

KINNELOA IRRIGATION DISTRICT
REGULAR MEETING – BOARD OF DIRECTORS
1999 KINCLAIR DRIVE, PASADENA, CA 91107
TUESDAY –SEPTEMBER 20, 2016
7:30 P.M.

AGENDA

- 1. CALL TO ORDER**
 - 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

- 3. VOSBURG PUMP STATION REPLACEMENT PROJECT** – Update on proposed change order

- 4. EAST TANK - WEST TANK CONNECTOR PIPELINE PROJECT** – Progress report

- 5. REVIEW OF MULTI-YEAR FINANCIAL FORECAST, 2017 DRAFT BUDGET AND PROPOSED RATES**

- 6. GENERAL MANAGER’S REPORT**

- 7. REVIEW OF MINUTES** – August 16, 2016

- 8. REVIEW OF FINANCIAL REPORTS** – August 31, 2016

- 9. CALENDAR** – October 18, 2016
 November 15, 2016
 December 20, 2016

- 10. ADJOURNMENT**

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 www.KinneloalrrigationDistrict.info.



Memo

Date: August 29, 2016
To: Board of Directors
From: Mel Matthews
Subject: Proposed 2017 Budget – Updated for the September Board Meeting

Attached for your review are four documents to aid in our discussion of the proposed 2017 budget and the proposed 2017 water rates:

- ***10-year Actual and Forecasted Income and Expenses***
- ***2017 Budget Worksheet***
- ***Proposed 2017 Budget***
- ***Rate Survey of FMWD Agencies and the Cities of Sierra Madre and Pasadena***

The ***10-year Actual and Forecasted Income and Expense*** document shows the actual income and expenses for the past five years and the forecasted income and expenses for the next five years including the proposed budget for 2017.

The ***2017 Budget Worksheet*** provides a comparison of the 2016 budget, the 2016 year-end forecast and the proposed 2017 budget with explanatory notes.

The ***Proposed 2017 Budget*** provides a summary of the budget, a breakdown of the revenues, expenses, capital expenditures and the reserve balances as well as a rate history.

The ***Rate Survey of the FMWD Agencies and the Cities of Sierra Madre and Pasadena*** provides a comparison of previous or current monthly rates with the KID's proposed rates for low-usage, medium-usage and high-usage customers. The rates for FMWD agencies were gathered in July 2015 and are not necessarily the current rates. A new survey is underway and will be presented at a future meeting.

Revenue

The projected 2017 revenue is based on the current rates which were effective on January 1, 2016, the forecasted water sales for 2016 and a proposed 3% rate increase effective on January 1, 2017. This rate increase is intended to just cover inflationary expense increases and a modest restoration of some of the planned improvement and maintenance expenditures that were postponed in the past two years. Please note that the 2017 budgeted water sales are less than the 2016 budgeted water sales. If the current level of conservation by our customers continues in 2017, we expect to have water available for sale to Pasadena. Therefore, I have included \$75,000 in the wholesale water sales in the budget for 2017. If customer demand increases over my projection, the revenue generated will make up for any shortfall in wholesale water sales.

The *Rate Survey of the FMWD Agencies and the Cities of Sierra Madre and Pasadena* is included for reference only since each agency has unique characteristics and policies as well as different revenue and cost structures that may differ significantly from the KID. Nevertheless, this information could be useful in determining that the proposed KID rates are reasonable and fair to our customers at all usage levels.

Expenses

The proposed 2017 expenses are mostly the same as those approved for the 2016 budget. Any variance between the proposed 2017 budget and the 2016 budget has been determined and an explanation is provided in the notes. The forecasted 2016 expenses were updated for the September meeting and reflect actual expenses as of August 31, 2016.

The proposed improvement and maintenance expenditures for 2017 do not include the construction cost for the East Tank - West Tank Connector Pipeline Project since those costs will be paid from our project construction escrow account. As in past years, some projects can be deferred if necessary to maintain the desired net cash flow and all projects will be evaluated and prioritized as the year progresses.

Even though we used financing for two of our major projects in order to maintain our reserve funds at current levels, it is clear from the proposed budget and the forecasted amounts for the next five years that rates will need to be increased about 3% a year in order to accomplish capital and preventative maintenance projects, maintain our reserve fund for the upcoming large projects and cover our new debt service payments. For your information, the non-seasonally adjusted annual rate for the Consumer Price Index (CPI) for Los Angeles, Riverside, and Orange Counties through July 2016 is 3.2% excluding food and energy. The 2015 annual CPI was 2% including all segments. Although the year-end CPI for 2016 is unknown, a 2.5% increase in some of the operating expenses in the **10-year Actual and Forecasted Income and Expenses** spreadsheet is a reasonable assumption in order to reflect inflationary expense increases in future years.

10-Year Actual and Forecasted Income and Expenses

Account	Account Description	2021 Forecast	2020 Forecast	2019 Forecast	2018 Forecast	2017 Forecast	2016 Forecast	2015 Actual	2014 Actual	2013 Actual	2012 Actual	Total	Average
4000	Water Sales	1,516,060	1,471,903	1,429,032	1,387,410	1,347,000	1,367,377	1,220,253	1,415,616	1,379,338	1,200,756	13,734,746	1,373,475
4015	Wholesale Water Sales				75,000	75,000	68,126	6,947		33,325	161,188	419,586	69,931
4020	Service/Installation Charges	11,255	10,927	10,609	10,300	10,000	14,215	21,023	32,413	20,300	29,814	170,856	17,086
4025	Asset Sale						10,675		3,350	50		14,075	4,692
4035	Interest-Reserve Fund	11,034	10,713	10,401	10,098	9,804	10,520	9,049	6,739	3,878	3,671	85,908	8,591
4050	Capacity Charge								3,000			3,000	3,000
4060	Disaster Assistance										2,017	2,017	2,017
4070	Misc. Income						1,222	1,648	2,497	721		6,088	1,522
	Total Income	1,538,350	1,493,544	1,450,042	1,482,808	1,441,804	1,472,136	1,258,920	1,463,614	1,437,611	1,397,446	14,436,275	1,443,628
5000	Leased Water Rights	69,689	67,989	66,331	64,713	63,135	63,135	63,135	63,135	47,275	37,200	605,738	60,574
5005	Electricity	120,000	120,000	120,000	120,000	120,000	112,254	108,380	118,301	107,499	103,626	1,150,059	115,006
5010	Maintenance Supplies	27,595	26,922	26,266	25,625	25,000	26,513	29,074	37,637	22,036	56,164	302,832	30,283
5011	Material and Labor for Install	11,038	10,769	10,506	10,250	10,000	3,946	0	17,646	6,355	12,465	92,975	9,298
5012	Safety Equipment	1,766	1,723	1,681	1,640	1,600	2,232	476	75	667		11,860	1,318
5015	Operations & Maintenance Labor	164,854	160,834	156,911	153,084	149,350	141,945	139,218	149,015	143,360	140,269	1,498,840	149,884
5016	Operations & Maintenance OT	17,661	17,230	16,810	16,400	16,000	30,106	30,844	19,411	13,553	12,340	190,356	19,036
5017	Operations Bonus						0	2,469				2,469	1,235
5020	Stand-by Compensation	7,500	7,500	7,500	7,500	7,500	7,300	7,200	7,470	7,620	7,410	74,500	7,450
5022	Training/Certification	1,766	1,723	1,681	1,640	1,600	1,003	0	260	570	99	10,342	1,034
5025	Water Treatment/Analysis	24,284	23,692	23,114	22,550	22,000	19,291	15,127	17,667	15,784	21,178	204,687	20,469
5030	Maintenance Contractors	125,000	125,000	125,000	125,000	125,000	118,840	82,752	173,354	95,629	134,594	1,230,168	123,017
5034	Equipment Maintenance	11,038	10,769	10,506	10,250	10,000	9,112	9,632	7,651	8,981	5,406	93,346	9,335
5035	Vehicle Maintenance	7,727	7,538	7,354	7,175	7,000	5,922	5,170	7,006	3,772	5,345	64,010	6,401
5036	Fuel - All Equipment	16,557	16,153	15,759	15,375	15,000	10,666	9,263	13,952	11,242	10,377	134,344	13,434
5040	Equipment Rental	500	500	500	500	500	500					3,000	500
5045	Insurance-Workers Comp.	13,246	12,923	12,608	12,300	12,000	11,654	11,090	9,734	4,519	4,199	104,272	10,427
5046	Insurance-Liability	17,661	17,230	16,810	16,400	16,000	14,738	14,155	9,096	11,364	13,891	147,344	14,734
5048	Insurance-Property	2,760	2,692	2,627	2,563	2,500	2,212	2,041	1,792	1,389	1,797	22,371	2,237
5049	Insurance-Medical	84,442	82,382	80,373	78,413	76,500	76,378	74,632	72,752	66,664	47,084	739,619	73,962
6000	Engineering Services	52,431	51,152	49,905	48,688	47,500	37,556	41,981	33,768	14,960	9,116	387,057	38,706
6005	Watermaster Services	12,000	12,000	12,000	12,000	12,000	11,427	10,969	10,680	9,731	11,360	114,165	11,417
6015	Administrative Salary	150,119	146,457	142,885	139,400	136,000	130,710	128,170	125,244	123,800	121,931	1,344,715	134,471
6016	Administrative Bonus						0	1,894		2,500	3,000	7,394	1,849
6017	Administrative Travel	3,311	3,231	3,152	3,075	3,000	2,673	2,281	2,364	1,525	3,460	28,072	2,807
6020	BofD Compensation	4,200	4,200	4,200	4,200	4,200	4,400	3,200	3,400	4,300	5,200	41,500	4,150
6021	Administrative & Board Exp.	1,104	1,077	1,051	1,025	1,000	947	725	645	158	552	8,284	828
6022	B of D Election	13,798	13,461	13,133	12,813	12,500	115		11,790		293	77,903	9,738
6024	Customer/Public Information	2,208	2,154	2,101	2,050	2,000	1,645	601	161	68	295	13,282	1,328
6025	PERS - KID	27,319	26,653	26,003	25,369	24,750	24,699	23,849	20,796	17,408	14,341	231,187	23,119
6030	Social Security - KID	28,423	27,730	27,054	26,394	25,750	25,210	24,182	29,129	27,815	26,018	267,704	26,770
6031	Medicare - KID	6,844	6,677	6,514	6,355	6,200	5,947	5,821				44,357	6,337
6035	Office/Computer Supplies	7,727	7,538	7,354	7,175	7,000	5,586	4,901	4,438	6,038	6,318	64,075	6,408
6036	Postage/Delivery	5,519	5,384	5,253	5,125	5,000	3,814	4,763	3,715	3,176	4,484	46,234	4,623
6040	Professional Dues	12,506	12,201	11,904	11,613	11,330	11,029	9,490	9,226	7,517	7,872	104,687	10,469
6045	Legal	16,557	16,153	15,759	15,375	15,000	8,695	9,775	5,543	2,421	3,645	108,924	10,892
6050	Telephone	4,967	4,846	4,728	4,613	4,500	4,316	4,273	4,228	4,334	5,135	45,940	4,594
6051	Mobile Telephone	1,656	1,615	1,576	1,538	1,500	804	567	798	1,289	1,824	13,167	1,317
6052	Pagers	331	323	315	308	300	271	267	253	240	228	2,836	284
6053	Internet Service	1,104	1,077	1,051	1,025	1,000	813	720	948	966	1,050	9,753	975

