <hr/>	<hr/> <hr/>

Water Sales

January 2014 through December 2021



Month/Year	2014	2015	Percentage 2015 vs. 2014	2016	Percentage 2016 vs. 2015	2017	Percentage 2017 vs. 2016	2018	Percentage 2018 vs. 2017	2019	Percentage 2019 vs. 2018	2020	Percentage 2020 vs. 2019	2021	Percentage 2021 vs. 2020
January	27,346.09	15,139.14	-44.6%	9,976.03	-34.1%	6,087.44	-39.0%	16,209.81	166.3%	14,799.07	-8.7%	13,257.20	-10.4%	18,537.86	39.8%
February	19,531.19	16,426.97	-15.9%	13,087.06	-20.3%	6,260.89	-52.2%	18,825.09	200.7%	7,814.78	-58.5%	16,296.98	108.5%	13,558.64	-16.8%
March	14,992.66	20,017.80	33.5%	12,329.17	-38.4%	13,607.67	10.4%	13,905.15	2.2%	10,428.68	-25.0%	14,285.12	37.0%	19,891.95	39.2%
April	28,144.68	21,618.07	-23.2%	17,691.97	-18.2%	19,985.39	13.0%	18,676.28	-6.6%	18,528.34	-0.8%	10,780.05	-41.8%	21,303.24	97.6%
May	29,731.87	16,540.07	-44.4%	16,451.27	-0.5%	22,399.45	36.2%	20,065.74	-10.4%	15,942.43	-20.5%	21,173.67	32.8%	20,512.14	-3.1%
June	29,878.35	24,248.07	-18.8%	22,444.33	-7.4%	29,548.21	31.7%	25,095.13	-15.1%	22,403.98	-10.7%	29,448.17	31.4%	32,119.81	9.1%
July	36,366.62	21,045.33	-42.1%	28,938.82	37.5%	27,507.42	-4.9%	29,171.12	6.0%	25,606.25	-12.2%	27,820.42	8.6%	26,919.11	-3.2%
August	31,022.84	24,001.09	-22.6%	27,685.37	15.4%	29,322.57	5.9%	31,398.23	7.1%	26,596.35	-15.3%	28,451.82	7.0%	36,195.86	27.2%
September	31,754.34	24,753.39	-22.0%	33,175.96	34.0%	31,192.59	-6.0%	33,153.90	6.3%	34,990.24	5.5%	28,451.82	-18.7%	27,850.36	-2.1%
October	32,084.57	18,597.68	-42.0%	24,632.13	32.4%	27,026.88	9.7%	23,936.21	-11.4%	25,178.15	5.2%	36,520.21	45.0%	25,677.14	-29.7%
November	20,371.82	20,412.15	0.2%	22,153.05	8.5%	19,043.64	-14.0%	23,302.79	22.4%	23,561.50	1.1%	27,531.69	16.9%	19,052.66	-30.8%
December	14,383.35	18,124.47	26.0%	13,295.95	-26.6%	26,845.02	101.9%	13,968.63	-48.0%	10,982.31	-21.4%	22,972.40	109.2%	19,707.51	-14.2%
Total	315,608.38	240,924.23	-23.7%	241,861.11	0.4%	258,827.17	7.0%	267,708.08	3.4%	236,832.08	-11.5%	276,989.55	17.0%	281,326.28	1.6%

KINNELOA IRRIGATION DISTRICT WATER CONSERVATION PROGRAM

GENERAL STATEMENT

Due to the water supply conditions prevailing within the Kinneloa Irrigation District (KID) and/or conditions and availability of imported water supplies, the general welfare requires that:

- The water resources available to KID be put to the maximum beneficial use;
- The waste or unreasonable use, or unreasonable method of use of water be prevented;
- The conservation of such water be practiced with a view to the reasonable and beneficial use thereof in the interest of the customers of KID and for the public health and safety.

The purpose of this program is to provide water conservation regulations, in a phased approach, to minimize the effect of a shortage of water supplies on the customers of KID during various critical stages of a water shortage.