10-Year Actual and Forecasted Income and Expenses

Account	Account Description	2021 Forecast	2020 Forecast	2019 Forecast	2018 Forecast	2017 Forecast	2016 Forecast	2015 Actual	2014 Actual	2013 Actual	2012 Actual	Total	Average
6059	Computer/Software Maintenance	9,934	9,692	9,456	9,225	9,000	8,167	7,008	4,777	7,490	2,827	77,575	7,757
6061	Office Equipment Maintenance	1,104	1,077	1,051	1,025	1,000	589	619	592	949	581	8,586	859
6065	Accounting Services	7,727	7,538	7,354	7,175	7,000	8,550	6,200	6,200	6,200	6,200	70,144	7,014
6070	Office & Accounting Labor	103,449	100,926	98,465	96,063	93,720	89,478	87,162	79,668	80,639	63,922	893,492	89,349
6071	Office & Accounting Bonus						0	1,275				1,275	638
6075	Professional/Contract Services	25,388	24,768	24,164	23,575	23,000	22,219	20,650	10,703	9,604	9,299	193,370	19,337
6080	Capital and Administrative Fee	9,824	9,584	9,351	9,123	8,900	8,559	8,705	7,189	6,651	3,002	80,888	8,089
6081	Permits/Fees	15,453	15,076	14,709	14,350	14,000	16,481	12,112	9,572	11,218	14,272	137,243	13,724
6086	Taxes - Sales	552	538	525	513	500	352	342				3,322	475
6088	Interest Expense	56,664	61,735	66,628	71,348	75,901	80,258	41,745		901	1,762	456,943	50,771
6120	Bank Service Charges	6,623	6,461	6,304	6,150	6,000	5,482	5,002	4,897	4,374	3,607	54,900	5,490
	Total Expenses	1,313,925	1,294,898	1,276,279	1,258,061	1,240,236	1,178,539	1,073,907	1,116,675	924,551	945,034	11,622,106	1,162,211
	NET REVENUES	224,425	198,646	173,763	224,747	201,568	293,596	185,014	346,939	513,060	452,412	2,814,170	281,417
	Capital and Planned Maintenance Expenditures												
1504	Water Mains	10,000	10,000	10,000	10,000	25,000		21,496	39,605	21,450		147,551	18,444
1505	Water Tunnels					7,000						7,000	7,000
1509	Wilcox Well/Wilcox Booster									10,544		10,544	10,544
1511	Water Treatment Plant	1,000	1,000	1,000	1,000	6,000		457		5,779	5,244	21,481	2,685
1512	Water Meters	5,000	5,000	5,000	5,000	4,500	1,461	2,990		24,081	-6,382	46,649	5,183
1513	Electrical/Electronic Equipment	5,000	5,000	5,000	5,000	5,000			11,014		-2,684	33,330	4,761
1514	Computer/Office Equipment	5,000	5,000	5,000	5,000	5,000	1,652		1,817		15,900	44,369	5,546
1515	Vehicles & Portable Equipment	35,000			35,000		20,465					90,465	30,155
1516	Water Company Facilities	10,000	10,000	10,000	10,000	10,000		4,671	5,672			60,343	8,620
1522	Eucalyptus Booster									32,054		32,054	32,054
1523	Construction in Progress - Vosburg							1,237,986				1,237,986	1,237,986
1524	Construction in Progress - East/West							15,549				15,549	15,549
1526	Vosburg Booster								62,787	8,349	8,455	79,591	26,530
1527	SCADA	1,000	1,000	1,000	1,000	11,000	7,411	10,722	10,009	21,051	9,362	73,555	7,355
1528	Tank and Reservoir Maintenance						21,548					21,548	21,548
1530	Tools	3,000	3,000	3,000	3,000	3,000			1,702		2,661	19,363	2,766
2400	Installment Purchase Agreement	143,538	138,467	133,574	128,854	124,301	119,944	-2,241,644		18,979	18,119	-1,415,868	-157,319
	Total Other Expenditures	218,538	178,467	173,574	203,854	200,801	172,480	-947,773	132,606	142,287	50,675	1,941,377	52,551
	NET CASH FLOW	5,886	20,179	189	20,893	767	121,116	1,132,786	214,333	370,774	401,737	872,793	228,866

Kinneola Irrigation District 2017 Budget Worksheet (Proposed Rates)

Account	Account Description	2016 Budget	2016 FYE Forecast as of 8/31/2016	Variance of 2016 FYE Forecast to 2016 Budget	Proposed 2017 Budget	Variance of Proposed 2017 Budget to 2016 Budget	Notes
4000	Water Sales	1,379,616	1,367,377	-12,239	1,347,000	-32,616	Projection based on 3% rate increase
4015	Wholesale Water Sales	0	68,126	68,126	75,000	75,000	Projection based on water sold in 2016
4020	Service Charges	10,000	14,215	4,215	10,000	0	
4025	Asset Sale/Miscellaneous	0	10,675	10,675	0	0	
4035	Interest-Reserve Fund	8,000	10,520	2,520	9,804	1,804	Projection based on increase in interest rates
4050	Capacity Charge	0	0	0	0	0	
4070	Misc. Income	0	1,222	1,222	0	0	
	Total Income	1,397,616	1,472,136	74,520	1,441,804	44,188	
5000	Leased Water Rights	63,135	63,135	0	63,135	0	
5005	Electricity	120,000	112,254	-7,746	120,000	0	
5010	Maintenance Supplies	25,000	26,513	1,513	25,000	0	
5011	Material and Labor for Install	10,000	3,946	-6,054	10,000	0	
5012	Safety Equipment	1,600	2,232	632	1,600	0	
5015	Operations & Maintenance Labor	145,000	141,945	-3,055	149,350	4,350	
5016	Operations & Maintenance OT	15,500	30,106	14,606	16,000	500	
5017	Operations Bonus	0	0	0	0	0	
5020	Stand-by Compensation	7,500	7,300	-200	7,500	0	
5022	Training/Certification	1,600	1,003	-597	1,600	0	
5025	Water Treatment/Analysis	22,000	19,291	-2,709	22,000	0	
5030	Maintenance Contractors	125,000	118,840	-6,160	125,000	0	
5034	Equipment Maintenance	10,000	9,112	-888	10,000	0	
5035	Vehicle Maintenance	6,000	5,922	-78	7,000	1,000	Vehicles are aging and may need additional repairs
5036	Fuel - All Equipment	15,000	10,666	-4,334	15,000	0	
5040	Equipment Rental	500	500	0	500	0	
5045	Insurance-Workers Comp.	12,000	11,654	-346	12,000	0	
5046	Insurance-Liability	16,000	14,738	-1,262	16,000	0	
5048	Insurance-Property	2,500	2,212	-288	2,500	0	
5049	Insurance-Medical	76,500	76,378	-122	76,500	0	Premium rates received in August reflect a 12% increase
6000	Engineering Services	45,000	37,556	-7,444	47,500	2,500	Adjusted for expected increase in hourly rates
6005	Watermaster Services	12,000	11,427	-573	12,000	0	
6015	Administrative Salary	132,000	130,710	-1,290	136,000	4,000	
6016	Administrative Bonus	0	0	0	0	0	
6017	Administrative Travel	3,000	2,673	-327	3,000	0	
6020	BofD Compensation	4,200	4,400	200	4,200	0	
6021	Administrative & Board Expense	1,000	947	-53	1,000	0	

Kinneola Irrigation District 2017 Budget Worksheet (Proposed Rates)

Account	Account Description	2016 Budget	2016 FYE Forecast as of 8/31/2016	Variance of 2016 FYE Forecast to 2016 Budget	Proposed 2017 Budget	Variance of Proposed 2017 Budget to 2016 Budget	Notes
6022	Board of Directors Election	12,500	115	-12,385	12,500	0	
6024	Customer/Public Information	1,000	1,645	645	2,000	1,000	Increase in customer communications
6025	PERS - KID	24,000	24,699	699	24,750	750	
6030	Social Security - KID	25,000	25,210	210	25,750	750	
6031	Medicare - KID	6,000	5,947	-53	6,200	200	
6035	Office/Computer Supplies	7,000	5,586	-1,414	7,000	0	
6036	Postage/Delivery	5,000	3,814	-1,186	5,000	0	
6040	Professional Dues	11,000	11,029	29	11,330	330	Adjusted for expected increase in ACWA annual membership dues
6045	Legal Services	15,000	8,695	-6,305	15,000	0	
6050	Telephone	4,500	4,316	-184	4,500	0	
6051	Mobile Telephone	1,500	804	-696	1,500	0	
6052	Pagers	240	271	31	300	60	Adjusted for increase when Cook Paging sold to American Messaging
6053	Internet Service	1,000	813	-187	1,000	0	
6059	Computer/Software Maintenance	9,000	8,167	-833	9,000	0	
6061	Office Equipment Maintenance	1,000	589	-411	1,000	0	
6065	Accounting Services	7,000	8,550	1,550	7,000	0	
6070	Office & Accounting Labor	91,000	89,478	-1,522	93,720	2,720	
6071	Office & Accounting Bonus	0	0	0	0	0	
6075	Professional/Contract Services	20,000	22,219	2,219	23,000	3,000	Adjusted to include contract landscape maintenance services
6080	Administrative Fees	8,900	8,559	-341	8,900	0	
6081	Permits/Fees	10,000	16,481	6,481	14,000	4,000	Additional AQMD permits required for new equipment
6086	Taxes - Sales	0	352	352	500	500	Sales tax now budgeted for out-of-state purchases
6088	Interest Expense	80,293	80,258	-35	75,901	-4,392	Interest declines as installment purchase payments are made
6120	Bank Service Charges	5,000	5,482	482	6,000	1,000	Adjusted for increase in fees
Total Expenses		1,217,968	1,178,539	-39,429	1,240,236	22,268	
NET REVENUES		179,648	293,596	113,949	201,568	21,920	
Other Expenditures							
1504	Water Mains	0	0	0	25,000.00	25,000	Does not include funding from Installment Purchase Agreement
1505	Water Tunnels	7,000	0	-7,000	7,000	0	
1511	Water Treatment Plant	6,000	0	-6,000	6,000	0	
1512	Water Meters	12,900	1,461	-11,439	4,500	-8,400	
1513	Electrical/Electronic Equipment	10,000	0	-10,000	5,000	-5,000	
1514	Computer/Office Equipment	5,000	1,652	-3,348	5,000	0	
1515	Vehicles/Portable Equipment	20,000	20,465	465	0	-20,000	

Kinnelea Irrigation District 2017 Budget Worksheet (Proposed Rates)

Account	Account Description	2016 Budget	2016 FYE Forecast as of 8/31/2016	Variance of 2016 FYE Forecast to 2016 Budget	Proposed 2017 Budget	Variance of Proposed 2017 Budget to 2016 Budget	Notes
1516	Water Company Facilities	25,000	0	-25,000	10,000	-15,000	
1527	SCADA	12,000	7,411	-4,589	11,000	-108,909	
1528	Tanks and Reservoirs	25,500	21,548	-3,952	0	-246,309	
1530	Tools	3,000	0	-3,000	3,000	0	
2400	Installment Purchase Agreement	119,909	119,944	35	124,301	124,301	
Total Other Expenditures		246,309	172,480	-73,828	200,801	-45,508	
NET CASH FLOW		-66,661	121,116	187,777	767	67,428	

Proposed Kinneloa Irrigation District 2017 Budget

Account	Account Description	2017 Budget
4000	Water Sales	1,347,000
4015	Wholesale Water Sales	75,000
4020	Service Charges	10,000
4035	Interest-Reserve Fund	9,804
Total Income		1,441,804
5000	Leased Water Rights	63,135
5005	Electricity	120,000
5010	Maintenance Supplies	25,000
5011	Material and Labor for Installs	10,000
5012	Safety Equipment	1,600
5015	Operations & Maintenance Labor	149,350
5016	Operations & Maintenance OT	16,000
5020	Stand-by Compensation	7,500
5022	Training/Certification	1,600
5025	Water Treatment/Analysis	22,000
5030	Maintenance Contractors	125,000
5034	Equipment Maintenance	10,000
5035	Vehicle Maintenance	7,000
5036	Fuel - All Equipment	15,000
5040	Equipment Rental	500
5045	Insurance-Workers Compensation	12,000
5046	Insurance-Liability	16,000
5048	Insurance-Property	2,500
5049	Insurance-Medical	76,500
6000	Engineering Services	47,500
6005	Watermaster Services	12,000
6015	Administrative Salary	136,000
6017	Administrative Travel	3,000
6020	Board of Directors Compensation	4,200
6021	Administrative & Board Expenses	1,000
6022	Board of Directors Election	12,500
6024	Customer/Public Information	2,000
6025	PERS - KID	24,750
6030	Social Security - KID	25,750
6031	Medicare - KID	6,200
6035	Office/Computer Supplies	7,000
6036	Postage/Delivery	5,000
6040	Professional Dues	11,330
6045	Legal Services	15,000
6050	Telephone	4,500
6051	Mobile Telephone	1,500
6052	Pagers	300
6053	Internet Service	1,000
6059	Computer/Software Maintenance	9,000
6061	Office Equipment Maintenance	1,000
6065	Accounting Services	7,000
6070	Office & Accounting Labor	93,720
6075	Professional/Contract Services	23,000
6080	Administrative Fees	8,900
6081	Permits/Fees	14,000
6086	Sales Tax	500
6088	Interest Expense	75,901
6120	Bank Service Charges	6,000
Total Expenses		1,240,236
NET REVENUES		201,568

Water Sales, Units	216,697
Usage Charge Per Unit	\$4.17
Annual Usage (Commodity) Revenue	\$903,627
Daily Service Charge	\$2.08
Annual Daily Service Charge Revenue	\$443,373
Annual Water Sales	\$1,347,000
Wholesale Water Sales	\$75,000
Other Annual Revenue	\$19,804
Total Revenue	\$1,441,804
Total Expenses	\$1,240,236
Net Revenues	\$201,568
Improvement Projects and Debt Service	\$200,801
Annual Net Cash Flow	\$767
Average Monthly Charge for Low Usage	\$105
Average Monthly Charge for Medium Usage	\$272
Average Monthly Charge for High Usage	\$480
Reserve Fund Balance (Beginning)*	\$1,377,419
Reserve Fund Balance (Year End)*	\$1,378,187

*Reserve fund balance includes targets of \$150,000 for operating reserve, \$200,000 for emergency repairs, \$200,000 for replacement of existing facilities equipment and vehicles and \$500,000 for future capital improvement projects.

Rate History		
Effective Date	Daily Service Charge (Charge Per Average Month)	Usage Charge
12/15/1955	No daily service charge - Monthly minimum charge based on meter size: \$2.50 for 3/4" \$3.50 for 1" \$5.50 for 1.5" \$6.50 for 2"	3/4" \$2.50 1st 400 Cu. Ft. (4 units) 1" \$3.50 1st 600 Cu. Ft. (6 units) 1 1/2" \$5.00 1st 800 Cu. Ft. (8 units) 2" \$6.50 1st 1000 Cu. Ft. (10 units) \$0.18 per 100 Cu. Ft. (1 unit) up to 10,000 Cu. Ft. (100 units) \$0.15 per 100 Cu. Ft. over 10,000 Cu. Ft. (100 units)
5/1/1958	No daily service charge - Monthly minimum charge \$5.00 for all meters for 1st 800 Cu. Ft. (8 units)	\$0.18 per 100 Cu. Ft. (1 unit) up to 10,000 Cu. Ft. (100 units) \$0.15 per 100 Cu. Ft. over 10,000 Cu. Ft. (100 units)
4/1/1976	0.1810 (\$ 5.50)	\$0.20
4/1/1977	0.2140 (\$ 6.50)	\$0.27
1/1/1989	0.6575 (\$20.00)	\$0.85
1/1/1991	0.6575 (\$20.00)	\$1.10
5/5/1993	0.6575 (\$20.00)	\$1.60
4/5/2001	0.9863 (\$30.00)	\$1.90
1/6/2003	0.9863 (\$30.00)	\$1.95
1/1/2005	0.9863 (\$30.00)	\$2.05
1/1/2006	1.1178 (\$34.00)	\$2.30
1/1/2007	1.1836 (\$36.00)	\$2.42
1/1/2009	1.3479 (\$41.00)	\$2.55
1/1/2010	1.6110 (\$49.00)	\$2.75
1/1/2011	1.6110 (\$49.00)	\$2.95
1/1/2013	1.6800 (\$51.10)	\$3.35
1/1/2015	1.7600 (\$53.53)	\$3.52
1/1/2016	2.0200 (\$61.44)	\$4.05
1/1/2017 (Proposed)	2.0800 (\$63.27)	\$4.17

Recommended Expenditures for Improvement Projects**

1504	Water Mains	25,000
1505	Water Tunnels	7,000
1511	Water Treatment Plant	6,000
1512	Water Meters	4,500
1513	Electrical/Electronic Equipment	5,000
1514	Computer/Office Equipment	5,000
1516	Water Company Facilities	10,000
1527	SCADA	11,000
1530	Tools	3,000
2400	Install Purchase Agreement	124,301
Total Other Expenditures		200,801
NET CASH FLOW		767

Does not include projects funded from Installment Purchase Agreement
 Replace damaged portion of Delores Tunnel line
 Normal maintenance and upgrades
 Replace customer and facility production water meters
 Electrical upgrades at multiple facilities
 Replace obsolete equipment
 Repairs and maintenance - Actual projects to be determined at a later date
 Install current versions of software on previously purchased replacement computer
 Purchase major tools and instruments
 Principal payment on installment purchase agreement for completed major projects

**Recommended improvement and maintenance projects will be prioritized during the year based on urgency and available funds.