NORMAL WATER CONSERVATION

Normal water conservation practices will be in effect at all times. The KID Board of Directors has adopted the following measures for existing and new water users within KID to reduce consumption and prohibit water waste in order to sustain water supply reliability.

Prohibited Use Applicable to Existing and New Customers

- 1. Water hose usage:** Hose washing of sidewalks, walkways, driveways, parking areas, tennis courts, patios, porches or other paved areas shall not be permitted. Exceptions: Flammable or other dangerous substances may be disposed of by direct hose flushing by public safety officers for the benefit of public health and safety; Schools and other businesses that are required to hose down public eating areas.
- 2. Overspray and runoff:** Use of water for any purpose which results in overspray, excessive runoff onto hardscapes, driveways, streets, adjacent lands or into gutters shall not be permitted.
- 3. Fountains, similar structures and swimming pools:** Use of water to clean, fill or maintain levels in decorative fountains, similar structures and swimming pools shall not be permitted unless they have a recirculation system.
- 4. Leaks:** Leaks from any facility both inside and outside of a customer's premises must be repaired promptly after the customer is notified of, or discovers a leak. Failure to repair any leak shall subject the customer to all waste of water penalties provided herein.

5. **Irrigating times:** No watering, sprinkling or irrigating shall take place between the hours of nine a.m. (9:00AM) and six p.m. (6:00PM) in any landscaped or vegetated areas, including, but not limited to, grass, lawn, groundcover, shrubbery, annual and perennial plants, crops, trees, and California-friendly plantings, except for very short periods of time for the express purpose of adjusting or repairing an irrigation system.
6. **Hand watering:** Hand watering of non-turf areas is allowed using a hose with a shut-off nozzle or watering can.
7. **Windy and rainy days:** No watering, sprinkling or irrigating shall take place on days when the wind is causing overspray or when it is raining.
8. **Vehicle washing:** The washing of automobiles, trucks, trailers, motorhomes, boats, buses, airplanes and other types of equipment shall be done with a bucket or using a hose with a shut-off nozzle. Vehicle washing may be done with recycled water or by a commercial car wash using recycled water.
9. **Swimming pools:** Owners of outdoor swimming pools, wading pools or spas are requested to use covers to minimize the evaporation of water when pools/spas are not in use.
10. **Construction water:** Water for construction purposes including but not limited to de-brushing of vacant land, compaction of fills and pads, trench backfill and other construction uses, shall be used in an efficient manner which will not result in runoff.
11. **Fire hydrants:** The use of potable water from fire hydrants shall be limited to firefighting related activities or other activities immediately necessary to maintain the health, safety, and welfare of the residents.
12. **Reporting waste of water:** The District shall maintain a program for residents to report waste of water throughout the District boundaries. Residents are requested to report any observed waste of water from surrounding properties or in the community and report to the District for follow-up.
13. **New development or remodeling of existing properties:** All landscape must be in accordance with the permitting agency's landscape ordinance. If the permitting agency does not have a landscape ordinance, the customer shall submit the Water Efficient Landscape Worksheet for review and approval as required by The California Code of Regulations Title 23, Division 2, Chapter 2.7, the Model Water Efficient Landscape Ordinance section 492.1.

WATER CONSERVATION TIPS

Kinneloa Irrigation District urges its customers to rethink the way we use water on a daily basis. By following these water-saving tips, you can help save water every day:

Laundry Room

- Use the washing machine for full loads only to save water and energy.
- Install a water-efficient clothes washer and save up to 16 gallons/load.
- Wash dark clothes in cold water to save water and energy and help clothes retain their color.

Kitchen

- Install aerators on the kitchen faucet to reduce flows to less than 1 gallon per minute.
- Don't let the water run when washing dishes by hand. Fill one basin with wash water and the other with rinse water.
- Soak pots and pans instead of letting the water run while you scrape them clean.
- Install a water- and energy-efficient dishwasher and save 3 to 8 gallons/load.
- Cut back on rinsing dishes. Newer dishwashers clean more thoroughly than older ones.
- Run the dishwasher only when full to save water and energy. Newer dishwashers typically use less water than washing dishes by hand.
- Use the garbage disposal sparingly. Instead, compost vegetable food waste and save gallons every time.
- Wash your fruits and vegetables in a pan of water instead of running water from the tap.
- Collect the water you use while rinsing fruits and vegetables. Use it to water house plants.
- Don't use running water to thaw food. Defrost food in the refrigerator.
- Keep a pitcher of drinking water in the refrigerator instead of running the tap.
- Cook food in as little water as possible. This also helps it retain more nutrients.
- Select the proper pan size for cooking. Large pans may require more cooking water than necessary.
- Don't toss accidentally dropped ice cubes in the sink. Drop them in a house plant instead.

Bathroom

- Install low-flow shower heads.
- Take five-minute showers instead of 10-minute showers and save 12.5 gallons.
- Fill the bathtub halfway or less and save 12 gallons.
- Plug the bathtub before turning on the water and adjust the temperature as the tub fills.
- Install aerators on bathroom faucets and save 1.2 gallons per person/day.
- Turn water off when brushing teeth or shaving and save approximately 10 gallons/day.
- Install a high-efficiency toilet and save 19 gallons per person/day.
- Don't use the toilet as a wastebasket.
- Be sure to test your toilet for leaks at least once a year.
- Put food coloring in your toilet tank. If it seeps into the bowl without flushing, there's a leak. Fix it and start saving gallons.
- Consider buying a dual-flush toilet. It has two flush options: a half-flush for liquid waste and a full-flush for solid waste.
- Plug the sink instead of running the water to rinse your razor and save up to 300 gallons a month.
- Turn off the water while washing your hair and save up to 150 gallons a month.
- Turn the water off while you lather when washing your hands.
- Take a (short) shower instead of a bath. A bathtub can use up to 70 gallons of water.

Outdoors

50% or more of the water we use daily goes on lawns and outdoor landscaping. There are lots of ways to save water at home, but reducing the water you use outdoors can make the biggest difference of all. Here are a few easy ways to change the way you use water outside your home.

- Water early in the morning or later in the evening when temperatures are cooler. Save: 25 gallons/each time you water.
- Check your sprinkler system frequently and adjust sprinklers so only your lawn is watered and not the house, sidewalk, or street. Save: 15-12 gallons/each time you water.
- Choose a water-efficient irrigation system such as drip irrigation for your trees, shrubs, and flowers. Save: 15 gallons/each time you water.
- Water deeply but less frequently to create healthier and stronger landscapes.

- Put a layer of mulch around trees and plants to reduce evaporation and keep the soil cool. Organic mulch also improves the soil and prevents weeds. Save: 20-30 gallons/each time you water/1,000 sq. ft.
- Plant drought-resistant trees and plants. Save: 30- 60 gallons/each time you water/1,000 sq. ft.
- Don't Overwater. Learn how much water your landscaping actually needs in order to thrive.
- Invest in a weather-based irrigation controller—or a smart controller. These devices will automatically adjust the watering time and frequency based on soil moisture, rain, wind, and evaporation and transpiration rates.

WATER CONSERVATION ALERT SYSTEM

When voluntary water conservation measures by our customers do not produce the required or necessary reduction in water use, a water conservation alert system may be implemented by direction of the General Manager. If the alert system is implemented, the following measures to reduce water consumption shall be required for all water users within KID.

- a. Color Code **“Blue”** is defined as the Normal Water Conservation Alert. Standard water conservation applies as defined in this Appendix L of the Rules and Regulations.
- b. Color Code **“Green”** is defined as an Increased Voluntary Conservation Alert. Customers shall increase efforts to conserve by following strict water conservation practices indoors and limiting outdoor water use.
- c. Color Code **“Yellow”** is defined as an Extraordinary Conservation Alert. Customers shall minimize indoor water use and shall water outdoors no more than three (3) days per week and no more often than every other day nor during the hours between 9:00 a.m. and 6:00 p.m.
- d. Color Code **“Orange”** is defined as a Rationing Conservation Alert. Customers are required to minimize indoor water use and severely limit outdoor water use as follows:
 1. Residential and commercial landscape irrigation is limited to no more than two (2) days per week and no more often than every third day nor during the hours between 9:00 a.m. and 6:00 p.m.
 2. The filling, refilling or adding of water to indoor and outdoor pools, wading pools, or spas is prohibited except to maintain levels. However, the District strongly urges that a cover be used to prevent evaporation and thereby reducing the frequency of refilling.
 3. The use of water to clean, maintain, fill, or refill decorative fountains or similar structures is prohibited except to maintain levels. However, the District strongly urges that use of these structures be discontinued.
 4. Vehicle washing is restricted to the use of a hand-held bucket and quick rinses using a hose with a shut-off nozzle. The District encourages customers to use recycled water or a commercial car wash that uses recycled water.
 5. Customers shall fix leaks within 48 hours upon notification or observation of the leak.