SURVEY OF FEES AND CHARGES FOR WATER SERVICE

Rates are as of July 2015 for FMWD agencies. Kinneloa has the proposed rates as of 1/1/2017 and Pasadena and Sierra Madre are the current rates

	Crescenta Valley Water District	La Cañada Irrigation District	Las Flores Water Company	Lincoln Avenue Water Company	Mesa Crest Water Company	Rubio Cañon Land & Water Association	Valley Water Company	City of Pasadena	City of Sierra Madre	Kinneloa Irrigation District
Monthly or Bimonthly	monthly	bimonthly	monthly	monthly	monthly	monthly	monthly	Monthly (billed bimonthly)	bimonthly	monthly
Service charges each meter size	3/4" - 19.12 1" - 23.48 1-1/2" - 34.28 2" - 43.36 3" - 47.28 4" - 121.47	5/8 & 3/4" - \$51.00 1-1/4" & 1" - 86.00 1-1/2" - 207.00 2" -- 287.00 3" -- 488.00	\$26.25 service charge all sizes	\$29.95 monthly standby fee +\$5 for multiple dwelling	5/8" - \$19.20 3/4" - 28.82 1" - 48.03 1-1/2" - 96.04 2" - 153.66 3" - 288.07 4" - 480.18	5/8 - \$25.50 3/4" - 25.50 1" - 30.50 1-1/2" - 33.00 2" - 41.00 over 2" - 46.00	3/4" - \$10.18 1" - 15.95 1-1/2" - 44.00 2" - 68.75 3" - 143.00 4" - 220.00 6" - 297.00 8" - 357.50	5/8 & 3/4" - \$21.41 1" - 40.680 1-1/2" - 82.17 2" -- 192.76 3" -- 488.00 4" - 728.18 6" - 1113.69 8" - 1820.43	5/8 & 3/4" - \$76.71 1" - 102.88 1-1/2" - 146.67 2" -- 199.21 3" -- 321.81 4" - 496.95	\$63.27/month all meters
	7/1/2015			6/1/2015				8/4/2016	7/1/2016	Proposed 1/1/17
Commodity rates	1 - 10 units @ \$4.61/unit (1 Unit = 1,000 gal) 11 - 25 Units @ \$5.96/unit 26 - 37 Units @ \$8.50/unit 38 units & over @ \$11.39/unit	1st 60 units (ccf) \$3.53 ea 61 to 100 units @ \$3.94 ea 101 to 176 units @ \$4.52 ea 177 to 250 units @ \$5.14 ea over 250 units @ \$5.65 ea	Water: \$3.25/unit (ccf) Energy Surcharge: \$0.15/unit (ccf) Foothill MWD Charge: \$0.50/unit (ccf)	1 to 7 units (ccf) \$3.00 ea* 8 to 20 units @ \$3.30 ea 21 to 40 units @ \$3.59 ea 41 units and over @ \$3.88 ea *Tier 1 allocation is 7 units per share of stock (i.e. 2 shares receive 14 units at tier 1 rate, 3 shares receive 21 units, etc..)	\$4.932/unit (ccf)	\$2.50 0 - 16 \$3.05 17 - 36 \$3.50 +36ccf	1 - 50 Units (ccf) @ \$3.841/unit 51 to 100 units @ \$4.195/unit 100 units and over @ \$4.907 ea	1st 12 units (ccf) \$1.14 ea 13 to 40 units @ \$3.13 ea 41 to 60 units @ \$3.76 ea <u>greater than 60 units @ \$4.69 ea</u>	1st 11 units (ccf) \$2.58 ea 12 to 33 units @ \$3.36 ea 34 to 66 units @ \$3.95 ea <u>greater than 66 units @ \$5.36 ea</u> non-residential uniform @ 3.74 ea.	4.17
Water system connection charge	\$3,610 per EDU Eff. 7/1/15		N/A			N/A	N/A	Main fees plus costs		\$3,000 per EDU effective 1/90
Fire service line	1" - 8.00 2" - 11.78 3" - 17.58 4" - 23.84 6" - 40.99 8" - 62.36 10" - 87.08 monthly	same as meter charge	same as meter charge	\$25.00/mo monthly	4" - 26.58 6" - 39.93	\$30	same as meter charge		2" - 6.05 4" - 37.45	same as meter charge
OTHER CHARGES										
Temporary construction meter	\$1,000 Deposit \$25 Non-refundable Fee Commodity rate - Tier 2	\$1000.00 deposit \$25 setup charge 5 tier commodity rates	\$700 deposit \$45/mo. rental \$3.25/ccf	\$1200 deposit \$3.88/ccf +\$29.95 monthly	\$1,200 deposit \$153.66/mo + ccf charge	\$1800 deposit \$50/week + water usage	\$1500 deposit + \$35 setup +\$15/mo +Commodity Rate			\$850 deposit +\$8.34/ccf \$100 minimum
Turn-on fee -- delinquency	\$25 during office hours \$40 after hours	\$100.00	\$50.00	\$50.00 reconnection	\$20.00	\$50.00 reconnection	Total bill + \$50.00			\$50.00
Turn-on fee -- new service/owner	\$100 Deposit for renters	\$10.00	0	\$100 dep for owner \$300 dep for renter	Renter-\$34 deposit on acct	Handled through escrow	\$5 - owner Renter-\$65 deposit +\$5		\$51--\$83	\$50.00
Delinquency penalty	\$15.00	None	\$10.00	\$12.00	2 mo avg bill on deposit	\$10.00	\$50.00 + total bill		\$94 deposit	\$15/month plus 10% interest
Fire flow tests	\$300.00	\$250.00 Supervision of Test	\$100	\$200.00	Mkt Price	\$120	\$50.00	\$200.00		\$900.00
New metered service installation + labor + material	All Sizes- time & material	all sizes (applied to material, labor & 30% o/h) plus 5/8"-1" \$1,500 > 2" \$3,000	\$1,275-\$1,375	\$3,500-\$5,000	0	billed for permits, materials, & \$75/hr labor	Labor & Material	actual cost	3/4" and 1" - \$674 minimum or actual cost with \$3,065-\$4,508 deposit 1 1/2" and 2" - \$907-\$1,143 minimum or actual cost with \$5,365-\$5,506 deposit	all sizes time & material +15%
Other	\$35 returned check	\$10 returned check	\$12 returned check	\$100 non-emerg. call \$30 meter test \$30 returned check \$15 autopay returned item	move a service -time & mat. \$15-ret'd check	\$30 returned check After Hours \$70	move a service -time & mat. of new service \$15-ret'd check			\$30 returned check
MUTUALS										
Stock transfer fee			\$75	\$75		\$75	\$50			
Affidavit of lost stock			0	\$75		no charge	\$50			
Purchase of additional shares			\$100/share	\$2,800		current audited price	\$60/share			
Shares required			2-1/2 shares	5 shares/acre			1 share every one tenth acre			
Next anticipated rate increase	7/1/2016			6/1/16		6/1/2015				1/1/2018
Drought Surcharge	No			None as of yet		None as of yet	+4.597/unit, +35 units			
Low Income Discount	No	No	No	No	No	No	No	Yes	Yes Ranges from \$49.80 to \$323.02 per bimonthly bill depending on meter size	No
Monthly Charge for Low Usage (10 units)*	\$69.58	\$78.80	\$65.25	\$60.85	\$97.35	\$55.50	\$54.35	\$103.55	\$80.75	\$105.00
Monthly Charge for Medium Usage (50 units)*	\$309.67	\$240.00	\$221.25	\$204.45	\$294.63	\$177.45	\$207.95	\$234.44	\$319.44	\$272.00
Monthly Charge for High Usage (100 units)*	\$443.55	\$557.00	\$416.25	\$398.45	\$541.23	\$352.45	\$417.70	\$468.95	\$587.44	\$480.00

*Based on 1" meter

General Manager's Report for the Board of Directors Meeting on September 20, 2016

I. Customer Account Information and Internet Usage

A. Delinquent Accounts –

- 18 accounts received past-due notice
- 18 accounts received late charges in the total amount of \$292.08
- 5 accounts received door hanger shut off notice
- 1 account was shut off for non-payment
- 1 account remains shut off for non-payment

B. Aged Receivables –

Month	Current	30 days	60 days	90 days or greater	Total
January	\$22,255.81	\$1,007.70	\$153.64	\$111.49	\$23,528.64
February	\$23,476.31	\$1,922.01	\$81.93	\$165.13	\$26,645.38
March	\$24,637.67	\$874.75	\$91.13	\$47.06	\$25,650.61
April	\$24,905.72	\$1,507.67	\$94.90	\$138.19	\$26,646.48
May	\$29,038.70	\$3,442.42	\$314.65	\$0.00	\$32,795.77
June	\$21,725.47	\$1,275.82	\$3.66	\$0.00	\$23,004.95
July	\$29,783.77	\$1,136.98	\$46.18	\$0.00	\$30,966.93
August	\$38,651.67	\$1,996.73	\$192.97	\$46.18	\$40,887.55
September					
October					
November					
December					

C. Internet Usage –

Month	Visitors	Page Views	Online Payments	Online Amount
January	277	599	52	\$9,147.90
February	144	364	49	\$6,010.43
March	164	403	53	\$7,150.27
April	226	424	55	\$7,852.49
May	306	624	48	\$9,680.17
June	326	508	50	\$10,462.02
July	170	507	55	\$11,025.66
August	213	598	50	\$12,019.27
September				
October				
November				
December				
Year to Date	1,826	4,027	412	\$73,348.21