- e. Color Code **“Red”** is defined as a Critical Water Conservation Alert, when water supplies are only available for health and safety needs. Customers are required to minimize indoor water use and curtail all outdoor water use and fix any leaks within 24 hours.

Notification of the Water Conservation Alert System status on any given day shall be posted on the District’s Internet site at <http://www.kinneloairrigationdistrict.info> and other means at the discretion of the General Manager.



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TELEPHONE (626) 797-6295 • FAX (626) 794-5552
WEBSITE: kinneloairrigationdistrict.info

RESPONSIBILITIES AND DELEGATION OF AUTHORITY

Introduction~~Summary~~

The purpose of this policy statement is to clarify lines of authority for all decision- making within the Kinneloa Irrigation District. The District understands the importance of having authority clarified, and it provides this statement to serve as a guide to all staff members. Any policy, however, cannot anticipate all contingencies or circumstances. All District employees have been hired because of their competence and ability to adapt to situations that can arise unexpectedly. This policy, therefore, is intended as a statement of the preferred way to make decisions, but it is not intended to get in the way of any efforts necessary to protect lives and property.

In all events whether it is an emergency or not, if the **General Manager** cannot be reached in a timely manner or excused from being immediately available such as when he is on vacation, on medical leave, or away from Southern California the **Office Manager** has the authority to take charge for all purposes as the **Acting General Manager** until the General Manager relieves him. In all events, the **Facility Operators** report to the **General Manager** or **Acting General Manager** as shown on the attached Organizational Chart.

Board of Directors

The **Board of Directors** of ~~the Kinneloa Irrigation District~~ has the primary authority over all functions and activities of the District in providing reliable and safe water to its customers. The Board sets policy in public meetings, and generally refrains from becoming involved in specific operational decisions. It is important, however, that the Board be fully informed of District affairs, so that each Board member can effectively represent the people in the District.

The Board ~~employs~~~~has employed~~ a **General Manager** to implement ~~conduct~~ the Board policies, direct District operations, and provide day-to-day supervision of District employees and control of District expenditures. ~~The Board of Directors governs collectively, and the **General Manager** manages individually~~

~~with appropriate consultation with, or approval from the Board. The **General Manager** performs all the functions which the Board deems necessary. The **General Manager** may delegate responsibilities to others as appropriate he sees fit.~~

General Manager

The ~~**General Manager** of the Kinneloa Irrigation District~~ is available to address all matters affecting the operation of the District. The **General Manager** is generally available ~~routine non-critical issues and emergencies at most times~~ during normal business hours as well other times when the office is closed. If ~~he is~~ not physically in the office, the **General Manager** he can be contacted via home phone, mobile phone, text or email. The **General Manager** assures that all members of the **Board of Directors**, as well as and the answering service as well as the and key staff members have his the **General Manager's** personal contact information. The **General Manager**He has remote access to all the District's computers from any location where there is Internet service.

Except under circumstances where the **General Manager** is to be considered "unavailable" as defined below, District staff is instructed to contact the **General Manager**him first as to routine District affairs, or in the event of any emergency that prevents delivery of water to our customers or riskscauses damage to people or the customer's or the District's property. The District's **Emergency Response Plan** has additional information and contact numbers in case the **General Manager** is unavailablenot available to address critical issues.

There will be times when the **General Manager** is unavailable, either because of a scheduled event, or in an emergency, or in other unusual circumstances. For purposes of this policy statement, the **General Manager** will be considered "unavailable" if any of the following is true:

- Regularly-scheduled vacation or other personal leave time
- Sick time
- Attendance at meetings or other events outside the District's boundaries, while on District business, under circumstances where the **General Manager** is not immediately reached by cell phone
- In case of emergency, where circumstances would not permit contacting the **General Manager** without jeopardizing people or property
- In all other circumstances where the **General Manager** cannot be reached by cell phone.

Under all circumstances where the **General Manager** is "unavailable" as specified above, the **Office Manager** has the authority to take charge for all purposes as the **Acting General Manager** until the **General Manager** is no longer "unavailable."

In all events, the **Facility Operators** and all other personnel report to the **General Manager** or **Acting General Manager** as shown on the attached Organizational Chart.

Computer Problems

The **General Manager** is responsible for addressing any computer hardware and software problems and serves as the District's Information Technology Manager. If he is unable to respond or is unable to solve the problem the following vendors are to be called: Dell for computer hardware support; Able Software for billing and customer support functions; Sage for accounting software support; Cricket Consulting for SCADA support. The **Office Manager** has the authority to act if the General Manager is unavailable.

Production and Distribution System Problems

The on-call **Facilities Operator** has the primary responsibility to respond to system emergencies, SCADA alarms and pages from the answering service. The backup **Facilities Operator** and all field staff also receive pages from the answering service and is required to respond if necessary. The **Senior Facilities Operator** is available for consultation and assistance when required. Finally, the answering service is instructed call the **General Manager** first if no operators respond to the page. If no contact is made the answering service has the contact list of all personnel. These operators have the authority to take all necessary actions in the event of an emergency. The **General Manager** and District personnel are trained in the **Incident Command System** and have the authority to take charge until they are relieved by the **General Manager** or other emergency personnel. Outside resources are contained in the District's **Emergency Response Plan**.

Office Management and Customer Service

The **General Manager** has delegated to the **Office Manager** the primary responsibility for all routine tasks such as accounting, payroll, water quality reports, customer billing and customer service functions as well as any other urgent matters when the General Manager is not available. The **Office Manager** in turn may delegate some of these tasks to the **Administrative Assistant**. ~~In the event of an emergency when the General Manager is not available, the Office Manager has the authority to take charge until the General Manager relieves him.~~

Summary

~~In all events whether it is an emergency or not, if the **General Manager** cannot be reached in a timely manner or excused from being immediately available such as when he is on vacation, on medical leave, or away from Southern California the **Office Manager** has the authority to take charge for all purposes as the **Acting General Manager** until the General Manager relieves him. In all events, the **Facility Operators** report to the **General Manager** or **Acting General Manager** as shown on the attached Organizational Chart.~~

Board Communications

The **General Manager** or **Acting General Manager** shall ~~endeavor to~~ communicate ~~with~~ the **Board of Directors**, in a timely manner, information on all non-routine events that occur in their respective divisions or in the District that affect customers or the mission of the District in the delivery of a safe and reliable water supply.



RESPONSIBILITIES AND DELEGATION OF AUTHORITY

Introduction

The purpose of this policy statement is to clarify lines of authority for all decision- making within the Kinneloa Irrigation District. The District understands the importance of having authority clarified, and it provides this statement to serve as a guide to all staff members. Any policy, however, cannot anticipate all contingencies or circumstances. All District employees have been hired because of their competence and ability to adapt to situations that can arise unexpectedly. This policy, therefore, is intended as a statement of the preferred way to make decisions, but it is not intended to get in the way of any efforts necessary to protect lives and property.

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The **Board of Directors** has the primary authority over all functions and activities of the District in providing reliable and safe water to its customers. The Board sets policy in public meetings, and generally refrains from becoming involved in specific operational decisions. It is important, however, that the Board be fully informed of District affairs, so that each Board member can effectively represent the people in the District.

The Board employs a **General Manager** to implement the Board policies, direct District operations, and provide day-to-day supervision of District employees and control of District expenditures. The **General Manager** may delegate responsibilities to others as appropriate.