II. General Manager's Projects and Activities

- A. East Tank - West Tank Connector Pipeline** – Pre-construction meeting was held at the KID office with Chris Mikity of Perry Thomas Construction and Philip West of SA Associates. An onsite meeting was also conducted with Perry Thomas. Construction is now underway.
- B. Vosburg Pump Station Replacement Project** – A meeting was held with Robert Foster and Cory Waterbury of R.C. Foster Company and Terry Kerger of Civiltec Engineering and me to discuss the claimed magnitude of the delays and claimed unforeseen conditions on which PCO#20 was based as compared to our actual timeline for the project and the individual task timeline submitted by R.C. Foster. We asked them to review our timeline and to substantiate that the delays and extra costs were in fact due to unforeseen conditions (“the rocks”) and/or due to delays caused by the KID that were not covered by the nineteen approved and paid change orders.
- C. Water Rate Survey** – I updated the comparative rates for the local water agencies by adding Sierra Madre and Pasadena and computing the typical monthly bill for each agency.
- D. Activities/Meetings/Webinars/Conferences**

Subject	Location	Start	End	Purpose/Notes/Action	Significance to the KID
KID Board	KID Office	Tue 8/16/2016 7:30 PM	Tue 8/16/2016 9:00 PM	Regular Board Meeting	
FMWD Managers Meeting	FMWD Board Room in La Cañada	Wed 8/17/2016 10:00 AM	Wed 8/17/2016 12:00 PM	FMWD Managers Meeting	Discussion on emergency preparedness
CSDA Fiscal Committee	Sacramento	Fri 8/19/2016 1:00 PM	Fri 8/19/2016 3:00 PM	Fiscal Committee Meeting to review proposed 2017 Budget	Establishment of membership fees for 2017
FMWD Board	La Cañada	Mon 8/22/2016 3:00 PM	Mon 8/22/2016 5:00 PM	Board meeting	Presentation of Devil's Gate to Eaton pipeline project by County of Los Angeles
ACWA Region 8	FMWD Board Room in La Cañada	Tue 8/23/2016 11:00 AM	Tue 8/23/2016 1:00 PM	Board Meeting	Developed the Region 8 program at Fall Conference focusing on development of local water resources
PWAG	Palmdale Water District	Wed 8/24/2016 10:00 AM	Wed 8/24/2016 4:00 PM	Regular quarterly meeting with PWAG agencies	Water conservation issues; emergency preparedness project; SWRCB drinking water operating fees; group response to upcoming Little Hoover Commission Hearing on special districts
East-West Tank Connector Pipeline	KID Office	Fri 8/26/2016 11:00 AM	Fri 8/26/2016 12:30 PM	Pre-Const. Mtg. with Chris Mikity of Perry Thomas and Phil West of SA Associates	Review project plans and specifications

III. System and Facility Activities and Incidents

A. Water Leaks/Water Waste

Location	Type	Date	Description
Villa Highlands	Customer requested confirmation that previous leak was fixed	8/4/2016	We determined that there was still a small leak at the pool fill valve
Entrance Gate to North Kinneloa Ranch	We noticed that the sprinklers were stuck on at the gate	8/8/2016	We turned off the water at the meter and notified Frank to facilitate a repair
Hastings Heights	Neighbors noticed sprinklers running and water going down street	8/8/2016	We turned off water at meter since the home is vacant
Windover	Customer complained about high water bill and requested that we check to see if we can find a leak	8/9/2016	We determined that there was a leak somewhere on the property. We estimated the leak contributed an additional \$35 a month but were unable to determine the location on this very large well-watered property
Kinneloa Canyon Landscape Irrigation	Customer reported water coming out of back flow preventer	8/25/2016	We turned off the water and notified the association president to facilitate repair by the customer

B. Facility and Equipment Failures, Maintenance and Repairs – Normal maintenance was performed.

IV. Water Supply Summary (Watermaster Year July 2016 through June 2017)

Raymond Basin Groundwater (Acre Feet)		Kinneloa Irrigation District Water Tunnels (Acre Feet)	
Water Rights	516	Eucalyptus	72.2
Prior Year Carryover	52	Far Mesa	2.4
Less Temporary 30% Reduction in Water Rights	-155	Delores	0.2
Leases/Exchanges	0	House	0.0
Prior Year Spreading	89	Holly High/Low	2.9
Short Term Storage	104		
Current Year Spreading	0		
Total Allowable Extractions	606		
Less Water Extracted through June 2017	-68	Current Tunnel Monthly Production	77.7
Remaining Allowable Groundwater Extractions through June 2017	538	Remaining Estimated Tunnel Production through June 2017	932.4
Total Available Water Supply through June 2017 (Remaining Allowable Groundwater + Remaining Estimated Tunnel Production through June 2017)		1,470 Acre Feet	
Less Remaining Forecasted Retail Water Sales through June 2017		-497 Acre Feet	
Remaining Water through June 2017*		973 Acre Feet	

* Forecasted remaining water is 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. With regard to the available surplus water, we will generally 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 January through June time period. In the 2015-2016 year, 86 Acre-Feet were sold to the City, 52 Acre-Feet were carried over to 2016-2017 and 104 Acre-Feet were put into our short-term storage account.

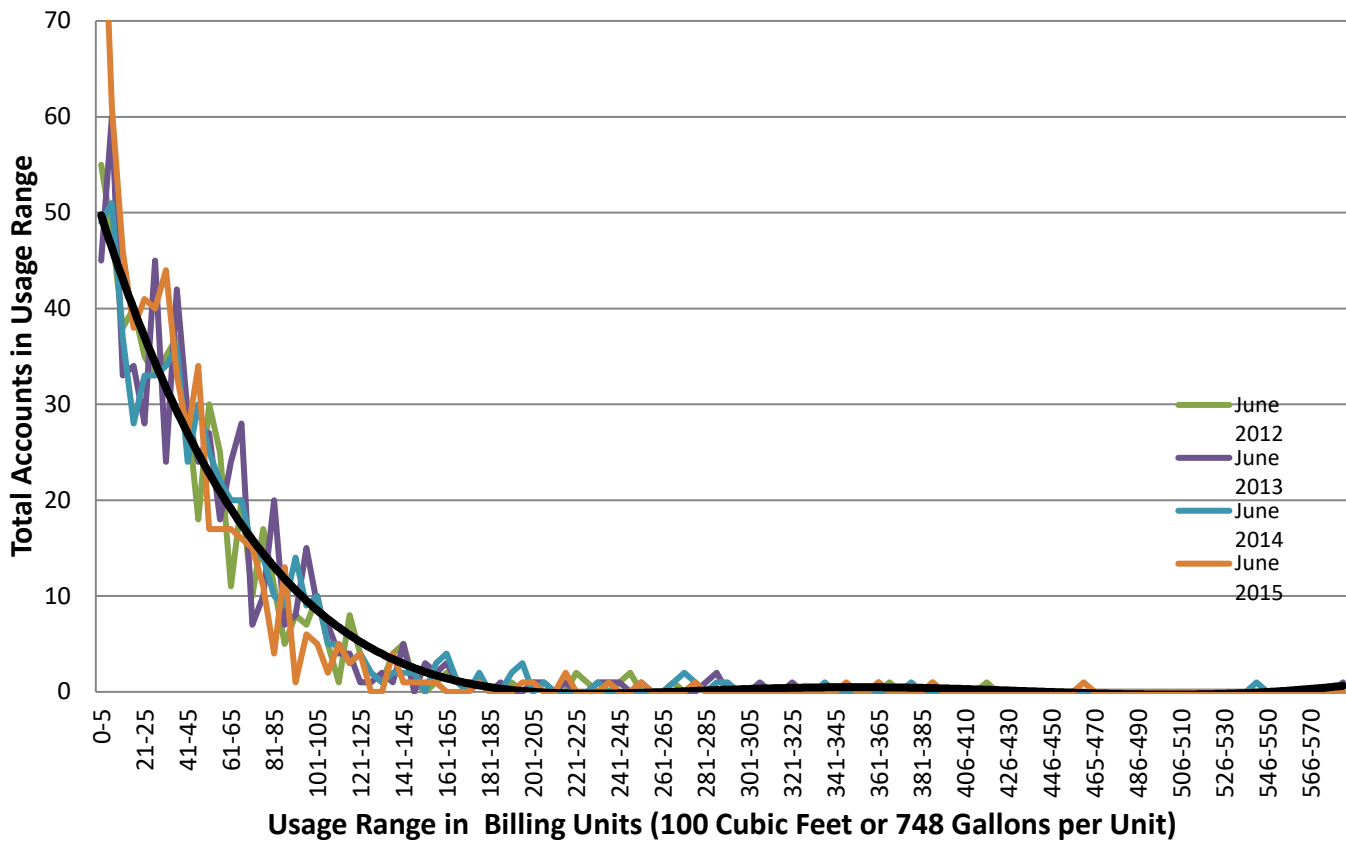
In addition to the available water, the KID has 790 Acre Feet in a long-term storage account. Additions to long-term storage are no longer permitted but withdrawals can be made at any time to supplement allowable extractions. However, since long-term storage is considered by KID staff to be an emergency supply there is no plan to use or sell this water at this time.

V. Information Requested by Board of Directors

Meter Count by Size	
5/8	5
5/8 x 3/4	10
3/4	133
1	275
1 1/2	123
2	38
Total Active Meters	584

Average Usage in Units by Meter Size (June 2016)	
5/8	8
5/8 x 3/4	13
3/4	21
1	33
1 1/2	51
2	110
Total Average Usage	39

Water Usage per Customer



**MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT
AUGUST 16, 2016**

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

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

CALL TO ORDER: The meeting was called to order by the Chairman, Director Kilburn, at 1830 hours. A quorum of Board Members was present and at the request of the Chairman the following two Items were approved to be added to the Agenda:

- 1) Update on Status of Vosburg Pump Station Replacement Project
- 2) Update on Status of East Tank - West Tank Connector Pipeline Project

PUBLIC COMMENT ON AGENDA ITEMS: There were no members of the public present.