General Manager

The **General Manager** is available to address all matters affecting the operation of the District. The **General Manager** is generally available during normal business hours as well other times when the office is closed. If not physically in the office, the **General Manager** can be contacted via home phone, mobile phone, text or email. The **General Manager** assures that all members of

the **Board of Directors**, as well as the answering service and key staff members have the **General Manager's** personal contact information. The General Manager has remote access to all the District's computers from any location where there is Internet service.

Except under circumstances where the **General Manager** is to be considered "unavailable" as defined below, District staff is instructed to contact the General Manager first as to routine District affairs, or in the event of any emergency that prevents delivery of water to our customers or risks damage to people or property. The District's **Emergency Response Plan** has additional information and contact numbers in case the **General Manager** is unavailable.

There will be times when the **General Manager** is unavailable, either because of a scheduled event, or in an emergency, or in other unusual circumstances. For purposes of this policy statement, the **General Manager** will be considered "unavailable" if any of the following is true:

- Regularly-scheduled vacation or other personal leave time
- Sick time
- Attendance at meetings or other events outside the District's boundaries, while on District business, under circumstances where the **General Manager** is not immediately reached by cell phone
- In case of emergency, where circumstances would not permit contacting the General Manager without jeopardizing people or property
- In all other circumstances where the **General Manager** cannot be reached by cell phone.

Under all circumstances where the **General Manager** is "unavailable" as specified above, the **Office Manager** has the authority to take charge for all purposes as the **Acting General Manager** until the General Manager is no longer "unavailable."

In all events, the **Facility Operators** and all other personnel report to the **General Manager** or **Acting General Manager** as shown on the attached Organizational Chart.

Computer Problems

The **General Manager** is responsible for addressing any computer hardware and software problems and serves as the District's Information Technology Manager. If he is unable to respond or is unable to solve the problem the following vendors are to be called: Dell for computer hardware support; Able Software for billing and customer support functions; Sage for accounting software support; Cricket Consulting for SCADA support. The **Office Manager** has the authority to act if the General Manager is unavailable.