STATUS OF VOSBURG PUMP STATION REPLACEMENT PROJECT:

The **General Manager** reported that the District Engineer is finalizing the review of the material submitted by the Contractor regarding the last change order and that a meeting will be scheduled between the Contractor and the District General Manager and Engineer when the review is completed.

STATUS OF EAST TANK - WEST TANK CONNECTOR PIPELINE PROJECT:

The **General Manager** directed the Board's attention to the Contractor's Construction Schedule in the Agenda Packet. He stated that he will agree to the time extension as requested with no cost to Kinneloa and that the permit from the County will have to be renewed as the granting period has expired.

Director Griffith requested that the General Manager share the Construction Schedule with all residents within the construction area.

DOYNE ROAD PROJECT:

Director Kilburn stated that neighbors near the project reported that a number of holes had been dug on the property, and they were concerned about the project.

The **General Manager** stated that the Developer had obtained a construction meter from the District for the purpose of obtaining the water needed for percolation tests and that the water used was being measured and would be charged to the Developer. The Developer indicated to him that the plan is to build two large homes on the property.

Director Kilburn inquired as to whether there was enough water supply in that area to fulfill the fire department requirements and the **General Manager** replied that a Fire Flow Test will be required to make that determination.

Director Kilburn then questioned as what would be necessary if the Fire Flow was not sufficient and the **General Manager** replied that a project would then need to be developed to supply the required flow and the Developer would pay for the project.

**MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT
AUGUST 16, 2016**

Page 2

NEIGHBORHOOD EMERGENCY PLANS:

Director Eldridge reported that the local program has been off to a slow start but in the last month activity has picked up. He requested help in finding persons who would be willing to set up a communication station within their area and who already have the expertise needed.

RATES FOR SERVICE:

The **Chairman** led a general discussion regarding all five categories of rates as they appeared in the Agenda Packet. There were many questions and concerns as to how our rate structure compared with neighboring communities and **Director Johnson** requested that the **General Manager** run a comparative cost analysis of a specific amount of water usage for all of the Foothill communities and present it at the next Board Meeting.

The **Chairman** noted that since more time appeared to be needed for the discussion of categories #1, #2, #3, and #5 that the Board Members send their questions to the General Manager who will send out his answers to all Board Members. She requested that these four items be placed on the Agenda for the next meeting.

Director Kilburn then noted that there was general agreement that no changes be made with regard to Item #4 standby "readiness-to-serve" charge. This is consistent with the current billing procedures that do not assess this standby fee to parcels with existing service but no usage.

REVIEW OF MULTI-YEAR FINANCIAL FORECAST AND 2017 DRAFT BUDGET:

The **Chairman** led a general discussion but due to time constraints the discussion was terminated and this item will be placed on the Agenda for the next meeting.

REVIEW OF MINUTES: The minutes of July 19, 2016, were reviewed and approved for filing.

REVIEW OF FINANCIAL REPORTS: The Financial Reports for June 30, 2016, were reviewed and approved for filing. The Financial Reports for July 31, 2016, were reviewed and approved for filing.

ITEMS FOR THE NEXT AGENDA:

Vosburg Pump Station Replacement Project Update
East Tank - West Tank Connector Pipeline Project Update
Rates for Service
Review of Multi-Year Financial Forecast and 2017 Draft Budget

ADJOURNMENT: The meeting was adjourned at 2115 hours. The next meeting will be on August 16, 2016, at 7:30 P.M. Director Opel stated that he will not be at the next meeting.

Respectfully submitted,

Shirley Burt
Secretary to the Board

Kinneloa Irrigation District 2016 Financial Summary (Forecasted)

Account	Account Description	2016 Budget	2016 FYE Forecasted	Deviation from Budget	
				Amount	Percent
4000	Water Sales	1,379,616	1,367,377	-12,239	-1%
4015	Wholesale Water Sales-Pasadena	0	68,126	68,126	
4020	Service/Installation Charges	10,000	14,215	4,215	42%
4025	Asset Sale/Miscellaneous	0	10,675	10,675	
4035	Interest-Reserve Fund	8,000	10,520	2,520	32%
4050	Capacity Charge	0	0	0	
4070	Misc. Income	0	1,222	1,222	
	Total Income	1,397,616	1,472,136	74,520	5%
	Expenditures				
5000	Leased Water Rights.	63,135	63,135	0	0%
5005	Electricity	120,000	112,254	-7,746	-6%
5010	Maintenance/Repair Supplies	25,000	26,513	1,513	6%
5011	Material & Labor for Installations	10,000	3,946	-6,054	-61%
5012	Safety Equipment	1,600	2,232	632	40%
5015	Operations & Maintenance Labor	145,000	141,945	-3,055	-2%
5016	Operations & Maintenance OT	15,500	30,106	14,606	94%
5017	Operations Bonus	0	0	0	
5020	Stand-by Compensation	7,500	7,300	-200	-3%
5022	Training/Certification	1,600	1,003	-597	-37%
5025	Water Treatment/Analysis	22,000	19,291	-2,709	-12%
5030	Maintenance/Repair Contractors	125,000	118,840	-6,160	-5%
5034	Equipment Maintenance	10,000	9,112	-888	-9%
5035	Vehicle Maintenance	6,000	5,922	-78	-1%
5036	Fuel	15,000	10,666	-4,334	-29%
5040	Equipment Rental	500	500	0	0%
5045	Insurance-Workers Comp.	12,000	11,654	-346	-3%
5046	Insurance-Liability	16,000	14,738	-1,262	-8%
5048	Insurance-Property	2,500	2,212	-288	-12%
5049	Insurance-Medical	76,500	76,378	-122	-0%
6000	Engineering Services	45,000	37,556	-7,444	-17%
6005	Watermaster Services	12,000	11,427	-573	-5%
6015	Administrative Salary	132,000	130,710	-1,290	-1%
6016	Administrative Bonus	0	0	0	
6017	Administrative Travel	3,000	2,673	-327	-11%
6020	BofD Compensation	4,200	4,400	200	5%
6021	Administrative & Board Exp.	1,000	947	-53	-5%
6022	B of D Election	12,500	115	-12,385	-99%
6024	Customer/Public Info. Prog.	1,000	1,645	645	64%
6025	PERS - KID	24,000	24,699	699	3%
6030	Social Security - KID	25,000	25,210	210	1%
6031	Medicare - KID	6,000	5,947	-53	-1%
6035	Office/Computer Supplies	7,000	5,586	-1,414	-20%

Account	Account Description	2016 Budget	2016 FYE Forecasted	Deviation from Budget	
				Amount	Percent
6036	Postage/Delivery	5,000	3,814	-1,186	-24%
6040	Professional Dues	11,000	11,029	29	0%
6045	Legal Services	15,000	8,695	-6,305	-42%
6050	Telephone	4,500	4,316	-184	-4%
6051	Mobile Telephone	1,500	804	-696	-46%
6052	Pagers	240	271	31	13%
6053	Internet Service	1,000	813	-187	-19%
6059	Computer/Software Maintenance	9,000	8,167	-833	-9%
6061	Office Equipment Maintenance	1,000	589	-411	-41%
6065	Accounting Services	7,000	8,550	1,550	22%
6070	Office & Accounting Labor	91,000	89,478	-1,522	-2%
6071	Office & Accounting Bonus	0	0	0	
6075	Professional/Contract Services	20,000	22,219	2,219	11%
6080	Administrative Fees	8,900	8,559	-341	-4%
6081	Permits/Fees	10,000	16,481	6,481	65%
6086	Taxes - Sales	0	352	352	
6088	Interest Expense	80,293	80,258	-35	-0%
6120	Bank Service Charges	5,000	5,482	482	10%
	Total Expenses	1,217,968	1,178,539	-39,429	-3%
	NET REVENUES	179,648	293,596	113,949	63%
	Other Expenditures and Adjustments				
1504	Water Mains	0	0	0	
1505	Water Tunnels	7,000	0	-7,000	-100%
1511	Water Treatment Plant	6,000	0	-6,000	-100%
1512	Water Meters	12,900	1,461	-11,439	-89%
1513	Electrical/Electronic Equipment	10,000	0	-10,000	-100%
1514	Computer/Office Equipment	5,000	1,652	-3,348	-67%
1515	Vehicles/Portable Equipment	20,000	20,465	465	2%
1516	Water Company Facilities	25,000	0	-25,000	-100%
1526	Vosburg Booster Station	0	0	0	
1527	SCADA	12,000	7,411	-4,589	-38%
1528	Tanks and Reservoirs	25,500	21,548	-3,952	-15%
1530	Tools	3,000	0	-3,000	-100%
2400	Installment Purchase Agreement	119,909	119,944	35	0%
	Total Other Expenditures	246,309	172,480	-73,828	-30%
	NET CASH FLOW	-66,661	121,116	187,777	-282%

Kinneloa Irrigation District
Income Statement for the Eight Months Ending August 31, 2016

	Current Month Actual	Current Month Budget	Current Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance	Comments
Revenues							
4000	Water Sales	145,155.31	130,000.00	15,155.31	899,260.86	911,500.00	(12,239.14) Increased sales due to sustained high temperatures
4015	Wholesale Water Sales	18.08	0.00	18.08	68,125.76	0.00	68,125.76
4020	Service/Installation Charges	531.10	833.33	(302.23)	10,881.88	6,666.64	4,215.24 Late/reconnect fees
4025	Asset Sale/Miscellaneous	0.00	0.00	0.00	10,675.00	0.00	10,675.00
4035	Interest-Reserve Fund	1,019.78	666.67	353.11	7,853.55	5,333.36	2,520.19
4070	Misc. Income	0.00	0.00	0.00	1,222.45	0.00	1,222.45
	Total Revenues	146,724.27	131,500.00	15,224.27	998,019.50	923,500.00	74,519.50
Expenses							
5005	Electricity	10,324.96	10,000.00	324.96	71,253.75	79,000.00	(7,746.25)
5010	Maintenance/Repair Supplies	2,481.90	2,083.33	398.57	18,179.27	16,666.64	1,512.63
5011	Material and Labor for Install	612.49	833.33	(220.84)	612.49	6,666.64	(6,054.15)
5012	Safety Equipment	0.00	133.33	(133.33)	1,699.00	1,066.64	632.36
5015	Operations Labor	12,459.30	12,083.33	375.97	93,611.32	96,666.64	(3,055.32)
5016	Operations OT	1,918.32	1,291.67	626.65	24,939.60	10,333.36	14,606.24 * OT for projects was not budgeted
5020	Stand-by Compensation	630.00	625.00	5.00	4,800.00	5,000.00	(200.00)
5022	Training/Certification	90.00	133.33	(43.33)	470.00	1,066.64	(596.64)
5025	Water Treatment/Analysis	2,538.84	1,833.33	705.51	11,958.08	14,666.64	(2,708.56) *
5030	Maintenance/Repair Contractors	5,628.71	10,416.67	(4,787.96)	77,173.35	83,333.36	(6,160.01) *
5034	Equipment Maintenance	0.00	833.33	(833.33)	5,778.86	6,666.64	(887.78)
5035	Vehicle Maintenance	70.00	500.00	(430.00)	3,922.17	4,000.00	(77.83)
5036	Fuel	619.13	1,250.00	(630.87)	5,666.01	10,000.00	(4,333.99)
5045	Insurance-Workers Compensator	0.00	0.00	0.00	5,654.00	6,000.00	(346.00)
5046	Insurance-Liability	1,175.58	1,333.33	(157.75)	9,404.64	10,666.64	(1,262.00)
5048	Insurance-Property	175.75	208.33	(32.58)	1,378.25	1,666.64	(288.39)
5049	Insurance-Medical	6,359.74	6,375.00	(15.26)	50,877.92	51,000.00	(122.08)
6000	Engineering Services	0.00	3,750.00	(3,750.00)	22,556.00	30,000.00	(7,444.00) *
6005	Watermaster Services	930.50	1,000.00	(69.50)	7,426.52	8,000.00	(573.48)
6015	Administrative Salary	10,838.70	11,000.00	(161.30)	86,709.60	88,000.00	(1,290.40)
6017	Administrative Travel	174.33	250.00	(75.67)	1,673.03	2,000.00	(326.97)
6020	Board Compensation	300.00	350.00	(50.00)	3,000.00	2,800.00	200.00
6021	Administrative & Board Expense	33.95	83.33	(49.38)	613.95	666.64	(52.69)
6022	Board of Directors Election	0.00	0.00	0.00	115.45	12,500.00	(12,384.55)
6024	Customer/Public Info. Prog.	125.00	83.33	41.67	1,311.25	666.64	644.61 *
6025	PERS - KID	2,183.00	2,000.00	183.00	16,698.74	16,000.00	698.74
6030	Social Security - KID	2,109.97	2,083.33	26.64	16,876.67	16,666.64	210.03

Favorable variances are shown in GREEN and unfavorable variances are shown in RED.

* Budgeted evenly in 2016

Kinneloa Irrigation District
Income Statement for the Eight Months Ending August 31, 2016

	Current Month Actual	Current Month Budget	Current Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance	Comments
6031 Medicare - KID	493.46	500.00	(6.54)	3,946.89	4,000.00	(53.11)	
6035 Office/Computer Supplies	100.23	583.33	(483.10)	3,252.84	4,666.64	(1,413.80)	
6036 Postage/Delivery	384.04	416.67	(32.63)	2,147.49	3,333.36	(1,185.87)	
6040 Professional Dues	920.31	916.67	3.64	7,362.00	7,333.36	28.64	
6045 Legal Services	0.00	1,250.00	(1,250.00)	3,694.73	10,000.00	(6,305.27)	
6050 Telephone	351.95	375.00	(23.05)	2,816.25	3,000.00	(183.75)	
6051 Mobile Telephone	38.01	125.00	(86.99)	304.05	1,000.00	(695.95)	
6052 Pagers	34.64	20.00	14.64	190.64	160.00	30.64	
6053 Internet Service	59.99	83.33	(23.34)	479.92	666.64	(186.72)	
6059 Computer Software Maintenance	313.33	750.00	(436.67)	5,167.08	6,000.00	(832.92)	
6061 Office Equipment Maintenance	0.00	83.33	(83.33)	256.03	666.64	(410.61)	
6065 Accounting Services	650.00	0.00	650.00	8,550.00	7,000.00	1,550.00	new CalPERS GASB 68 reporting services fees to date \$2,150; auditor fee \$6,400
6070 Office & Accounting Labor	7,885.64	7,583.33	302.31	59,144.32	60,666.64	(1,522.32)	
6075 Professional/Contract Services	1,886.70	1,666.67	220.03	15,552.35	13,333.36	2,218.99 *	
6080 Administrative Fees	693.73	741.67	(47.94)	5,592.84	5,933.36	(340.52)	
6081 Permits/Fees	2,375.13	833.33	1,541.80	13,147.72	6,666.64	6,481.08 *	
6086 Taxes - Sales	0.00	0.00	0.00	352.23	0.00	352.23	
6088 Interest Expense	0.00	0.00	0.00	40,650.53	40,685.84	(35.31)	
6120 Bank Service Charges	514.52	416.67	97.85	3,815.23	3,333.36	481.87 *	
Total Expenses	78,481.85	86,878.30	(8,396.45)	720,783.06	760,212.24	(39,429.18)	
Net Income	68,242.42	44,621.70	23,620.72	277,236.44	163,287.76	113,948.68	

Favorable variances are shown in GREEN and unfavorable variances are shown in RED.

* Budgeted evenly in 2016

Kinneloa Irrigation District Balance Sheet as of August 31, 2016

ASSETS

Current Assets

1010	Checking-Wells Fargo Bank	\$ 288,570.39
1012	Reserve Fund-LAIF	119,279.32
1014	Reserve Fund-CalTRUST	1,139,690.96
1015	Accr. Int./Price Adj.-CalTRUST	(2,092.72)
1016	Accrued Interest-LAIF	73.35
1050	Project Escrow Account	928,503.87
1100	Accts. Receivable-Water Sales	40,887.55
1190	Allowance for Bad Debts	(771.48)
1200	Inventory	20,000.00
1340	Accrued Water Sales	161,491.26
1350	Prepaid Insurance	792.36
1360	Prepaid Expenses	14,235.04

Total Current Assets

2,710,659.90

Property and Equipment

1501	Water Rights	52,060.41
1503	Land Sites	96,700.08
1504	Water Mains	2,484,918.24
1505	Water Tunnels	705,985.75
1506	K-3 Well	82,848.37
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	185,398.06
1512	Water Meters	82,819.46
1513	Electrical/Electronic Equip.	256,918.72
1514	Computer/Office Equipment	63,541.77
1515	Vehicles & Portable Equipment	242,548.91
1516	Water Company Facilities	70,422.20
1517	KID Office	54,202.92
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
1523	Constr. in Progress-Vosburg	1,376,324.60
1524	Constr. in Progress-East/West	19,461.63
1526	Vosburg Booster	92,180.56
1527	SCADA Equipment	254,726.63
1528	Tanks and Reservoirs	119,491.90
1529	Holly Tanks	181,113.76
1530	Tools	6,811.57
1600	Accum. Depreciation	(3,996,775.64)

Total Property and Equipment

5,164,531.93

Other Assets

1901	PERS-Deferred Outflows	32,751.00
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Total Assets

\$ 7,907,942.83

Kinneloa Irrigation District
Balance Sheet as of August 31, 2016

LIABILITIES AND CAPITAL

Current Liabilities

2000	Accounts Payable	\$ 17,214.12	
2272	Job Deposits	13,600.85	
2290	Accrued Vacation	18,237.60	
	Total Current Liabilities		49,052.57

Long-Term Liabilities

2400	Installment Purchase Agreement	2,182,193.57	
2801	PERS- Net Liability	178,176.00	
2901	PERS- Deferred Inflows	69,785.00	
	Total Long-Term Liabilities		2,430,154.57
	Total Liabilities		2,479,207.14

Capital

3040	Fund Balance	5,151,499.25	
	Net Income	277,236.44	
	Total Capital		5,428,735.69
	Total Liabilities & Capital		\$ <u><u>7,907,942.83</u></u>

Kinneloa Irrigation District
Statement of Cash Flow
For the Eight Months Ended August 31, 2016