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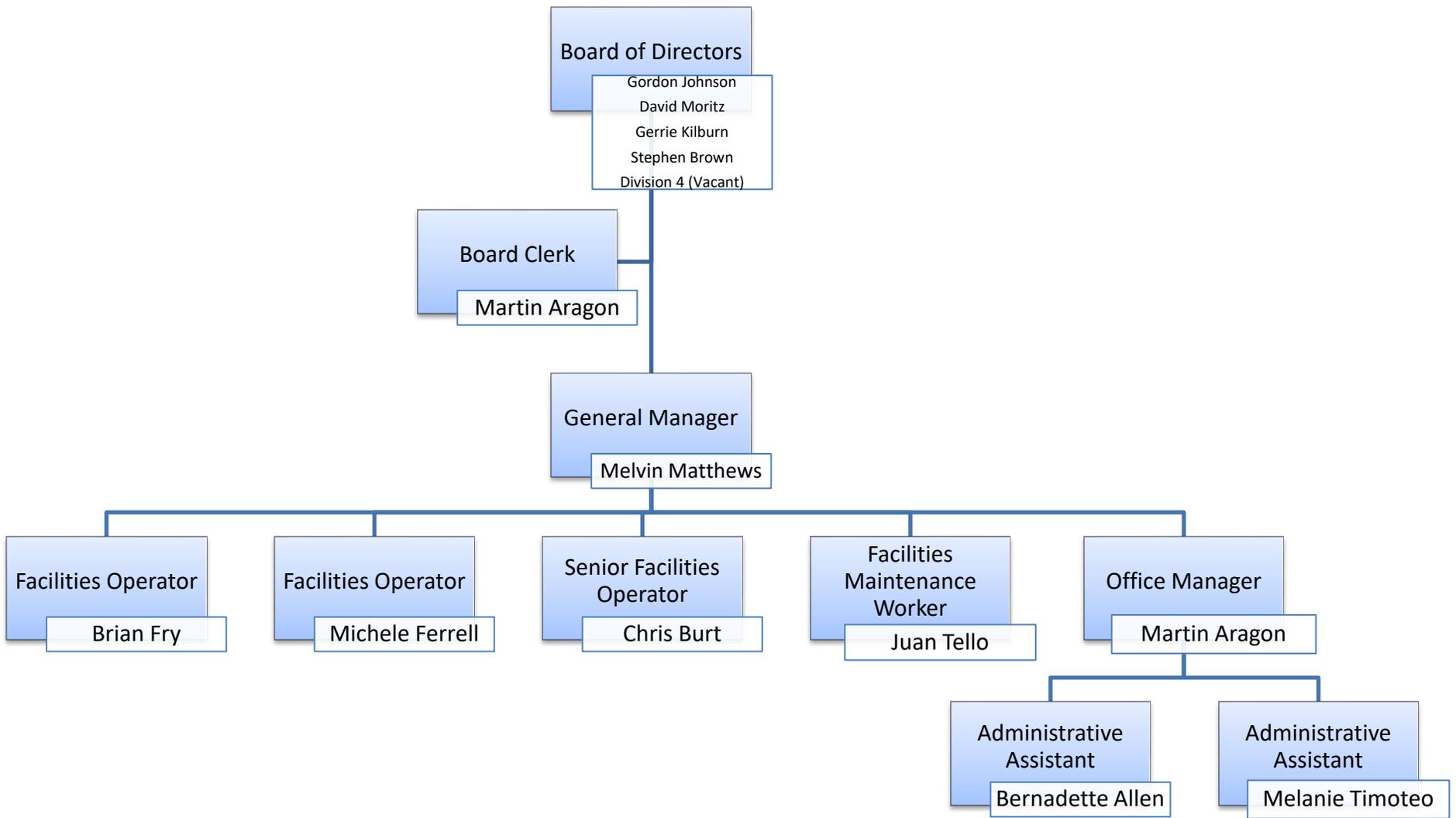
Facilities Operator and all field staff also receive pages from the answering service and is required to respond if necessary. The **Senior Facilities Operator** is available for consultation and assistance when required. Finally, the answering service is instructed call the **General Manager** first if no operators respond to the page. If no contact is made the answering service has the contact list of all personnel. These operators have the authority to take all necessary actions in the event of an emergency. The **General Manager** and District personnel are trained in the **Incident Command System** and have the authority to take charge until they are relieved by the **General Manager** or other emergency personnel. Outside resources are contained in the District's **Emergency Response Plan**.