	Current Month	Year to Date
Cash Flows from Operating Activities		
Net Income	\$ 68,242.42	\$ 277,236.44
<i>Adjustments to reconcile net income to net cash provided by operating activities</i>		
1100 Accts. Receivable-Water Sales	(9,920.62)	(11,224.84)
1101 Accts. Receiv.-Service Charges	10,600.85	719.88
1340 Accrued Water Sales	10,300.81	(63,436.97)
1350 Prepaid Insurance	1,351.33	8,673.89
1360 Prepaid Expenses	2,955.55	6,022.02
2000 Accounts Payable	(6,202.47)	(62,530.00)
2271 Deposits-Construction Meters	0.00	(850.00)
2272 Job Deposits	0.00	6,300.85
2274 PGFSC Grant	0.00	(48,509.72)
	9,085.45	(164,834.89)
Net Cash Provided by Operations	77,327.87	112,401.55
 Cash Flows from Investing Activities		
<i>Used for</i>		
1512 Water Meters	0.00	(1,461.25)
1514 Computer/Office Equipment	0.00	(1,652.05)
1515 Vehicles & Portable Equipment	0.00	(20,464.75)
1523 Constr. in Progress-Vosburg	(5,505.00)	(138,338.47)
1524 Constr. in Progress-East/West	0.00	(3,912.57)
1527 SCADA Equipment	0.00	(7,410.67)
1528 Tanks and Reservoirs	0.00	(21,547.51)
	(5,505.00)	(194,787.27)
Net Cash Used in Investing	(5,505.00)	(194,787.27)
 Cash Flows from Financing Activities		
<i>Proceeds from</i>		
<i>Used for</i>		
2400 Installment Purchase Agreement	0.00	(59,450.45)
	0.00	(59,450.45)
Net Cash Used in Financing	0.00	(59,450.45)
Net Increase (Decrease) in Cash	\$ 71,822.87	\$ (141,836.17)
 Summary		
Cash Balance at End of Period	\$ 2,474,025.17	\$ 2,474,025.17
Cash Balance at Beg. of Period	(2,402,202.30)	(2,615,861.34)
Net Increase (Decrease) in Cash	\$ 71,822.87	\$ (141,836.17)

Kinneloa Irrigation District
Check Register
For the Period from August 1, 2016 to August 31, 2016

Date	Check #	Payee	Amount	Description
8/9/16	EFT2840	Century Business Solutions	15.00	monthly service fee
8/9/16	EFT2841	Century Business Solutions	235.85	banking service fees
8/9/16	EFT2842	Southern California Edison Co.	12,122.11	electricity (Wilcox/Euc. June & July)
8/9/16	8308	ACWA/JPIA	7,499.02	September health insurance - KID/employee
8/9/16	8309	Bernadette Allen	22.03	mileage reimbursement
8/9/16	8310	South Coast AQMD	124.35	emissions fees: 2999 NY Dr.
8/9/16	8311	South Coast AQMD	124.35	emissions fees: 1939 Kinneloa Canyon Rd.
8/9/16	8312	South Coast AQMD	354.86	annual fee: 2999 NY Dr.
8/9/16	8313	South Coast AQMD	354.86	annual fee: 1939 Kinneloa Canyon Rd.
8/9/16	8314	Consolidated Electrical Distributors	637.99	office breakers, maintenance supplies
8/9/16	8315	Eurofins Eaton Analytical, Inc.	105.60	water sample analysis
8/9/16	8316	Foothill Municipal Water District	693.73	administrative fee
8/9/16	8317	Kinneloa Canyon Rd Gate Comm.	50.00	gate remote
8/9/16	8318	One Call Now	186.25	standard plan renewal 8/20/16 - 8/19/17
8/9/16	8319	Ultimate Cleaning Solutions, Inc.	75.00	janitorial service
8/9/16	8320	Utility Service Co., Inc.	4,177.85	tank maintenance agreement
8/15/16	EFT2843	Bernadette C. Allen	1,073.98	salary
8/15/16	EFT2844	Christopher A. Burt	2,454.37	salary
8/15/16	EFT2845	Shirley L. Burt	1,508.17	salary
8/15/16	EFT2846	Melvin L. Matthews	3,379.76	salary
8/15/16	30859008	Brian L. Fry	1,659.77	salary
8/15/16	30859009	Chris J. Mellinger	374.23	salary
8/15/16	EFT2847	Christopher A. Burt	150.00	salary
8/15/16	EFT2848	Automatic Data Processing, Inc.	5,388.48	withholding and taxes
8/15/16	EFT2849	Automatic Data Processing, Inc.	81.88	payroll processing
8/16/16	EFT2850	Arco Gaspro Plus	619.13	truck gas
8/16/16	EFT2851	Athens Services	156.57	trash pick up
8/16/16	EFT2852	CA Public Employees Ret. Sys.	3,363.00	calPers July KID & employee contributions
8/16/16	EFT2853	Pasadena Municipal Services	1,480.36	electricity
8/16/16	EFT2854	Verizon Wireless	38.01	mobile phone
8/16/16	8321	South Coast AQMD	124.35	emissions fees: 1834 Pasadena Glen Rd.
8/16/16	8322	South Coast AQMD	124.35	emissions fees: 2014 Windover Rd.
8/16/16	8323	South Coast AQMD	124.35	emissions fees: 1999 Kinclair Dr.
8/16/16	8324	South Coast AQMD	354.86	annual fee: 1834 Pasadena Glen Rd.
8/16/16	8325	South Coast AQMD	354.86	annual fee: 2014 Windover Rd.
8/16/16	8326	South Coast AQMD	354.86	annual fee: 1999 Kinclair Dr.
8/16/16	8327	CA Air Resources Board	645.00	renewal/change of ownership
8/16/16	8328	Clinical Laboratory, SB	284.00	water sample analysis
8/16/16	8329	Eurofins Eaton Analytical, Inc.	132.00	water sample analysis
8/16/16	8330	McMaster Carr	674.67	gen'l. maintenance supplies and tools

Kinneloa Irrigation District
Check Register
For the Period from August 1, 2016 to August 31, 2016

Date	Check #	Payee	Amount	Description
8/16/16	8331	Raymond Basin Management Board	1,985.91	Title 22 monitoring, lab fees, sampling & admin.
8/16/16	8332	BrightView Landscape Services	1,490.00	landscape maintenance
8/24/16	8333	Dynamo Constructors, Inc.	704.04	net refund on deposit 20160803cm
8/25/16	EFT2855	American Messaging Services, LLC	34.64	paggers
8/25/16	EFT2856	Bank of the West Business Card	4,474.82	see attached schedule - July
8/25/16	EFT2857	CA Public Employees Ret. Sys.	650.00	GASB 68 reporting services fee
8/25/16	EFT2858	Charter Communications	336.94	internet and telephone
8/25/16	8334	AmeriPride Services	48.00	shop towel service
8/25/16	8335	Brian Fry	90.00	operator certification renewal reimbursement
8/25/16	8336	McMaster Carr	550.75	genr. maintenance supplies and tools
8/25/16	8337	National Meter & Automation, Inc.	612.49	1-1/2" meter
8/25/16	8338	Western Water Works	308.85	couplings for Wilcox Res and restock
8/31/16	EFT2859	Bernadette C. Allen	1,095.70	salary
8/31/16	EFT2860	Christopher A. Burt	3,492.95	salary
8/31/16	EFT2861	Shirley L. Burt	1,618.06	salary
8/31/16	EFT2862	Francis J. Griffith	92.35	salary
8/31/16	EFT2863	Gerrie G. Kilburn	92.35	salary
8/31/16	EFT2864	Melvin L. Matthews	3,379.77	salary
8/31/16	EFT2865	Arthur W. Opel	92.35	salary
8/31/16	30897375	Brian L. Fry	1,537.20	salary
8/31/16	30897376	Chris J. Mellinger	103.23	salary
8/31/16	EFT2866	Automatic Data Processing, Inc.	75.75	payroll processing
8/31/16	EFT2867	Christopher A. Burt	150.00	salary
8/31/16	EFT2868	Automatic Data Processing, Inc.	<u>6,121.80</u>	withholding and taxes
Total			<u>80,817.81</u>	

**Credit Card Detail Bank of the West
July 2016**

(Expenses incurred/billed in July and due/paid in August.)

Acct. No.	Account Description	Additional Description	BCA	CAB	SLB	BLF	MLM	CJM	TOTAL
5010	Maintenance Supplies	16 quick disconnect cables, maintenance supplies; Euc. Res. irrigation supplies; Office florescent lighting fixture and lights		\$434.11		\$66.01	\$72.99		\$573.11
5012	Safety Equipment								\$0.00
5022	Training/Certification								\$0.00
5025	Water Treatment/Analysis	4 anode kits					\$727.96		\$727.96
5035	Vehicle Maintenance								\$0.00
5036	Fuel								\$0.00
6017	Adm. Travel	roundtrip LAX to Sacramento 8/19/16					\$163.96		\$163.96
6021	Adm. & Bd. Exp.								\$0.00
6035	Office/Computer Supplies	office supplies, day-timer 2017 calendar, paper; toner/ink cartridges			\$180.55		\$761.14		\$941.69
6036	Postage/Delivery	UPS shipping return to Pulsar; postage		\$48.83	\$376.00				\$424.83
6040	Professional Dues								\$0.00
6050	Telephone	answering service					\$75.00		\$75.00
6051	Mobile Phone								\$0.00
6053	Internet Service								\$0.00
6059	Computer/Software Maint.	computer					\$1,384.27		\$1,384.27
6061	Office Equipment Maint.								\$0.00
6075	Outside Services	Provide/install new capacitor for office AC					\$184.00		\$184.00
6081	Permits/Fees								\$0.00
TOTAL			\$0.00	\$482.94	\$556.55	\$66.01	\$3,369.32	\$0.00	\$4,474.82

Kinneloa Irrigation District - Project Escrow Account
Check Register
For the Period from August 1, 2016 to August 31, 2016

Date	Check #*	Payee	Amount	Description
8/16/16	3998	Civiltec Engineering, Inc.	3,705.00	Vosburg pump station replacement - const. mgmt. submittals & As-Builts
8/18/16	4000	Lagerlof, Senecal, Gosney & Kruse	<u>1,800.00</u>	document review; board meeting
	Total		<u>5,505.00</u>	

* Check numbers assigned by the banking institution and may not be consecutive.