Office Management and Customer Service

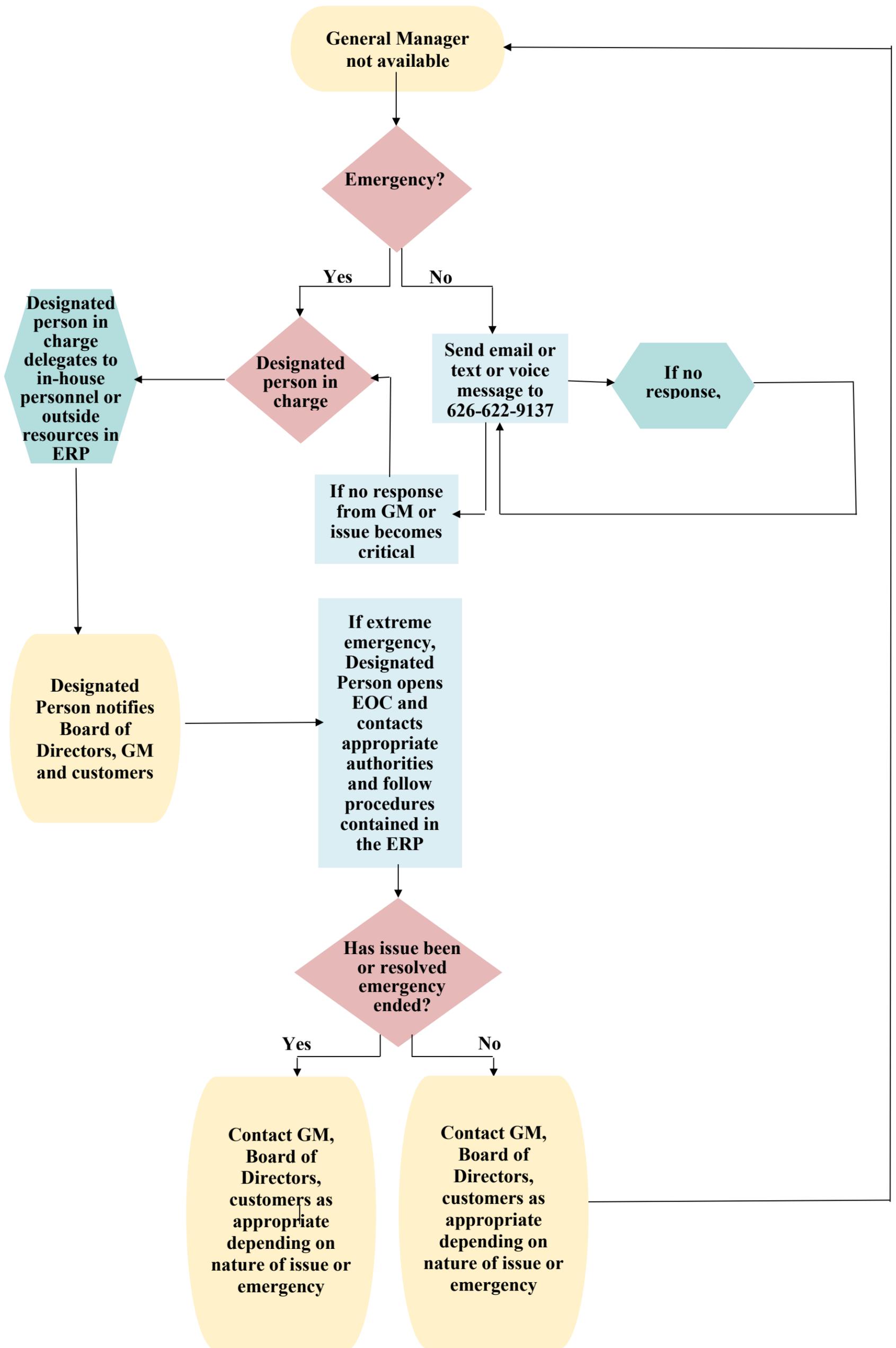
The **General Manager** has delegated to the **Office Manager** the primary responsibility for all routine tasks such as accounting, payroll, water quality reports, customer billing and customer service functions as well as any other urgent matters when the General Manager is not available. The **Office Manager** in turn may delegate some of these tasks to the **Administrative Assistant**

Board Communications

The **General Manager** or **Acting General Manager** shall communicate with the **Board of Directors**, in a timely manner, information on all non-routine events that occur in their respective divisions or in the District that affect customers or the mission of the District in the delivery of a safe and reliable water supply.



DELEGATION OF AUTHORITY FLOW CHART



KID Letterhead

Delegation of Authority for General Manager

Following are the circumstances in which the authority of the Kinneloa Irrigation District (KID) General Manager shall be delegated to a member of KID staff. This authority is to take charge for all purposes as the Acting General Manager.

- Whenever the General Manager is on annual leave or any other type of planned leave, the Office Manager shall serve as Acting General Manager.
- Whenever the General Manager is on unplanned leave, such as medical leave, or cannot be reached during an emergency situation, the Office Manager shall serve as Acting General Manager.
- When the General Manager is away from Southern California, the Office Manager shall serve as Acting General Manager.
- If any of the above situations occur, and the Office Manager is unavailable or unable to serve as the Acting General Manager, the Senior Facilities Operator shall serve as Acting General Manager.

Board Communications

The KID Board of Directors shall be notified promptly whenever the General Manager's authority is delegated to a member of KID staff.

The Acting General Manager, in a similar manner as the General Manager, shall endeavor to communicate to the KID Board of Directors information on all non-routine events that occur in their division, or within the entire District if those events may affect customers or KID's mission to deliver a safe and reliable water supply.

Revised xx/xx/2022